IN THE CIRCUIT COURT OF JACKSON COUNTY, MISSOURI AT INDEPENDENCE

COLLEEN SIMON,)
)
Plaintiff,)
V.	
· -)
MOST REVEREND ROBERT W. FINN, D	D,)
)
and)
CATHOLIC DIOCESE OF KANSAS CITY	-)
ST.JOSEPH)
- 4 - 1)
Defendants.)

Case No. 1416-CV16699

Division 13

ORAL ARGUMENT REQUESTED

DEFENDANTS' SUGGESTIONS IN SUPPORT OF MOTION TO DISMISS

Plaintiff Colleen Simon has not stated any claim upon which relief can be granted, nor can she state such a claim. Her factual allegations are fatally flawed and, as such, her petition should be dismissed with prejudice.

From the face of the petition, it is clear that Ms. Simon was an at-will employee whose employment could be terminated at any time and for any-or no-reason. As an at-will employee, Ms. Simon has no basis in law for bringing a fraud claim against her former employer. Courts have specifically rejected such attempts to circumvent Missouri's strong allegiance to the employment at-will doctrine. Moreover, Ms. Simon has failed to plead fraud with the heightened and exacting particularity mandated by Rule 55.15. Her pleading has numerous defects, any one of which is fatal to her fraud claim.

In addition, this case involves a ministerial employee whose employment was terminated due to an "irreconcilable conflict between the laws, discipline, and teaching of the Catholic Church" and the minister's conduct in marrying a person of the same sex. *See* Pet. at ¶55. It is for a church alone to decide who is and who is not qualified to receive church authority and communicate religious doctrine. The relationship between a church and its ministers reaches to the core of internal church governance: an area into which courts may not intrude. Courts rightly look with suspicion upon the employment lawsuits of former church ministers because such cases are fraught with constitutional hazards.

This case must be dismissed because Ms. Simon cannot state any claim upon which relief can be granted. "A motion to dismiss for failure to state a claim tests the adequacy of a plaintiff's petition." *Conway v. CitiMortgage, Inc.*, SC 93951, 2014 WL 4086671 at *2 (Mo. Aug. 19, 2014) (citing *Nazeri v. Mo. Valley Coll.*, 860 S.W.2d 303, 306 (Mo. banc 1993)). Facts alleged in the petition are assumed to be true, but a motion to dismiss must be granted if the "petitioner fails to allege facts essential to a recovery." *Glenn v. City of Grant City*, 69 S.W.3d 126, 128 (Mo. App. W.D. 2002) (quoting *Hayward v. City of Independence*, 967 S.W.2d 650, 653 (Mo. App. W.D. 1998). As discussed below, Ms. Simon's petition is utterly inadequate to state any claim upon which relief can be granted, and should therefore be dismissed.

I. Plaintiff Failed to State a Claim for Fraud Against Either Defendant.

Count I of the petition alleges that the Diocese's agents fraudulently assured Ms. Simon that her "marriage" to another woman "would not impact her employment." Pet. at ¶61. This alleged misrepresentation then resulted in unspecified "damages." *Id.* at ¶68.

A. Plaintiff cannot state a fraud claim because she was an at-will employee.

Ms. Simon has not pleaded the existence of a contract guaranteeing her employment for a specified period. "Absent an employment contract with a definite statement of duration, an employment at will is created." *Baker v. Bristol Care, Inc.*, SC 93451, 2014 WL 4086378 at *3

(Mo. Aug. 19, 2014) (internal quotation marks and ellipses omitted). As such, from the face of the petition, Ms. Simon was an at-will employee.

It is well established in Missouri law that an at-will employee may be terminated at any time and for any–or no–reason. *Id.*¹ Yet Ms. Simon claims that the Diocese's agents encouraged her to apply for and then continue her employment, all the while surreptitiously "knowing" that her same-sex marriage would detrimentally affect her employment. *See* Pet. at ¶¶61-65. Missouri courts have rejected such attempts to circumvent the employment at-will doctrine. *See Hanrahan v. Nashua Corp.*, 752 S.W.2d 878, 884 (Mo. App. E.D. 1988) (interpreting *Johnson v. McDonnel Douglas Corp.*, 745 S.W.2d 661 (Mo. banc 1988) to preclude a fraud claim in the at-will employment context); *see also Paul v. Farmland Indus., Inc.*, 90-0594-CV-W-1, 1993 WL 760161 at *3 (W.D. Mo. Sept. 27, 1993) (noting that permitting at-will employees to assert fraud claims would subvert "Missouri's strong allegiance to the employment at-will doctrine.").

