IN THE CIRCUIT COURT OF KANAWHA COUNTY, WEST VIRGIN

ASAD DAVARI,

v.

Plaintiff.

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**CIVIL ACTION NO.: 14-C-263** 

Judge Tera Salango Consolidated with

**CIVIL ACTION NO.: 14-C-838** 

THE WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS,

Defendant.

# ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

On the 15<sup>th</sup> day of October, 2019, this Court held a duly-noticed hearing in the above-captioned matter on Defendant West Virginia University Board of Governors' ("WVU BOG") Motion for Summary Judgment. The Court, having reviewed the Motion, the Memorandum of Law in Support of the Motion (including exhibits), all Responses filed thereto and other Replies, and the arguments advanced by counsel at hearing, and being of the opinion that the Motion should be **GRANTED**, the Court makes the following findings of fact and conclusions of law:

# PROCEDURAL POSTURE

Plaintiff filed two separate civil actions against WVU BOG. The first, Civil Action No. 14-C-263, asserts contractual and quasi-contractual claims based upon WVU BOG's alleged failure to pay him a supplemental salary of \$24,000 per year. The second, Civil Action No. 14-C-838, brought claims of national origin discrimination and retaliation under the West Virginia Human Rights Act ("WVHRA"). The two cases were consolidated.

Defendant filed its Motion for Summary Judgment on all claims presented in the two cases. Plaintiff's written Response did not address Defendant's arguments with respect to the

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WVHRA claims and, at the pre-trial conference on October 22, 2019, counsel for Plaintiff represented that those claims were to be withdrawn. Accordingly, this Court deems all claims brought in Civil Action No. 14-C-838 to be dismissed. The only claims remaining before the Court to be addressed in this Order are the claims brought in Civil Action No. 14-C-263.

# FINDINGS OF FACT

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- 1. Defendant West Virginia University Board of Governors ("WVU BOG") is the entity tasked by statute with general control, supervision, and management over educational operations at West Virginia University ("WVU") and its divisions. W. VA. CODE §§ 18B-2A-1(b); 18B-2A-4(a).
- 2. In 1996, WVU assumed stewardship of the former West Virginia Institute of Technology. Since 2007, that school has been a "fully integrated division" of WVU, and today, it operates under the name West Virginia University Institute of Technology ("WVUIT"). W. VA. CODE § 18B-1C-2.
- 3. Plaintiff Asad Davari began working at the former West Virginia Institute of Technology in August 1985 as an assistant professor of electrical engineering.
- 4. Plaintiff remains employed at WVUIT as a graduate faculty member; his current salary is \$113,434.74. Plaintiff admits that he is one of the highest paid faculty members at WVUIT.
- 5. In late 2003, the WVUIT Cabinet approved creation of the Center for Research on Advanced Control of Autonomous Systems and Manufacturing (the "Center") at WVUIT's College of Engineering (the "College"). According to the minutes of the WVUIT Cabinet's November 4, 2003 meeting, the Cabinet discussed a written proposal by Dr. Muthukrishnan

Sathyamoorthy, then-Dean of the College, and unanimously voted to approve the "Center concept."

- 6. Dr. Sathyamoorthy's handout included a business plan, which suggested Plaintiff as the Director, and stated that the Director would be "paid a supplemental salary based on effort." Part of the business plan was a section entitled "Administration and Oversight," containing a proposed budget that suggested a \$24,000 salary for its Director.
- 7. According to the minutes of the November 4, 2003 meeting, the WVUIT Cabinet unanimously voted to approve the "Center concept." However, the minutes state that the Cabinet did "not [approve] the staffing and operating policies"; more specifically, it did not adopt "the section labeled Administration and Oversight," which contained the proposed budget and suggested salaries.
- 8. Minutes of the December 2, 2003 meeting reflect that the WVUIT Cabinet discussed a resolution by Dean Sathyamoorthy pertaining to distribution of grant funds relating to the Center. There is no other evidence on the record reflecting discussion of the Center by the Cabinet including compensation.
- 9. On January 5, 2004, Dr. Sathyamoorthy appointed Plaintiff as the founding Director of the Center. Dr. Sathyamoorthy's letter outlines that the Director would report to him (the Dean), and referred to the attached proposed business plan for the Center, as it had been presented to the WVUIT Cabinet, for further information. The letter does not provide a start date for the appointment as Director, nor does it establish any specific term or condition of that appointment. As to compensation, the letter states:

As the Director, you will be paid a supplemental salary based on research effort fully derived from external sources by the Center. The supplemental salary will be in addition to the summer salary and others received from external funding sources. The supplemental salary will be paid over the nine month academic year period.

