

EMPLOYER LAW BLOG

# Seventh Circuit: FLSA Collective Actions Require Personal Jurisdiction

AUTHOR: JAMES KEANEY

On August 16, 2024, the Seventh Circuit Court of Appeals issued a 20-page decision in the case of *Vanegas v. Signet Builders, Inc.*, wherein it concluded that, in FLSA collective actions, federal courts can only hear and decide claims of individuals over which they have personal jurisdiction.

While this conclusion may sound academic or non-controversial, it is significant. For decades, plaintiffs' attorneys have wielded the collective action mechanism under the FLSA to bring multi-state or nationwide litigation against employers in a forum of their choosing, so long as they could find at least one plaintiff in such forum.

This recent ruling, however, throws a wrench into such practice by requiring that the court have personal jurisdiction over *all* plaintiffs' claims who elect to join in such cases. It is no longer enough for plaintiffs to claim a court need only concern itself with personal jurisdiction over the claim of the first named plaintiff. According to the Seventh Circuit, the law requires more.

In so ruling, the Seventh Circuit joins three other Circuits in reaching the same conclusion, including the Eighth Circuit. Note: the Seventh Circuit oversees federal courts in Illinois, among other states, while the Eighth Circuit sits over federal courts in Missouri, among others. However, it is important to keep in mind that not all federal courts of appeal agree. At least one outlier on this issue exists—that is, the First Circuit.

Given this Circuit split, it would not be surprising for the United States Supreme Court to be asked to address this issue soon. But only time will tell if and when such a case may make its way up to the Supreme Court through the appellate process. Keep checking back for more updates in this space.