

IN THE COURT OF COMMON PLEAS OF LYCOMING COUNTY, PENNSYLVANIA

TROY GUENOT,		:	DOCKET NO. 16-0432
	Plaintiff,	:	
		:	CIVIL ACTION
vs.		:	
		:	
MOTIS ENERGY, LLC.,		:	
	Defendant.	:	PARTIAL SUMMARY JUDGMENT

**OPINION AND ORDER**

Before the court is Defendant’s Motion for Partial Summary Judgment as to the fraud in the inducement claim contained in Count 3 of the First Amended Complaint. After review of the record, the Court concludes that summary judgment is warranted on the fraud in the inducement claim in favor of Defendant Motis Energy, LLC. (Motis Energy)<sup>1</sup>

Plaintiff, Troy Guenot, sued Motis Energy concerning an employment dispute. Guenot left his prior employment with Glenn O. Hawbaker, Inc. to join Motis Energy. Motis Energy was created in February 2015. On February 18, 2015, the parties executed an employment agreement, attached to the First Amended Complaint as Exhibit “A” (“Employment Agreement”). That agreement provided for an initial five year term of employment and included provisions concerning termination of employment. ¶ 5 of the agreement set forth the methods of termination of employment, including death, without cause, just cause and voluntary resignation. ¶ 15 of the Employment Agreement provided that the agreement “together with any understanding or modifications thereof as agreed to in writing by the parties shall constitute the entire agreement between the parties hereto.” Guenot signed the agreement below ¶ 15. Motis Energy terminated Guenot’s employment by letter dated December 29, 2015. In that letter, Motis Energy purported to terminate Guenot’s employment for cause under the Employment Agreement.

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<sup>1</sup> Trial is scheduled for September 12, 2017 as to Count 1 and 2.

Guenot claims that Motis Energy fraudulently induced him to leave his prior employment to join Motis Energy by a false representation outside the written contract. Specifically, Guenot contends that Dan Klingerman, a principal of Motis Energy, misrepresented that Klingerman would take care of Guenot if Guenot joined Motis Energy. The only evidence of this misrepresentation is Guenot's deposition testimony which provides in part the following exchange:

Q Did Mr. Klingerman entice you to leave?

A No.

Q Okay. There was a sort of a back and forth conversation, right?

A Yeah.

Q He didn't entice you?

A He didn't twist my arm. He thought it was a good idea. I thought it was a good idea, but it wasn't like he was begging me.

Q. The reference to Motis going under, tell me about that. What does that mean?

A. You know, he [Dan Klingerman] just said hey you know, Motis goes under in three years --- understand you have a good job with Hawbaker. If Motis goes under in three years or something, you know, I'm still going to do fine. You know. You got -- and that's basically what he told me.

Q And what is the parachute in the contract that you're referring to?

That parachute work, Mr. Smith, I've never used. I just -- I don't -- that parachute word, I -- I mean, if there's another word we can put in there, a parachute in the contract, obviously the contract, once seen, was comforting.

Deposition of Troy Guenot held on May 8, 2017, at 61:21-62:19, attached as Exhibit C to Defendant's Motion for Partial Summary Judgment.

#### SUMMARY JUDGMENT

Pursuant to Pa. R.C.P. 1035.2, the Court may grant summary judgment at the close of the relevant proceedings if there is no genuine issue of material fact or if an adverse party has failed to produce evidence of facts essential to the cause of action or defense. Keystone Freight Corp. v. Stricker, 31 A.3d 967, 971 (Pa. Super. 2011). A non-moving party to a summary judgment motion cannot rely on its pleadings and answers alone. Pa. R.C.P. 1035.2; 31 A.3d at 971.

When deciding a motion for summary judgment, the Court must view the record in the light most favorable to the non-moving party, with all doubts as to whether a genuine issue of material fact exists being decided in favor of the non-moving party. Keystone, 31 A.3d at 971. If a non-moving party fails to produce sufficient evidence on an issue on which the party bears the burden of proof, the moving party is entitled to summary judgment as a matter of law. Id. (citing Young v. Pa. Dep't of Transp., 744 A.2d 1276, 1277 (Pa. 2000)).

#### DISCUSSION

Mr. Guenot failed to produce evidence of facts essential to the cause of action for fraud in the inducement. Fraud in the inducement requires that the following elements be established:

- (1) a representation;
- (2) which is material to the transaction at hand;
- (3) made falsely, with knowledge of its falsity or recklessness as to whether it is true or false;
- (4) with the intent of misleading another into relying on it;
- (5) justifiable reliance on the misrepresentation; and
- (6) the resulting injury was proximately caused by the reliance. Eigen v. Textron Lycoming Reciprocating Engine Div., 874 A.2d 1179, 1185 (Pa. Super. 2005) (citations omitted).

In the present case, it appears that Guenot believes that the statement by Klingerman, that Klingerman would be fine if Motis Energy went under, amounted to a misrepresentation of a guarantee that Guenot would remain employed by some entity of Klingerman's. It is unclear if Guenot believed he was guaranteed employment indefinitely or only until there was just cause to terminate him. In any event, Guenot's own testimony of what was said does not establish such a broad guarantee of employment. *See* Guenot dep., *supra*. The statement also does not amount to a guarantee that was material to the transaction. Guenot testified that "obviously the contract, once seen, was comforting." Guenot does not point to evidence that the statement was made falsely or was made with intent to mislead and induce reliance. Guenot does not point to

evidence that the misrepresentation caused harm. This is particularly true because the parties executed an Employment Agreement which called for a five year term and referenced termination of employment without cause. In this instance, the parties deliberately put the contract into writing. The Employment Agreement provided that it was the sole agreement between the parties. Therefore, in the eyes of this Court, that writing is the best and only evidence concerning their agreement. *See, e.g., Yocca v. Pittsburgh Steelers Sports, Inc.*, 854 A.2d 425 (Pa. 2004).

Moreover, Guenot concedes that the current record is silent as to whether the representation was false and whether the injury was proximately caused by it. The Court concludes that, viewing the evidence in favor of Guenot, Guenot failed to produce sufficient evidence of fraud in the inducement, an issue on which he bears the burden of proof.

Accordingly, the Court enters the following Order.

**ORDER**

AND NOW, this **29<sup>th</sup>** day of **August 2017**, upon consideration of Defendant's Motion for Partial Summary Judgment filed on June 30, 2017, it is hereby ORDERED and DIRECTED that the motion is GRANTED. Judgment is entered in favor of Defendant Motis Energy, LLC, and against Plaintiff, Troy Guenot, on Count 3 of the 1<sup>st</sup> Amended Complaint – Fraud in the inducement.

BY THE COURT,

August 29, 2017

Date

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Richard A. Gray, J.

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