

No. 26-27

IN THE
Supreme Court of the United States

RACHEL E. GOODLEY,

Petitioner,

v.

SUPREME RICE L.L.C., *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED

1. Whether the Petitioner presented, in the lower courts, any genuine issue of fact showing that Respondents are not entitled to immunity from tort pursuant to Louisiana state law.

PARTIES TO THE PROCEEDINGS

Petitioner:

Petitioner, RACHEL E. GOODLEY, was plaintiff in the district court and appellant in the Court of Appeals.

Respondents:

Respondents, SUPREME RICE, L.L.C., AND ARCH INSURANCE COMPANY, were defendants in the district court and appellees in the Court of Appeals.

RULE 29.6 DISCLOSURE STATEMENT

Respondent, Supreme Rice, L.L.C., is a limited liability company. Supreme Rice, L.L.C., is comprised of two members, TRC Group, Inc., and Eunice Rice Mill, L.L.C. Eunice Rice Mill, L.L.C., is comprised of one member, TRC Trading Corporation. TRC Trading Corporation is a wholly-owned subsidiary of TRC Group, Inc. TRC Group, Inc., is privately held by Kapila Revocable Trust and Mermenteau Rice, L.L.C. Kapila Revocable Trust has no parent corporation, and no publicly traded corporation owns 10% or more of its stock. Mermenteau Rice, L.L.C., has no parent corporation, and no publicly traded corporation owns 10% or more of its stock.

Respondent, Arch Insurance Company, is a wholly-owned subsidiary of Arch Reinsurance Company. Arch Reinsurance Company is a wholly-owned subsidiary of Arch Capital Group (U.S.) Inc. Arch Capital Group (U.S.) Inc. is a wholly-owned subsidiary of Arch Financial Holdings Europe I Limited. Arch Financial Holdings Europe I Limited is a wholly-owned subsidiary of Arch Reinsurance Ltd. Arch Reinsurance Ltd. is a wholly-owned subsidiary of Arch Capital Group Ltd. Arch Capital Group Ltd. is a publicly traded company on the Nasdaq Stock Market (ACGL). No parent corporation or publicly held corporation owns 10% or more of the stock of Arch Capital Group Ltd.

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INTRODUCTION

This case involved application of well-settled Louisiana state law to an undisputed set of facts. It does not present, and neither does Petitioner articulate, any grounds for review on a writ of certiorari. Petitioner, Rachel Goodley, claimed personal injuries following a minor workplace incident in which she alleges a forklift ran over her foot while she was working as a grader at a rice mill operated by Supreme Rice. At the time of the incident, Petitioner was at Supreme Rice's mill providing a service, inspecting rice bound for the Dominican Republic. Petitioner's immediate employer, the Federal Grain Inspection Service, a division of the Department of Agriculture, in turn, had been hired by Supreme Rice to perform the service, as contemplated by Supreme Rice's sales contract with its third-party buyer in the Dominican Republic.

Petitioner sued Supreme Rice and its insurer, Arch Insurance Company, in Louisiana state court, asserting tort claims. Respondents invoked diversity jurisdiction, removed the case to federal court, and sought summary judgment of Petitioner's claims, on the grounds that Louisiana state law provides them immunity from tort. The district court granted summary judgment, and the Court of Appeals affirmed.

The Court of Appeals declined to publish its decision, based on its criteria governing publication of opinions. Pet. App. A, 2a, Fifth Cir. Rule 47.5. Those criteria discourage publication of "opinions that merely decide cases on the basis of well-settled principles of law," in favor of decisions that may "interest persons other than the parties to a case." *Id.* Rule 47.5.1. Thus, the Court of Appeals

determined that its decision was of no consequence to anyone but the parties.

Petitioner does not raise any compelling reason for writ grant consideration and certainly no conflict or improperly decided federal question. RULES OF THE SUPREME COURT OF THE UNITED STATES, Rule 10. Petitioner cannot do so, as the rule of state law in this case is specific to Louisiana. Instead, Petitioner argues that the courts below misapplied a properly stated rule of law. Pet. 12, 23. This is a rare issue for which to grant a writ. RULES OF THE SUPREME COURT OF THE UNITED STATES, Rule 10; *see also Leavitt v. Jane L.*, 518 U.S. 137, 144 (1996).

