

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Lumber Co.*, 200 U. S. 321, 337.

## SUPREME COURT OF THE UNITED STATES

### Syllabus

#### LOCAL 144 NURSING HOME PENSION FUND

ET AL. V. DEMISAY ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE  
SECOND CIRCUIT

No. 91-610. Argued January 11, 1993—Decided June 14, 1993

For several years, respondent employers had made contributions to two trust funds (collectively, Greater Funds) on behalf of their employees. In 1984, however, the employers ended their participation in the Greater Funds and agreed, in collective-bargaining agreements with the relevant union, to establish a new set of trust funds (collectively, Southern Funds). To help finance the change between the funds, the employers and other respondents brought an action to compel petitioners, the Greater Funds and their trustees, to transfer to the Southern Funds that portion of the Greater Funds' reserves attributable to the respondents' past contributions. Respondents asserted a right to relief under, *inter alia*, §302 of the Labor Management Relations Act, 1947, which prohibits payments from employers to union representatives, §§302(a) and (b), but affords an exception under §302(c)(5) for payments to an employee trust fund if certain conditions are met, including that the trust fund be "established . . . for the sole and exclusive benefit of the employees," and that the payments be "held in trust for the purpose of paying" employee benefits. Respondents' theory was that, unless the reserves attributable to the employers' past contributions were transferred, the Greater Funds would fail to meet §302(c)(5)'s conditions and would thus suffer from a "structural defect" which could be remedied by the federal courts pursuant to the power conferred by §302(e) to "restrain violations of this section." The District Court granted petitioners' motion for summary judgment, finding no such "structural defect" in the Greater Funds, but the Court of Appeals reversed and remanded for the District Court to shape an appropriate remedy.

*Held:* A federal court does not have authority under §302(e) to

issue injunctions against a trust fund or its trustees requiring the trust funds to be administered in the manner described in §302(c)(5). Section 302(e) provides district courts with jurisdiction "to restrain violations of this section," and a violation of §302 occurs when payments prohibited by §§302(a) and (b) are made. The exception to violation set forth in §302(c)(5) describes the character of the trust to which payments are allowed, leaving it originally to state trust law, and now to federal trust law under the Employee Retirement Income Security Act of 1974, to determine when breaches of that trust have occurred and how they may be remedied. Language in *Arroyo v. United States*, 359 U. S. 419, 426-427, and *NLRB v. Amax Coal Co.*, 453 U. S. 322, 331, that is perhaps susceptible of a contrary reading is pure dicta. Pp. 6-11. 935 F. 2d 528, reversed and remanded.

SCALIA, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and O'CONNOR, KENNEDY, SOUTER, and THOMAS, JJ., joined. STEVENS, J., filed an opinion concurring in the judgment, in which WHITE and BLACKMUN, JJ., joined.