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IN THE NEWS

Cornell Decision and ERISA Litigation: Allie Itami Offers Perspective

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The U.S. Supreme Court's unanimous decision in *Cunningham v. Cornell University* has left many in the industry worried about a new wave of litigation, as workers' claim of a "prohibited transaction" was deemed sufficient to survive a motion to dismiss. This decision alters the pleading standards for ERISA (Employee Retirement Income Security Act) lawsuits, specifically regarding affirmative defenses.

While some argue that this ruling could lead to a wave of new litigation against plan sponsors, as it may make it easier for plaintiffs to survive initial motions to dismiss, Lathrop GPM Partner [Allie Itami](#) was recently featured in articles by [Plan Adviser](#) and [Plan Sponsor](#) presenting the other side of the argument.

Itami anticipates a short-term rise in litigation due to the change in pleading standards but suggests that courts have mechanisms to manage and potentially mitigate this increase.

"There does seem to be a majority of the federal court that doesn't want to see [an uptick in litigation] as the outcome," Itami says. "That's why the circuits, other than the 8th and the 9th, have really tried to be creative about how to stop these types of lawsuits."

Read the *Plan Sponsor* article here: [Will Supreme Court's Cornell Decision Cause 'Avalanche' of Litigation?](#)

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