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1	UNITED STATES DISTRICT COURT EASTERN DISTRICT OF NEW YORK		
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4	NEW YORK-PRESBYTERIAN BROOKLYN METHODIST, as	: 24-cv-05750-NRM	
5	assignee of d/b/a NEW YORK-PRESBYTERIAN	· ·	
6		: United States Courthouse	
7	Petitioner,	: Brooklyn, New York :	
8		: Thursday, August 22, 2024	
9	-versus-	: 2:00 p.m. :	
10		: :	
11	NEW YORK STATE NURSES : ASSOCIATION,		
12	Respondent.		
13	X		
14		FOR ORDER TO CHOLL CALLER	
15	TRANSCRIPT OF CIVIL CAUSE FOR ORDER TO SHOW CAUSE BEFORE THE HONORABLE NINA R. MORRISON UNITED STATES DISTRICT JUDGE		
16	APPEAR	ANCES:	
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18	875 Th	CKER & GREEN, P.C. ird Avenue	
19		rk, New York 10022 . DEMPSEY, ESQ.	
20	- // D // 00/15N //5T	OO AND OTHON II D	
21	909 Th	SS AND SIMON LLP ird Avenue	
22		rk, New York 10022	
23		D. DECHIARA, ESQ.	
24	Court Reporter: Nicole J. Sesta, RMR, CRR Official Court Reporter		
25	Proceedings recorded by computerized stenography. Transcript produced by Computer-aided Transcription.		

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THE COURTROOM DEPUTY: Civil cause for an order to show cause for case 24-CV-5750, New York-Presbyterian Brooklyn Methodist versus New York State Nurses Association.

Counsel, please state your appearances for the record, starting with the petitioner.

MS. DEMPSEY: Aime Dempsey with Epstein Becker & Green for the petitioner. With me in the courtroom are my associates Elan Nelberg and America Garza.

THE COURT: Good afternoon.

MR. DeCHIARA: Good afternoon, Your Honor.

Peter DeChiara from the law firm of Cohen, Weiss and Simon LLP for the respondent, New York State Nurses

Association. With me in the courtroom is Rory Bartel, who is associate counsel in-house with the union and Rachel Feldman, the director.

THE COURT: Okay. We are here for a hearing on the petitioner, New York-Presbyterian Brooklyn Methodist Hospital, which I'll just refer to here as either the petitioner or the hospital, their application for a temporary restraining order that was filed on August 19th before me.

So Ms. Dempsey, let me start with you. I have some questions for you about a few things. The first big question I have is to get your response to the union's argument that this whole issue and the very thing you're complaining of covered by the Norris-LaGuardia Act. When I got the union's

response that they had to file on an expedited basis and focused very heavily on the act and the provisions of the act that appear on the face to divest me completely in this jurisdiction over this labor dispute, unless very carefully delineated exceptions apply, and I was quite surprised, I have to say, that you in your application, your brief, nowhere mentioned the act, much less addressed the requirements.

Even if you believe it doesn't apply, I was a little surprised you didn't raise that upfront. Let me hear from you. You can remain seated or stand, whatever you prefer.

MS. DEMPSEY: Before I start, I do want to advise the Court of one change that occurred this morning.

THE COURT: Okay.

MS. DEMPSEY: This morning, as I understand it, there was a call between Mr. Edelman and some members of the parties, my partner, Mr. Frank, and someone representing the union where Mr. Edelman advised that he is not available on August 26th but offered August 30th. So as far as our papers are concerned, you can sort of substitute the 30th for the 26th, but I didn't want to let that not be mentioned to you.

THE COURT: Let me ask this. Mr. DeChiara, is the union prepared to proceed on the 30th, on that new date proposed by Mr. Edelman if I don't grant the injunction?

MR. DeCHIARA: Yes. The union did accept -- Counsel is correct that a conference call did happen. The arbitrator

offered the 30th. My client accepted the 30th and my understanding is that counsel for the hospital said he would get back to us.

THE COURT: Okay. Ms. Dempsey, at this point you're still here today because you haven't withdrawn an application seeking an injunction against the matter proceeding before Mr. Edelman at all, whether it's on the 30th or some other date.

MS. DEMPSEY: That's right.

THE COURT: Thank you for that update. Let me now, having answered my question, you can proceed.

MS. DEMPSEY: What the hospital is requesting here is not to enjoin the arbitration, which is where the LaGuardia Act comes from, the NLGA. We're requesting, in fact, relief that will allow us to proceed properly with the arbitration under the CBA. In other words, the CBA is being violated by the union in their insistence on going forward with an arbitrator who has not been agreed to or accepted by the hospital as the CBA requires.

Therefore, the hospital is seeking not to enjoin arbitration as prohibited by the NLGA, but to carry forward with arbitration that complies with the CBA agreed to between the parties.

THE COURT: Let me press back a little bit on that.

Here is what I see in your proposed order to show cause and

temporary restraining order. You asked me to have the Nurses

Association show cause as to why an order from this Court should not issue, and I'm reading from paragraph one of your proposed order; one, granting a preliminary injunction order and judgment.

So who are you asking me to enjoin and what are you asking me to enjoin? Because your request was that I grant an injunction.

MS. DEMPSEY: We're asking for the union to be enjoined with going forward with Mr. Edelman as arbitrator.

THE COURT: Okay. So you're asking me to enjoin the union from participating in an arbitration with Mr. Edelman because, as you've said in your papers, you don't agree to his appointment?

MS. DEMPSEY: Correct.

THE COURT: Let's put aside the merits of your claim that you didn't agree. I'm looking here at 29 U.S.C. Section 107, which, as you know, the NLGA subparagraph A, excuse me, the text of the act itself is Section 107.

It says that no court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute as defined in this chapter, and continues. And then you go to subparagraph A with certain exceptions.

But you're asking me for a temporary injunction.

You're saying it's about the union, they're supposed to not

show up at the arbitration. I'm a little unclear what you're asking me to tell them to do. You didn't name the AAA as a party. So I'm not enjoining them from having Mr. Edelman show up and proceed. But you're basically, as I see it, asking me to tell the union to tell the triple A that no one is going to show up.

Putting that aside, the particulars of what you're asking, you're asking me to issue an injunction in a case that, as the act says, involves or grows out of a labor dispute. I don't understand how in the world I have jurisdiction to do this.

MS. DEMPSEY: The NLGA is directed at preventing federal courts from enjoining against arbitration and against other delineated activities.

It does have the power -- it accepts the situation where a court can, for example, compel an employer to arbitrate and there are other exceptions that are in favor of arbitration in cases where there's a CBA in place that calls for arbitration as the dispute resolution process.

THE COURT: Let me stop you there. Is it your position that the NLGA doesn't apply at all, or that one of the exceptions that the courts have recognized under the NLGA authorize me to issue the injunction you're seeking?

MS. DEMPSEY: In the first place that it does not apply.

THE COURT: Tell me why that is. The statute itself says I can't issue a temporary permanent injunction in any case involving or growing out of a labor dispute.

Do you disagree that the dispute you have with the Nurses Association grows out of a labor dispute, that is a dispute over minimum staffing with the --

MS. DEMPSEY: No.

THE COURT: It grows out of a labor dispute and you're asking for an injunction. So what authority do you have, and you didn't address this in your brief at all, what authority do you have that says that the NLGA doesn't apply in these circumstances? Just because there's a bunch of cases that talk about courts' limited authority when one party or another doesn't want to participate in arbitration, but you didn't cite any of them because you didn't cite the statute at all. I want to know where you think the general proposition that the NLGA doesn't apply here even comes from.

MS. DEMPSEY: The Labor Management Relations Act requires that the CBA, such as this one, be enforced, which calls for arbitration. And the cases discussing the limitations include the *Textile Workers Union of America versus Lincoln Mills*, U.S. Supreme Court 353 U.S. 448; *Boys Market, Inc. versus Retail Clerks Union*. That's also a United States Supreme Court case, 398 U.S. 235; *Buffalo Forge Company versus United Steelworkers of America*. That's also a U.S.

Supreme Court case, 428 U.S. 397. It's evident from those cases and others, unlike the cases that were cited by the union, none of which are controlling here in the Second Circuit, that the federal courts are not divested of jurisdiction in cases where they are furthering the parties' arbitration obligations under CBAs that are in place.

THE COURT: When you say they're not divested of jurisdiction, they're not divested of jurisdiction to enjoin in arbitration or they're not divested of jurisdiction for some other purpose?

MS. DEMPSEY: They're not divested of jurisdiction to move forward in favor of arbitration.

THE COURT: Right. But that's not what you're asking.

