

IN THE SUPREME COURT

APPEAL FROM THE MICHIGAN COURT OF APPEALS

ROBERTO LANDIN,

Plaintiff-Appellee,

v.

HEALTHSOURCE SAGINAW, INC.,

Defendant-Appellant.

Supreme Court No. 149663

Court of Appeals Docket No. 309258

Saginaw Circuit Court No. 08-002400-NZ

---

**BRIEF AMICUS CURIAE OF PACIFIC LEGAL  
FOUNDATION IN SUPPORT OF DEFENDANT-APPELLANT**

---

C. Thomas Ludden (P45481)  
Samantha K. Heraud (P76251)  
Lipson, Neilson, Cole, Seltzer & Garin, P.C.  
Attorneys for Amicus Curiae  
Pacific Legal Foundation  
3910 Telegraph Road, Suite 200  
Bloomfield Hills, Michigan 48302  
(248) 593-5000

---

Deborah J. La Fetra  
Christopher M. Keiser  
Pacific Legal Foundation  
930 G Street  
Sacramento, California 95814  
(916) 419-7111

---

**TABLE OF CONTENTS**

**Page**

## **TABLE OF AUTHORITIES**

**Page**

**Cases**

**Statutes**

**Michigan Court Rules**

**Other Authorities**

## INTRODUCTION AND SUMMARY OF THE ARGUMENT

This case illustrates the problem with expanding the tort of wrongful termination in violation of public policy beyond its precise boundaries. Plaintiff-Appellee Roberto Landin claims that he was fired in retaliation for reporting to a supervisor the negligence of a co-worker, which he alleges led to the death of a patient. *Landin v Healthsource Saginaw, Inc*, 305 Mich App 519, 521-22; 854 NW2d 152, 157-58 (2014). While the parties dispute the actual cause of his termination, Landin admits that he could have been dismissed for any one of several incidents that occurred between November 2004 and his ultimate termination on April 28, 2006. See Appellant’s Brief on Appeal at 14-15. For example, he was disciplined for insubordination, multiple unscheduled absences, an inappropriate interaction with a patient’s family member, and violation of Healthsource’s sexual harassment policy. *Id.* But Healthsource chose to give Landin multiple opportunities to follow the hospital’s policies and keep his job.

As the Court of Appeals acknowledged, “Michigan law generally presumes that employment relationships are terminable at the will of either party.” *Landin*, 305 Mich App at 523 (citing *Lytle v Malady (On Rehearing)*, 458 Mich 153, 163; 579 NW2d 906, 910 (1998)). The cause of action for wrongful termination in violation of public policy is an exception to at-will employment. *Landin*, 305 Mich App at 523 (citing *Suchodolski v Mich Consol Gas Co*, 412 Mich 692, 695; 316 NW2d 710, 711 (1982)). As with any exception to a general rule, the wrongful termination tort must be carefully applied and limited to particular, narrow circumstances. See, e.g., *People v Douglas*, 496 Mich 557, 576; 852

NW2d 587, 598 (2014) (“The requirements of this residual exception are stringent and will rarely be met, alleviating concerns that [it] will ‘swallow’ the categorical [hearsay] exceptions through overuse.”) (internal quotes omitted); and *Hamed v Wayne Cnty*, 490 Mich 1, 28-29; 803 NW2d 237, 254 (2011) (concluding that the aided-by-agency exception to the general rule that employers are not vicariously liable for unforeseeable criminal acts of employees is not a part of Michigan common law in part because “the exception would swallow the rule”). This is particularly true because at-will employment is a fair doctrine that benefits both employers and employees. Should this Court weaken the doctrine by expanding the public policy exception, employers will be less likely to give employees like Landin a second chance if they violate company policy.

