

MASSACHUSETTS SUPREME JUDICIAL COURT

Masingill v. EMC Corp.

449 Mass. 532 (2007) · Decided July 20, 2007

SUMMARY

The Massachusetts Supreme Judicial Court reviewed claims arising from alleged oral promises concerning employment benefits, including a change-in-control “full chute,” made during negotiations between Joanne Masingill and Data General Corporation executives. The court held that reliance on prior oral representations contradicted by a fully negotiated and signed written employment agreement was unreasonable as a matter of law, and that the alleged representations supporting the jury’s verdict against Joel Schwartz were either too vague, unpleaded, or contradicted by the contract. The court affirmed the judgment in other respects, rejected the challenge to the jury instructions and denial of recusal, and ordered judgment notwithstanding the verdict for the defendants on the remaining misrepresentation claim.

CASE DETAILS

COURT	Massachusetts Supreme Judicial Court
WRITING FOR THE COURT	Cordy, J.
JURISDICTION	Massachusetts
DECIDED	July 20, 2007
DISPOSITION	reversed
PROCEDURAL POSTURE	After a jury trial on intentional misrepresentation and fraudulent inducement claims, Masingill appealed from the judgment and from denial of her motion for a new trial and motion to recuse the trial judge. EMC and Schwartz cross-appealed from denial of their motion for judgment notwithstanding the verdict on the claim involving Schwartz.
STANDARD OF REVIEW	The court reviewed denial of judgment notwithstanding the verdict by asking whether any combination of evidence could support a reasonable inference for the plaintiff. Recusal was reviewed for abuse of discretion. A new-trial ruling ordinarily receives abuse-of-discretion review, but the challenge here was effectively to jury instructions, which were reviewed for legal error and, if error existed, prejudice.
PRECEDENTIAL VALUE	Published Massachusetts Supreme Judicial Court opinion; precedential.

PARTIES

Joanne Masingill, EMC Corp., Joel Schwartz v. Data General Corp.,
Ronald L. Skates, EMC Corp., Joel Schwartz

TOPICS

employment contracts

fraud

contract interpretation

appellate procedure

standard of review

PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the jury instructions correctly stated that reliance on prior oral representations specifically contradicted by a fully negotiated and voluntarily signed written contract is unreasonable as a matter of law.
2. Whether the trial judge abused his discretion by denying Masingill's motion for recusal based on the transfer of the case between trial sessions and contacts involving the Superior Court's Chief Justice and EMC's general counsel.
3. Whether any alleged representation by Schwartz that Masingill would be made whole, receive a six-month review, obtain a full chute, or receive a guaranteed bonus could support the jury's misrepresentation verdict.
4. Whether the defendants were entitled to judgment notwithstanding the verdict on the misrepresentation claim against Schwartz.

HOLDINGS

1. As a matter of law, a plaintiff cannot reasonably rely on prior oral representations that are specifically contradicted by provisions of a fully negotiated and voluntarily signed written contract addressing the same subject.
2. The trial judge correctly instructed the jury that reliance on oral assurances or promises flatly contradictory to specific written contract provisions could not be reasonable.
3. None of the alleged representations attributed to Schwartz could support the misrepresentation verdict: the promise to make Masingill whole and the promise of a six-month review were too vague or contradicted by the written contract; the alleged statement that Schwartz went to bat for her was not pleaded with particularity; and the alleged guaranteed-bonus statement was both unpleaded and contradicted by the written agreement.
4. The trial judge did not abuse his discretion by denying Masingill's motion for recusal.
5. The trial judge should have granted judgment notwithstanding the verdict for Schwartz and EMC because no alleged representation submitted to the jury could legally support the verdict.

KEY QUOTATIONS

“It is unreasonable as a matter of law to rely on prior oral representations that are (as a matter of fact) specifically contradicted by the terms of a written contract.” (541)

“In such circumstances, she cannot later raise the content of negotiations “to contradict what is finally and unequivocally agreed upon in the final version of the contract,” without creating the (legally unacceptable) result that “the language of the contract simply would not matter any more.”” (542)

“Faced, then, with a question of his capacity to rule fairly, the judge [must] consult first his own emotions and conscience. If he [passes] the internal test of freedom from disabling prejudice, he must next attempt an objective appraisal of whether this was ‘a proceeding in which his impartiality might reasonably be questioned.’” (548)

FACTUAL BACKGROUND

Masingill was recruited to become vice-president of marketing at Data General while working at Compaq. During negotiations, she sought a golden-parachute package, including forward vesting of stock options and salary continuation if Data General were acquired. She alleged that Data General executives Ronald Skates and Joel Schwartz promised that she would receive those benefits or would be made whole, but the written employment agreement and addenda did not include them. Data General was later acquired by EMC, Masingill did not receive the requested benefits, and she left EMC after an unsuccessful search for another position.

PROCEDURAL HISTORY

Masingill commenced the action in the Massachusetts Superior Court in 2001. The case was removed to the United States District Court for the District of Massachusetts and remanded to the Superior Court in 2001. The parties stipulated to dismissal of the contract and promissory-estoppel claims. After a two-week jury trial, the jury rejected Masingill's claims against Skates based on unreasonable reliance but awarded her \$37,000 on a misrepresentation claim involving Schwartz. The trial judge denied both sides' posttrial motions. The Supreme Judicial Court transferred the appeal from the Appeals Court, affirmed the denial of a new trial and the judgment concerning Skates, and ordered judgment for the defendants on the Schwartz claim.

DISPOSITION

reversed

REMAND INSTRUCTIONS

Judgment was to enter for the defendants on all counts, with costs. The order denying the plaintiff's motion for a new trial and the judgment as to Skates were affirmed; the judgment and award of costs in favor of Masingill against Schwartz were reversed.

CASES CITED

- Kilroy v. Barron, 326 Mass. 464, 465 (1950)
- Kuwaiti Danish Computer Co. v. Digital Equip. Corp., 438 Mass. 459, 467-469 (2003)
- Starr v. Fordham, 420 Mass. 178, 188 (1995)

- Turner v. Johnson & Johnson, 809 F.2d 90, 96-97 (1st Cir. 1986)
- McEvoy Travel Bur., Inc. v. Norton Co., 408 Mass. 704, 706-711 (1990)
- Hogan v. Riemer, 35 Mass. App. Ct. 360, 365 (1993)
- Tetrault v. Mahoney, Hawkes & Goldings, 425 Mass. 456, 463 n.7 (1997)
- Raunela v. Hertz Corp., 361 Mass. 341, 343 (1972)
- Kelly v. Railway Express Agency, Inc., 315 Mass. 301, 302 (1943)
- Haddad v. Gonzalez, 410 Mass. 855, 862 (1991)
- Lena v. Commonwealth, 369 Mass. 571, 575 (1976)
- Foman v. Davis, 371 U.S. 178, 181-182 (1962)
- Forte v. Muzi Motors, Inc., 5 Mass. App. Ct. 700, 701 n.4 (1977)
- Poly v. Moylan, 423 Mass. 141, 150 (1996), cert. denied sub nom. Poly v. Cargill, 519 U.S. 1114 (1997)
- Blackstone v. Cashman, 448 Mass. 255, 270 (2007)