MS. DEMPSEY: It is what we're asking.

THE COURT: Aren't all of those cases, I'm familiar with Boys Market, aren't all those cases where one party is resisting participating in the arbitration and essentially a federal court can grant a motion to compel? That's not what you're asking. You're not asking me to compel the union to show up at an arbitration they don't want to participate in.

MS. DEMPSEY: We are asking the Court to compel the union to follow the CBA in conducting an arbitration. We're not arguing that the hospital should not arbitrate this underlying labor dispute. We're arguing that the union is

attempting to do so unlawfully by proceeding with an arbitrator who has not been agreed to.

THE COURT: Are you saying that the unlawful acts exception in the NLGA is what applies here, that there's some sort of unlawful act because they're violating this contract?

MS. DEMPSEY: There is an unlawful act because they're violating the contract.

THE COURT: But your position, as I understand it, is that the NLGA doesn't apply at all?

MS. DEMPSEY: Initially that's right.

THE COURT: Let me ask you this. Of the cases that you've cited, or any others, do you know of any that have ever said not that the Court has the power to order someone to participate in arbitration, but that a Federal District Court has the power to halt an arbitration from proceeding, to tell the triple A you may not go ahead with this, or tell the union you may not show up and participate in this, when that arbitration has already been scheduled?

Is there any court that for any reason has concluded that they have the power to do that?

MS. DEMPSEY: I'm not aware of that at this moment, but I do want to point out that while there's a date that has been discussed and while there's a provision in the CBA that suggests that dates that have been offered by the arbitrator should be accepted, there has not been a scheduling of this

arbitration by triple A. There has not been an issuance of a schedule of an arbitration date.

THE COURT: How did the August 26th date get scheduled?

MS. DEMPSEY: The August 26th date was not scheduled as indicated in our papers, but the union has been pushing it because the arbitrator we thought initially said he was available.

THE COURT: So --

MS. DEMPSEY: There's -- I'm sorry.

THE COURT: Go ahead.

MS. DEMPSEY: There's a document, a scheduling document, that gets issued by triple A to schedule it after which time there are penalties for canceling at the last minute, that kind of thing. That was not done with the August 26th date, I believe because the parties have been at issue over Mr. Edelman's appointment, but I can't speak for that.

THE COURT: Is your expectation that there will be a scheduling document issued in connection with the August 30th date or at some other time?

Are you saying the dispute isn't even right now, even though you filed for an extraordinary remedy of an injunction?

MS. DEMPSEY: It's right because of the provision of

the CBA that requires the parties to accept the date offered by the arbitrator.

THE COURT: I think what I hear you saying is you came in representing to the Court that there was an emergency, a TRO that required this Court to turn away from other matters on its docket and in less than 48 hours read all of the briefs you all submitted and all these exhibits, give you a hearing because, in your view, you were going to be irreparably harmed if I didn't issue an order telling people to do something with respect to this Monday, August 26th arbitration.

And now you're standing up here telling me that it hasn't been scheduled, that you don't have to show up because the notice that you think you were supposed to get wasn't issued.

MS. DEMPSEY: It's the hospital's understanding that if they did not show up on the 26th, regardless of not having that piece of paper, that they could potentially be found in default.

THE COURT: Okay.

MS. DEMPSEY: I just wanted to clarify that particular nuance with respect to what was issued by triple A. But because of how CBA requires parties to accept first date, the hospital is and was under the understanding that if they don't go to arbitration when the union and the arbitrator say they're available, that there are ramifications and that they

would be in default.

THE COURT: Thank you. Let me ask you to have a seat and just for a minute have Mr. DeChiara respond to the threshold question of whether the NLGA applies. I presume you're probably well familiar with the U.S. Supreme Court cases that your adversary has cited here.

But I'm particularly addressing this question of whether there is some carve out under the NLGA for court orders with respect to arbitration.

MR. DeCHIARA: First, as to the question of whether the NLGA applies, I think there can't be any serious questions. It's clearly a labor dispute. It's clearly what brings us here today, clearly evolved or grows out of a labor dispute and there's a very, very -- in Section 29 U.S.C. Section 113, which is Section 13 of the statute, it defines what it means to be a labor dispute and to grow out of or be involved in a labor dispute. I won't go through that, but the Court can see, if it looks at that provision, it's extraordinarily broad.

So I don't think there's any serious dispute if there's a case growing out of or involving a labor dispute. Counsel is correct. There have been over the years exceptions to the Norris-LaGuardia Act, both in the statute and carved out judicially. But there's not one, as far as I'm aware, and apparently as far as counsel for the hospital is aware, that

applies to this situation, where however the hospital wants to dance around it, what it's trying to do is to stay an arbitration.

Not only am I not aware of any case that carves out an exception to the NLGA on that point, but we have cited cases, including, I would note, a Second Circuit case, that directly discussed how the NLGA divests federal courts from attempts to enjoin arbitration.

So an attempt to enjoin an arbitration cuts against the general policy in favor of resolving disputes for arbitration.

THE COURT: What is your response to what I understand to be the hospital's argument that they're not actually asking me to enjoin the arbitration. They're just asking me to direct triple A to appoint a different arbitrator to this matter because they haven't agreed to it.

MR. DeCHIARA: From the perspective of the NLGA, that difference and nuance or phrasing or framing doesn't make any difference because the NLGA talks about the divesting court's jurisdiction issue: A.) Temporary permanent injunction in any case.

So the statute has extraordinarily broad language.

So whether this is framed as against the union or the triple

A, or however the hospital wants to dance around the point and

try to frame the issue, the statute is just so broad. It just

divests the Court of jurisdiction to issue any injunction, unless there's some statutory or judicial exception. there is none.

THE COURT:

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Thank you. Any response to that? MS. DEMPSEY: I think there are limitations. pointed out some limitations just now to you to how the statute is interpreted, and while there aren't situations that exactly match this one, apparently it's unusual, it does -the limitations do go toward what we're trying to do here, which is further arbitration.

THE COURT: Okay. Let me ask you this. Let's say I disagree with you that the NLGA doesn't apply, that I find it does apply for similar reasons to or the same reasons as the ones just stated by Mr. DeChiara, namely that you're asking for a temporary injunction in a case involving or growing out of a labor dispute.

As you know, the act does say that there are certain limited exceptions if I make certain findings that first, unlawful acts had been threatened and will be committed unless they're restrained, and goes on to specify the circumstances, and then has some additional other requirements.

I think I understand your position in the alternative is that there are unlawful acts that someone is about to commit. I noticed in the union's brief they pointed out a number of cases, and we were able to find several

others, saying the breach of contract is not an unlawful act under the NLGA, that is unlawful acts refer to an entirely different category of actions by the person you're seeking to enjoin.

Do you have any case at all, because I need you to brief this issue, but can you, sitting here today as someone who is a specialist in the field, think of any case at all where any court has held that one party to a labor dispute breaching the collective bargaining agreement with respect to arbitration or anything else is the kind of unlawful act that this Court has the jurisdiction to enjoin?

MS. DEMPSEY: Right sitting here, I'm not aware of a particular case that finds, that it turns on the breach of contract being the unlawful act.

THE COURT: Okay. Any case you can think of that's analogous, meaning the type of unlawful act that the Court did have the power to enjoin that you think even if it's not breach of contract is close enough that I think you have a likelihood of success on the merits of even a threshold claim that I have jurisdiction?

MS. DEMPSEY: Well, the cases that find the exceptions are those furthering arbitration, and that's what we're trying to do here. And the unlawful act here in violation of the CBA undermines the arbitration as agreed to in the CBA.

THE COURT: When you say undermines the arbitration as agreed to, how does it further -- how would an injunction preventing this arbitration from going forward to Mr. Edelman, with Mr. Edelman presiding, further the public policy favoring arbitration? You're really asking to halt it, not to order it to proceed, because both parties are willing to arbitrate as long as you have an agreeable administrator.

MS. DEMPSEY: Right. What we're asking is to order the union to comply with the CBA and only proceed with an acceptable arbitrator.

THE COURT: You may not have any such cases off the top of your head or in your preparation for this hearing. Can you think of any case where even in the injunction that relates to an arbitration context a federal court issued an injunction for anything other than compelling a party to honor its contractual obligation to arbitrate, that is that has in any way issued an order that directs the arbitration to proceed on certain terms and conditions, anything other than the yes or no question of do they have to show up and arbitrate?

MS. DEMPSEY: If I understand your question, I'm not thinking of any off the top of my head.

THE COURT: All right. Let me turn to the merits.

