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### **QUICKEN LOANS LITIGATION**

Yesterday, a federal court jury in Michigan rendered a verdict, finding that Quicken Loans did not owe overtime compensation to mortgage loan originators. The jury concluded that those lenders qualified for the administrative exemption. The case will gain widespread publicity, and hopefully will discourage the flood of litigation we have witnessed over the past year.

This outcome, however, from a technical perspective is of limited value. This action was filed in May, 2004, and involves the failure to pay overtime compensation prior to the March, 2010 Administrator's Interpretation issued by the Department of Labor. So the decision does not involve application of the current legal standards.

Secondly, during the time period considered by the litigation, the Department of Labor regulations and Opinion Letters supported application of the administrative exemption to mortgage lenders. The jury in this case found that the individuals performing services for Quicken Loans, were performing duties and responsibilities consistent with the Opinion Letters issued prior to March, 2010.

For organizations challenged concerning their mortgage lenders, if those lenders were paid a salary or guarantee, the Quicken Loans decision does provide support for exempt status at least prior to March, 2010.

Attached is the Judgment issued by the court yesterday.

**For more information about this or other employment compliance issues, please contact Employment Law Compliance, Inc.**