[N]o matter what particular legal theory an employee asserts against the employer for a claim of wrongful discharge...[including] fraud... [t]he [*Johnson v. McDonnel Douglas Corporation*] decision stands for the principle that there is no claim for wrongful discharge absent a valid contract, constitutional provision, statute, or regulation based on statute.

Hanrahan, 752 S.W.2d at 883-84. Ms. Simon can point to no employment contract, no constitutional provision, and no Missouri statute or regulation that provides her with a basis in law to challenge the Diocese's employment decision. Thus, regardless of Ms. Simon's disappointed expectations, established Missouri law precludes her from bringing a fraud claim. Therefore, Count I must be dismissed.

¹ Neither narrowly-drawn public policy exception to the at-will employment doctrine is at play. First, Ms. Simon has not pleaded that she belongs to a protected class, such as "race, color, religion, national origin, sex, ancestry, age or disability." *Farrow v. Saint Francis Med. Ctr.*, 407 S.W.3d 579, 595 (Mo. banc. 2013) (quoting Mo. Ann. Stat. §213.055). Nor has Ms. Simon pleaded that her employment was terminated because she refused to violate the law. *Id.*

B. Plaintiff failed to state a fraud claim because she failed to plead fraud with particularity as required by Rule 55.15.

An allegation of fraud is subject to a heightened and exacting pleading standard: "In all averments of fraud...the circumstances constituting fraud...shall be stated with particularity." Mo. R. Civ. P. 55.15. "[T]he fraud must clearly appear from the allegations of fact, and be independent of conclusions." *Citizens Bank of Appleton City v. Schapeler*, 869 S.W.2d 120, 126 (Mo. App. W.D. 1993) (citing *Morrison v. Jack Simpson Contractor, Inc.,* 748 S.W.2d 716, 719 (Mo. App. E.D. 1988)). For example, a plaintiff cannot merely allege that he reasonably and detrimentally relied upon a defendant's misrepresentation: the plaintiff must "assert ultimate facts demonstrating its right to rely on the allegedly false representations." *Rhodes Eng'g Co. v. Pub. Water Supply Dist. No. 1 of Holt Cnty.*, 128 S.W.3d 550, 567 (Mo. App. W.D. 2004).

The elements of fraud are:

(1) a representation, (2) its falsity, (3) its materiality, (4) the speaker's knowledge of its falsity, or his ignorance of its truth, (5) the speaker's intent that it should be acted on by the person and in the manner reasonably contemplated, (6) the hearer's ignorance of the falsity of the representation, (7) the hearer's reliance on the representation being true, (8) his right to rely thereon, and (9) the hearer's consequent and proximately caused injury.

Taylor v. Richland Motors, 159 S.W.3d 492, 496 (Mo. App. W.D. 2005). "Failure to establish any one of the elements of fraud is fatal to recovery." *Keefhaver v. Kimbrell*, 58 S.W.3d 54, 58 (Mo. App. W.D. 2001). Ms. Simon's petition suffers from numerous fatal defects.

First, Ms. Simon pleaded no facts indicating that the alleged representations were false when spoken. The blanket conclusion in paragraph 63 ("The Diocese's representation was false") does not establish falsity.

Second, as discussed above, Ms. Simon was an at-will employee. As such, she knew that by the very terms of her employment, she could be terminated at any time and for any–or no– reason. Even taken in the light most favorable to Ms. Simon, any purported representation made by the Diocese could therefore not be material.

Third, there are no factual allegations that the Diocese or Bishop Finn knew about any representations, much less were aware of their "falsity" and intended for Ms. Simon to rely thereon. "For either [Defendant] to be liable for fraud, each individual must have engaged in specific conduct that satisfied each and every element of fraud." *Wagner v. Mortgage Info. Servs., Inc.*, 261 S.W.3d 625, 637 (Mo. App. W.D. 2008). The Diocese did not make any representations to Ms. Simon, nor does she allege any facts demonstrating that the Diocese was aware of any representations for which she seeks to hold it accountable. To circumvent this inconvenience, Ms. Simon first states that the "Diocese's agents" made the representations, but then shifts to vaguely allege that the "Diocese's actions and representations" were material, the "Diocese's representation" was false, the "Diocese was aware" of the falsity, and the "Diocese intended" for Ms. Simon to rely on the representation. *See* Pet. at ¶¶61-65. These conclusory allegations are unsubstantiated by her factual allegations.

