

COURT OF APPEALS OF MARYLAND

Amalgamated Transit Union, Local 1300 and David A. McClure v.
William T. Lovelace, Jr.

441 Md. 560 (2015) · No. No. 25, September Term, 2014 · Decided February 4, 2015

SUMMARY

The Maryland Court of Appeals held that a union member seeking monetary damages for defamation was not required to exhaust internal union remedies when those remedies could not award monetary damages. The court affirmed the Court of Special Appeals and concluded that the union’s motions to dismiss, which relied on materials outside the pleadings, were properly treated as motions for summary judgment.

CASE DETAILS

COURT	Court of Appeals of Maryland
WRITING FOR THE COURT	Adkins, J.; Barbera, C.J.; Harrell, J.; Battaglia, J.; Greene, J.; McDonald, J.; Watts, J.
JURISDICTION	Maryland
DECIDED	February 4, 2015
DOCKET	No. 25, September Term, 2014
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants appealed after the Circuit Court for Baltimore City denied their motions to dismiss, which the Court of Appeals treated as motions for summary judgment because the court considered the Local 1300 Constitution. The Court of Special Appeals affirmed, and the Court of Appeals granted certiorari.
STANDARD OF REVIEW	Because the circuit court considered the Local 1300 Constitution outside the pleadings, the motions to dismiss were treated as motions for summary judgment. The appellate court reviewed the denial of summary judgment as a matter of law and whether the circuit court was legally correct.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Amalgamated Transit Union, Local 1300, David A. McClure v. William T. Lovelace, Jr.

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether a union member claiming defamation by the union and a fellow union member must exhaust internal union remedies before filing suit when those remedies do not provide the monetary damages sought.
2. Whether the circuit court properly treated the motions to dismiss as motions for summary judgment after considering the Local 1300 Constitution.

HOLDINGS

1. When a union member claims that the union and a fellow union member are liable for defamation and seeks monetary damages, internal union remedies that do not provide monetary damages are inadequate, so the member is not required to exhaust them before filing suit.
2. The circuit court's consideration of the Local 1300 Constitution outside the pleadings required the motions to dismiss to be treated as motions for summary judgment under Maryland Rule 2-322(c).

KEY QUOTATIONS

“when a union member claims that his union and a fellow union member are liable for defaming him and seeks monetary damages, if the union’s internal remedies do not provide monetary damages, they are inadequate and the union member is not required to exhaust them.” (441 Md. at 578)

“where an internal union appeals procedure cannot result in reactivation of the employee’s grievance or an award of the complete relief sought in his § 301 suit, exhaustion will not be required with respect to either the suit against the employer or the suit against the union.” (441 Md. at 570)

FACTUAL BACKGROUND

William T. Lovelace and David A. McClure served together as officers of Amalgamated Transit Union, Local 1300, but became political opponents over union financial matters. During the 2010 union election campaign, McClure allegedly told Local 1300 members that Lovelace was stealing and misappropriating union funds, and Lovelace lost the election. Lovelace sued the Union and McClure for defamation, seeking compensatory and punitive damages; the Union's internal procedures allowed discipline and election challenges but did not provide monetary damages.

PROCEDURAL HISTORY

Lovelace sued Local 1300 and McClure for defamation and sought compensatory and punitive damages. The circuit court denied the Union's motions to dismiss, concluding that Lovelace was excused from exhausting

internal union remedies because those remedies could not award monetary damages. After a jury found actual-malice defamation and vicarious liability and awarded damages, the Court of Special Appeals affirmed. The Court of Appeals granted certiorari and affirmed the intermediate appellate judgment.

DISPOSITION

affirmed

CASES CITED

- Walsh v. Communications Workers of America, Local 2336, 259 Md. 608, 271 A.2d 148 (1970)
- Clayton v. International Union, 451 U.S. 679, 101 S. Ct. 2088, 68 L. Ed. 2d 538 (1981)
- McPhetridge v. IBEW, Local Union No. 53, 578 F.3d 886 (8th Cir. 2009)
- McClure v. Lovelace, 214 Md. App. 716, 78 A.3d 934 (2013)
- Ronald M. Sharrow, Chartered v. State Farm Mutual Automobile Insurance Co., 306 Md. 754, 511 A.2d 492 (1986)
- Converge Services Group, LLC v. Curran, 383 Md. 462, 860 A.2d 871 (2004)
- Nickens v. Mount Vernon Realty Group, 429 Md. 53, 54 A.3d 742 (2012)
- Ray v. Mayor of Baltimore, 430 Md. 74, 59 A.3d 545 (2013)
- Heat & Power Corp. v. Air Products & Chemicals, Inc., 320 Md. 584, 578 A.2d 1202 (1990)
- Metropolitan Mortgage Fund, Inc. v. Basiliko, 288 Md. 25, 415 A.2d 582 (1980)
- Bell v. DaimlerChrysler Corp., 547 F.3d 796 (7th Cir. 2008)
- Bassett v. Local Union No. 705, 773 F.2d 932 (7th Cir. 1985)
- Scoggins v. Boeing Co., 742 F.2d 1225 (9th Cir. 1984)
- Keiper v. United Auto. Workers' Union, Local 677, 867 F. Supp. 298 (E.D. Pa. 1994)
- Williams v. United Auto Workers Local 501, AFL-CIO, 841 F. Supp. 499 (W.D.N.Y. 1993)
- Nanney v. Chrysler Corp., 600 F. Supp. 1248 (D. Del. 1984)
- Maddalone v. Local 17, United Brotherhood of Carpenters of America, 152 F.3d 178 (2d Cir. 1998)
- Achilli v. John J. Nissen Baking Co., 989 F.2d 561 (1st Cir. 1993)
- Beyene v. Coleman Security Services, Inc., 854 F.2d 1179 (9th Cir. 1988)
- Chapman v. UAW Local 1005, 670 F.3d 677 (6th Cir. 2012)
- Rogers v. Board of Education of Buena Vista School, 2 F.3d 163 (6th Cir. 1993)
- Tinsley v. UPS, 665 F.2d 778 (7th Cir. 1981)
- Murman v. Renold Power Transmission Corp., 632 F. Supp. 853 (M.D. Pa. 1985)
- Shailendra Kumar, P.A. v. Dhanda, 426 Md. 185, 43 A.3d 1029 (2012)
- Cheek v. United Healthcare of Mid-Atlantic, Inc., 378 Md. 139, 835 A.2d 656 (2003)
- Batson v. Shiflett, 325 Md. 684, 602 A.2d 1191 (1992)
- New York Times Co. v. Sullivan, 376 U.S. 254, 84 S. Ct. 710, 11 L. Ed. 2d 686 (1964)
- Samuels v. Tschechtelin, 135 Md. App. 483, 763 A.2d 209 (2000)

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