

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Cornerstone Building Brands, Inc. v. Teamsters Local 97 of New Jersey, Teamsters Local 97 Benefits Fund

No. 2:25-cv-13821-WJM-CF (D.N.J. Dec. 19, 2025) · No. 2:25-cv-13821-WJM-CF · Decided December 19, 2025

SUMMARY

The District of New Jersey considers claims by Cornerstone Building Brands concerning alleged unpaid health insurance contributions to a multiemployer benefits fund under ERISA and the LMRA. The court concludes that the dispute is ripe and rejects dismissal for lack of subject-matter jurisdiction, but grants a stay pending arbitration because the arbitration and litigation substantially overlap. The court also stays the accrual of any interest and penalties and requires the parties to submit status reports every 90 days.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the District of New Jersey                                                                                                                                                                                                                                                                                                                                                               |
| WRITING FOR THE COURT | William J. Martini                                                                                                                                                                                                                                                                                                                                                                                                        |
| JURISDICTION          | United States District Court for the District of New Jersey                                                                                                                                                                                                                                                                                                                                                               |
| DECIDED               | December 19, 2025                                                                                                                                                                                                                                                                                                                                                                                                         |
| DOCKET                | 2:25-cv-13821-WJM-CF                                                                                                                                                                                                                                                                                                                                                                                                      |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PROCEDURAL POSTURE    | Defendants moved to dismiss the amended complaint under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6), or alternatively to stay the action pending arbitration. The district court denied dismissal for lack of subject matter jurisdiction, declined to decide the Rule 12(b)(6) arguments at that time, granted a stay pending arbitration, and stayed the accrual of potentially owed interest and penalties. |
| STANDARD OF REVIEW    | For a Rule 12(b)(1) motion, the plaintiff bears the burden of establishing subject matter jurisdiction; ordinarily the court considers the complaint and incorporated or attached documents in the light most favorable to the plaintiff. The court also applied the discretionary standard governing stays based on docket-management authority, judicial economy, hardship, and competing interests.                    |
|                       |                                                                                                                                                                                                                                                                                                                                                                                                                           |

**PRECEDENTIAL VALUE**

Unknown; district court opinion with no reported citation or stated precedential designation

**TOPICS**

motions to dismiss

subject matter jurisdiction

arbitration

declaratory judgment

civil procedure

**PRACTICE AREAS**

civil procedure

arbitration

ERISA

labor law

contracts

remedies

**QUESTIONS PRESENTED**

1. Whether Cornerstone sufficiently alleged constitutional standing to pursue its ERISA and LMRA claims.
2. Whether Cornerstone's declaratory-judgment dispute was unripe because arbitration had not yet occurred.
3. Whether the court should stay the action pending arbitration despite finding the dispute ripe.
4. Whether the accrual of potentially owed interest and penalties should be stayed during the arbitration.

**HOLDINGS**

1. Cornerstone sufficiently alleged Article III standing because it identified an injury in fact, causation, and redressability. The court therefore denied Defendants' Rule 12(b)(1) motion for lack of subject matter jurisdiction.
2. The dispute was ripe for adjudication; Cornerstone was not required to wait for the Fund to initiate or complete arbitration before filing suit.
3. A stay pending arbitration was warranted because the arbitration substantially overlapped with the federal action, promoted judicial economy and federal arbitration policy, and avoided hardship and inconsistent proceedings.
4. The accrual of any interest and penalties that might ultimately be owed was stayed from the date of the opinion.

**KEY QUOTATIONS**

*"In sum, this dispute is ripe for adjudication. Cornerstone does not have to wait for the Fund to initiate arbitration as a prerequisite to filing suit while interest accrues."* (at 5)

*"The power to stay a case "is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort," requiring the "exercise of judgment, which must weigh competing interests and maintain an even balance.""* (at 6)

*"Balancing the factors, the Court concludes that a stay accompanied by a pause in the accrual of interest and fines is warranted and would serve judicial efficiency, federal policy favoring arbitration, and the parties' interests, all the while avoiding prejudice to any party,"* (at 8)

## FACTUAL BACKGROUND

Cornerstone was bound by collective bargaining agreements with Teamsters Local 97 and a Fund Agreement requiring contributions for health-insurance coverage for eligible employees. A 2023 audit concluded that Cornerstone had failed to pay millions of dollars in premiums, but Cornerstone disputed the auditor's methodology and contended that premiums were sought for employees who had not voluntarily elected coverage. The Fund requested arbitration on January 28, 2025, and Cornerstone then filed this federal action seeking declaratory and monetary relief. The agreements contained arbitration provisions covering disputes concerning contributions and interpretation or application of the agreements.