In a belated effort to concoct a federal question for the lower courts to review, Petitioner argued that the Federal Employees Compensation Act, 5 U.S.C. §8101, *et seq.*, conflicts with Louisiana's workers' compensation scheme, La. R.S. §23:1020.1, *et seq.* Petitioner raised this argument in a motion for reconsideration, not in opposition to Respondents' motion for summary judgment, and the courts below considered it waived. Pet. App. A, 13a; Pet. App. B, 21a-22a. Regardless, the Court of Appeals properly concluded that there is no conflict between the statutes. Pet. App. A, 13a. And in still more belated effort to concoct a federal question for the Court of Appeals to review, Petitioner argued that the Supremacy Clause prevents application of Louisiana's workers' compensation scheme. The Court of Appeals properly refused to consider that argument, raised for the first time on appeal. Pet. App. A, 14a.

Petitioner also again argues the merits of her position under state law and suggests that the lower courts'

decisions were a “manifest error of law.” *See* Pet. 23-27. However, this Court has long declined to review state law questions and deferred to lower court judges on those questions. *See, e.g., Huddleston v. Dwyer*, 322 U.S. 232, 237 (1944); *Butner v. U.S.*, 440 U.S. 48, 58 (1979); *see also Leavitt*, 518 U.S. at 146 (Stevens, J., dissenting). Petitioner fails to articulate any reason for the Court to depart from this well-established practice here.

Even if this Court were inclined to wade into garden variety state law issues, there would be no basis to disturb the lower courts’ decisions, which were based on “clear controlling precedents in the decisions of the” state’s highest court. Supreme Rice invoked statutory immunity from tort pursuant to the “two-contract” theory of the Louisiana Workers’ Compensation Law, La. R.S. §23:1020.1, *et seq.* (“LWCA”), unique to Louisiana’s specific workers’ compensation scheme. The Louisiana Supreme Court long ago held that, to invoke this immunity, the defendant must show that (1) the principal entered into a contract with a third-party; (2) work must be performed pursuant to that contract; and (3) the principal entered into a subcontract for all or part of the work in order to fulfill its contractual obligation. *Allen v. State ex rel. Ernest N. Morial-New Orleans Exhibition Hall Auth.*, 2002-1072 (La. 4/9/03); 842 So.2d 373, 379. This district court found, and the Court of Appeals agreed, that each element was met in this case, entitling Supreme Rice to immunity from tort.

In this Court, Petitioner again argues that analysis of Respondents’ motion for summary judgment requires consideration of the “totality of the circumstances.” Pet. 14-16. Petitioner also again argues that neither her,

nor her employer's, services, were part of the "trade, business, or occupation" of Supreme Rice. Pet. 17-19. These considerations are improper, as the Court of Appeals correctly noted that "Supreme Rice has asserted the 'two-contract' defense, not the 'trade, business, or occupation' defense. They are analytically distinct." Pet. App. 9a-10a (citing *Allen*, 842 So.2d at 378-379 ("As to the 'two contract' theory of the statutory employer defense, it is irrelevant whether the subcontractor's work is part of the work ordinarily performed by the principal.")).

In sum, Petitioner fails to establish any compelling reason to grant Certiorari and, using improper legal standards, fails to identify any manifest error of law by the lower courts. Accordingly, the Petition should be denied.

STATEMENT

Petitioner, Rachel Goodley, is a grain inspector employed by the Federal Grain Inspection Service ("FGIS"), a division of the United States Department of Agriculture ("USDA"). Pet. App. A, 2a. The FGIS "facilitates the marketing of United States grain and related products by establishing standards for quality assessments, regulating handling practices, and managing a network of Federal, State, and private laboratories that provide impartial official inspection and weighing services." *Id.* FGIS inspections of rice are performed only upon request, but foreign purchasers of rice often require an FGIS inspection as a condition of sale. *Id.* Congress made this inspection service entirely voluntary: 7 U.S.C. §1622(h) authorizes the Secretary of Agriculture to certify agricultural products "except that no person shall be required to use the service authorized by this subsection."

Pet. App. A, 11a-12a. FGIS inspections may be performed either by the FGIS itself or by other entities that FGIS licenses to do the identical work. Pet. App. 12a-13a, n. 30 (citing 7 C.F.R. §868.80 (2026)).

