

UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

David Gillick v. Gary Elliott

No. 20-1686, United States Court of Appeals for the Eighth Circuit (June 16, 2021)

SUMMARY

Employer-appointed trustees of a multi-employer benefit trust deadlocked on a motion to allow each trustee faction to hire separate counsel paid from trust assets. The Eighth Circuit affirmed dismissal of the complaint seeking appointment of an impartial umpire under LMRA §302(c)(5), holding that the proposed delegation was beyond the trustees' authority and would require an amendment to the trust agreement, which the trustees could not make. Because the deadlock concerned an extraordinary matter (amendment) rather than day-to-day trust administration, it was not arbitrable under either the trust agreement or §302(c)(5)'s definition of "administration." Key topics: LMRA §302(c)(5), equal representation, trustee deadlock, impartial umpire, ordinary vs. extraordinary matters, trust amendment.

CASE DETAILS

COURT	United States Court of Appeals for the Eighth Circuit
WRITING FOR THE COURT	Shepherd; Erickson; Kobes
JURISDICTION	Federal
DECIDED	June 16, 2021
DOCKET	20-1686
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from dismissal of complaint seeking appointment of impartial umpire.
STANDARD OF REVIEW	De novo
PRECEDENTIAL VALUE	Published
PARTIES	David Gillick; Bradley Grant; Robert Bieg, Jr.; Terry Briggs; Corey Black; Michael Lutz, As Employer Trustees of the Construction Laborers Welfare Trust of Greater St. Louis v. Gary Elliott; Brandon Flinn; Matthew Andrews; Richard McLaughlin; Don Willey; Steve MacDonald, As Union Trustees of the Construction Laborers Welfare Trust of Greater St. Louis

TOPICS

civil procedure

motions to dismiss

erisa

trusts

standard of review

PRACTICE AREAS

Labor and Employment Law

ERISA

Trust Administration

Appellate Procedure

QUESTIONS PRESENTED

1. Whether the deadlocked motion, which sought to allow each faction of trustees to hire separate counsel paid from the Trust, is a matter of trust administration under the LMRA and the Trust Agreement such that the district court should appoint an impartial umpire to resolve the deadlock.

HOLDINGS

1. The deadlocked motion is not a matter of trust administration under either the Trust Agreement or § 302(c)(5) of the LMRA, because it would require an amendment to the Trust Agreement, which the trustees lack authority to implement, and therefore the district court did not err in declining to appoint an umpire.

KEY QUOTATIONS

“administration in § 302(c)(5) connotes 'day-to-day management of the trust funds.'” (5)

“Whatever else may be meant by trust fund 'administration,' the term does not include decisions to amend or not amend a 302(c)(5) trust agreement.” (7)

“Because the proposed delegation and amendment to the Trust Agreement are beyond the Trustees’ authority to implement, the deadlocked motion is not a 'matter arising in connection with the administration of the Plan, or ... a[] matter within [the Trustees’] jurisdiction.'” (8-9)

FACTUAL BACKGROUND

The Greater St. Louis Construction Laborers Welfare Trust is a multi-employer benefit trust administered by a 12-member Board of Trustees, with six employer-appointed and six union-appointed trustees. At a May 19, 2019 meeting, an Employer Trustee moved to allow each faction of trustees to hire separate legal counsel paid from the Trust. The vote deadlocked 6-6. The Trust Agreement provides for appointment of an impartial umpire in case of deadlock on matters of administration or within the trustees' jurisdiction. The parties could not agree on an umpire, and the Employer Trustees sued for appointment.

PROCEDURAL HISTORY

The Employer Trustees filed a complaint in the district court seeking appointment of an impartial umpire to resolve a deadlock on a motion. The district court granted the Union Trustees' motion to dismiss, concluding that the proposed motion was invalid under the LMRA's equal representation requirement. The Employer Trustees appealed.

DISPOSITION

affirmed

CASES CITED

- Arroyo v. United States, 359 U.S. 419 (1959)
- Local 144 Nursing Home Pension Fund v. Demisay, 508 U.S. 581 (1993)
- Quad City Builders Ass'n v. Tri City Bricklayers Union No. 7, AFL-CIO, 431 F.2d 999 (8th Cir. 1970)
- Emp. Trs. of W. Pa. Teamsters v. Union Trs. of W. Pa. Teamsters, 870 F.3d 235 (3d Cir. 2017)
- Farmer v. Fisher, 586 F.2d 1226 (8th Cir. 1978)
- Robbins v. Prosser's Moving & Storage Co., 700 F.2d 433 (8th Cir. 1983) (en banc)
- Ader v. Hughes, 570 F.2d 303 (10th Cir. 1978)
- Bath v. Pixler, 283 F. Supp. 632 (D. Colo. 1968)
- Geigle v. Flacke, 768 F.2d 259 (8th Cir. 1985)
- NLRB v. Amax Coal Co., 453 U.S. 322 (1981)
- Christiansen v. W. Branch Cmty. Sch. Dist., 674 F.3d 927 (8th Cir. 2012)
- K.T. v. Culver-Stockton Coll., 865 F.3d 1054 (8th Cir. 2017)
- Ashanti v. City of Golden Valley, 666 F.3d 1148 (8th Cir. 2012)