

## Texas District Court Puts DOL Persuader Rule on Hold

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The **U.S. Department of Labor's (DOL) Persuader Rule** was set to go into effect on Friday, July 1, 2016. In essence, the Rule would have required employers and their advisers (including attorneys) to disclose arrangements whereby the adviser provides services to the employer related to collective bargaining and other labor matters. The Rule has been the subject of much controversy, including litigation aimed at halting the Rule's enforcement.

Yesterday, June 27, 2016, the United States District Court for the Northern District of **Texas** [issued a nationwide injunction](#) that put the Rule on hold. The court based its ruling, in part, on the plain language of the **Labor-Management Reporting and Disclosure Act (LMRDA)**, which creates an exception to the reporting obligations for "advice" provided to the employer. The court stated that the DOL's interpretation of the scope of the advice exemption would "entirely eliminate[] the LMRDA's Advice Exemption."

It is also worth noting that during the course of a lawsuit challenging the Rule's validity in Arkansas federal court, the DOL took the position that the Rule would not apply to any agreement between an employer and an adviser entered into before July 1, 2016, in which the adviser agrees to provide "persuader" services on or after July 1, 2016, provided that those "persuader" services would not have otherwise triggered reporting obligations prior to the issuance of the Rule.

In light of these developments, employers should contact legal counsel to discuss options regarding the Rule and how it may impact their ability to communicate with

employees about collective bargaining and other labor matters.

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