

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1499**

Rick Stevens,
Appellant,

vs.

State Bank of Bellingham,
Respondent.

**Filed June 23, 2025
Affirmed
Worke, Judge**

Lac Qui Parle County District Court
File No. 37-CV-22-87

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Minnesota (for appellant)

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respondent)

Considered and decided by Slieter, Presiding Judge; Worke, Judge; and Bond,
Judge.

NONPRECEDENTIAL OPINION

WORKE, Judge

Appellant argues that the district court erred by granting summary judgment in favor of respondent, his former employer, on his claim that respondent violated the Minnesota Whistleblower Act (MWA), Minn. Stat. § 181.932 (2024), and abused its discretion by denying his motion to add a claim for punitive damages. We affirm.

FACTS¹

In April 2021, an employee who had worked for respondent State Bank of Bellingham (the bank) for 39 years suddenly passed away. The employee's family went to the bank to collect his personal items. Appellant Rick Stevens, the bank's president and CEO, told the family that they could not have the employee's calendars because they contained confidential customer information. The bank's vice president of operations (VPO) was part of the conversation. The VPO disagreed with Stevens's position on the calendars and believed that he was rude in discussing the issue with the family just days after the funeral.

Following the incident, Stevens reported to the bank's owner that the calendars contained confidential information and that he merely acted to protect the bank by not giving the calendars to the family. The VPO reported to the bank's owner that she observed Stevens acting insensitively and rudely to the family.

The deceased employee's son also called the bank's owner. The son had not gone with his family to the bank, but his mother told him about the incident. He stated that his family was upset because Stevens acted disrespectfully. The son stated that Stevens's behavior was "consistent" with what customers of the bank had expressed, which was that Stevens was "condescending and rude toward . . . customers and employees." The son stated that he understood that Stevens's "reputation in the community was poor," that

¹ The facts are derived from the summary judgment record and are recited in the light most favorable to appellant as the nonmoving party.

customers “may be looking to move to other area banks,” and that “a small town bank . . . would be worthless without community support.”

The bank’s owner terminated Stevens’s employment on April 23, 2021, stating that he was doing so “because of the potential backlash from Stevens’s rude and inappropriate behavior.”

On April 13, 2022, Stevens sued the bank, alleging that the bank violated the MWA when it terminated his employment after he reported that the VPO attempted to release confidential customer information. The bank filed a counterclaim, alleging that Stevens was unjustly enriched when he accepted payments from the bank pursuant to a severance agreement that included a release-of-claims provision that Stevens ultimately failed to sign.

The bank moved for summary judgment. At a hearing, the bank conceded that Stevens established a prima facie case under the MWA. But the bank claimed that Stevens’s termination was not in retaliation for his protected conduct; rather, Stevens was terminated because the bank’s owner believed that Stevens was harming the bank’s reputation.

On May 5, 2023, the district court filed an order granting the bank’s motion for summary judgment.² The district court determined that Stevens failed to produce “evidence that would allow a reasonable trier of fact to find that [the bank]’s reason for terminating employment, [its] belief that [Stevens]’s rudeness was harmful to [its]

² The district court denied summary judgment on the bank’s unjust-enrichment counterclaim, but ultimately entered judgment in its favor. Stevens does not challenge that decision on appeal.

reputation and business, was a pretext.” The district court stated that whether the allegation that Stevens was rude was true was irrelevant to the bank owner’s belief about the situation, and Stevens offered no evidence that the bank owner’s belief about the situation was false.

This appeal followed.

DECISION

Summary judgment

Stevens first argues that the district court erred by granting summary judgment in favor of the bank on his MWA claim. Summary judgment is appropriate when the record “shows that there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law.” Minn. R. Civ. P. 56.01. This court reviews de novo whether there are any genuine issues of material fact and “whether the district court erred in its application of the law.” *STAR Ctrs., Inc. v. Faegre & Benson, L.L.P.*, 644 N.W.2d 72, 77 (Minn. 2002). “A genuine issue of material fact exists when there is sufficient evidence regarding an essential element . . . to permit reasonable persons to draw different conclusions.” *St. Paul Park Refining Co. v. Domeier*, 950 N.W.2d 547, 549 (Minn. 2020) (quotation omitted). This court views “the evidence in the light most favorable to the nonmoving party . . . and resolve[s] all doubts and factual inferences against the moving part[y].” *Rochester City Lines, Co. v. City of Rochester*, 868 N.W.2d 655, 661 (Minn. 2015).