Michigan law provides that a hospital shall not discriminate against an employee who “[i]n good faith reports or intends to report, verbally or in writing, the malpractice of a health professional . . . .” MCL 333.20176a(1)(a). Even if this statute applied to internal reporting, no court has ever found that this statute creates a private cause of action for wrongful termination. Rather, the Court of Appeals held just the opposite in *Kaufman v Detroit-Macomb Hospital Corp*, No 221873, 2002 WL 207571, at \*2 (Mich Ct App Feb 8, 2002) (holding that Section 20176a does not create a private cause of action and is enforced through administrative sanctions on violating hospitals). Without a clearly established right of action, this Court should not further abrogate the doctrine of at-will employment.

For the reasons outlined below, the Court should reverse the Court of Appeals and hold that a cause of action for wrongful termination in violation of public policy is unavailable in this situation.

## ARGUMENT

### I

#### AT-WILL EMPLOYMENT ADVANCES IMPORTANT PUBLIC POLICY OBJECTIVES THAT WOULD BE UNDERMINED IF COURTS CREATED BROAD EXCEPTIONS TO THE DOCTRINE

##### A. At-will Employment Is a Just and Economically Efficient Doctrine.

Michiganders have a fundamental right to earn a living, subject to such regulations as are necessary to protect the public welfare. *Lowe v SEC*, 472 US 181, 228; 105 S Ct 2557; 86 L Ed 2d 130 (1985) (White, J, concurring); *Sherlock v Stewart*, 96 Mich 193, 199; 55 NW 845, 847 (1893) (“The general rule, undoubtedly, is that any person is at liberty to pursue any lawful calling, and to do so in his own way, not encroaching upon the rights of others. This general right cannot be taken away.”); *City of Detroit v Mashlakjian*, 15 Mich App 236, 240; 166 NW2d 493, 495 (1968) (“The right to earn a living is among the greatest of human rights and, when lawfully pursued, cannot be denied. It is the common right of every citizen to engage in any honest employment he may choose, subject only to such reasonable regulations as are necessary for the public good.” (quoting *Gilchrist v Bierring*, 14 NW2d 724, 732 (Iowa 1944))). This was considered to be among the most important rights protected by the common law. See Sandefur, *The Right to Earn a Living*, 6 Chap L Rev 207, 270-77 (2003) (collecting cases). One of the ways citizens choose to exercise that right is to enter into at-will employment agreements like the one between Landin and Healthsource.

At-will employment is not just an abstract legal doctrine. Rather, it advances several important public policy goals. First, it allows employers to try out inexperienced, entry-level employees without incurring substantial risks. Cf. Harrison, *The 'New' Terminable At-Will Employment Contract: An Interest and Cost Incidence Analysis*, 69 Iowa L Rev 327, 345 (1984) (“[A]lthough the costs of job security will be shared by employers and employees, one would expect the share absorbed by workers to be inversely related to their skill, education, and wealth.”). For example, “[y]ou can start Tuesday and we’ll see how the job works out’ is a highly intelligent response to uncertainty.” Epstein, *In Defense of the Contract At Will*, 51 U Chi L Rev 947, 969 (1984). If employers can only offer jobs on a permanent or semi-permanent basis, bad hiring decisions would impose much greater costs, leading companies to rationally fear the possibility of being “stuck” with costly and poorly performing workers. Employers may also be exposed to liability for a worker’s incapacity, negligence, harassment of fellow employees, or other shortcomings. See *Brown v Brown*, 478 Mich 545, 564; 739 NW2d 313, 323 (2007) (criticizing the dissent’s broad reading of “duty” in a negligent retention case and noting that “[i]n some instances, employers would find themselves in the unenviable position of seeking to protect themselves from liability for ‘negligent retention,’ while also avoiding liability under various antidiscrimination laws governing employment”). As the cost of terminating employees increases, employers will inevitably adopt a more stingy attitude toward job offers. See *Veno v Meredith*, 515 A2d 571, 579 n.3 (Pa Super Ct 1986). These effects are magnified for unskilled, day-labor employees, who tend to be the poorest and in the greatest need of work. See Rand, *Employment At Will in Maine: R.I.P.?*, 22 Me B J 12, 17-18 (2007) (“[L]ower income

individuals are the ones most likely to experience loss in job opportunities and income because risk-averse employers are less likely to offer employment to marginal applicants, who tend to be less educated, low income, and . . . minority.”); Sunstein, *Rights, Minimal Terms, and Solidarity: A Comment*, 51 U Chi L Rev 1041, 1053 (1984) (“[A] ‘for cause’ provision may have adverse effects on newly hired employees—entrants to the labor force as well as those changing jobs.”).