## PROCEDURAL HISTORY

Cornerstone filed an action seeking a declaration that it owed no further contributions to the Teamsters Local 97 Benefits Fund and damages against the Union for alleged breach of the collective bargaining agreements. Cornerstone amended its complaint shortly after filing. Defendants moved to dismiss, while an arbitration requested by the Fund had been initiated or was being scheduled but had not yet occurred. The court denied the jurisdictional dismissal motion, stayed the case pending arbitration, ordered 90-day status reports, and paused the accrual of interest and penalties from the date of the opinion.

## DISPOSITION

other

## REMAND INSTRUCTIONS

The case is stayed pending arbitration. The parties must file status reports every 90 days concerning the arbitration's progress. Either party may move to reopen the case if arbitration does not resolve all issues or if a party attempts to delay arbitration. Interest and penalties, if ultimately owed, do not accrue during the stay from the date of the opinion.

## CASES CITED

- Gould Electronics, Inc. v. United States, 220 F.3d 169, 176, 178 (3d Cir. 2000)
- In re Schering Plough Corp. Intron/Temodar Consumer Class Action, 678 F.3d 235, 243 (3d Cir. 2012)
- Mortensen v. First Federal Savings & Loan Association, 549 F.2d 884, 891 (3d Cir. 1977)
- Estate of Albart v. Lavastone Capital LLC, No. 20-cv-00608, 2021 WL 1063339, at \*2 (D. Del. Mar. 18, 2021)
- Lincoln v. Magnum Land Services, LLC, 560 F. App'x 144, 150 (3d Cir. 2014)
- Hartig Drug Co. v. Senju Pharmaceutical Co., 836 F.3d 261, 270 (3d Cir. 2016)
- Lexmark International, Inc. v. Static Control Components, Inc., 572 U.S. 118, 128 n.4 (2014)
- Lujan v. Defenders of Wildlife, 504 U.S. 555, 560-61 (1992)
- National Park Hospitality Ass'n v. Department of the Interior, 538 U.S. 803, 808 (2003)
- Khodara Environmental, Inc. v. Blakey, 376 F.3d 187, 196 (3d Cir. 2004)
- Step-Saver Data Systems, Inc. v. Wyse Technology, 912 F.2d 643, 647 (3d Cir. 1990)

- Pittsburgh Mack Sales & Service, Inc. v. International Union of Operating Engineers, Local Union No. 66, 580 F.3d 185, 190-92 (3d Cir. 2009)
- Lehigh Portland Cement Co. v. Cement, Lime, Gypsum, & Allied Workers Division, International Brotherhood of Boilermakers, Blacksmiths, Iron Ship Builders, Forgers & Helpers, 849 F.2d 820, 821-22 (3d Cir. 1988)
- Columbia Express Terminal, LLC v. ILWU-PMA Pension Fund, No. 20-cv-08202, 2021 WL 4571998, at \*3 (N.D. Cal. Apr. 7, 2021)
- Landis v. North American Co., 299 U.S. 248, 254-55 (1936)
- Windward Agency, Inc. v. Cologne Life Reinsurance Co., 123 F. App'x 481, 483 (3d Cir. 2005)
- Crawford v. W. Jersey Health System (Voorhees Division), 847 F. Supp. 1232, 1243 (D.N.J. 1994)
- Neal v. Asta Funding, Inc., No. 13-cv-03438, 2014 WL 131770, at \*3, \*5 (D.N.J. Jan. 6, 2014)
- Sierra Rutile Ltd. v. Katz, 937 F.2d 743, 750 (2d Cir. 1991)
- Ullman v. Express Scripts, Inc., No. 06-cv-03065, 2010 WL 421094, at \*5 (D.N.J. Feb. 2, 2010)
- Hall Street Associates, L.L.C. v. Mattel, Inc., 552 U.S. 576, 581 (2008)
- InterDigital Communications Corp. v. Federal Insurance Co., 308 F. App'x 593, 596 (3d Cir. 2009)
- Gunpowder Capital Management, LLC v. Darpel, No. 24-cv-00914, 2025 WL 2697268, at \*9 (M.D.N.C. Sept. 22, 2025)
- Olde Discount Corp. v. Tumpan, 1 F.3d 202, 213 (3d Cir. 1993)
- Gold v. Johns-Manville Sales Corp., 723 F.2d 1068, 1075-76 (3d Cir. 1983)
- CTF Hotel Holdings, Inc. v. Marriott International, Inc., 381 F.3d 131, 139-40 (3d Cir. 2004)
- Orange Chicken, L.L.C. v. Nambe Mills, Inc., No. 00-cv-04730, 2000 WL 1858556, at \*9-11 (S.D.N.Y. Dec. 19, 2000)
- Cheyney State College Faculty v. Hufstedler, 703 F.2d 732, 733 (3d Cir. 1983)
- Lento v. Altman, No. 24-cv-05150, 2024 WL 4754761, at \*1, \*3 & n.9 (D.N.J. Nov. 12, 2024)
- Gambrell Needham, No. 17-cv-02884, 2017 WL 6557559, at \*4 (E.D. Pa. Dec. 22, 2017)