

## Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

**SUPREME COURT OF THE UNITED STATES**

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**MEYER v. HOLLEY ET AL.****CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR  
THE NINTH CIRCUIT**

No. 01–1120. Argued December 3, 2002—Decided January 22, 2003

The Fair Housing Act forbids racial discrimination in respect to the sale or rental of a dwelling. 42 U. S. C. §§3604(b), 3605(a). Respondent Holleys, an interracial couple, tried to buy a house listed for sale by Triad, a real estate corporation. A Triad salesman is alleged to have prevented the Holleys from buying the house for racially discriminatory reasons. After filing suit in federal court against the salesman and Triad, the Holleys filed a separate suit against petitioner Meyer, Triad’s president, sole shareholder, and licensed “officer/broker,” claiming that he was vicariously liable in one or more of these capacities for the salesman’s unlawful actions. The District Court consolidated the lawsuits and dismissed the claims against Meyer because (1) it considered them vicarious liability assertions, and (2) it believed that the Fair Housing Act did not impose personal vicarious liability upon a corporate officer or a “designated officer/broker.” In reversing, the Ninth Circuit in effect held that the Act imposes strict liability principles beyond those traditionally associated with agent/principal or employee/employer relationships.

*Held:* The Act imposes liability without fault upon the employer in accordance with traditional agency principles, *i.e.*, it normally imposes vicarious liability upon the corporation but not upon its officers or owners. Pp. 4–11.

(a) Although the Act says nothing about vicarious liability, it is nonetheless well established that it provides for such liability. The Court has assumed that, when Congress creates a tort action, it legislates against a legal background of ordinary tort-related vicarious liability rules and consequently intends its legislation to incorporate those rules. Traditional vicarious liability rules ordinarily make principals or employers vicariously liable for the acts of their agents

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or employees in the scope of their authority or employment. *E.g.*, *Burlington Industries, Inc. v. Ellerth*, 524 U. S. 742, 756. Absent special circumstances, it is the corporation, not its owner or officer, who is the principal or employer subject to vicarious liability for the torts of its employees or agents. The Ninth Circuit’s holding that the Act made corporate owners and officers liable for an employee’s unlawful acts simply because they controlled (or had the right to control) that employee’s actions is rejected. For one thing, Congress said nothing in the Act or in the legislative history about extending vicarious liability in this manner. And such silence, while permitting an inference that Congress intended to apply *ordinary* background tort principles, cannot show that it intended to apply an unusual modification of those rules. This Court has applied unusually strict rules only where Congress has specified that such was its intent. See, *e.g.*, *United States v. Dotterweich*, 320 U. S. 277, 280–281. For another thing, the Department of Housing and Urban Development (HUD), the agency primarily charged with the Act’s implementation and administration, has specified that ordinary vicarious liability rules apply in this area, and the Court ordinarily defers to an administering agency’s reasonable statutory interpretation, *e.g.*, *Chevron U. S. A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U. S. 837, 842–845; *Skidmore v. Swift & Co.*, 323 U. S. 134, 140. Finally, no convincing argument supports the Ninth Circuit’s decision to apply nontraditional vicarious liability principles. It erred in relying on language in a then-applicable HUD regulation, which, taken as a whole, says that ordinary, not unusual, liability rules apply. And the holdings in cases from other Circuits that the Ninth Circuit cited do not support the kind of nontraditional liability that it applied, nor does the language of those cases provide a convincing rationale for the Ninth Circuit’s conclusions. Pp. 4–8.

(b) Nothing in the Act’s language or legislative history supports the existence of a corporate owner’s or officer’s “nondelegable duty” not to discriminate. Such a duty imposed on a principal would “go further” than the vicarious liability principles discussed thus far to create liability although the principal has done everything that could reasonably be required of him, and irrespective of whether the agent was acting with or without authority. In the absence of legal support, the Court cannot conclude that Congress intended, through silence, to impose a special duty of protection upon individual officers or owners of corporations—who are not principals (or contracting parties) in respect to the corporation’s unlawfully acting employee. Neither does it help to characterize the Act’s objective as an overriding societal priority. The complex question of which one of two innocent people must suffer, and when, should be answered in accordance with traditional principles of vicarious liability—unless Congress has instructed the courts differently. Pp. 9–10.

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(c) The Court does not address respondents' remaining contentions because they were not considered by the Court of Appeals. The Ninth Circuit remains free on remand to consider any such arguments that were properly raised. Pp. 10–11.

258 F. 3d 1127, vacated and remanded.

BREYER, J., delivered the opinion for a unanimous Court.