

## **Bridewell v. Cincinnati Reds**

155 F.3d 828 (6th Cir. 1998)

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The maintenance staff working for the Cincinnati Reds ("Reds") at Riverfront Stadium in Cincinnati, Ohio brought suit against the Reds in 1998, asserting that the baseball franchise violated § 207 of the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 207(a)(1). The maintenance staff claimed the Reds violated the FLSA when they refused to pay the staff overtime (time plus one-half) for the hours that the staff worked exceeding 40 hours per week. The Reds claimed they should not be required to pay overtime as required by the FLSA because the franchise constitutes an amusement or recreational establishment that operated for less than seven months per year under § 213(a)(3)(A) of the FLSA. The district court granted summary judgment to the Reds, agreeing that the franchise's seasonal operation serves to exempt the Reds from paying overtime. The Sixth Circuit Court of Appeals reversed the decision, noting that the proper focus was not the duration of the baseball season, but on the fact that the Reds organization operated year-round with no fewer than 120 employees in the "off-season" and the case was remanded.

In the appeal at hand the Reds challenged the decision of the Sixth Circuit Court of Appeals, arguing the seasonal operation of the franchise should suffice to exempt the Reds from paying overtime. The Reds cited § 213(a)(3), which exempts from the FLSA's overtime provisions any employee employed by an establishment if it does not operate for more than seven months in any calendar year, or during the preceding calendar year, its average receipts for any six months of such year were not more than 33 1/3 per centum of its average receipts for the other six months of such year. The question before the Sixth Circuit Court of Appeals is whether or not the district court was correct in its holding that "receipts" according to the FLSA refers to money actually received by an amusement establishment for the statutory determination.

The Reds argued that their method of accounting should be taken into consideration because much of their off-season revenue is directly related to their seasonal games, such as advance ticket purchases. The Court of Appeals reviewed the district court's holding that the language of the FLSA is unambiguous and makes no mention of a specific accounting method to be used for the purposes of the exemption. Furthermore, the Supreme Court previously has held that the FLSA should be construed liberally. Thus, "receipts" according to the Court of Appeals is meant to be money received.

The Court of Appeals held that the method of accounting is not to be taken into consideration, but rather the money received during the season as well as that in the off-season should be used in the determination of whether or not an organization falls within the FLSA exemption. The Court of Appeals affirmed the decision of the lower court that the Reds franchise does not qualify for exemption from the FLSA under § 213(a)(3)(B).