Second, at-will employment requires little negotiation, thus keeping transaction costs low. Epstein, *supra*, at 970. Employers and workers avoid a more complicated, expensive, or time-consuming hiring process while gaining a wider range of choices. In a dynamic economy, public policy should ensure that a worker can move to another job as circumstances dictate and an employer can fill vacancies quickly. Over the past decade, workers have stayed on the job for about 4.6 years on average; younger workers change jobs more frequently (about every 3 years on average for workers aged 25 to 34). US Dep’t of Labor, Bureau of Labor Statistics, *Employee Tenure in 2014* (released Sept 18, 2014).<sup>1</sup> And the time and money saved by eliminating a complicated hiring procedure can instead be applied to improving job conditions or lowering prices. “The massive scale of the societal changes at the root of our current economic instability argue against the one-size-fits-all responses offered by the legal system.” Morriss, *Bad Data, Bad Economics, and Bad Policy: Time to Fire Wrongful Discharge Law*, 74 Tex L Rev 1901, 1904 (1996).

---

<sup>1</sup> Available at <http://www.bls.gov/news.release/pdf/tenure.pdf> (last visited July 20, 2015).



Third, at-will employment provides both employers and employees with a check against the other's abuses after the contract is formed. Epstein, *supra*, at 965-67. Since workers can quit whenever they decide a job costs them more than it is worth, the ability to end the employment relationship benefits the employee. *Id.* at 966. "[T]he contract at will provides both employer and employee with a simple, informal 'bond' against the future misfeasance of the other side: fire or quit." *Id.* at 979. Providing workers with job protection, even where they are willing to agree to an employment contract without it, harms job performance and encourages wrongful behavior on both sides. See Frantz, *Market Ordering Versus Statutory Control of Termination Decisions: A Case for the Inefficiency of Just Cause Dismissal Requirements*, 20 Harv J L & Pub Pol'y 555, 567 (1997) ("If employers can no longer credibly threaten employees with tough disciplinary measures, employees will have little incentive to produce efficiently."); *Geary v US Steel Corp*, 456 Pa 171, 181-82; 319 A2d 174, 179 (1974) ("The everpresent threat of suit might well inhibit the making of critical judgments by employers concerning employee qualifications.")<sup>2</sup> "[A]n employer's ability to make and act upon independent assessments of an employee's abilities and job performance as well as business needs is essential to the free-enterprise system."

---

<sup>2</sup> Even those who do not support a robust at-will employment doctrine have pointed out this problem. Writing in 1967, Professor Lawrence E. Blades noted that the possibility of he-said, she-said type employment disputes "could give rise to vexatious lawsuits by disgruntled employees fabricating plausible tales of employer coercion." Blades, *Employment At Will v. Individual Freedom: On Limiting the Abusive Exercise of Employer Power*, 67 Colum L Rev 1404, 1428 (1967). "If the potential for vexatious suits by discharged employees is too great, employers will be inhibited in exercising their best judgment as to which employees should or should not be retained." *Id.* As Professor Blades recognized, "the employer's prerogative to make independent, good faith judgments about employees is important in our free enterprise system." *Id.*

*Clifford v Cactus Drilling Corp.*, 419 Mich 356, 367; 353 NW2d 469, 474 (1984). In short, restricting at-will employment can “translate into an institutionalization of mediocre performance.” Girshon, *Wrongful Discharge Reform in the United States: International & Domestic Perspectives on the Model Employment Termination Act*, 6 Emory Int’l L Rev 635, 704 (1992).