- 10. As of November 2004, 10 months after Plaintiff's appointment as Director, the Center still did not have a budget.
- 11. On May 19, 2006, Plaintiff sent a letter to Dr. Sathyamoorthy alleging that he had not received a supplemental salary for his work as Director of the Center as set forth in the appointment letter. Dr. Sathyamorthy replied on May 31, 2006, noting that as stated in the 2004 appointment letter any supplemental salary was to come from external research grants and contracts, and further explained that WVUIT had not received its share of costs from a research grant and, more broadly, noted that as a result of numerous delays and mismanagement, the Center had not possessed the resources needed to pursue its activities as originally planned.
- 12. Between 2006 and 2012, Plaintiff continued to sign off on his annual notices appointing him to faculty at WVUIT which stated the total salary for his appointment, pursuant to WVU BOG policy. He also noted via memoranda to the Dean of the College that his salary was paid, in part, by grants for projects on which the Center worked.
- 13. In Fall 2011, WVU began the process of selecting a new Dean for the College. Plaintiff applied, but was not selected.
- 14. In January 2012, Carolyn Long became President of WVUIT (or, at the time, Transitional Leader). There is no evidence on the record showing that President Long had any relationship with Plaintiff prior to becoming Transitional Leader.
- 15. On October 29, 2012, Plaintiff again raised the issue of his alleged "supplemental salary" as President Long via email. President Long launched an investigation, which included inviting Plaintiff to provide documentation on grants that had been awarded through the Center.

16. On December 17, 2013, President Long sent a letter advising Plaintiff that she had reviewed the material and determined that he was not entitled to any further compensation. As President Long explained, three independent factors led her to that determination: First, she was satisfied that Plaintiff had already been compensated through grant funding from external sources. Second, there was no contract or other document requiring WVUIT to pay Plaintiff and/or the Center's Director a specific sum of \$24,000.00. As President Long noted, although a sum of \$24,000 had been suggested in the proposed business plan during the Center's creation, it was never guaranteed to Plaintiff. Third, Plaintiff waived his right to object to his salary because he had signed and approved the annual notices, which by WVU BOG policy stated the "total salary" for his appointment at WVUIT. As President Long's letter concluded, "[t]he Department cannot adjust a budget item from . . . . years ago."

## SUMMARY JUDGMENT STANDARD

Summary judgment should be granted "forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." See W. VA. R. CIV. P. 56(c). "Summary judgment is appropriate if, from the totality of the evidence presented, the record could not lead a rational trier of fact to find for the nonmoving party, such as where the nonmoving party has failed to make a sufficient showing on an essential element of the case that it has the burden to prove." See Syl. pt. 2, Williams v. Precision Coil, Inc., 194 W. Va. 52, 459 S.E.2d 329 (1995). Thus, "circuit courts should not hesitate to summarily dispose of litigation where the requirements of the Rule are satisfied." See Jividen v. Law, 194 W. Va. 705, 713, 461 S.E.2d 451, 459 (1995).

The Supreme Court of Appeals of West Virginia has emphasized that the nonmoving party has a high burden to produce articulable and useful facts in favor of the nonmoving party's opposition:

[t]o meet this burden, the nonmovant must identify specific facts in the record and articulate the precise manner in which that evidence supports its claims. As to material facts on which the nonmovant will bear the burden at trial, the nonmovant must come forward with evidence which will be sufficient to enable it to survive a motion for directed verdict at trial. If the nonmoving party fails to meet this high burden, the motion for summary judgment must be granted. ... Powderidge Unit Owners Ass'n v. Highland Properties, Ltd., 196 W. Va. 692, 699, 474 S.E.2d 872, 879 (1996). As the United States Supreme Court succinctly stated, the party opposing the summary judgment motion "must do more than simply show that there is some metaphysical doubt as to the material facts." Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586 (1986).