I think this is not in dispute, but again, this is highly expedited. Let me make sure I understand everybody's

position. The hospital agrees that the underlying agreements about minimum staffing is arbitrable. Right? Both parties say this is arbitrable, in theory we want to arbitrate, we want to move forward with this.

MS. DEMPSEY: That's correct.

THE COURT: So I was a little troubled when I read the response papers, but even before, frankly, I got the response with the delay between the notice of Mr. Edelman's appointment on April 12th of 2024 and the time in June that you all claim that you made your first objection.

So explain to me why is it if your claim is that we never agreed to Mr. Edelman's appointment because our earlier statement in February when we put him on the list of people that were acceptable to us that we submitted confidentially to the triple A, that was only good in the round that we submitted it, but our silence was not consent to him after that. So this whole argument about why you haven't agreed, when was the first time that you raised it with anyone and why did you wait as long as you did?

MS. DEMPSEY: We did not wait. We raised it with the triple A immediately upon him being appointed on April 12th.

THE COURT: Where in the record is there any record of that being raised?

MS. DEMPSEY: In Mr. Frank's declaration,

1 paragraphs 14, 15.

THE COURT: Give me just a minute. Paragraph 14.

So it says -- I do see in paragraph 14 that he declared that you immediately objected. There's a lot of emails and a lot of phone calls and a real record of all these other objections. Everybody was preserving it.

Why should I credit this statement that there's an objection when there's no contemporaneous record of it? He didn't say who objected, how, where they lodged it to. What is this based on?

MS. DEMPSEY: He sent an email to triple A.

THE COURT: Is that email anywhere in the record?

Because I didn't see it. I saw a lot of other emails later on.

MS. DEMPSEY: I don't think that particular email is attached.

THE COURT: You can take a minute. While you're looking at it, Mr. DeChiara, are you aware of any such email that was copied to the union or sent at all?

MR. DeCHIARA: No, we're not, Your Honor. I think that would be a key email. So it's surprising, let's just say, that it's not in the record, put in the record by the employer.

MS. DEMPSEY: It was not, to be clear, it was not copied to the union.

ı	THE COOKT. OKAY. TETT ME YOU MAY HAVE SOMECHING
2	that I don't have. I want to know what this representation is
3	based on. I think one of your colleagues may want to come up
4	and share something with you.
5	MS. DEMPSEY: Mr. Frank sent an email to Ms.
6	McKenzie at the triple A on April 12th saying Howard Edelman
7	was struck and is not agreed to by the hospital. Please
8	correct the notice. It says ADSP. I think he meant ASAP.
9	THE COURT: So this has never been provided to the
10	union before, this email?
11	MS. DEMPSEY: Not that I'm aware.
12	THE COURT: So let's go to what happened next in the
13	case.
14	MR. DeCHIARA: Your Honor, I don't mean to
15	interrupt. It sounds like, from what I heard counsel read,
16	that Mr. Frank in that email said that Mr. Edelman's name was
17	struck, which is patently false.
18	THE COURT: Let's do this, so we're all working on
19	the same page quite literally. Why don't we take a minute and
20	you can do you have an extra copy of that or just the one?
21	MS. DEMPSEY: I have two copies.
22	THE COURT: Why don't you hand one up to the court
23	deputy and we'll mark it as a Court exhibit. I will without
24	ruling on the admissibility, just for reference and

identification, and I will give your adversary an opportunity

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to look at it. Hand your copy to Mr. DeChiara. I'll take a look at this one, and we'll take a break and make other copies in a bit.

We're going to go off the record for a minute and get that copied. Let's take a short adjournment.

(Recess taken.)

THE COURT: We're back on the record. Now all the parties are looking at a copy of what's been marked as Court Exhibit 1 for identification. It is a three page, two sides per page, so four pages of text total, a printout of some emails from James Frank to Erin McKenzie at ADR.org.

It appears to be -- let me, since the petitioner is offering this for the first time, by way of explanation for the assertion of paragraph 14 of Mr. Frank's declaration, let me ask Mr. DeChiara if you need a minute to look at this and any response that you may have with what this document shows.

MR. DeCHIARA: Yes. I do not need a chance to look at it further. It's a short email. I think what Court Exhibit 1 shows is that Mr. Frank lied. He lied to the triple A in his April 12th email or he lied to both Arbitrator Edelman and to this Court.

Let me explain why I say that. In the April 12th email to the triple A, Mr. Frank asserts that: Howard Edelman was struck. Meaning he was struck from the February 2nd list.

In his submission to Arbitrator Edelman when this

issue came up before Mr. Edelman, this is what Mr. Frank wrote. This is ECF document 12-6. It's Exhibit K to the 2 3 union's exhibits.

THE COURT: Give me just a minute. This is the letter, the email that looks like letter form dated July 11, 2024?

MR. DeCHIARA: The July 11, 2024 submission by Mr. Frank to Howard Edelman. On page 2 under the fact section, the second paragraph under the fact section, the second line of that second paragraph under the fact section says: On that list, meaning February 2nd list, the hospital accepted Howard Edelman.

It's 100 percent inconsistent with what Mr. Frank told the triple A on April 12th. It doesn't end there. Ιt gets worse.

THE COURT: Let me stop you there. Why isn't the fact that he uses the passive voice in Court's Exhibit 1 where it says Howard Edelman was struck, is there an interpretation that he's not here and he notably didn't reference this email in the declaration?

He's claiming that the union says that -- he's saying Howard Edelman was struck. He's not disclosing to the triple A the fact that he was struck originally by the union, and now says he's not agreed to by the hospital.

MR. DeCHIARA: Thank you. I appreciate that.

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I'm not saying that's the proper THE COURT: interpretation. It could also mean that the whole clause refers to the hospital was struck and is not agreed to by the hospital. The hospital struck him and the hospital doesn't agree to him. Maybe at that point he was under the misimpression the hospital hadn't had him on their original list because they struck him back in February and somebody reminded him, nope, he was on our list before he issued this decision in early April we don't like.

MR. DeCHIARA: I appreciate the Court pointing that out. I'm seeing this document in realtime for the first time. I did not focus on the "was struck". If Mr. Frank said I or the hospital struck him, that's a lie. But it does say was struck. So it's completely plausible that he was not lying and what he meant was the hospital struck Mr. Edelman, which is accurate. And then the email goes on and says: And is not agreed to by the hospital.

The problem with that is this is post appointment. He had already been appointed. The reason he had been appointed was, as I was pointing out in the July 11th submission, was that the hospital accepted Howard Edelman. So the sequence is fairly simple. The February 2nd list, the hospital accepts him. The union doesn't.

They go through a couple more lists. There are no matches. The triple A says hey, we're not getting any

- 1 matches, why don't we do what's called the strike and release 2 where either party can release one of its prior objections.
- 3 The union writes in and says okay, we release our objection to
- 4 | Howard Edelman, boom, we have a match. That's how it worked.
- 5 That's how it's worked many times in many cases.

That's it.

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we'll take him.

- The hospital is completely familiar with this
  process. It's simple. First your contract coordination. You
  have an outstanding offer from the hospital to accept Edelman.
  The union first said no and then says okay, you know what,
  - Once he's appointed on April 12th it doesn't matter that the hospital was unhappy with the outcome or that it had second thoughts about Howard Edelman. You can't have an arbitration selection process where someone is appointed and then one of the parties says hey, you know what, we're not happy.

Boom.

- THE COURT: What if it's before the appointment notice?
- MR. DeCHIARA: That would have been different. If before the April 12th appointment notice went out.
- THE COURT: That's right, because in this case the match was earlier but the appointment notice was on the 12th.
- MR. DeCHIARA: Yes. So if before the triple A appointed Mr. Edelman, if Mr. Frank or anyone representing the hospital said you know what, we had originally accepted

Edelman but we changed our mind, we want to strike him now,

I'm not exactly sure how that would play out but it would be a

different situation. That is not -- that is not what

happened.

THE COURT: Let me ask you a procedural history question here. I noticed in your papers to this Court you argued, and I relied on your representation, that the first notice that you had or awareness you had that the hospital was now saying they objected to Mr. Edelman didn't come until June, that is they didn't object after the appointment notice in April. They participated in the phone call in May to schedule a date with Mr. Edelman and didn't say anything, and in June at some point they said we're objecting, we never agreed.

MR. DeCHIARA: By June the union clearly had notice. There was a May conference call. The union representative who was at that call, who was on that call, is on vacation and we have not been able to reach out to her. In-house counsel for the union is here today was not on that call. Our understanding, and this is secondhand, was that Mr. Frank may have raised some concerns about Mr. Edelman's appointment. What he said, how he said it, I couldn't --

THE COURT: Do you know if it was before or after the May 17th call with Mr. Edelman and the parties?