Fourth, the at-will employment contract remains flexible enough that parties can adjust their bargain as events warrant. The employee will not exercise his power to quit if he is offered and willing to accept a new duty or change of position. The employer, meanwhile, remains amenable to adjustments on his side as well, such as accommodating employees who ask for raises or more time off. Thus, the at-will contract “allows for small adjustments *in both directions* in ongoing contractual arrangements with a minimum of bother and confusion.” Epstein, *supra*, at 967. It is an important protection both for workers and for employers who need maximum flexibility to respond to changes in both the economy and their personal needs. As Professor Katherine Van Wezel Stone explains, “[m]any workers, especially younger workers, see themselves as free agents who sell their knowledge, skill, and talent in a fluid labor market. Just as firms no longer demonstrate long-term attachment to their workers, many workers have no expectation or desire to spend their entire lives with one employer.” *Green Shoots in the Labor Market: A Cornucopia of Social Experiments*, 36 Comp Lab L & Pol’y J 293, 297 (2015). Workers are not helped by rules that make it harder and more expensive for employers to hire them. See Dertouzos & Karoly,

*Labor-Market Responses to Employer Liability* 55 (1992)<sup>3</sup> (documenting a 5.5% - 7.2% decline in employment in the services and financial sectors attributable to adoption of the broadest common-law exceptions to the at-will doctrine).

By making it easier and less expensive for workers to obtain employment, the at-will doctrine helps ensure that the right to earn a living is not illusory. “The employer’s self interest is to maximize its profits. The employee’s self interest is to maximize his or her wage. These interests are compatible and optimally served by at-will employment.” Navaretta, *The Model Employment Termination Act—META—More Aptly the Menace to Employment Tranquility Act: A Critique*, 25 Stetson L Rev 1027, 1045 (1996). From the employee’s perspective, at-will employment is not merely about economic efficiency, but individual rights. As Professor Richard Epstein notes, “[f]reedom of contract is an aspect of individual liberty, every bit as much as freedom of speech, or freedom in the selection of marriage partners or in the adoption of religious beliefs.” Epstein, *supra*, at 953. Moreover, “[t]he desire to make one’s own choices about employment may be as strong as it is with respect to marriage or participation in religious activities, and it is doubtless more pervasive than the desire to participate in political activity.”<sup>4</sup> *Id.*

---

<sup>3</sup> Available at <http://www.rand.org/content/dam/rand/pubs/reports/2007/R3989.pdf> (last visited July 20, 2015).

<sup>4</sup> Of course there are limits to this freedom of contract, such as the covenant of good faith implied in all contracts, *Hammond v United of Oakland, Inc*, 193 Mich App 146, 151-52; 483 NW2d 652, 655 (1992), and obligations imposed by the civil rights laws, *Silberstein v Pro-Golf of Am, Inc*, 278 Mich App 446, 453-54; 750 NW2d 615, 622 (2008). But in general, “[t]he doctrine of employment at-will is well established and serves important social and economic goals.” *E I DuPont de Nemours & Co v Pressman*, 679 A2d 436, 448 (Del 1996).

Finally, at-will employment is not only beneficial to employers and employees, but to consumers. Employers must bear the costs of providing more job security (and thereby increasing the risk of substandard job performance). As a result, they pass their extra expenses along to consumers in the form of higher prices. At-will employment allows companies to keep prices low and promotes greater economic efficiency. Millon, *Default Rules, Wealth Distribution, and Corporate Law Reform: Employment At Will Versus Job Security*, 146 U Pa L Rev 975, 1003 (1998) (noting that employers will seek to pass costs created by the “job-security regime” on to consumers). In short, everyone benefits from the preservation of at-will employment. This Court should exercise restraint when interpreting exceptions to the doctrine.