See Harbaugh v. Coffinbarger, 209 W. Va. 57, 62, 543 S.E.2d 338, 343 (2000) (citations and parallel citations omitted). Thus, to overcome Defendant's motion, Plaintiff "must offer some . . . concrete evidence from which a reasonable [finder of fact] could return a verdict in . . . [his] favor or other significant probative evidence tending to support the complaint." Miller v. City Hosp., Inc., 197 W. Va. 403, 407 (1996) (internal citations omitted). A "mere 'scintilla of evidence'" will not do. Williams v. Precision Coil, Inc., 194 W. Va. 52, 60, 459 S.E.2d 329, 337 (1995).

## **CONCLUSIONS OF LAW**

# A. Sovereign Immunity

- 1. As an arm of the State, WVU BOG is entitled to sovereign immunity. W. VA. CONT. Art. VI § 35; Syl pt. 1, City of Morgantown v. Ducker, 153 W. Va. 121, 168 S.E.2d 298 (1969).
- 2. An exception to immunity exists when a State agency secures statutorily-required insurance coverage. W. VA. CODE §29-12-5. In that circumstance, a claim brought against the State within the limits of its coverage is not a claim against the State, but instead is essentially a suit against a state agency's insurance carrier and therefore falls outside the traditional constitutional bar. *Pittsburgh Elevator Co. v. W. Va. Bd. of Regents*, 172 W. Va. 743, 310 S.E.2d 675 (1983).
- 3. Thus, claims that are covered by an applicable insurance agreement are allowable, sovereign immunity notwithstanding. See, e.g., Berry v. Rubenstein, No. 1:07-CV-00535, 2008 WL 1899907, at \*4 (S.D.W. Va. Apr. 25, 2008); Blessing v. Nat'l Eng'g & Contracting Co., 222 W. Va. 267, 664 S.E.2d 152 (2008). However, "the State is still constitutionally immune from claims arising out of any activity or responsibility that is not covered under its policy." Wrenn v. W. Va. Dept. of Transp., Div. of Highways, 224 W. Va. 424, 428, 686 S.E.2d 75, 79 (2009); see also W. Va. Lottery v. A-1 Amusement, Inc., 240 W. Va. 89, 807 S.E.2d 760 (2017); Louk v. Isuzu Motors, Inc., 198 W. Va. 250, 479 S.E.2d 911 (1996).
  - 4. Here, the applicable insurance agreement states:

This insurance does not apply to:

. . . .

H. To any claim(s) made against the "insured" for damages attributable to wages, salaries and benefits.

I. To any claim(s) based upon or attributable to any allegations or claims that the "insured" breached the terms of any type or any form of contract, either express or implied, written or oral.

- 5. Plaintiff argues that the insurance policy is "ambiguous." The Court finds no ambiguity the above language is clear that claims for wages, salaries, and benefits, as well as claims for breach of contract, are excluded.
- 6. Plaintiff's claim is of breach of contract to recover an alleged salary, with quasi-contractual equitable claims are merely backups to attempt to recoup those same wages. Plaintiff's substantive claims are thus explicitly excluded by two separate exclusions in the insurance contract. Because there is no insurance coverage for Plaintiff's claim, WVU BOG is entitled to sovereign immunity.
- 7. Plaintiff invokes Agency v. W. Va. Lottery Comm'n, 206 W. Va. 583, 526 S.E.2d 814 (1999) to argue that coverage could arise under the State's Commercial General Liability ("CGL") policy. However, as the Arnold Court noted, the CGL policy only applies to allegations of bodily injury and property damage. Here, as in Arnold, Plaintiff's claims do not allege damages related to bodily injury or property. Accordingly, the CGL coverage is not triggered in this case.
- 8. The Court FINDS that, because the applicable insurance policy excludes Plaintiff's claims, Plaintiff cannot obviate sovereign immunity via the insurance policy exception. Accordingly, the Court further FINDS that WVU BOG is entitled to sovereign immunity as to Counts I, III, and IV of his First Amended Complaint in Civil Action No. 14-C-263, and summary judgment is hereby GRANTED as to those counts.