MR. DeCHIARA: I think that was the call.

THE COURT: That was the call, okay. So is there a reason -- I don't know what the discovery rules are in the arbitration proceedings, I know that you've been in some discussion and there was actually I wouldn't call it litigation but certainly each party paid their lawyers to spend some time and effort before Mr. Edelman, leading him to write his decision, or as they call it in his business, award, in late July regarding whether he should be recused from that matter or otherwise participate.

Is there any reason why this email should have been turned over to you earlier or at some other point in the proceedings before it got to me?

MR. DeCHIARA: If the question is in labor arbitration do the parties usually copy each other when they communicate with the arbitrator, I don't know whether there's a rule on that. It's certainly best practice. I've been practicing labor law for --

THE COURT: I'm not asking about copying in the original email, especially when there's this blinded process of selection. I'm really talking about since -- I mean there was a lot of history, not a long one, but some history of you all arguing of whether the agreement was binding or not, or whether there was agreement prior to this time and all of you submitted extensive exhibits on that long history, and today is the first time you as counsel for the union have ever seen

this email that they're saying supports a timely objection, I don't understand why you didn't get this earlier.

I'm not saying it would have made a difference, but it seems like a fairly important document if the hospital's position is they objected. And I am a bit concerned that despite my giving Mr. Frank, who is not here, the benefit of the doubt that the passive voice was struck might have referred to the hospital that he actually made a misrepresentation to the arbitrator about the hospital previously striking him, and that that is the reason that this email got buried. I don't know because he's not here to answer that, but that's my concern.

MR. DeCHIARA: Your Honor, one thing that occurs to me is the doctrine of clean hands. The hospital is coming to this Court asking for equitable relief, dramatic drastic extraordinary equitable relief. When a party comes to the Court, it needs clean hands. It needs to be playing fairly.

If this is a key document and the hospital didn't include in our papers and never showed it to the union before and we're just seeing it now, I strongly question whether it's coming to this Court with clean hands.

THE COURT: Let me ask the hospital's counsel to address this point. First, why was this document not attached to the Frank declaration? He obliquely references we objected but he doesn't say how or to whom or where, and you attached a

whole lot of other correspondence. So why am I and the union's counsel seeing this for the first time?

MS. DEMPSEY: I think because the statement in the declaration that he advised of the objection was as a, I guess, strategy matter, whatever thought to be clear enough because Mr. -- I mean the email itself is a little bit cryptic.

Your Honor, I appreciate your interpretation. I think it is correct that Mr. Frank was referring to Mr. Edelman having been struck previously, and is not acceptable to the hospital because I want to make sure the Court understands that it was a fairly lengthy process that there were lists, that the February 2nd list was actually the second list that was provided by triple A. There was no agreement arising from that list.

Then triple A tried to institute a procedure where they provided a list of five names and said that neither party should strike any of that.

THE COURT: I'm familiar with that history.

MS. DEMPSEY: And the union jumped up and said they couldn't do it that way because they wouldn't have the opportunity to accept the arbitrator as the CBA requires.

And it's in the papers, but to be clear, the clause in the CBA says not withstanding anything to the contrary in the triple A's rules, no arbitrator may serve hereunder unless

he or she is acceptable to both parties.

THE COURT: I don't think -- I think it's very clear that nobody in this case is disputing that your contract with the union requires both parties to agree to the arbitrator.

They're not saying that you were entitled to proceed with Mr. Edelman if both parties didn't agree.

What I understand their position to be is that you are not remotely likely to succeed on the merits of your claim that there was not a binding agreement under New York contract law if I even have the jurisdiction to reach that question because prior to the notice of appointment being issued on April 12th, you had agreed to Mr. Edelman.

The union changed its position and released him from the list of previously struck candidates, but you would agree they accepted, essentially both parties indicated there was an agreement and there was an appointment. So I think that's what I understand their position to be.

MS. DEMPSEY: I think that is their position. I want to be perfectly clear. To the extent that there was a period of time that the hospital did not strike Mr. Edelman off of a list, it was two months prior to him being appointed and he was -- in other words it was a list that was issued on February 2nd and it was pursuant to -- he was appointed or --

THE COURT: Let me stop you there. I know we're working on limited time here. I understand that history. Let

me ask you a different question about that history. After the initial round failed to produce any candidates acceptable to both parties, and then there was some additional back and forth, you went through two additional rounds.

After the third round in March, there was a list of arbitrators. Everybody agreed on April 3rd that there was no mutually acceptable arbitrator. Then the triple A suggests that the parties consider releasing previously struck names from the prior list to secure a match. Right?

MS. DEMPSEY: That's right. And that's a procedure the hospital never agreed to.

THE COURT: Right.

MS. DEMPSEY: The parties --

THE COURT: Let me finish this question. So they say we don't have a match, why don't you go ahead and consider releasing previously struck names.

You say we never agreed to that, but did anybody from the hospital's end write either in an email that was private to the triple A or copied to the union or any other way say we don't agree to that and, in fact, we're not going to even -- we want to revisit our list of struck names.

Why couldn't the triple A rely on your silence as indication that you no longer objected to -- that you didn't have any new objections to the people you already agreed to?

MS. DEMPSEY: The hospital -- I don't know that they

specifically came out and said we don't agree to that process.

THE COURT: And unlike this email from Mr. Frank we just looked at, you don't have an email somewhere that I haven't seen yet that says we don't agree to that process that you're aware of?

MS. DEMPSEY: That's right.

THE COURT: Do you want to just check with your colleague here? I know she's not an officer of the court, but do you want to check to see if there's anything else that we're not aware of?

MS. DEMPSEY: I don't know what you mean by that whole question.

THE COURT: What I'm getting at is, do you agree that based on all the investigation and knowledge that your firm has to date of the history of this matter, you have not learned of any communication, specific communication, on the hospital's part saying we don't agree to this procedure that was proposed on April 3rd until the notice of appointment came up?

MS. DEMPSEY: Nine days later, yes.

THE COURT: So for nine days you agreed that as far as you know the hospital said nothing about not agreeing to that proposed procedure?

MS. DEMPSEY: I don't think the hospital said anything about agreeing to that proposed procedure.

THE COURT: And it didn't say, just to be clear, we disagree, we're opposed to that?

MS. DEMPSEY: They did not specifically say we're opposed to that procedure. What had happened in the meantime is that the fourth list that came out in March prior to no agreement there was an entirely new administrative fee and an entirely new list, and the hospital would not have thought that going back to the prior list was in the offing.

In other words, it's like a restart in March, number one. Number two, the hospital did tell triple A right away that Mr. Edelman was not acceptable and the union is trying to say that they could change their mind but the hospital couldn't change their mind about Mr. Edelman being acceptable. That's what happened.

THE COURT: I think what the union is saying, counsel can correct me if I'm wrong, but I think what I heard him just say is we could change our mind about Mr. Edelman before there's an agreement. We can change our mind about him up until the point where both parties have indicated he's acceptable, but once both parties have said on different dates, on the same dates, whenever it is, that he's acceptable and that notice of appointment goes out, we're both bound to it.

That's what I understand to be their position. Why is that wrong? Why can they change their mind or you change

your mind after the notice of appointment goes out? 1 MS. DEMPSEY: Because the clause in the CBA is an 2 3 additional -- is in addition to and not withstanding the 4 process of triple A that they were going through and saying --5 and it says that no arbitrator shall serve unless he's acceptable. 6 7 THE COURT: Let me ask you this. Go ahead. I'm 8 sorry. Finish. 9 MS. DEMPSEY: It doesn't say there's an appointment 10 date that's definitive no matter what the hospital, or the 11 union for that matter, may have thought about the particular 12 proposed arbitrator two months before. 13 THE COURT: So under the contract, after the 14 appointment notice goes out and triple A thinks there's an agreement, can either party continue to object or withdraw 15 16 their consent indefinitely? What's the line? 17 MS. DEMPSEY: Well, in this particular case the 18 hospital objected right away. I would say that to the extent 19 that someone was found to be not acceptable before they 20 initiated proceedings in the arbitration, they could be deemed 21 not acceptable. 22 THE COURT: So what does initiated proceedings mean 23 in this context? 24 MS. DEMPSEY: In this context, holding an

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arbitration.

THE COURT: Let's put that as the outer limit on one end. In between that, let's say, for example, in a normal case, ordinary case where there's not releasing previously struck names, but both parties submit their list, maybe there's a few rounds, triple A notifies everybody that there's a match.

We found somebody acceptable to both parties.

