

SUPREME COURT OF ALASKA

Beach v. Handforth-Kome

314 P.3d 53 (Alaska 2013) · No. S-14811 · Decided November 29, 2013

SUMMARY

The Alaska Supreme Court affirmed summary judgment for Iliuliuk Family Health Services and Sonia Handforth-Kome in an at-will employee's claims for breach of the implied covenant of good faith and fair dealing. The court held that the clinic's investigation and immediate termination did not violate the covenant because the employee handbook permitted immediate dismissal for serious misconduct, and it declined to further consider the retaliation claim because Beach waived challenges to independent grounds supporting summary judgment.

CASE DETAILS

COURT	Supreme Court of Alaska
WRITING FOR THE COURT	Maassen, Justice; Fabe, Chief Justice; Winfree, Justice; Stowers, Justice; Bolger, Justice
JURISDICTION	Alaska
DECIDED	November 29, 2013
DOCKET	S-14811
DISPOSITION	affirmed
PROCEDURAL POSTURE	Employee appealed the superior court's grant of summary judgment to her former employer and executive director on claims for breach of the implied covenant of good faith and fair dealing based on an allegedly unfair termination investigation and retaliatory discharge.
STANDARD OF REVIEW	Summary judgment is reviewed de novo to determine whether a genuine issue of material fact exists and whether the moving party is entitled to judgment as a matter of law; factual inferences are drawn in favor of the party opposing summary judgment. Contract interpretation is also reviewed de novo.
PRECEDENTIAL VALUE	published and precedential
PARTIES	Michele Lyn Beach v. Sonia Handforth-Kome, individually, Iliuliuk Family Health Services, Inc.

TOPICS

employment at-will

implied covenant of good faith

retaliation

summary judgment

appellate procedure

PRACTICE AREAS

employment law

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QUESTIONS PRESENTED

1. Whether the implied covenant of good faith and fair dealing required the clinic to provide Beach with additional procedural protections, including an interview or pretermination investigation, before immediately dismissing her for alleged record falsification.
2. Whether Beach's retaliation claim could survive summary judgment based on her complaints about clinic security procedures, where she failed to challenge on appeal two independently sufficient grounds supporting rejection of that claim.

HOLDINGS

1. An at-will employee is not entitled under the implied covenant of good faith and fair dealing to additional pretermination procedural protections that conflict with the parties' employment agreement or employee handbook. Because the clinic conducted a methodical records review and reasonably concluded that Beach had committed misconduct warranting immediate dismissal, the undisputed facts presented no genuine issue as to objective fairness.
2. The retaliation claim did not warrant reversal because Beach waived two independently sufficient grounds supporting summary judgment by failing to challenge them in her opening brief: lack of evidence connecting her complaints to her termination and lack of evidence that the clinic's stated reason for termination was pretextual.

KEY QUOTATIONS

“The covenant of good faith cannot be interpreted to prohibit what is expressly permitted by [the parties’] contract.” (opinion at 8)

“Once they had discovered grounds for Beach’s immediate dismissal as described in the handbook, the implied covenant of good faith and fair dealing did not require them to give her additional procedural protections.” (opinion at 9)

FACTUAL BACKGROUND

Michele Beach worked as a medical assistant at Iliuliuk Family and Health Services and had suggested improvements concerning prescription-drug security and other clinic operations. After a patient reported illegally obtained Vicodin, clinic officials reviewed drug logs, medical charts, and billing records and found repeated discrepancies associated with entries initialed by Beach. The executive director concluded that the records had been systematically falsified and Beach was responsible, and Beach was immediately terminated without being interviewed. Beach later sued, alleging that the investigation and termination breached the implied covenant of good faith and fair dealing and that her discharge was retaliatory.

PROCEDURAL HISTORY

Beach was terminated after clinic officials reviewed prescription-drug records and concluded that she had falsified dispensary logs. Criminal charges against her were later dismissed. She filed suit in superior court, which granted defendants summary judgment on both theories. The Alaska Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Hoendermis v. Advanced Physical Therapy, Inc., 251 P.3d 346, 351 (Alaska 2011)
- Nielson v. Benton, 903 P.2d 1049, 1052 (Alaska 1995)
- Rockstad v. Erikson, 113 P.3d 1215, 1219 (Alaska 2005)
- Rathke v. Correctional Corporation of America, Inc., 153 P.3d 303, 308 (Alaska 2007)
- Smith v. Cleary, 24 P.3d 1245, 1247 (Alaska 2001)
- Mitford v. de Lasala, 666 P.2d 1000, 1007 (Alaska 1983)
- Smith v. Anchorage School District, 240 P.3d 834, 844 (Alaska 2010)
- Mitchell v. Teck Cominco Alaska Inc., 193 P.3d 751, 761 (Alaska 2008)
- Ramsey v. City of Sand Point, 936 P.2d 126, 128, 133 (Alaska 1997)
- Era Aviation, Inc. v. Seekins, 973 P.2d 1137, 1141 (Alaska 1999)
- Hoendermis v. Advanced Physical Therapy, Inc., 251 P.3d 346, 355-56 (Alaska 2011)
- Willard v. Khotol Services Corp., 171 P.3d 108, 115 (Alaska 2007)
- Reed v. Municipality of Anchorage, 782 P.2d 1155, 1158-59 (Alaska 1989)
- Kinzel v. Discovery Drilling, Inc., 93 P.3d 427, 433 (Alaska 2004)
- Veco, Inc. v. Rosebrock, 970 P.2d 906, 921 (Alaska 1999)
- Hitt v. J. B. Coghill, Inc., 641 P.2d 211, 213 n.4 (Alaska 1982)
- In re Estate of Blodgett, 147 P.3d 702, 709 n.47 (Alaska 2006)
- Willoya v. State, Department of Corrections, 53 P.3d 1115, 1120 (Alaska 2002)
- Brandon v. Corrections Corporation of America, 28 P.3d 269, 280 (Alaska 2001)