Moreover, Ms. Simon does not allege that Bishop Finn made any representations to her such representations, or was aware of any much less was aware of their "falsity" and intended for Ms. Simon to rely thereon. The only allegations with regard to Rev. Finn under Count I were that he "aided, abetted, incited, and/or compelled the actions of the Diocese" and "acted in reckless disregard of Ms. Simon's rights and/or with evil motive." Pet. at ¶69-70. Naked conclusions without supporting factual allegations are fatal to fraud recovery. Moreover, these allegations do not establish "each and every element" of fraud as required by law. Ms. Simon has failed to link either the Diocese or Rev. Finn to the alleged "misrepresentation."

In addition, Ms. Simon does not even allege facts indicating that the pastors themselves knew the representations were false. In fact, the allegations in the petition tend to indicate that the pastors believed the information they communicated to be true. *See* Pet. at ¶¶16, 33.

Fourth, Ms. Simon entered the employment relationship fully aware that same-sex conduct might be a problem: "I am a lesbian and *I know that could be an issue*." Pet. at ¶10 (emphasis added); *see also* Pet. at ¶13-16. Ms. Simon continued in her employment, fully aware that same-sex conduct could be an issue. *See* Pet. at ¶32 ("I need to let you know that I'm a lesbian.... If this is going to be a problem, I need to know...."). Having worked in various Diocese churches, *see* Pet. at ¶17, 9, 20, she would have been aware of the "Church laws, discipline, and teaching, and the diocesan Policy on Ethics and Integrity in Ministry" to which the Diocese adhered, Pet. at ¶55. These religious teachings and policies were in direct conflict with her conduct. *See id*. Thus, on the face of the petition, it is clear that Ms. Simon was not "ignorant" of this issue as required for a legitimate fraud claim.

Fifth, as she was aware that her identification as lesbian could be an issue, and given that she was an at-will employee as discussed, *supra*, Ms. Simon was not justified in assuming that her employment was secure.

Finally, Ms. Simon cannot demonstrate any causation flowing from a representation to her requested damages. "Damages must flow from the fraud as the proximate cause and not the remote cause." *Hanrahan*, 752 S.W.2d at 883. Ms. Simon was an at-will employee and could have been terminated at any time and for any reason. There is no direct link between any representation by the Diocese or Bishop Finn and Ms. Simon's subsequent unemployment.

In sum, the petition fails to plead fraud with the specificity required by law, and therefore must be dismissed.

C. Plaintiff failed to state a fraud claim because she falls within the ministerial exception.

"When the defendant's actions are within a category not generally considered actionable...the specific facts on which liability is based must be pleaded with particularity." *Adolphsen v. Hallmark Cards, Inc.*, 907 S.W.2d 333, 338 (Mo. App. W.D. 1995). "Similarly, when a petition asserts a legal position contrary to a general rule of law, the petition must plead the facts that invoke an exception to the general rule." *Williams v. Barnes & Noble, Inc.*, 174 S.W.3d 556, 561 (Mo. App. W.D. 2005).

The ministerial exception to employment-based actions is well established. Just two years ago, the United States Supreme Court affirmed the existence of this exemption in the seminal case *Hosanna-Tabor Evangelical Lutheran Church and School v. E.E.O.C.* 132 S. Ct. 694 (2012). The ministerial exception recognizes that as a matter of constitutional law, ministerial employment decisions pertain to the internal governance of a church. *Id.* at 706. State intrusion into this sacred arena violates both First Amendment Religion Clauses:

By imposing an unwanted minister, the state infringes the Free Exercise Clause, which protects a religious group's right to shape its own faith and mission through its appointments. According the state the power to determine which individuals will minister to the faithful also violates the Establishment Clause, which prohibits government involvement in such ecclesiastical decisions.