People get on the phone with the arbitrator, they schedule a hearing, maybe you have some pre-hearing submissions, you're working out some ancillary issues, all of a sudden in between the appointment and when the hearing is supposed to happen the arbitrator issues a decision that one side or another doesn't like in a similar case.

Could that party suddenly say, you know what, under the contract we have to agree, we're no longer agreeing and we're withdrawing our agreement? Is that what agreement means in your interpretation of the contract?

MS. DEMPSEY: I guess in your scenario it depends on what kind of proceedings took place. Here, no proceedings took place or have taken place directed to the facts and merits of the arbitration itself.

THE COURT: Right. I think what I'm getting at is it's very difficult for a federal court in particular to determine what the parties to this contract intended. I could see a lot of scenarios. It's your burden here getting this

drastic remedy of an injunction, where if I ruled for you and 1 2 said that agreement means they have to agree up until the days 3 of the hearing or up until some point where there's 4 substantive proceedings, and you're in a time sensitive 5 situation where all the parties have an interest in getting this arbitrated and you're talking about hospital and staffing 6 7 levels, which are really serious issues, and you rely on a 8 notice of appointment and agreement, and the night before the 9 hearing maybe nothing happened, nobody has done anything, the 10 night before the hearing one party decides they get a tactical 11 advantage by putting it off for a month.

So they say we don't agree with this arbitrator anymore, and under this provision of the contract we have to agree. If I ruled for you, wouldn't I be facilitating that kind of gamesmanship?

MS. DEMPSEY: I don't think so.

THE COURT: Tell me why.

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MS. DEMPSEY: It's a matter of whether the arbitrator is acceptable to the parties. And here he is not for reasons the Court alluded to.

THE COURT: In my hypothetical the arbitrator is not acceptable. I can't read minds. I wouldn't know why they're saying he's not acceptable, but if the union suddenly said you know what, we have to represent our client and we don't think this person is acceptable to us.

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You don't have to give the triple A reasons in your initial list. You just strike people. If they just said on July 25th or August 25th we just don't want this person anymore, start from scratch. Couldn't they keep doing that under your reading of the contract at any time for any reason?

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MS. DEMPSEY: I don't think so. I think that the timing is important. These things do go fast. And at that point there would have been engagement by the arbitrator in the merits of the case.

THE COURT: There would have been engagement. So in a hypothetical where there's no engagement, the only thing the arbitrator does is set the hearing date, some period of time goes by, the eve of the hearing one party could withdraw their agreement under the contract?

MS. DEMPSEY: I don't think so in cases where they had indicated the arbitrator was acceptable all along. Here that's not what happened.

THE COURT: Okay. Let me hear from your adversary on that point.

MR. DeCHIARA: Your Honor, I don't have much to add to your questions and comments to hospital's counsel. I think you hit the nail on the head. The interpretation of the contract that the hospital is offering is completely untenable. It would open the game to unlimited gamesmanship if after appointment either side could renege and say you know

what, this arbitrator is no longer acceptable.

The only thing I would add is the language acceptable appeared -- so 17.02 is the provision of the contract that deals with choosing an arbitrator. The language that the hospital relies on appears right after the language about the triple A putting out a list.

So there's a clear nexus between the acceptable language and the language about the pre-appointment selection process.

THE COURT: Tell me which page you're looking at.

MR. DeCHIARA: I'm looking on page 50 of the collective bargaining agreement, which is Exhibit A to the union's exhibits. It's page 50 of the contract, Section 17.02.

I agree with the Court that it's not this federal court's job to parse this contract. But just to show how much the hospital's reaching, I would point out the 17.02, just the first three sentences or so, where this acceptable language that the hospital relies on appears. It's all of a piece with the selection process.

So the clear inference, the clear implication, is that it's acceptable whether someone -- acceptable, an arbitrator is acceptable or not, is a decision that's made as part of that selection process.

THE COURT: And once that process is concluded and

the triple A has fulfilled its role of finding a mutually acceptable arbitrator, that's when agreement has been reached?

MR. DeCHIARA: Exactly. When the triple A puts out its list, and you can see an example, the February 2nd list itself, which is Exhibit C of the union's exhibits, it tracks that language. It says after striking the name of any unacceptable arbitrator. So it picks up on that unacceptable language that it's in the contract.

Again, this all just ties together showing that this whole process is about selecting the arbitrator. Once the arbitrator is selected it would create chaos in the labor relations world if parties could willy-nilly say you know what, we didn't like the way the arbitrator looked at us at that prehearing conferences, he's no longer acceptable. It just wouldn't work.

THE COURT: Let me ask briefly about the question of irreparable harm. Why, Ms. Dempsey, isn't the remedy of simply moving to vacate the award if you don't prevail at arbitration, and please correct me if I have that term wrong, essentially the equivalent of an administrative appeal or an internal appeal? If the substantive arbitration doesn't go your way, why wouldn't you be able to incorporate the question of the arbitrator was properly agreed to in that proceeding?

MS. DEMPSEY: We would be able to, but it's not the equivalent of an appeal. There's a much, much more limited

review of vacatur of an arbitration award once it's issued.

THE COURT: Thank you for that. Let me ask you a better question. So now that you've said that you would still have preserved this question of whether Mr. Edelman was properly designated as the arbitrator because of what you claim is a lack of agreement and that issue could be brought up after the arbitration hearing, why does that fact not defeat your claim of irreparable harm?

Because the harm you're complaining of, which is having to be bound by a ruling of the arbitrator that you say you didn't agree to, could be vacated through that administrative review after the arbitration happens. Then you'd get a new arbitration with a new person that you do agree to.

MS. DEMPSEY: A few things. For one thing, as the Court noted, there is an urgency to these proceedings. But besides that, the grounds and the view that any Court gives to an arbitration award once decided is extremely limited.

And in the meantime, an arbitrator who is not acceptable to the hospital will have issued potentially an award that includes other aspects that violate the CBA.

And so to look at this whole process only at the end is irreparable harm because it's not the same as -- it's not the same scrutiny as an appeal in a federal court.

THE COURT: Regardless of what level of scrutiny

applies, it's not irreparable if it can be undone. I mean, I agree with you there's some urgency to getting this resolved.

Nobody disputes that. But I'm not legally empowered to grant the extraordinary remedy of an injunction, unless you convince me that there's irreparable harm; not urgency, not expediency, but irreparable harm.

What would happen if the arbitration proceeded on August 30th with Mr. Edelman that could not be undone or remedied by money damages or an administrative remedy having a do over with a different arbitrator?

MS. DEMPSEY: He could have issued an award based on his predisposition to find a matter against the hospital that he's demonstrated already, that then has a potential for being confirmed and issuing penalties against the hospital.

THE COURT: Right. But is there no review of that award? I mean I thought you just said all of that could be reviewed.

MS. DEMPSEY: The review of an arbitration award is under the FAA and otherwise very, very limited, almost every court in the Second Circuit -- all courts to my knowledge in the Second Circuit find that that's the case.

THE COURT: That's judicial review or something within the triple A?

MS. DEMPSEY: Judicial review. There's nothing within the triple A.

THE COURT: Okay. Let me ask your adversary the same question.

MS. DEMPSEY: I'm sorry. There is one thing I wanted to address from his last comment.

THE COURT: Sure.

MS. DEMPSEY: If we review the CBA and the language about the arbitrator having to be acceptable the way he's asking the Court to review it, we're writing that clause out of the CBA because he essentially is saying you have to -- if you follow triple A's procedures, which on their lists for this arbitration and every other arbitration, regardless of what the CBA says, say on the lists that strike those who are not acceptable.

So to the extent we don't permit an evaluation of whether an arbitrator is acceptable at the time that the notice comes out, as it did here in triple A, we're writing that particular clause out of the contract, and that is -- it's not in every CBA.

It is in this one for a reason. In other words, aside from and on top of the procedures in triple A, which always do try to seek an acceptable arbitrator through the strike rank process, once an arbitrator is named, if he can't be objected to at that point, that clause has no meaning.

THE COURT: If he can't be objected to after it's been named then it has no meaning?

MS. DEMPSEY: At the point that he's been named. If he can't be deemed to be acceptable or not, at that point then all we're saying -- the CBA should just say that the triple A rules are what should be filed. That's not what it says.

THE COURT: Okay. The contract does also say, I believe, that at a certain point incorporates the triple A rules which say that if the parties can't mutually agree triple A could just appoint somebody. Right?

MS. DEMPSEY: Right.

THE COURT: And as of today, in your view, there is no agreement between the parties?

MS. DEMPSEY: That's right.