Supreme Rice, L.L.C. (“Supreme Rice”), is a rice exporter in Louisiana. Pet. App. A, 3a. In 2020, Supreme Rice entered a long-term Contract Service Agreement with FGIS. Pet. App. A, 3a. In 2023, Supreme Rice contracted with Agrocomercial Los Samanes SA to export six thousand metric tons of rice to the Dominican Republic. Pet. App. A, 3a. This contract required Supreme Rice to provide FGIS certificates attesting that the rice was pest-free and of the agreed-upon grade. *Id.* In accordance with the Contract Service Agreement, FGIS dispatched Petitioner to inspect the rice being exported. Pet. App. A, 3a. While performing that inspection at Supreme Rice’s mill, Petitioner was allegedly injured when a Supreme Rice employee allegedly ran over her foot with a forklift. *Id.*

Petitioner made a claim under the Federal Employees Compensation Act, 5 U.S.C. §8101, *et seq.* (“FECA”), for her alleged injuries, and separately sued Supreme Rice in tort in Louisiana state court. Pet. App. A, 3a. Supreme Rice removed the case to federal court based on diversity jurisdiction and moved for summary judgment, arguing that Louisiana’s two-contract theory of statutory-employer immunity, La. R.S. §23:1061(A)(2), barred Petitioner’s tort claims against it. Pet. App. A, 3a. The district court granted the motion and denied Petitioner’s subsequent motion for reconsideration. Pet. App. A, 3a; Pet. App. B; Pet. App. C.

On de novo review, the Fifth Circuit affirmed. Pet. App. A, 2a, 16a. The court explained that Louisiana law recognizes two analytically distinct bases for workers' compensation immunity: the "trade, business, or occupation" defense, and the "two-contract" defense. Pet. App. A, 6a-7a. These defenses are conceptually distinct. It is irrelevant for the two-contract defense whether the subcontractor's work is part of the ordinary trade, business, or occupation of the employer. Pet. App. A, 7a (citing *Allen*, 842 So.2d at 378-79). Because Supreme Rice invoked only the "two-contract" defense, the district court and Court of Appeals each analyzed the three elements that defense requires: (1) the principal entered a contract with a third party; (2) that contract required work to be performed; and (3) the principal entered a subcontract for all or part of that work to fulfill its obligation. Pet. App. A, 8a (citing *Allen v. State ex rel. Ernest N. Morial-New Orleans Exhibition Hall Auth.*, 2002-1072 (La. 4/9/03); 842 So.2d 373, 379); Pet. App C, 28a.

The Fifth Circuit found the first element, that Supreme Rice entered into a contract with a third party, undisputed. Pet. App. A, 8a. As to the second, the Fifth Circuit rejected Petitioner's argument that Supreme Rice contracted to provide a "product" (rice with a certificate) rather than "work," instead finding that Supreme Rice was "contractually obligated to ship inspected rice," and that to fulfill that obligation it contracted with FGIS to perform the inspection. Pet. App. A, 8a-9a (*see also* 14 H. Alston Johnston III, Louisiana Civil Law Treatise: Workers' Compensation Law and Practice §364, n.57 (5th ed. Supp. 2025) (describing "an inquiry of whether [the principal] had agreed to 'perform' the services in question or merely to 'provide' them" as a "comparison . . . not found in the Act

and . . .not particularly helpful”). As to the third, the Fifth Circuit rejected Petitioner’s contention that an employee of a federal regulatory body cannot be a subcontractor of Supreme Rice under the two-contract defense. Pet. App. A, 9a-14a. The Fifth Circuit found that the unique relationship between FGIS rice inspectors and Supreme Rice compelled application of the two-contract defense, and the “voluntary nature of the rice inspection program” to be “a crucial distinction.” Pet. App. A, 12a-13a.

The Fifth Circuit separately declined to reach two arguments Petitioner raised for the first time below and on appeal. First, it declined to consider Petitioner’s argument that the FECA conflicts with Louisiana’s workers’ compensation scheme because Petitioner raised that argument for the first time in a motion for reconsideration. Pet. App. A, 14a (citing *Leverette v. Louisville Ladder Co.*, 183 F.3d 339, 342 (5th Cir. 1999)). Still, the Fifth Circuit saw no conflict between FECA subrogation obligations, which in this case might arise, vis-à-vis Supreme Rice, under state law, and LWCA immunity, a state law in this case which, in turn, makes Supreme Rice immune from tort. Pet. App. A, 14a (citing *United States v. Lorenzetti*, 467 U.S. 167, 178-79 (1984)). Second, the panel declined to address Petitioner’s Supremacy Clause argument because she raised it for the first time on appeal. Pet. App. 14a-15a (citing *Grogan v. Kumar*, 873 F.3d 273, 277 (5th Cir. 2017)).