**B. The Public-Policy Exception to At-Will Employment Should Be Narrowly Construed to Promote Certainty and Stability.**

This Court has acknowledged that because “the term ‘public policy’ is vague, there must be found definite indications in the law of the sovereign to justify the invalidation of a contract as contrary to that policy.” *Terrien v Zwit*, 467 Mich 56, 68; 648 NW2d 602, 609 (2002) (quoting *Muschany v United States*, 324 US 49, 66; 65 S Ct 442; 89 L Ed 744 (1945)). That same vagueness lends itself to significant unpredictability in cases like these. Absent the creation of a new cause of action (by the legislature), it is difficult, if not impossible, to know in advance whether the public policy exception will apply in a particular case. See Winterbauer, *Wrongful Discharge in Violation of Public Policy: A Brief Overview of an Evolving Claim*, 13 Indus Rel L J 386, 393 (1991-1992) (arguing that the public-policy exception’s “undefinable parameters imbue [it] with a disconcerting unpredictability”). Our

legal system places a high value on stability and certainty, particularly because they promote confidence in the judiciary and reduce the cost of disputes. See *Parker v Port Huron Hosp*, 361 Mich 1, 10; 105 NW2d 1, 6 (1960) (discussing the benefits of the doctrine of *stare decisis*); *Foley v Interactive Data Corp*, 47 Cal 3d 654, 696; 254 Cal Rptr 211; 765 P2d 373 (1998) (“[P]redictability of the consequences of actions related to employment contracts is important to commercial stability.”); Van Alstine, *The Costs of Legal Change*, 49 UCLA L Rev 789, 813-15 (2002) (noting that “settled rules of law provide the framework for less costly, more accurate, and thus more effective planning for future activity,” among other benefits). By eliminating speculation as to what the law is and avoiding an excessive need for interpretation, clarification, or explanation, certainty also promotes efficiency and innovation for businesses and individuals. Loving, *The Justice of Certainty*, 73 Or L Rev 743, 764 (1994).

Precisely because the term “public policy” is so vague, decisions interpreting it often do not depend on objective criteria. Instead, they rely on the court’s level of outrage at the particular facts of each case. See Owens, *Employment At Will in Alaska: The Question of Public Policy Torts*, 6 Alaska L Rev 269, 308 (1989) (citing the Illinois Supreme Court’s decision in *Palmateer v International Harvester Co.*, 421 NE2d 876 (Ill 1981), as an example of a standard that “does not provide the employer . . . with a useful guide for measuring the point at which legal and protected conduct turns tortious”). Expanding the exception beyond clearly delineated situations allows judges to frequently disregard the doctrine of at-will employment. And it almost entirely eliminates any benefits that true at-will employment

creates, because employers must behave as if the doctrine does not exist in order to avoid costly litigation. See *Foley, supra*, 47 Cal 3d at 696 (“In order to achieve such stability, it is also important that employers not be unduly deprived of discretion to dismiss an employee by the fear that doing so will give rise to potential tort recovery in every case.”). Rather than being placed at the mercy of an unpredictable lawsuit, employers in a world with a broad public-policy exception are likely to act as if the at-will employment doctrine never existed at all.

A narrow reading of the public-policy exception helps to protect defendants from frivolous lawsuits and allows trial courts to easily weed out cases without a clearly established cause of action. Cf. *Friedman v Dozor*, 412 Mich 1, 68; 312 NW2d 585, 612 (1981) (Coleman, C.J., concurring in part and dissenting in part) (noting that the narrowness of the malicious prosecution tort “would likely mean that frivolous malicious prosecution cases would more clearly show their frivolous nature than groundless litigation of other varieties”); see also Olson & Fusco, *Rules Versus Standards: Competing Notions of Inconsistency Robustness in Patent Law*, 64 Ala L Rev 647, 682 (2013) (“Bright-line rules are predictable and much easier to apply consistently . . . than standards.”). This Court should avoid needlessly weakening the at-will employment doctrine and reject Landin’s attempt to extend the public-policy exception to internal reports of alleged malpractice.