#### B. Laches.

9. As equitable causes of action, Plaintiff's common-law claims of unjust enrichment and *quantum meruit* are governed not by statutes of limitation, but by the doctrine of

laches. CUMIS Ins. Soc., Inc. v. Raines, No. 3:12-6277, 2013 WL 500305, at \*2 (S.D.W. Va. Feb. 11, 2013); O'Brien v. Allstate Ins. Co., No. 5:10-cv-40, 2010 WL 5204925, at \*5 (N.D.W. Va. Dec. 20, 2010) (citing Absure, Inc. v. Huffman, 584 S.E.2d 507, 511 (W. Va. 2003)); Dunn v. Rockwell, 225 W. Va. 43, 689 S.E.2d 255 (2009).

- another, or such delay as will warrant presumption that party has waived his right." Syl. pt. 2, Bank of Marlinton v. McLaughlin, 123 W. Va. 608, 17 S.E.2d 213 (1941). Laches is particularly applicable when a public entity such as WVU BOG is involved. Indeed, "[a] party must exercise diligence when seeking to challenge the legality of a matter involving a public interest, such as the manner of expenditure of public funds. Failure to do so constitutes laches. . . . Generally, courts have been reluctant to award retroactive monetary relief to public employees who have filed actions after a lengthy delay, where to afford such relief would cause substantial prejudice to the public's fiscal affairs." Maynard v. Bd. of Educ. of Wayne Cnty., 178 W. Va. 53, 61, 357 S.E.2d 246, 255 (1987) (citations omitted).
- In Maynard, the Supreme Court of Appeals also noted that "[i]t would also be inequitable to charge the current group of public administrators with the administrative responsibility for rectifying the large, lump-sum financial burden created many years ago." Id. Ultimately, the Maynard Court determined that a suit for alleged unpaid wages was barred by the doctrine of laches, noting that a delay of five years after the last fiscal year in question and nine years after the first fiscal year in question was unreasonable. Id. at 62, 357 S.E.2d at 256.
- 12. Here, the record shows that Plaintiff was appointed to his position of Director of the Center in 2004. He raised the issue of the supplemental salary with Dr. Sathyamoorthy in 2006. He then did not raise the issue again until after President Long assumed office in 2012.

President Long investigated the issue and rendered a determination in 2013; this lawsuit was filed in 2014.

- 13. Plaintiff has proffered no explanation whatsoever for the intervening gap between 2006 and 2012.
- 14. Here, Plaintiff was appointed to his position of Director of the Center in 2004. Not unlike the plaintiff in *Maynard*, Plaintiff here waited for a full decade after his appointment to file his equitable claims seeking to recover alleged compensation for that role. Even viewing the facts in the light most favorable to Plaintiff, he still slept on his rights for six years.
- President Long took office. As the *Maynard* Court noted, it would be inequitable to charge the current administration of WVUIT with rectifying a lump-sum financial burden of public dollars created nearly a decade prior.
- 16. For these reasons, the Court **FINDS** that even if sovereign immunity did not bar Plaintiff's equitable claims raised in Counts III and IV of his First Amended Complaint in Civil Action No. 14-C-263 they would nevertheless be barred by the doctrine of laches, and summary judgment would be appropriate on these alternative grounds.

# C. Merits of Plaintiff's Claims

# a. Breach of Contract

17. "In West Virginia, the elements of breach of contract are (1) a contract exists between the parties; (2) a defendant failed to comply with a term in the contract; and (3) damage arose from the breach." Wittenberg v. Wells Fargo Bank, N.A., 852 F. Supp. 2d 731, 749 (N.D.W. Va. 2012). As to whether a contract exists, the Supreme Court of Appeals has long held that "the parties must enter into a meeting of the minds in order to form an enforceable

contract" Chesapeake Appalachia, LLC v. Hickman, 236 W. Va. 421, 439, 781 S.E.2d 198, 216, (2015); see also Syl. pt. 1, Martin v. Ewing, 112 W. Va. 332, 164 S.E. 859 (1932) ("A meeting of the minds of the parties is a sine qua non of all contracts.").