The Fifth Circuit closed by emphasizing the narrowness of its holding, writing that “We do not suggest that a regulated entity will always be a statutory employer of employees of federal regulatory bodies under a two-contract defense” and that “statutory employer status ‘must be determined on the facts of each case.’” Pet. App.

A, 16a (citing *Thomas v. Calavar Corp.*, 679 F.2d 416, 420 & n.6 (5th Cir. 1982)). The Fifth Circuit held “only” that, “in the context of this specific arrangement,” Petitioner had failed to raise a genuine issue of material fact as to the two-contract defense. *Id.*

REASONS FOR DENYING THE PETITION

I. PETITIONER ALLEGES MANIFEST ERROR OF WELL-SETTLED STATE LAW UNIQUE TO LOUISIANA AND UNIQUE TO THE PARTIES AND FACTS OF THIS CASE

The Fifth Circuit designated its opinion as unpublished and non-precedential under its own rules. Pet. App. 2a; 5th Cir. R. 47.5. Those rules discourage publication of opinions that “merely decide cases on the basis of well-settled principles of law” in favor of decisions likely to “interest persons other than the parties to a case.” 5th Cir. R. 47.5.1. By designating its decision unpublished, the Fifth Circuit determined that the case has no consequence beyond the parties before it. The Fifth Circuit emphasized the narrowness of its holding and expressly disclaimed any broader holding: “We do not suggest that a regulated entity will always be a statutory employer of employees of federal regulatory bodies under a two-contract defense.” Pet. App. A, 15a. The Fifth Circuit acknowledged that a different court, applying a different state’s law to a different regulatory regime, had reached the opposite result, and it “express[ed] no opinion” on whether that result would obtain under Louisiana law. Pet. App. A, 15a-16a (discussing *McCotter v. Smithfield Packing Co.*, 849 F. Supp. 443 (E.D. Va. 1994)). And the Fifth Circuit closed by reiterating that “[s]tatutory employer status . . . must be determined on the facts of each case,” holding

only that the defense applied “in the context of this specific arrangement” between Supreme Rice, a third-party rice buyer, and Petitioner’s direct employer, FGIS. Pet. App. A, 16a.

Petitioner identifies no decision of any other Court of Appeals, and no decision of any state court of last resort, that conflicts with this specific fact pattern or Louisiana’s specific workers’ compensation scheme. Neither does Petitioner identify any important federal question decided by the courts below. Rather, the Fifth Circuit’s decision turns on facts and features specific to Supreme Rice, the voluntary FGIS rice-inspection program, and Louisiana’s statutory employer two-contract defense. This is exactly the kind of case-specific legal application for which “a petition for a writ of certiorari is rarely granted.” RULES OF THE SUPREME COURT OF THE UNITED STATES, Rule 10. Moreover, the state court of last resort in this case has provided prior analysis of the issue presented, consistent with the findings of the courts below.

II. ON THE MERITS, THE LOWER COURTS CORRECTLY GRANTED AND AFFIRMED SUMMARY JUDGMENT FOR RESPONDENTS

As a rule, this Court seldom considers purely state law issues and usually defers to lower federal courts applying local law in their respective jurisdictions. *Huddleston v. Dwyer*, 322 U.S. 232, 237 (1944); *Butner v. U.S.*, 440 U.S. 48, 58 (1979). There is no reason why this Court should depart from that practice. However, even if this Court were to do so, the Petition should be denied, because the lower courts’ decisions were correct on the merits based on applicable state law.

Louisiana adopted a broad version of the statutory employer doctrine; thus, the Louisiana Workers' Compensation Law, La. R.S. §23:1020.1, *et seq.* ("LWCA") expressly extends the employer's compensation obligation and its corresponding tort immunity to a "principal," which is also referred to as a "statutory employer." *Badeaux v. St. Tammany Par. Hosp. Serv. Dist. No. 1*, 2021-1229 (La. App. 1 Cir. 6/3/22); 343 So.3d 230, 235, *writ denied*, 2022-01169 (La. 11/1/22); 349 So.3d 1 (citing *Allen v. State ex rel. Ernest N. Morial-New Orleans Exhibition Hall Auth.*, 2002-1072 (La. 4/9/03); 842 So.2d 373, 378). The LWCA provides two alternative defenses for tort liability: (1) when the principal undertakes work that is a part of his trade, occupation, or business by means of a contract with another, or (2) when the principal has contracted to perform work and subcontracts all or a portion of the work to another (the "two-contract" theory of the statutory employer defense). *Allen*, 842 So. 2d at 378-79.