## II

### **INTERNAL REPORTING OF ALLEGED MALPRACTICE CANNOT SUPPORT A WRONGFUL TERMINATION CLAIM UNDER MICHIGAN LAW.**

Applying the public-policy exception to this case would vastly expand the traditionally limited application of this exception—well beyond the unique facts of this case—and would be a severe impediment to employment at-will. Conflicts between managers and employees are not uncommon in the workforce. Workplaces “are rarely idyllic retreats.” *Blackie v Maine*, 75 F3d 716, 725 (1st Cir 1996). Instead, they are “complex environments in which decisions are made by a variety of people for a variety of reasons.” Snell & Eskow, *What Motivates the Ultimate Decisionmaker? An Analysis of Legal Standards for Proving Causation and Malice in Employment Retaliation Suits*, 50 *Baylor L Rev* 381, 382 (1998). Conflicts may arise when employees disagree with a supervisor’s handling of a situation. While employees may have legitimate criticisms, they have no legally enforceable right to have supervisors listen to them. And in this case particularly, an employee cannot create a wrongful termination claim by internally reporting possible malpractice, negating the effect of significant, documented performance issues.

Landin’s public-policy claim is based on MCL 333.20176a(1)(a). That statute provides that a hospital shall not discriminate against an employee who “[i]n good faith reports or intends to report, verbally or in writing, the malpractice of a health professional . . . .” There are two principal problems with Landin’s argument. First, before the lower court decisions in this case, no court had ever held that the statute creates a private cause of

action for terminated employees. Second, even if a cause of action existed, the statute should not apply to internal reports within a hospital.

The general rule is that “a plaintiff has no private cause of action to enforce [a statutory right] unless (1) the statute expressly creates a private cause of action, or (2) a cause of action can be inferred from the fact that the statute provides no adequate means of enforcement of its provisions.” *Lane v KinderCare Learning Ctrs, Inc*, 231 Mich App 689, 695-96; 588 NW2d 715, 718 (1998). The reporting statute at issue here certainly does not provide a cause of action on its own. See *Kaufman*, *supra*, 2002 WL 207571, at \*2 (§ 20176a “does not provide the discharged employee with a cause of action or remedy”).<sup>5</sup> And as the Court of Appeals noted, the statute’s command is enforced through administrative sanctions. *Id.*; cf. *Alexander v Sandoval*, 532 US 275, 288-89; 121 S Ct 1511; 149 L Ed 2d 517 (2001) (no private right of action exists under Section 602 of Title VI of the Civil Rights Act of 1964, 42 USC 2000d-1, in part because “[s]tatutes that focus on the person regulated rather than the individuals protected create ‘no implication of an intent to confer rights on a particular class of persons’” (quoting *California v Sierra Club*, 451 US 287, 294; 101 S Ct 1775; 68 L Ed 2d 101 (1981))). This Court should refrain from creating a new cause of action in the absence of statutory language, using the vehicle of the narrow tort of wrongful termination in violation of public policy.

Even assuming that Landin could maintain a cause of action using Section 20176a, he should not succeed on the facts presented in this case. “As a general rule, employees must

---

<sup>5</sup> While *Kaufman* is unpublished, it is the only case thus far to consider whether this reporting statute creates a cause of action for employees.



complain to an outside government agency in order to be protected under the laws of wrongful termination.” Lobel, *Citizenship, Organizational Citizenship, and the Laws of Overlapping Obligations*, 97 Cal L Rev 433, 450 (2009); see also Callahan & Dworkin, *Who Blows the Whistle to the Media, and Why: Organizational Characteristics of Media Whistleblowers*, 32 Am Bus L J 151, 160 (1994) (“[C]ases strongly suggest that an internal whistleblower is substantially less likely to prevail on the basis of this claim than one who discloses information to a government agency.”). Such is the rule in Michigan, as well, under the State’s Whistleblower Protection Act, MCL 15.361 et seq; see *Dolan v Continental Airlines/Continental Exp*, 454 Mich 373, 379; 563 NW2d 23, 26-27 (1998) (“To establish a prima facie case under the WPA, plaintiff must prove that she ‘report[ed] or [was] about to report . . . a violation or a suspected violation of a law . . . to a public body.’” (quoting MCL 15.362) (emphasis added)). Because of that limitation, Landin seeks to circumvent the WPA and rely directly upon Section 20176a instead.