Id. See also Gibson v. Brewer, 952 S.W.2d 239, 246 (Mo. banc. 1997) (dismissing complaint against diocese on motion to dismiss, as inquiry into minister retention violates First Amendment). The term "minister" applies not only to the head of a religious congregation, such as a pastor or priest, but the term also applies to any employee with a ministerial title, qualifications, and responsibilities. The ministerial responsibilities, however, need not be to the exclusion of "secular" duties. *See Hosanna-Tabor*, 132 S. Ct. at 708 (noting that spending only 45 minutes out of each workday on religious duties did not disqualify individual from being a

ministerial employee). Indeed, in *Hosanna-Tabor*, the Supreme Court held that a teacher at a Christian school was properly a "minister" and subject therefore to the ministerial exception.

Ms. Simon was employed by St. Francis Xavier Catholic Church, and was given a ministerial title – "Pastoral Associate for Justice and Life." Pet. at ¶¶9, 19, 38. From the face of the petition, she represented St. Francis Xavier Catholic Church as she interacted with and served members of the community. *See* Pet. at ¶¶20, 24. Given that Ms. Simon's employment has the hallmarks of a ministerial employee, her petition for an employment-based action against the Diocese is contrary to the general rule of law. She was therefore obligated to plead facts alleging that the position was not, in fact, ministerial, and she did not do so. Count I should be dismissed.

II. Plaintiff failed to state a claim for violation of Missouri Service Letter Law against Defendant Diocese.

Missouri's Service Letter statute is designed to discourage corporate employers from damaging the employability of former employees by furnishing false information as to their service or discharge. *See Ryburn v. Gen. Heating & Cooling, Co.*, 887 S.W.2d 604, 607 (Mo. App. W.D. 1994). If *properly* requested, an employer must issue a letter signed by a manager or superintendent addressing (1) the nature and character of the employment service; (2) the duration of the employment service; and (3) the cause, if any, the employee was discharged or voluntarily left service. *See Hills v. McComas Rentals, Inc.*, 779 S.W.2d 297, 299 (Mo. App. W.D. 1989). Plaintiff Simon cannot state a claim because she received a letter that addressed all three elements, and cannot show any injury in obtaining other employment.

An employee can seek actual damages if an employer refuses to issue a letter, or issues a letter with incorrect or missing information, and employment was lost or hindered as a result. *See Labrier v. Anheuser Ford, Inc.*, 621 S.W.2d 51, 57 (Mo. banc. 1981). As explained below, Ms. Simon does not plead actual damages in this suit.

Punitive damages are not available if the required three elements are addressed in a response, even if the information is incorrect. *See* RSMo. 290.140.2 (content of letter cannot be basis for punitive damages); *Ryburn*, 887 S.W.2d at 607. As explained below, Ms. Simon fails to sufficiently plead punitive damages.

If an employee shows that the required information is *false*, he or she might claim nominal damages of \$1. But Ms. Simon's pleading in this area consists of unsupportable conclusions. The only "error" alleged in any detail would have this Court rule on religious doctrines. Ms. Simon's pleading is insufficient to claim that any of the required information is missing or false, and therefore insufficient to state a claim for nominal damages.

Because the Diocese provided a letter containing the information sought by Ms. Simon, and because Ms. Simon has not sufficiently pled nominal, actual, or punitive damages, Count II must be dismissed.

A. Plaintiff's Count II does not sufficiently plead any actual damages.

Ms. Simon alleges no facts that support a claim for actual damages in Count II. In order to plead actual damages, a plaintiff must show: "(1) that on or about an approximate date the plaintiff was either refused employment or hindered in obtaining such employment; (2) that the refusal or hindrance was caused by the absence or inadequacy of the service letter; (3) that the position the plaintiff had difficulty obtaining was actually open; and (4) the salary rate of that position." *Labrier*, 621 S.W.2d at 57. Ms. Simon's petition does not state any of these elements, and therefore, does not plead any actual damages.

B. Plaintiff's Count II does not sufficiently plead any punitive damages.

Plaintiff has not pled a claim for *punitive* damages.

Any corporation which violates the provisions of subsection 1 of this section shall be liable for compensatory but not punitive damages but in the event that the evidence establishes that the employer did not issue the requested letter, said employer may be liable for nominal and punitive damages; but no award of punitive damages under this section shall be based upon the content of any such letter.

