

Court Correctly Dismisses Breach Of Fiduciary Duty Suit Against Employee For Reporting Owner's Criminal Behavior

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In *Keel Recovery, Inc. v. Tri City Adjusters, Inc.*, a company sued its former employee for breach of fiduciary duty related to reporting certain alleged criminal activity related to the repossession of vehicles. No. 05-19-00686-CV, 2020 Tex. App. LEXIS 7273 (Tex. App.—Dallas September 4, 2020, no pet. history). The defendants filed a motion to dismiss, which was denied, and they appealed. The court of appeals rendered that the trial court should have dismissed the plaintiff's claim as against the former employee:

Specifically, while Arion may have had a fiduciary duty to her employer, TCA, that does not mean she owed any fiduciary duty to Peters as owner of TCA. Arguably, to the extent Arion owed TCA a fiduciary duty, that duty was fulfilled by reporting Peters' criminal activity that could subject TCA to negative consequences.

Id. The court also held that without a breach of fiduciary duty claim, there could be no aiding and abetting breach of fiduciary duty: "Because plaintiffs failed to establish Arion breached her fiduciary duty, we further conclude plaintiffs failed to establish any of the other Keel defendants aided and abetted Arion in any such breach of fiduciary duty." *Id.*

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