THE COURT: So given that you started the process of selecting an arbitrator way back in February and we're now in August, under your contract, whatever I do about this injunction request, couldn't triple A tomorrow say well, you all haven't been able to agree, we're appointing Mr. Edelman and just issue a new appointment order tomorrow?

MS. DEMPSEY: The triple A procedures are incorporated into the contract, and then there's the additional clause, not withstanding anything to the contrary and triple A rules, no arbitrator may serve hereunder unless he or she is acceptable to both parties.

So if triple A were to say the strike rank process is not working and we will appoint someone, whether it's Mr.

Edelman or someone else, that is the only time when the parties could evaluate whether the arbitrator is acceptable to them and if they can't then say that they're not acceptable, then that clause of the contract has no meaning.

THE COURT: So what happens then? Let's say we get into a scenario where you haven't been able to reach an agreement and this has been pending for a year, and the hospital keeps saying no, not this one, not that one, we don't agree, the union says not this one, not that one, does the dispute just sit there and it's not arbitrable? What happens at that point?

MS. DEMPSEY: That has not come to pass. I don't know what happens at that point. The triple A has an innumerable amount of arbitrators that it can suggest.

Perhaps the parties can agree on someone. There's definitely an effort and an urgency to try to agree on somebody, but it's a particular part of the collective bargaining agreement that an arbitration be conducted with someone who is acceptable to both sides.

THE COURT: Thank you. Let me ask you briefly, before I get back to the question of irreparable harm, to address this point about what happens if the parties can't agree. As I understand it, your adversary has argued that you all have exempted yourselves by contract from the part of the triple A rules that says the agency can appoint an arbitrator

if you don't agree.

MR. DeCHIARA: That's correct. So what the contract language says is to the extent the triple A's rules would allow for the appointment of an arbitrator that the parties, or either party didn't -- was unacceptable, that triple A procedure would be null and void. But that's not what happened here.

THE COURT: I understand your position.

MR. DeCHIARA: So you had some other hypothetical where the parties just forever couldn't agree to someone, I frankly don't know what would happen. The Court need not go there because that's not what happened.

THE COURT: Let me have you address this point of irreparable harm. Tell me, in your own words, what the hospital's remedy would be if they proceeded with the arbitration on the 26th or the 30th of August with Mr. Edelman and thought that not only did they wish to challenge the substance of his ruling, but wanted to raise a challenge to the question of whether they agreed to it at that point.

Would they have any remedy at that point or is that resolved by the recusal that they sought and failed to obtain on July 29th?

MR. DeCHIARA: So labor arbitration awards are not self executing. Let me back up. So first of all, let's not lose sight of one thing. The hospital may win this

arbitration. So let's just not forget that. If in the event the hospital loses the arbitration, it doesn't have to do anything. The burden is on the union to then go to court and enforce the award.

The employer can also affirmatively move to vacate. Either way, the Court -- the case would find itself in federal district court and then it would be in front of the -- the award would be before the Court to enforce or vacate the award. So there is post award relief that's available to the employer.

And here, Your Honor, the Court need not write on a clean slate. We cite cases in our brief, page 12, page 13 of our brief where courts, including this court, have made exactly that point, that there's no irreparable harm in a situation like this because the party that's resisting arbitration, if it loses, has the right to seek court review.

Now, certainly it's not the same review as a district court judge going to a Court of Appeals. It's more deferential. But there is review. Some things are out of bounds. Fact-finding by the arbitrator is out of bounds. There's certain things that a court is just not going to review.

But would it review whether the arbitrator was appointed or not? I frankly haven't had that case. I don't want to opine on the record as to what the standard would be.

But there would be review.

THE COURT: Is it your view that the, or the view of any courts that you're aware of, that the specific definition of irreparable injury or the requirement for a petitioner who seeks to show irreparable injury under the Norris-LaGuardia Act, namely 29 U.S.C. 107, subpart B, that substantial and irreparable injury to complainant's property will follow requires a different or more particularized showing, if I were to find the act applies, then the standard irreparable harm that applies to all requests for preliminary injunctive relief?

MR. DeCHIARA: I'm not aware of any cases off the top of my head on that point. But certainly the face of the statute, the standard appears and is much heavier.

It's not your plain vanilla irreparable harm. It is written in a way to indicate that Congress very much wanted the movant to show some very serious harm.

THE COURT: Thank you. Last question, I think, on this point. Ms. Dempsey, you've said that the review is very limited, meaning you may not prevail even if you're correct if it goes to arbitration, then you have to go to a court to either resist an order trying to get the award enforced or somehow get it vacated.

But aren't you saying to me in asking me to enter this extraordinary injunction that you have such a strong case

that you've shown a likelihood of success on the merits of your claim that the contract was violated by Mr. Edelman's selection. I mean you're saying the burden would be so high, but you have a very high burden before me too.

So if you have enough to prevail before me, why wouldn't you have enough to prevail in a much more orderly fashion without this expedited proceeding before a court if you were to lose the arbitration, which you may not.

MS. DEMPSEY: I would hope that a court would see it this way if we had to go there. But in the meantime, the hospital will have had to go conduct an arbitration where there are a lot of decisions and aspects of the arbitration conducted by somebody that they don't find acceptable that are not subject to review under the FAA.

THE COURT: Just tell me in your own words, as simply as you can, why the harm that you're alleging from having to go through this arbitration is actually irreparable, as opposed to something that you would prefer not to take the chance of but which could be repaired or remedied by a court or you lose the arbitration.

MS. DEMPSEY: Because at that point the hospital has been forced to conduct an arbitration or participate in an arbitration in violation of the collective bargaining agreement to which they've agreed and operate under and that was heavily negotiated in the first place, and that many of

the aspects of the arbitration conducted in violation of the CBA are not subject to review.

THE COURT: Thank you.

MS. DEMPSEY: If I may, I'd like to point out one additional thing with respect to the Norris-LaGuardia Act discussion, in terms of some of the cases that we did name and discuss. In particular, the Textile Workers Union case I think expresses a little bit better than I was trying to the aspect of an exception that the Court should look to permitting the federal court to fashion a body of federal law, or courts in general, for enforcing a CBA in performances of the promises therein.

So in addition to the union attempting to unlawfully require the hospital to operate in violation of the CBA, an injunction in this case, or a TRO in this case, would allow the Court to further enforcement of the CBA and the performances of the promises therein.

THE COURT: Thank you. Let me ask you just to address that point about the Textile Workers Union case and then I'll let you know how I'm going to proceed.

MR. DeCHIARA: Your Honor, I don't have that case in front of me. I'm familiar with the name. I would have to refresh my memory on the case, but I think it's safe to say that the context of that case, as well as the other cases that the hospital relies on, are all in favor of furthering the

general national labor policy of promoting arbitration, so compelling a party resisting arbitration to arbitrate.

Boys Market, of course, was where the union goes on strike when it could have arbitrated the issue. The Supreme Court carved out an exception to Norris-LaGuardia there in furtherance of the policy of favoring arbitration. Here the employer is not trying to compel arbitration. And, again, however it chooses to phrase or frame its relief, it is seeking to stay or delay or play some sort of games with what is an arbitration that should go forward on April 30th.

There are a lot of nurses that work at the hospital, not very far from this courtroom, who are working understaffed who need the relief. They're trying to provide the best care they can for their patients, and this understaffing issue needs to be resolved and this gamesmanship should not be tolerated.

THE COURT: One thing I realized I wanted to ask you about. Ms. Dempsey, let me ask you about the terms of your proposed order, if you have that in front of you. I'm looking at page 2, which is the text of what you're asking me to do.

I was a little puzzled, and maybe you can explain why it's captioned this way, that you asked me to grant the preliminary injunction not to enjoin the triple A from proceeding with the arbitration, but ordering the only party that you sued, the union, to direct the triple A to stay the

hearing.

And then you asked me in paragraph B to order the respondent to join the hospital in directing the triple A to remove Howard Edelman and to order the union to engage with the hospital to select a new arbitrator. Let me focus on A and B first. I can theoretically direct the union to tell the triple A to do something.

But aren't you really just asking me to direct the triple A to stay the hearing? You're asking me to enjoin the triple A and they're not a party here.

MS. DEMPSEY: I'm asking you to direct the union to not participate in the hearing that violates the CBA as stated. If the union doesn't participate with Mr. Edelman, there's no arbitration.

THE COURT: Right. Let me ask you this. What is your response to the union's argument that you didn't join a necessary party because you didn't have the triple A show up? They're the ones who made the appointment. You're saying they did it in violation of the rules of the contract, and they're the ones who are holding the arbitration.

Why aren't they the ones that I would be enjoining?

