**Vanegas v. Signet Builders, Inc.** [Case closed]

USDC W.D. Wisconsin, No. 3:21-cv-54

Seventh Circuit, No. 21-2644

U.S. Supreme Court, No. 22-869

**1.26.21 –** Jose Vanegas, a Mexican H-2A worker, **filed** a complaint against his employer, Signet Builders, Inc., where he intermittently worked from 2004 to 2019 building livestock confinement structures. Vanegas alleged that Signet Builders, Inc. violated his and other workers’ rights under the Fair Labor Standards Act (FLSA) by failing to pay overtime wages. He sought to recover unpaid wages and additional damages.

**3.12.21 –** The plaintiff **filed** a motion to certify the case as a collective action under the FLSA, requesting court approval to allow all H-2A workers employed by Signet Builders, Inc. in 2019-2020 to join the collective action.

**4.7.21 –** Signet Builders, Inc., the defendant, **filed** a motion to dismiss the complaint, arguing that the plaintiff’s work is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) under 29 U.S.C. § 213(b)(12), which covers agricultural work as defined in 29 U.S.C. § 203(f). The plaintiff, who worked exclusively on farms constructing livestock confinement structures, qualifies as doing “secondary agriculture” under the FLSA. Additionally, the plaintiff was employed on a temporary H-2A visa for agricultural labor. The plaintiff’s claims that his work does not meet the agricultural exemption because he did not handle livestock and did not work on properties owned by Signet are invalid. Additionally, the court should also dismiss the complaint regarding former Signet employees who worked outside Wisconsin. Opt-in plaintiffs in an FLSA collection action must establish personal jurisdiction. Since Signet is incorporated in Texas, Wisconsin lacks general jurisdiction over the company.

**8.12.21 –** The court **issued** an opinion and order granting the defendant’s motion to dismiss and denying the plaintiff’s motion for conditional certification of class as moot. The court agreed with the defendant, ruling that the plaintiff’s work fell under the FLSA’s agricultural exemption, making him ineligible for overtime. More precisely, the court compared the plaintiff’s tasks, building animal confinement structures, to those in the *Maneja v. Waialua Agricultural Co.* case. In that case, workers performing tasks incidental to farming were exempt from overtime. The court found the plaintiff’s construction of farm structures was closely linked to agricultural operations, qualifying for the exemption. Consequently, the court granted the defendant’s motion to dismiss, rendering the plaintiff’s conditional certification motion moot.

**9.8.21 –** The plaintiff **filed** an appeal with the U.S. Court of Appeals for the Seventh Circuit, challenging the court’s decision to grant the defendant’s motion to dismiss the case and to deny the plaintiff’s motion for conditional certification as moot.

**11.30.21 –** The plaintiff-appellant **filed** his opening brief, arguing that the district court erred in applying the agricultural exemption without adequately considering the specifics of his work. The law exempts activities directly tied to the core functions of farming; however, the appellant’s work of constructing animal enclosures seems to be a separate activity that precedes actual farming. The appellants emphasized that past court rulings have established that activities must be directly related to agricultural functions to qualify for the exemption and the facts in this case do not conclusively support the appellee’s entitlement to the exemption from overtime pay under the FLSA.

**2.3.22 –** The defendant-appellee **filed** a response brief, asserting that the appellant’s work of building livestock enclosures qualifies as “secondary agriculture” and thus falls under the FLSA exemption for agricultural activities. He pointed out that the law defines “secondary agriculture” as activities performed on a farm that support farming operations. The appellee further argued that the appellant misinterpreted the U.S. DOL’s regulations on “Employment in practices on a farm.” He emphasized that the central issue is not “whether Signet is engaged in a separately organized productive activity but whether Luna Vanegas’ activities were directed toward the farmers’ agricultural activities,” rejecting the appellant’s arguments to amend the definition of “secondary agriculture.”

**8.19.22 –** The Seventh Circuit Court **reversed** the district court’s ruling that the appellant’s work qualified for an overtime exemption under the FLSA. The court disagreed, concluding that the appellee did not prove the agricultural exemption applied. It determined that building livestock enclosures is not inherently agricultural work and whether it qualifies as exempt requires a “fact-intensive inquiry.” Additionally, the court held that the appellant’s initial complaint sufficiently stated a claim for unpaid overtime, and the appellee cannot rely solely on an affirmative defense but must file an answer. The case was remanded for further proceedings.

**3.6.23 –** The petitioner Signet Builders, Inc. **filed** a petition for writ of certiorari, requesting the U.S. Supreme Court to review the Seventh Circuit Court’s decision and reverse it, and to address the two following questions: (1) “[w]hether there is any room for a rule interpreting the FLSA’s exemptions narrowly, rather than fairly, after this Court’s decision in *Encino Motorcars, LLC v. Navarro,* 138 S.Ct. 1134 (2018); and (2) “[w]hether a person admitted to the United States on an agricultural guestworker visa who is employed on farms but performs secondary functions, like building on-site livestock confinement structures, comes within the FLSA’s broad agriculture exemption.”

**6.14.23 –** The Respondent Jose Vanegas **filed** a brief in opposition, arguing that Signet did not properly raise its arguments challenging the applicability of the FLSA agricultural exemption rule. He further maintained that the Seventh Circuit Court’s decision was correct based on the relevant regulations and precedents.

**6.28.23 –** The petitioner Signet Builders, Inc. **filed** a reply brief, arguing that the Seventh Circuit Court ignored the Supreme Court precedent set in Encino Motorcars v. Navarro, which rejected the “narrow-construction rule” for interpreting FLSA exemptions. The petitioner emphasized that the Seventh Circuit Court “ha[d] no license” to use the narrow construction rule and urged the Court to clarify that lower courts must follow the *Encino* precedent.

**10.2.23 –** The U.S. Supreme Court denied to hear the case.