

SUPREME COURT OF INDIANA

Beverly M. Brazauskas v. Fort Wayne-South Bend Diocese, Inc.,
Sacred Heart Parish, and Jose Martelli

796 N.E.2d 286 (Ind. 2003) · No. No. 71S03-0205-CV-268 · Decided September 25, 2003

SUMMARY

The Indiana Supreme Court held that the trial court had subject-matter jurisdiction over claims for blacklisting and tortious interference despite the defendants' First Amendment Free Exercise defense. The court concluded that the church autonomy doctrine protected communications and coordination among Catholic church officials concerning the plaintiff's prospective employment, and it directed entry of summary judgment for the defendants. Justice Sullivan concurred in part and dissented in part.

CASE DETAILS

COURT	Supreme Court of Indiana
WRITING FOR THE COURT	Shepard, Chief Justice; Dickson, Justice; Boehm, Justice; Rucker, Justice; Sullivan, Justice
JURISDICTION	Indiana
DECIDED	September 25, 2003
DOCKET	No. 71S03-0205-CV-268
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	On petition to transfer from the Indiana Court of Appeals, the Indiana Supreme Court reviewed dismissal of blacklisting and tortious-interference claims for lack of subject-matter jurisdiction.
STANDARD OF REVIEW	Summary judgment: whether there is any genuine issue of material fact and whether the moving parties are entitled to judgment as a matter of law, construing facts and reasonable inferences in favor of the nonmoving party.
PRECEDENTIAL VALUE	Published, precedential decision of the Supreme Court of Indiana.
PARTIES	Beverly M. Brazauskas v. Fort Wayne-South Bend Diocese, Inc., Sacred Heart Parish, Jose Martelli

TOPICS

free exercise clause

employment law

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summary judgment

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether a religious defense under the First Amendment's Free Exercise Clause deprives a state court of subject-matter jurisdiction over employment-related tort claims.
2. Whether the Diocese defendants were entitled to summary judgment on Brazauskas's blacklisting claim under the church-autonomy doctrine and the Free Exercise Clause.
3. Whether Brazauskas's tortious-interference claim could proceed where the alleged conduct involved church officials communicating and coordinating about internal church administration and she had not established independent illegal conduct.

HOLDINGS

1. A court with general authority to hear employment disputes is not deprived of subject-matter or personal jurisdiction merely because a defendant asserts a religious defense. The defense may instead entitle the defendant to summary judgment under the applicable procedural rules.
2. Under the facts presented, the Free Exercise Clause entitled the Diocese defendants to summary judgment on Brazauskas's blacklisting claim because applying the blacklisting statute to penalize communication and coordination among church officials concerning internal church policy and administration would violate the church-autonomy doctrine.
3. The tortious-interference claim failed because the alleged conduct was protected for the same Free Exercise and church-autonomy reasons, and Brazauskas had not established the independent illegal conduct required for the tort.

KEY QUOTATIONS

"A court with general authority to hear matters like employment disputes is not ousted of subject matter or personal jurisdiction because the defendant pleads a religious defense." (796 N.E.2d at 290)

"The First Amendment does not immunize every legal claim against a religious institution and its members." (796 N.E.2d at 294)

"We therefore conclude that under these facts the Free Exercise Clause entitles the defendants to summary judgment on Brazauskas' blacklisting claim." (796 N.E.2d at 294)

FACTUAL BACKGROUND

In August 1992, Father Martelli dismissed Brazauskas from her position as Director of Religious Education and Liturgy at Sacred Heart Church. While litigation over that termination was pending, Brazauskas applied for a position at Notre Dame's Program for Church Leaders, but University President Father Edward Malloy rejected the search committee's recommendation because he believed the university should not hire someone who had an

active lawsuit against the local bishop. Brazauskas alleged that Martelli and Bishop D'Arcy prevented her from obtaining the position by communicating with Malloy, although the alleged communications were truthful and she did not claim that the disclosures were false.

PROCEDURAL HISTORY

Brazauskas sued the Diocese and Father Martelli after she was not hired for a position at the University of Notre Dame, alleging blacklisting and tortious interference with a business relationship. The trial court dismissed both claims for lack of subject-matter jurisdiction, and the Court of Appeals affirmed. The Indiana Supreme Court granted transfer, held that the trial court had jurisdiction, but concluded that the defendants were entitled to summary judgment under the First Amendment's Free Exercise Clause and remanded for entry of judgment in their favor.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reverse the dismissal for lack of subject-matter jurisdiction and remand for entry of summary judgment in favor of the Diocese defendants.

CASES CITED

- Brazauskas v. Fort Wayne-South Bend Diocese, Inc., 755 N.E.2d 201 (Ind. Ct. App. 2001)
- Brazauskas v. Fort Wayne-South Bend Diocese, Inc., 714 N.E.2d 253 (Ind. Ct. App. 1999)
- Bryce v. Episcopal Church, 289 F.3d 648 (10th Cir. 2002)
- McKelvey v. Pierce, 173 N.J. 26, 800 A.2d 840 (2002)
- State Farm Fire & Casualty Co. v. T.B., 762 N.E.2d 1227 (Ind. 2002)
- Watson Rural Water Co., Inc. v. Ind. Cities Water Corp., 540 N.E.2d 131 (Ind. Ct. App. 1989)
- Kiyose v. Trustees of Indiana University, 166 Ind. App. 34, 333 N.E.2d 886 (1975)
- Draskovich v. Pasalich, 151 Ind. App. 397, 280 N.E.2d 69 (1972)
- Employment Division v. Smith, 494 U.S. 872 (1990)
- Kedroff v. St. Nicholas Cathedral, 344 U.S. 94 (1952)
- EEOC v. Catholic University of America, 83 F.3d 455 (D.C. Cir. 1996)
- Cantwell v. Connecticut, 310 U.S. 296 (1940)
- Jones v. Wolf, 443 U.S. 595 (1979)
- Gillette v. United States, 401 U.S. 437 (1971)