RSMo. 290.140.2. The Western District Court of Appeals has repeatedly held that punitive damages are not recoverable when the service letter contains a cause for discharge, even if the stated cause is incorrect. *See, e.g., Ryburn,* 887 S.W.2d at 607. So long as the employer provides some response to each of the elements, even if the information is incorrect, there can be no punitive damages. *Id.*

Here, Ms. Simon pleads that she received a letter, Pet. at ¶53, but avoids pleading the entire text of her request and the Diocese's reply. The letter describes Ms. Simon's work at St. Francis Xavier parish, *see* Pet. at ¶53, thereby satisfying the statutory requirement to describe the "nature and character of [the employee's] service to the corporation," RSMo. 290.140. Unable to say the Diocese failed to describe her work, Ms. Simon pleads only that "character" must be described with certain words: "e.g., satisfactory or unsatisfactory[.]" Pet. at ¶¶54, 76. Because Ms. Simon does not plead the complete omission of a "nature and character" description, however, there is no ground for punitive damages.

Ms. Simon also pleads that the letter she received described the dates of her employment. Pet. at ¶53. This is sufficient to satisfy the second element, which requires a Service Letter to state a duration of employment. Ms. Simon's claim that the duration was "inaccurately state[d]", *id.*, cannot support punitive damages.

Ms. Simon acknowledges that the letter lists a cause for discharge. Pet. at ¶55. This satisfies the third element, "the true cause, if any, the employee was discharged or voluntarily left service." Ms. Simon's conclusory allegation that this is not the "true" reason, Pet. at ¶78, is not relevant to punitive damages.

In short, Ms. Simon's pleading fails to show that any of the content required in a Service Letter was omitted. Therefore, Ms. Simon cannot seek punitive damages, even if she disagrees with the content of the letter.

C. Plaintiff's Count II does not sufficiently plead any nominal damages.

Finally, Ms. Simon fails to plead facts sufficient for even nominal damages. The Western District Court of Appeal has held that "only if it can be said that a letter fails to address any of the requirements of Section 1 will such a letter constitute a failure to 'issue.'" *Kincaid v. Pitney Bowes, Inc.*, 750 S.W.2d 550, 554 (Mo. App. W.D. 1988). And only if Ms. Simon could show that the Service Letter failed to issue may she seek one dollar in nominal damages. RSMo. 290.140.

Again, Ms. Simon has suggested three errors in the letter. She pleads that any description of the "nature and character" of her work must use the words "satisfactory or unsatisfactory." Pet. at ¶¶54, 76. Ms. Simon says the letter should have listed her service as Executive Secretary at another parish in 2012. *See* Pet. at ¶¶53, 76. Finally, Ms. Simon says the letter is not truthful about the reason for her termination. Pet. at ¶78.

First, this petition's allegation as to the character description is conclusory and insufficient. Pet. at ¶¶54, 76. If Ms. Simon wishes to challenge the "nature and character" description, her pleading should allege sufficient facts to show that the "nature and character" description actually provided was omitted or false. In this case, the letter should have been quoted in its entirety. Ms. Simon's claim is merely that the "character" portion of the description must use certain words. There is no statutory basis for magic words in the Service Letter. The allegations of ¶54 and ¶76 only suggest that other words should be used. This petition is legally insufficient to raise a question concerning the truth or omission of a "nature and character"

description in a service letter.

Second, Ms. Simon says the Service Letter should have listed Ms. Simon's prior position as an Executive Secretary at another parish. Pet at ¶53. Again, Ms. Simon's conclusory and unsupportable pleading is the only ground for the error. At paragraph 52, Ms. Simon alleges that her request was "proper," when she should have pled the facts showing the request. As a matter of pleading, the conclusory allegation that Ms. Simon's letter was "a proper request," Pet. at ¶52, is insufficient to state a claim.

