

California Supreme Court Considers Meaning of “At Will” Employment

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As almost any employer in California would tell you, the laws, agencies and courts in California have been slanted in favor of employees for many years. On August 3, 2006, the California Supreme Court issued *Dore v. Arnold Worldwide, Inc.*, a case which indicates that the tide may finally be shifting a bit toward the middle ground as the Court upheld a termination based upon the employee’s “at will” employment status.

Brook Dore orally accepted an offer from Arnold Worldwide, Inc. (“AWI”) to be a manager at the Los Angeles branch of AWI. He then received a written offer letter which set forth the terms of his employment, including his vacation time, insurance, parking and other benefits. The letter also stated, “Brook, please know that as with all of our company employees, your employment with Arnold Communications, Inc. is at will. This simply means that Arnold Communications has the right to terminate your employment at any time just as you have the right to terminate your employment with Arnold Communications.” Mr. Dore signed and returned the letter.

Two years later, AWI terminated Mr. Dore’s employment. He sued AWI, alleging that AWI could only terminate him if it had good cause to do so. AWI made a summary judgment motion to the judge, asking that the court dismiss Mr. Dore’s case without taking it to a jury because Mr. Dore’s employment was “at will”, as stated in the letter he signed, so no good cause was required. Mr. Dore argued the motion should be denied because the agreement was ambiguous since it did not specifically state that no good cause was required. The trial court granted AWI’s motion.

Mr. Dore appealed, and the appellate court reversed the trial court’s decision as to AWI for most of Mr. Dore’s claims. AWI appealed to the California Supreme Court. The California Supreme Court reviewed several appellate court cases which stated that it was not enough for an agreement to state that employment was “at will” because there was an ambiguity as to what that meant. The court disapproved them.

Where the previous appellate court decisions had strained to find “at will” ambiguous, the California Supreme Court flatly declined to find any ambiguity in the meaning of “at will”. The court held that “at will” is not ambiguous: “at will” means that an employee’s employment can be terminated at any time, with or without cause, whether the employer adds all of that extra language to the integrated agreement or not.

After the *Dore* case, employers should still spell out as much as possible in the written employment agreement, but employers can be reassured that the California Supreme Court may finally be turning the corner toward a more employer-friendly climate.