

Second Persuader Rule Case Halted; Court To Wait For New Administration

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With a nationwide injunction already in place by a federal court in Texas, a federal court in Minnesota has entered a stay of proceedings in a second suit that also seeks to block enforcement of the persuader rule. U.S. District Judge Patrick J. Schiltz's [two-page order](#) not only denied cross motions for summary judgment from the parties, but also stayed the proceeding. Judge Schiltz concluded that "The court agrees with plaintiffs that there is significant reason to believe that the new administration will withdraw the persuader rule – or at least decline to defend the validity of the persuader rule in its current form." Given that a nationwide injunction was already in place from another federal court, Judge Schiltz decided that "For the time being, then, there is nothing at stake in this litigation, and it would be a waste of judicial resources for the court to prepare for, hold a hearing on, and rule on the parties' pending summary judgment motions." The new rule promulgated by the U.S. Department of Labor would have dramatically expanded employers' disclosure requirements to the federal government concerning their activities in union-organizing campaigns. Significantly, the rule also extended these reporting obligations to law firms conducting what the rule called "persuader activities." Many have asserted that these reporting obligations would require waiver by law firms of their attorney-client privilege.

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