MS. DEMPSEY: They're the forum for the arbitration.

It can't be held without both parties, and the union is the one who is insisting that Mr. Edelman be the arbitrator. And so no, the triple A is merely the forum. They are not, in our

view, a necessary party.

THE COURT: And your language that I should direct the triple A, I should order the union to direct the triple A to stay the hearing, that the union somehow through whatever contract or retainer you have with the triple A, the union could unilaterally direct the triple A to stay the hearing?

If I signed your order, not withstanding the fact that you put another judge's name on it, if I signed the order as submitted, how would the union have the authority to tell the triple A go ahead and stay this hearing? The order is not addressed to the triple A.

MS. DEMPSEY: Right. But the hospital already has stated that Mr. Edelman is not acceptable to them. So what we're asking is for the Court to order the union essentially to abide by that provision of the CBA and not try to proceed with Mr. Edelman as they've been trying to do. I apologize about the name on the order. It was assigned to Judge Vitaliano initially.

THE COURT: I understand. I was only teasing on that. I also know often people submit forms to others and it doesn't get copied in translation.

Mr. DeChiara, let me ask you to address this point and then we'll take a short break.

MR. DeCHIARA: Yes, Your Honor. You're exactly right. The union has no authority to direct the triple A to

do anything. If you enjoin us from showing up at the hearing, we're in risk of defaulting on our own grievance.

The triple A is not just the forum, it's not just a place where the arbitration takes place, but it's the agreed administrator of the arbitration process and it sets rules, it sets procedures. The union has to abide by those as much as the employer does.

We can't just willy-nilly tell the triple A what to do or not show up. If there's going to be meaningful relief, and of course for all the reasons we've discussed there should be no relief, but if there's going to be meaningful relief, the triple A would need to be the one who is enjoined from proceeding.

THE COURT: Let's do this. It is now 3:40. I'm going to take a break for about half an hour and look at some of the authorities and some of the other parts of the record you've called my attention to. I'll let you know if I have anything further for you at that point.

Let's come back at 4:10 p.m. In the meantime, does either party have any objection knowing that I can rely on hearsay in this proceeding to Court's Exhibit 1 being admitted as evidence in this proceeding?

MR. DeCHIARA: No objection.

MS. DEMPSEY: No objection. I would, just on that last point, call the Court's attention to *Kuruwa versus the* 

American Arbitration Association, 2013 WL 2433068, where a district court judge did find that a case brought against the triple A was improperly brought against the triple A and the relief being sought should have been as to the parties.

THE COURT: Thank you. We're adjourned. I'll see you in half an hour. If I'm not quite ready by then, I'll have Freddie let you know an estimated time frame and you're welcome to leave the courtroom in that time.

(Recess taken.)

THE COURT: We're back on the record. I'm going to issue an oral ruling in this case. After due consideration, the petitioner's motion for a temporary restraining order and a preliminary injunction with respect to the parties pending arbitration under Federal Rule of Civil Procedure 65 is denied.

Now I will state my reasoning for the record.

First, I find that the Norris-LaGuardia Act, 29 U.S.C. 107, clearly and unequivocally divests this Court of jurisdiction to issue the injunction that the petitioner is requesting.

The NLGA limits the jurisdiction of courts to enjoin labor disputes. See Jou-Jou Designs, Inc. versus International Ladies Garment Workers Union, 643 F. 2d 905, at 911, Second Circuit, 1981, holding that the NLGA forbids injunction preventing labor injunction. AT&T Broadband, LLC versus International Board of Election Workers, 317 F. 3d 758, 763,

Seventh Circuit, 2003, joining other circuits that have, "understood the Norris-LaGuardia Act to preclude injunctive relief against the arbitration of a labor dispute."

As the parties note, the NLGA broadly defines labor dispute in Section 13(c) to include any controversy concerning terms or conditions of employment, or concerning the association while representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment regardless of whether or not the disputants stand in the approximate relation of employer and employee.

It's clear that the dispute before this Court is, indeed, a labor dispute within the meaning of the statute. Section 7 of the NLGA broadly precludes courts from issuing either a temporary or permanent injunction in any case involving or growing out of a labor dispute.

Petitioner argues today that this broad language does not apply because the Supreme Court and some lower courts have, not withstanding the terms of the NLGA, occasionally issued injunctions with respect to arbitration proceedings between the parties to a labor dispute.

But all the cases that plaintiff has identified, including *Textile Workers Union of America versus Lincoln*Mills of Alabama, 353 U.S. 448, 1957; Boys Market, Inc. versus

Retail Clerks Union, 398 U.S. 235, 1970, and Buffalo Forge

Company versus U.S. Steel Workers of America, 428 U.S. 397, 1976, are limited to courts compelling reluctant parties to participate in arbitrations where the parties entered into an earlier agreement to arbitrate as part of the labor contract.

The petitioner has not identified a single case in more than 90 years that the NLGA has been law in which a court has ever found that the statute authorizes an injunction barring an arbitration from proceeding because the Court concludes in its view that one or more of the terms of that arbitration were not encompassed by the parties' agreement. This Court is similarly aware of none.

The hospital also, it seems, attempts to rely on the exception in Section 107(a) of the act in which a court may issue such an injunction if it finds that one party to a labor dispute is engaged in a "unlawful act". For example, that is the case in certain limited exceptions, but I find this clearly is not applicable because I don't believe there is even a colorable argument that a breach of contract, even if the petitioner were right on that front, constitutes such an unlawful act.

In this respect I share the view of the Third
Circuit in Philadelphia, Marine Trade Association versus Local
1291, International Longshoremen's Association, 909 F. 2d 754,
757, Third Circuit, 1990. I'll quote from that case,
Section 7(a). The Norris-LaGuardia Act permits injunctions

against "unlawful acts". We can find no authority for equating breach of contract with unlawful act. Indeed, to equate the two would render the accommodation in *Boys Market* unnecessary. The Third Circuit is referring to the U.S. Supreme Court's decision in the *Boys Market* case that I cited previously.

With respect to the other factors in the preliminary injunction, even if I did not hold, as I have, that the Norris-LaGuardia Act divests me of jurisdiction entirely to provide the relief that the petitioner seeks, petitioner has, in my view, not come close to meeting its burden with respect to either prong required to obtain a preliminary injunction.

A preliminary injunction is an extraordinary and drastic remedy, one that should not be granted unless the movant by a clear showing carries the burden of persuasion. That's a quote from *Mazurek versus Armstrong 520*, U.S. 968, 972, 1997, emphasis and original.

If the NLGA applies, then the bar for issuing an injunction in this case is quite high, as I found that it had. But even under the standard framework for issuing a PI, petitioner's motion must be denied. As well understood, a party seeking a preliminary injunction must show a likelihood of success on the merits, a likelihood of irreparable harm in the absence of preliminary relief that the balance of equities tips in the moving parties favor and that an injunction is in

the public interest. That's from *American CLU versus Clapper*, 804 F 3d 617, Second Circuit, 2015.

I find that the petitioner here has not met its burden as to any of those elements; first, with respect to a likelihood of success on the merits or a serious question going to the merits. I find that the hospital is not likely to prevail on the merits of its claim that the appointment of Mr. Edelman as the arbitrator was a breach of Section 1702 of the parties' contract requiring mutual agreement.

Notably, the hospital did not strike Mr. Edelman when it had the chance to do so prior to the issuance of the notice of appointment on April 12th of this year.

After months of back and forth during which the parties could not agree on an arbitrator and rejected approximately 50 candidates, the hospital and the union were both given notice that if either party released a candidate it had previously stricken and that candidate was not objected to by their adversary, that candidate might get appointed as the arbitrator.

The petitioner points out it did not affirmatively assent to this notice or procedure by triple A, but it has acknowledged here today, and it's clear from the record, that at no time did it voice an objection to proceeding in that fashion or indicate that it believed it would be a violation of the parties' contract to rely on a list of candidates it

previously approved.

And, indeed, the union has submitted evidence here that the hospital had participated in a highly similar, if not identical process with respondent before. Thus, I find that after the union withdrew its earlier strike of Mr. Edelman, he was duly agreed to by the parties and that the hospital was bound by that agreement under their contract, or at the very least that the hospital is not likely to succeed on the merits of its claim that it was not somehow bound.

I also agree with the position of the union today that for me to hold, as the petitioner asked me to do, that the parties' contract would allow one party to withdraw its agreement after the notice of appointment is issued as long as the arbitrator had not conducted the hearing itself or engaged in what petitioner's counsel variously characterized as some sort of other substantive adjudication, and would essentially allow either party to withdraw a prior agreement after appointment at any time before the hearing, I agree with counsel for the respondent that that would sow chaos on the collective bargaining process and the enforcement of those contracts with respect to agreements to arbitrate.

