

Persuader Rule Is Unlawful Federal Judge Concludes

Labor & Employment Law Update

on November 16, 2016

A Texas federal judge today, November 16, 2016, struck down the U.S. Department of Labor's controversial "Persuader Rule" finding it unlawful. The decision made permanent, and gave nationwide effect to, the court's earlier temporary injunction blocking enforcement of the Rule. As we reported back in March and again in June, the Persuader Rule would have essentially gutted the "Advice Exception" to the federal Labor Management Reporting and Disclosure Act by requiring employers and labor relations consultants, including attorneys, to submit detailed reports including the type of consulting or legal services provided and any fees paid. While the injunction issued today is "permanent," the decision is appealable. Whether the DOL will seek to appeal the decision remains to be seen (and might be unlikely in light of the new administration).