

Press Releases

O'Melveny Wins Unanimous Supreme Court Ruling for Hertz Corp.

February 23, 2010



FOR IMMEDIATE RELEASE Contact:

Piper Hall
O'Melveny & Myers LLP
202.220.5022
phall@omm.com

Erika Tucker O'Melveny & Myers LLP
213.430.7792
etucker@omm.com

WASHINGTON, DC -- FEBRUARY 23, 2010 -- O'Melveny & Myers LLP achieved a unanimous 9-0 victory for client Hertz Corp. today before the United States Supreme Court in *Hertz Corp. v. Friend et al*, a case that establishes an important diversity jurisdiction standard. The Court vacated and remanded a lower court's earlier decision.

Hertz addressed the critical issue of what standards should apply in determining a company's principal place of business for purposes of diversity jurisdiction. In his oral argument to the Court on November 10, 2009, O'Melveny partner Sri Srinivasan urged the Court to adopt the Seventh Circuit's "nerve center" test. In his opinion for the Court, Justice Stephen G. Breyer did just that, writing:

The federal diversity jurisdiction statute provides that "a corporation shall be deemed to be a citizen of any State by which it has been incorporated and of the State where it has its principal place of business." We seek here to resolve different interpretations that the Circuits have given this phrase. In doing so, we place primary weight upon the need for judicial administration of a jurisdictional statute to remain as simple as possible. And we conclude that the phrase "principal place of business" refers to the place where the corporation's high level officers direct, control, and coordinate the corporation's activities. Lower federal courts have often metaphorically called that place the corporation's "nerve center." We believe that the "nerve center" will typically be found at a corporation's headquarters.

"We are very gratified that the Court adopted the approach we had proposed by ruling that a corporation is a citizen of the State in which it has its nerve center, the location from which it directs and controls the company's operations," said Srinivasan. "This decision brings much needed clarity and predictability to an area that had been the subject of a great deal of uncertainty and



confusion for decades, and it will help minimize the degree to which courts and litigants are forced to expend resources on the threshold question of where a case should be litigated, rather than on the merits of the dispute.”

In addition to Srinivasan, of counsel Irv Gornstein and associates Justin Florence and Kate Tarbert represented Hertz Corp.

About O'Melveny's Appellate Practice

O'Melveny's Appellate Practice group is one of the nation's preeminent appellate practices. Our appellate lawyers have collectively argued more than 75 cases in the US Supreme Court, and have written briefs in hundreds more, both at the merits and certiorari stages. The practice is headed by Walter Dellinger, former Acting Solicitor General of the United States and former head of the Department of Justice's Office of Legal Counsel. Members of the practice include several veterans of the Office of the Solicitor General, other former DOJ lawyers, and numerous former Supreme Court and federal appellate clerks.

About O'Melveny & Myers LLP

With approximately 1,000 lawyers in 14 offices worldwide, O'Melveny & Myers LLP helps industry leaders across a broad array of sectors manage the complex challenges of succeeding in the global economy. We are a values-driven law firm, guided by the principles of excellence, leadership, and citizenship. Our commitment to these values is reflected in our dedication to improving access to justice through pro bono work and championing initiatives that increase the diversity of the legal profession. For more information, please visit www.omm.com.