There are good reasons to distinguish between internal and external reporting of malpractice. For one, “the doctrinal foundation of the public policy tort claim is not so much the *plaintiff’s* continued interest in employment as the preservation of the public interest . . . .” *Gen Dynamics Corp v Superior Court*, 7 Cal 4th 1164, 1181; 32 Cal Rptr 2d 1; 876 P2d 487 (1994). Internal reporting of malpractice—a purely private action—does not serve the public interest. For example, in *Wiltzie v Baby Grand Corp.*, 774 P2d 432 (Nev 1989), the Nevada Supreme Court rejected a wrongful termination claim by a poker room manager who claimed he internally reported illegal conduct. The court reasoned that, despite the

importance of state gaming policy, “[b]ecause appellant chose to report the activity to his supervisor rather than the appropriate authorities, he was merely acting in a private or proprietary manner.” *Id.* at 433. Unlike reporting wrongdoing to public authorities, internal whistleblowers do not alert the public to the alleged problem. Therefore, they do not act in the public interest. See Telezinski, Comment, *Without Warning - The Danger of Protecting “Whistleblowers” Who Don’t Blow the Whistle*, 27 W St U L Rev 397, 418 (1999-2000) (noting that “[i]nternal whistleblowing does not bring wrongdoing to ‘public attention’”).

Moreover, employees who bring their concerns to public authorities are more likely to make truthful allegations out of their concern for public welfare. See *Id.* at 419-21 (“An external disclosure furthers public policy regardless of the employee’s motivation because the appropriate authorities may act upon the information.”). Employees may make internal disclosures for any number of reasons, including to set up potential litigation against their employer. See *Id.* at 421 (noting Justice Baxter’s comment at oral argument in the California Supreme Court of *Green v Ralee Engineering Co.*, 19 Cal 4th 66; 78 Cal Rptr 2d 16; 960 P2d 1046 (1998), that an internal report “seemed to be more in preparation for litigation than an effort to protect the public”). Very few people would make a false report to a government agency for the purpose of creating a retaliation claim. See 18 USC 1001 (making it a federal crime to make a materially false statement to a federal agency); MCL 750.411a (criminalizing making a false report of the commission of a crime to any state or local government official).

Michigan law distinguishes between internal and external reporting of employer misconduct. See MCL 15.362. The statute reflects legislative judgment that external reporting is more deserving of protection, presumably because it believes that disclosures to a public body are more beneficial to the public interest. This Court should not circumvent that policy choice to create a cause of action for internal reporting of alleged malpractice. See Suchodolski, *supra*, 412 Mich at 695-96 (“[T]he courts have found implied a prohibition on retaliatory discharges when the reason for a discharge was the employee’s exercise of a right conferred by a well-established legislative enactment.” (emphasis added)); and *Detroit Fire Fighters Ass’n v City of Detroit*, 408 Mich 663, 685-86; 293 NW2d 278, 283 (1980) (“We do not substitute the public policy evaluations of this Court for the considered, and clearly expressed, policy judgments of the Legislature.”).

### **CONCLUSION**

The tort of wrongful discharge in violation of public policy is a narrow exception to the general rule of at-will employment. Because the at-will employment doctrine is just, fair, and economically efficient, Michigan courts have departed from it only in rare circumstances. In this case, rather than bringing his concerns to the appropriate public body, Roberto Landin made an internal report of alleged malpractice. No public policy, as defined by the Michigan legislature, gives Landin the right to be free from discharge in this situation.

Therefore, this Court should reverse the Court of Appeals and remand the case with instructions to enter judgment for Healthsource.

Respectfully submitted,

/s C. Thomas Ludden

C. Thomas Ludden (P45481)

Samantha K. Heraud (P76251)

Lipson, Neilson, Cole, Seltzer & Garin, P.C.

Attorneys for Amicus Curiae

Pacific Legal Foundation

3910 Telegraph Road, Suite 200

Bloomfield Hills, Michigan 48302

(248) 593-5000

Deborah J. La Fetra

Christopher M. Keiser

Attorneys for Pacific Legal Foundation

930 G Street

Sacramento, California 95814

(916) 419-7111

DATED: July 22, 2015