

NEW YORK COURT OF APPEALS

Palladino v. CNY Centro, Inc.

23 N.Y.3d 140, 12 N.E.3d 436 (2014) · Decided April 8, 2014

SUMMARY

The New York Court of Appeals held that the rule from *Martin v. Curran* applies to a union member's state-court claim against an unincorporated labor union for breach of the duty of fair representation. Under that rule, the plaintiff must allege and prove authorization or ratification of the challenged conduct by every member of the union. The Court declined to overrule *Martin*, concluding that changes to the rule are better left to the Legislature.

CASE DETAILS

COURT	New York Court of Appeals
WRITING FOR THE COURT	Abdus-Salaam, J.; Abdus-Salaam; Graffeo; Lippman; Pigott; Read; Rivera; Smith
JURISDICTION	New York
DECIDED	April 8, 2014
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from an order of the Appellate Division, Fourth Department, reversing Supreme Court's order denying the Union's motion for summary judgment on Palladino's duty-of-fair-representation claim and dismissing that claim under <i>Martin v. Curran</i> .
STANDARD OF REVIEW	De novo review of the legal sufficiency of the complaint and the application and continued validity of the <i>Martin</i> rule.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Eugene Palladino v. CNY Centro, Inc., Amalgamated Transit Union, Local 580, Charles Watson

TOPICS

labor law employment law statutory interpretation civil procedure

PRACTICE AREAS

labor law employment law union representation statutory interpretation

QUESTIONS PRESENTED

1. Whether *Martin v. Curran*'s requirement that a plaintiff plead and prove authorization or ratification by every member of an unincorporated association applies to a union member's state-law action against the union for breach of the duty of fair representation.
2. Whether *Madden v. Atkins*'s exception to the *Martin* rule for wrongful-expulsion actions applies when a union executive board, rather than the membership, decides not to submit a grievance to arbitration.
3. Whether the Court of Appeals should overrule *Martin v. Curran*.

HOLDINGS

1. *Martin v. Curran* applies. A plaintiff suing a labor union as a voluntary unincorporated association must plead and prove that every member of the association authorized or ratified the alleged wrongful conduct.
2. *Madden v. Atkins* does not apply because its narrow exception concerns wrongful expulsion effected through a vote by the membership, whereas Palladino's grievances were withdrawn by the Union's executive board without a membership vote.
3. The Court declined to overrule *Martin v. Curran*, concluding that the rule involves both common-law principles and statutory interpretation and that any comprehensive change is better left to the Legislature.

KEY QUOTATIONS

"Although we question the continued utility or wisdom of the Martin rule, mindful of "the eminently desirable and essential doctrine of stare decisis" (People v Hobson (39 NY2d 479, 487 [1976, Breitel, Ch. J.]), we decline plaintiffs invitation to overrule our precedent." (23 N.Y.3d at 150-151)

"Accordingly, the order of the Appellate Division should be affirmed, with costs." (23 N.Y.3d at 152)

FACTUAL BACKGROUND

Eugene Palladino, a bus driver and member of a union-represented collective bargaining unit, was disciplined and later terminated by CNY Centro after alleged attendance and misrepresentation violations. The Union pursued grievances but declined arbitration after its executive board unanimously voted not to proceed, in part because Palladino did not cooperate with the Union's investigation and did not accept a proposed settlement. Palladino claimed that the termination caused him to lose eligibility for early retirement and lifetime health insurance benefits, and sued the Union and others for breach of the duty of fair representation.

PROCEDURAL HISTORY

Palladino brought separate actions arising from his discipline and termination, asserting claims including breach of contract, wrongful termination, constitutional violations, and breach of the Union's duty of fair representation. The actions were consolidated. Supreme Court denied the Union's motion for summary judgment on the fair-representation claim but otherwise dismissed claims against the Union. The Appellate Division reversed and dismissed the fair-representation claim as fatally defective under *Martin v. Curran*. The Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Martin v. Curran, 303 N.Y. 276 (1951)
- McCabe v. Goodfellow, 133 N.Y. 89 (1892)
- Madden v. Atkins, 4 N.Y.2d 283 (1958)
- People v. Hobson, 39 N.Y.2d 479 (1976)
- People v. Rudolph, 21 N.Y.3d 497 (2013)
- Matter of Higby v. Mahoney, 48 N.Y.2d 15 (1979)
- Jund v. Town of Hempstead, 941 F.2d 1271 (2d Cir. 1991)
- Building Indus. Fund v. Local Union No. 3, Int'l Bhd. of Elec. Workers, AFL-CIO, 992 F. Supp. 192 (E.D.N.Y. 1998), aff'd, 141 F.3d 1151 (2d Cir. 1998)
- Modeste v. Local 1199, Drug, Hosp. & Health Care Empls. Union, RWDSU, AFL-CIO, 850 F. Supp. 1156 (S.D.N.Y. 1994)
- Saleme v. Toussaint, 25 A.D.3d 411 (1st Dep't 2006)
- United States v. White, 322 U.S. 694 (1944)
- Mine Workers v. Coronado Coal Co., 259 U.S. 344 (1922)
- Donnelly v. United Fruit Co., 40 N.J. 61, 190 A.2d 825 (1963)
- Saginario v. Attorney Gen., 87 N.J. 480, 435 A.2d 1134 (1981)
- Buteas v. Raritan Lodge No. 61 F. & A.M., 248 N.J. Super. 351, 591 A.2d 623 (App. Div. 1991)
- Diluzio v. United Elec., Radio & Mach. Workers of Am., Local 274, 386 Mass. 314, 435 N.E.2d 1027 (1982)
- J.R. Norton Co. v. General Teamsters, Warehousemen & Helpers Union, Local 890, 208 Cal. App. 3d 430, 256 Cal. Rptr. 246 (1989)