- 18. Plaintiff asserts WVU BOG has breached a contract under which Plaintiff is entitled to an additional \$24,000 per year in salary for his service as Director of the Center. He obtains the \$24,000 figure from the "Administration and Oversight" section of the business plan proposed to the WVUIT Cabinet by Dr. Sathyamoorthy in November 2003, and attached to Dr. Sathyamoorthy's offer letter to Plaintiff in January 2004.
- 19. According to WVUIT Cabinet minutes on the record, the Cabinet expressly declined to adopt the "Administration and Oversight" section of the business plan at its November 2003 meeting, and there is no indication that the Cabinet revisited the issue of compensation (if any) for the Director and other Center staff. In short, a salary of \$24,000 was never approved. There is no evidence on the record tending to indicate that there was a "meeting of the minds" between WVUIT and Plaintiff with regard to the amount of salary, if any.
- 20. Plaintiff asserts that Dr. Sathyamoorthy's letter attaching the business plan, and referring to it, creates an "implied promise" of payment. However, given that the WVUIT Cabinet explicitly rejected the "Administration and Oversight" portion of the business plan before Dr. Sathyamoorthy even sent it to Plaintiff, Dr. Sathyamoorthy was without any authority to extend such an offer. Thus, even if the letter could be construed as an offer of payment, it would have been an *ultra vires* act by Dr. Sathyamoorthy that is unenforceable against WVU BOG. Syl. pt. 2, W. Va. Public Employees Ins. Bd. v. Blue Cross Hops. Serv., Inc., 174 W. Va. 605, 328 S.E.2d 356 (1985); Sprout v. Bd. of Educ. v. Cnty. of Harrison, 215 W. Va. 341, 599 S.E.2d 764 (2004).

- 21. Finally, Plaintiff contends that summary judgment is not warranted because the parties dispute whether a contract exists. As W. Va. R. Civ. P. 56(c) states, a motion for summary judgment should only be denied if there is a "genuine issue of material fact." "Facts are 'material' when they might affect the outcome of the case, and a 'genuine issue' exists when the evidence would allow a reasonable jury to return a verdict for the nonmoving party." The News & Observer Publ. Co. v. Raleigh-Durham Airport Auth., 597 F.3d 570, 576 (4<sup>th</sup> Cir. 2010).
- 22. Indeed, the material facts in this case are actually undisputed Dr. Sathyamoorthy sent Plaintiff a letter in January 2004 appointing him as Director of the Center, and referring to the attached proposed business plan for further information. Plaintiff asserts that the letter and proposed business plan constitute a valid, enforceable contract<sup>2</sup> guaranteeing him \$24,000 per year in supplemental salary. For the reasons already discussed, it does not, nor could a reasonable jury conclude that it does.
- 23. For these reasons, the Court **FINDS** that even if sovereign immunity did not bar Plaintiff's breach of contract claim raised in Count I of his First Amended Complaint in Civil Action No. 14-C-263 he has failed to establish an essential element of that cause of action: that a contract exists. Thus, summary judgment would be appropriate on this alternative ground.

# b. Unjust Enrichment and Quantum Meruit Claims.

24. West Virginia courts have not precisely defined the contours of a quantum meruit claim. Indeed, West Virginia courts treat quantum meruit claims essentially identically as unjust

The Court notes that the summary judgment standard set forth in F. R. Civ. P. 56(a) is virtually identical in language and function to that of its West Virginia counterpart, W. Va. R. Civ. P. 56(c).

With regard to any agreement between WVUIT and Plaintiff concerning his salary, he Court notes the stark contrast between this letter attaching a proposed business plan, parts of which had been rejected by the WVUIT Cabinet, and the annual Notices of Appointment which explicitly state Plaintiff's total salary and were signed by him. This further supports the Court's conclusion that there was no "meeting of the minds" with regard to the \$24,000 figure.

enrichment claims. See, e.g., Johnson v. Ross, No. 6:08-cv-00313, 2009 WL 4884374, at \*4 (S.D.W. Va. Dec. 10, 2009). To prevail, Plaintiff must prove: (1) that he bestowed a benefit upon the WVU BOG; (2) that the WVU BOG had knowledge of such benefit; and (3) the acceptance or retention by the WVU BOG of the benefit under such circumstances as to make it inequitable for it to retain the benefit without payment of its value. Id.