It would clearly allow for all kinds of gamesmanship up to the eve of a scheduled hearing and undermine the national policy favoring arbitration and favoring the expeditious resolution of disputes that the parties as here

have agreed to arbitrate.

I also find as a secondary matter that the hospital is equally unlikely to succeed on its claim that Mr. Edelman's personal interest in the decision here about his own appointment requires his recusal, if I even of course have the jurisdiction to decide that issue before the arbitration has taken place and after Mr. Edelman has already declined respondent's motion to recuse himself in this case.

Here the hospital relies almost exclusively on a single case, *Pitta versus Hotel Association of New York*, 806 F. 2d 413, Second Circuit, 1986 to support this claim. But *Pitta* is readily distinguishable and does not stand for the proposition, as the Second Circuit made clear, that an arbitrator can never decide an issue that would have any bearing on his or her compensation. *Pitta* was clearly limited on its face to circumstances where an arbitrator's long-term employment to oversee multiple disputes at "a substantial salary" was at stake.

That is a far cry from the situation presented here, a single dispute that was slated to be arbitrated over what all parties estimated would be a single day and a day during which the arbitrator would have been employed on some other triple A matter, if not this one.

As to irreparable harm, demonstrating irreparable harm is a prerequisite for obtaining a preliminary injunction.

A party must show that such harm is likely before the Court may address the other elements of the inquiry. That's from, among other cases, *Rodriguez ex rel Rodriguez versus DeBuono*, 175 F. 3d 227, Second Circuit, 1999, pages 233 to 34.

This Court has no difficulty concluding that the hospital has failed to allege irreparable harm here. First, even if this case proceeds to arbitration, Mr. Edelman could still rule in the hospital's favor. Second, even if Mr. Edelman rules against the hospital's position, and even if the union moves to enforce an award from Mr. Edelman, the hospital could still seek vacatur of an award on the same grounds it opposes his appointment here, namely that he exceeded his authority because in the hospital's view there was no agreement to have him serve as the arbitrator.

Third, on this record, the Court does not find that the limited time and expense of participating in what has been projected to be a single day of arbitration between sophisticated parties who routinely participate in arbitration and under the CBA clearly agreed to participate in that process would be an irreparable harm.

This is not to say that there could never be a case where even with judicial review available after the award, or the completion of the arbitration process, a participant to an arbitration could not demonstrate irreparable harm from participating on terms that were not contemplated by the

contract that truly worked irreparable harm on that individual, but I am convinced that on a particular fact intensive analysis I'm required to conduct, the petitioner here has not made that showing.

Finally, the balance of equities. That requires the Court to consider "which of the two parties would suffer most grievously if the preliminary injunction motion were wrongly decided." That's from *Goldman, Sachs and Company versus*Golden Empire Financial Authority, 922 F Supp 2d 435, 444, SDNY 2013.

Here the balance of equity is tipped decidedly in the union's favor, not the petitioner's. This grievance has been pending since December of 2023. If the Court were to deny the injunction and the hospital were to participate in the arbitration hearing next week, in the event that the hospital loses, which is in no way certain, the hospital still retains the right to seek to vacate any award on grounds it has raised here concerning Mr. Edelman's appointment.

The union, by contrast, has made a showing that its members and its interests would be unfairly prejudiced because further delay in addressing what it contends is a violation of minimum staffing requirements of the contract is a critical workplace issue affecting its members, which is why the CBA calls for this type of grievance to be handled on an expedited basis through arbitration.

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I also note in the balance of equities related to this litigation I have some real concerns about the delay on the hospital's part in voicing its objections to the notice of appointment. We discussed today, and it was brought to the union's attention and raised here and presented to this Court for the first time the email marked as Court Exhibit 1, in which the hospital notified triple A but not the union that by email that it objected to the arbitration. There are some concerns that counsel for the union raised, I think fairly, as to whether the statements in that email were correct and true.

Regardless, there's no dispute that the union was not copied on an email and that the first time the union was notified at the very earliest of the hospital's objection to Mr. Edelman and its claim that there was no valid or binding agreement was in a conference call on or around May 17th, and it's not even clear that they were notified at that time.

The hospital could have provided the union with a much more timely notice of its challenge to Mr. Edelman and chose not to do so. Finally, I find that the public interest heavily favors denying the motion for an injunction and allowing this matter to proceed to arbitration as scheduled on August 30th of 2024, or the earliest date practicable that the parties and Mr. Edelman can conduct.

This grievance arises from an allegation that the hospital is understaffing in the maternity ward with nurses, in violation of the minimum staffing guidelines in the CBA. That is a serious allegation and one that affects the staff that works at the hospital and the community that relies on the hospital for care. In addition, there's a strong national policy in favor of arbitrating labor disputes expeditiously that militates against granting that injunction here, and the parties acknowledge that beyond the national policy generally this particular kind of staffing dispute requires expeditious resolution per the terms of the CBA. For those reasons, the motion is denied.

I do have one more thing that I wish to address with each of you, and particularly with petitioners. I have grave concerns about -- and you're welcome to stay seated for this and if you need to address me afterwards, you may. I really have grave concerns about the fact that this case was brought at all to this Court. As it was clear from my ruling, I think that the Norris-LaGuardia Act clearly provides me with no jurisdiction to consider it.

The cases that you cited don't appear to even provide for a good faith extension of existing law to allow me to do so, much less to do so in a highly expedited posture. Not only do I not think that there is a good faith application of the Supreme Court precedent or any Second Circuit precedent, or even out of circuit precedent to allow me to enjoin the arbitration, I am even more concerned that you

didn't flag for me in your original motion and supporting materials that you were asking me to so find.

It wasn't until I received respondent's brief in opposition that I was even aware that the hospital was claiming that the NLGA didn't apply, that there was some kind of unlawful act allegation, or that you believe that Supreme Court cases, which clearly discuss the Norris-LaGuardia Act, had any bearing whatsoever on this case.

The fact that you did so on a highly expedited posture is very prejudicial to this Court, to my limited resources, to those of my staff. We had less than four business days before the arbitration was scheduled to proceed with a very busy docket on our hands of many other matters, over which we do have jurisdiction.

But because you brought it to this Court and because of the issues at stake with maternity ward staffing, a labor dispute that affects the community, we had to give it due time and due care. We were severely hampered in our ability to do so by the fact that the basis for your action was really hidden until after we received the respondent's brief.

For these reasons, I will say that I considered issuing an order to show cause today as to why you should not be required to pay the respondent's attorneys' fees and costs in connection with this proceeding. After due consideration I decided not to order that sua sponte under Rule 11, but I will

say that I know you all litigate against one another all the time, you have institutional interest in perhaps moving on from these kinds of disputes.

On the other hand, I think the union has a legitimate claim that they had to expend unnecessary time and resources in addressing what I found to be a plainly meritless application.

For that reason, I will leave it to the union to decide if and whether it wishes to file a motion for sanctions under Rule 11(b)(1) or (b)(2) or any other applicable provision in the form of an award of fees and costs. At that time I assure you I will not pass any prejudgment on it. I recognize that this was done in a highly expedited posture. There may be some considerations I'm not aware of and I certainly will consider it along with your opposition if and when it is filed.

That said, as an interim measure, I will direct the petitioner's counsel to order an expedited transcript of today's hearing and to provide it to the union's counsel so they can confer with their members and their colleagues and assess their options, and also to provide it to your client at the hospital, whoever your point of contact is, whether it's the general counsel or someone else.

I am concerned, frankly, that you're a firm engaged in an unnecessary use of the hospital's time and resources in

bringing this application in this posture, and I will leave it 1 2 to you to discuss that issue with your client but I had to be 3 candid about that concern. 4 MS. DEMPSEY: I appreciate the time and effort that the Court has put into this. We respectfully disagree with 5 the decision as to jurisdiction in particular. I'll leave it 6 7 at that. 8 THE COURT: Okay. Thank you. Anything further on 9 respondent's part? 10 MR. DeCHIARA: No. Your Honor. THE COURT: Thank you. With nothing further, thank 11 12 you all for your patience today. We are adjourned. 13 MS. DEMPSEY: Thank you. 14 Thank you. MR. DeCHIARA: 15 16 (Proceedings concluded.) 17 18 19 I certify that the foregoing is a correct transcript 20 from the record of proceedings in the above-entitled matter. 21 22 /S/ Nicole Sesta, RMR, CRR Court Reporter/Transcriber 23 24 August 27, 2024 Date 25