Third, Ms. Simon's conclusory allegation that "the Diocese was not truthful as to the reason for Ms. Simon's termination," Pet. at ¶ 78, is not sufficient. Generally, a Plaintiff does not have to prove the "true" reason for her termination, *see Potter v. Milbank Mfg. Co.*, 489 S.W.2d 197 (Mo. 1972), but Ms. Simon cannot rely on the conclusory allegation that the statement is false. *See Stebbins v. Mart Drug Co.*, 344 S.W.2d 302 (Mo. App. 1961), *but see Dwyer v. Busch Properties, Inc.*, 624 S.W.2d 848 (Mo. banc 1981) (overruling *Stebbins* to the extent it was interpreted to require Plaintiff to prove the true cause of termination); *see also Labrier*, 621 S.W.2d at 56-57 (example of pleading specific facts and statements alleged to be false). Ms. Simon's statement is insufficient to raise a question about the truthfulness of the reason for termination given in the letter.

In summary, the petition fails to plead any of the alleged service letter errors with facts sufficient to support a claim. Count II should be dismissed.

D. Plaintiff's Count II pleads non-justiciable issues of church doctrine.

As addressed above, Ms. Simon's petition makes a conclusory allegation that "the Diocese was not truthful as to the reason for Ms. Simon's termination." Pet. at ¶78. The reason listed in the letter is pled at paragraph 55 of the petition:

The reason for your involuntary separation of employment was based upon an irreconcilable conflict between the laws, discipline, and teaching of the Catholic Church and your relationship – formalized by an act of marriage in Iowa – to a person of the same sex. Such conduct contradicts Church laws, discipline, and teaching and the diocesean Policy on ethics and Integrity in Ministry.

This allegation is insufficient to state a claim, and calls into question this Court's jurisdiction.

It is not clear why Ms. Simon claims this statement is false. If she believes there is some other reason for her termination, she does not list it. But if Ms. Simon intends to allege that there was *not* an "irreconcilable conflict" between church laws and Ms. Simon's actions, the claim must be dismissed.

No civil court can pass on the question of whether particular acts are irreconcilable with church law, discipline or teaching. A civil court may not second-guess the determination of a religious body concerning questions of discipline, faith, ecclesiastical rule, custom or law. *Watson v. Jones*, 80 U.S. 679, 727-29, 20 L. Ed. 666 (1871). It would lead to "the total subversion" of Constitutional rights "if any one aggrieved by one of their decisions could appeal to the secular courts and have them reversed." *Id*.

So while the statute does not normally require a Plaintiff to plead an alternative cause for termination, the cases do seem to require Plaintiff to plead *how* the statements are false. *See Stebbins v. Mart Drug Co.*, 344 S.W.2d 302 (Mo. App. 1961); *Labrier*, 621 S.W.2d at 56-57. This is particularly true because the falsehood alleged in this case appears to involve a decision by the Diocese that is protected by the First Amendment. As a result, Ms. Simon must plead additional facts sufficient to show that this Court can consider her claim. *See Adolphsen v. Hallmark Cards, Inc.*, 907 S.W.2d 333, 338 (Mo. App. W.D. 1995) (when a defendant's actions are within a category not generally considered actionable, the specific facts on which liability is

based must be pleaded with particularity).

To the extent Count II seeks to state a claim that the service letter gave a false reason for termination, the present conclusory pleading is insufficient to present a justiciable question. Count II should, therefore be dismissed.

III. Conclusion.

Ms. Simon has failed to state any claim upon which relief can be granted, nor can she state such a claim. Her petition should therefore be dismissed with prejudice.

Dated: September 16, 2014

Respectfully submitted,

/s/ Jonathan R. Whitehead Jonathan R. Whitehead Mo. Bar No. 56848 229 S.E. Douglas, Ste. 210 Lee's Summit, MO 64063 jon@whiteheadlawllc.com 816-398-8305 /s/ Erik W. Stanley Erik W. Stanley* KS Bar No. 24326 estanley@alliancedefendingfreedom.org Kevin H. Theriot Mo Bar No. 55733 ktheriot@allincedefendingfreedom.org ALLIANCE DEFENDING FREEDOM 15100 N. 90th Street Scottsdale, AZ 85260 480-444-0020 480-444-0028

ATTORNEYS FOR DEFENDANTS

**Pro hac vice* forthcoming

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the

following attorney:

Edward (E.E.) Keenan Keenan Law Firm, LLC 323 Emanuel Cleaver II Blvd., #7E Kansas City, MO 64112

> <u>s/ Jonathan R. Whitehead</u> Jonathan R. Whitehead