- 25. WVU BOG does not dispute that Plaintiff bestows a benefit to WVUIT. However, as WVU BOG points out, Plaintiff was (and continues to be) fully recompensed for those services at a salary of over \$113,000, which has been as explicitly accepted by him yearly through the notices of appointment. Per WVU BOG policy, these notices state that they are intended to cover all services rendered by him through that appointment. Indeed, Plaintiff admits he is one of the highest paid faculty members at WVUIT.
- 26. To the extent that any "supplemental" salary was to be bestowed upon Plaintiff, as Dr. Sathyamoorthy explained to Plaintiff in the January 2004 letter and again in 2006, the additional salary (if any) was to come from external research grants and contracts, not WVUIT's internal budget. Grant documentation on the record indicates that Plaintiff was compensated from those sources.
- 27. For these reasons, the Court **FINDS** that even if sovereign immunity and the doctrine of laches did not bar Plaintiff's equitable claims raised in Counts III and IV of his First Amended Complaint in Civil Action No. 14-C-263 he has failed to establish an essential element of those causes of action: an "inequity." Thus, summary judgment would be appropriate on these alternative grounds.

## c. WPCA

- 28. "The [WPCA] is remedial legislation designed to protect working people and assist them in the collection of compensation wrongly withheld." Syl. pt. 7, Grim v. Eastern Elec., LLC, 234 W. Va. 557, 767 S.E.2d 267 (2014) (citations omitted). As the Supreme Court of Appeals has observed, "the WPCA does not create a right to compensation; rather it merely provides a statutory vehicle for employees to recover agreed-upon, earned wages from an employer." Grim v. Eastern Electric, LLC, 234 W. Va. 557, 572, 767 S.E.2d 267, 282 (2014); see also Syl. pt. 5, Adkins v. Am. Mine Research, Inc., 234 W. Va. 328, 765 S.E.2d 217 (2014) (determination of whether "wages" under WPCA are payable "is governed by the terms of the employment agreement").
- 29. Defendants argue that, because the WPCA does not create an independent right to compensation, but merely provides a mechanism for recourse in the vent of non-payment, Plaintiff's WPCA claim fails because there is no valid, enforceable agreement whereby Plaintiff was guaranteed \$24,000 per year in supplemental salary.
- 30. As discussed above, the undisputed facts on the record show that, as a matter of law, there was no "meeting of the minds" between WVUIT/WVU BOG and Plaintiff guaranteeing him a supplemental salary of \$24,000 per year for his services as Director of the Center. Accordingly, because no genuine issue of material fact exists regarding whether Plaintiff has a valid, enforceable contract with WVU BOG guaranteeing him a supplemental salary of \$24,000 per year, there is likewise no genuine issue of material fact regarding whether WVU BOG violated the WPCA by not paying Plaintiff the \$24,000 per year he seeks. Defendant's Motion for Summary Judgment on Count II of Plaintiff's First Amended Complaint in Civil Action No. 14-C-263 is hereby GRANTED.

WHEREFORE, based upon the foregoing, the Court ORDERS, ADJUDGES, and **DECREES** that Defendant West Virginia University Board of Governors' Motion for Summary Judgment should be, and hereby is, GRANTED as there are no genuine issues of material fact and Defendants are entitled to judgment as a matter of law. Plaintiff's Complaint is hereby DISMISSED WITH PREJUDICE and stricken from the Court's docket.

Plaintiff's objections and exceptions are hereby noted and preserved.

A copy of this ORDER is to be recorded in the Office of the Circuit Clerk of Kanawha County, West Virginia, and the Clerk is further directed to forward copies of this ORDER to all counsel of record.

IT IS SO ORDERED.

ENTERED this the 28<sup>n</sup> day of February

The Honorable Tera L. Salango