Louisiana law treats these as two independent, alternative bases for the same immunity. The defenses are conceptually distinct, and it is irrelevant for the two-contract defense whether the subcontractor's work is part of the ordinary trade, business, or occupation of the employer. *Allen*, 842 So. 2d at 378-79. Thus, the two-contract theory is a creature unique to Louisiana's own state law workers' compensation scheme and jurisprudence.

Pursuant to the "two-contract" theory, "a statutory employer relationship shall exist whenever the services or work provided by the immediate employer is contemplated by or included in a contract between the principal and any person or entity other than the employee's immediate

employer.” La. R.S. §23:1061(A)(2); *see also* 14 La. Civ. L. Treatise, Workers’ Compensation Law and Practice §364 (5th ed.). The Louisiana Supreme Court long ago held that, to invoke this immunity, the defendant must show that (1) the principal entered into a contract with a third-party; (2) work must be performed pursuant to that contract; and (3) the principal entered into a subcontract for all or part of the work in order to fulfill its contractual obligation. *Allen*, 842 So.2d at 379.

All three elements are satisfied here. Petitioner does not dispute that Supreme Rice entered into a contract with a third party, Agrocomercial Los Samanes SA. Pet. App A, 8a. That contract required the delivery of six thousand metric tons of rice with an FGIS inspection certificate. *Id.* In order to fulfill its contractual obligations, Supreme Rice voluntarily contracted with FGIS to perform the FGIS inspection, though other entities were authorized to provide the same service. *Id.*; *see also*, Pet. App. C, 34a. As the Fifth Circuit correctly pointed out, in Louisiana jurisprudence, there is no distinction between agreeing to “perform” services, or merely to “provide” them. Pet. App. A, 9a (citing 14 H. Alston Johntson III, Louisiana Civil Law Treatise: Workers ‘ Compensation Law and Practice § 364, n.57 (5th ed. Supp. 2025) (describing “an inquiry of whether [the principal] had agreed to ‘perform’ the services in question or merely to ‘provide’ them” as a “comparison . . . not found in the Act and . . .not particularly helpful”).

Petitioner’s argument that the inspection and certification of rice by a federal grain inspector are not part of the principal trade and business of a rice mill misunderstands the two-contract defense asserted

by Supreme Rice and also mischaracterizes the basis for the lower court analyses and decisions. In further misconstruing Respondents' defenses in this case, Petitioner urges the Court to weigh the eight non-exclusive "totality of the circumstances" factors that Louisiana courts apply to the "trade, business, or occupation" defense. Pet. 14-19. This is improper. Supreme Rice has asserted the "two-contract" defense, not the "trade, business, or occupation" defense. *See* Pet. App. A, 9a-10a.

The additional arguments raised by Petitioner, that the FECA and LWCA are somehow in conflict, or that the Supremacy Clause prohibits application of Louisiana's workers' compensation scheme immunity to Supreme Rice, were properly disposed of by the lower courts. Petitioner waived these arguments by failing to timely present them, and, regardless, Petitioner cites no jurisprudence indicating that these laws are in conflict. Rather, the concepts of FECA exclusivity vis-à-vis a federal employee's claims against the federal government, and state court workers' compensation scheme immunity for a statutory employer, are separate matters. *See McCotter v. Smithfield Packing Co.*, 849 F. Supp. 443 (E.D. Va. 1994)). Moreover, the existence and extent of Supreme Rice's legal liability, which might create a subrogation obligation, depends on state law. *See United States v. Lorenzetti*, 467 U.S. 167, 178 (1984) (noting that operation of FECA subrogation may vary based on "the provision's interaction with distinct state statutory schemes"); *id.* at 179 ("[T]he fact that changing state tort laws may have led to unforeseen consequences does not mean that the federal statutory scheme may be judicially expanded to take those changes into account."). Under Louisiana law, liability in this specific circumstance is limited to compensation—not tort.

CONCLUSION

For the foregoing reasons, the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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