The MWA prohibits an employer from retaliating against an employee who, “in good faith, reports a violation, suspected violation, or planned violation” of the law. Minn. Stat. § 181.932, subd. 1(1). In assessing whether an employer discriminated against an

employee, courts use the “*McDonnell Douglas* burden-shifting framework to allocate the burden of proof between the plaintiff and defendant.” *Hanson v. Dep’t of Nat. Res.*, 972 N.W.2d 362, 372 (Minn. 2022). There are three steps: first, “the employee must establish a prima facie case of discrimination.” *Id.* at 372-73. To establish a prima facie case of discrimination, Stevens, as the employee, must show “(1) statutorily-protected conduct by [himself]; (2) adverse employment action by the [bank]; and (3) a causal connection between the two.” *Rothmeier v. Inv. Advisers, Inc.*, 556 N.W.2d 590, 592 (Minn. App. 1996) (quotation omitted), *rev. denied* (Minn. Feb. 26, 1997). If Stevens establishes a prima facie case, the burden shifts to the bank to show “some legitimate, nondiscriminatory reason to explain why it took the adverse employment action.” *Hanson*, 972 N.W.2d at 373 (quotation omitted). Stevens then carries the final burden to demonstrate that the “proffered reason is pretextual.” *See id.*

Here, the parties agree that Stevens established a prima facie case because he offered evidence that he was terminated shortly after reporting that he had prevented the VPO from disclosing confidential customer information. The parties also agree that the bank met its burden to offer a “legitimate, nondiscriminatory reason to explain” its decision to terminate Stevens—the bank’s owner believed that Stevens’s rude and condescending behavior was potentially harmful to the bank’s reputation. The issue we must resolve is whether Stevens offered evidence sufficient to prove that the bank’s “proffered reason is pretextual,” and that he was actually terminated because he reported the conduct of the VPO.

Stevens argues that the district court erred by accepting the bank owner’s “belief” that Stevens’s conduct could harm the bank’s reputation, because the evidence shows that

Stevens acted appropriately during the interaction with the deceased employee's family. We disagree.

Here, the bank's owner explained the circumstances during his deposition. He stated that Stevens called him after the interaction with the family and stated that the VPO yelled at Stevens and insulted him. The bank's owner called the VPO and asked her what happened. According to the bank's owner, the VPO explained:

[The employee]'s widow, came into the bank to pick up some of [his] personal effects, a 40-year employee of the bank.

....

Mr. Stevens didn't acknowledge her coming into the bank, didn't get out of his office, and after [the family] had been there a while he came storming out of his office and said that you aren't going to get those calendars, that they are gone and you can't have them and was rude in his behavior to [the family] to the point that they became visibly upset, started crying, went into the conference room, and it was all as a result of the rude behavior of Mr. Stevens.

And [the VPO] indicated that the calendars were really not something that [the family] came in to retrieve, that they weren't really even going to go out that day to them. They did tell them about [the calendars] so [the family] knew . . . [about the calendars], but they weren't there to pick up the calendars and the scene escalated unnecessarily.

The VPO also reported that she and another bank employee were going to quit because "[t]hey had it with Mr. Stevens'[s] rude behavior to not only [the family], but to the customers of the bank and to all the fellow employees of the bank." The bank's owner stated:

Well, this isn't the first incident that happened.

I mean there were numerous other incidents and numerous examples of rudeness to customers, customers who left the bank as a result of it, rudeness to employees.

So this was . . . not the first incident, but it was the last in my mind.

Like I said, I was not there, but I had to picture this in my mind, and picture this man is a big man and he is dominating over this poor grieving widow being rude to her, making her cry, having to leave the room and go into the conference room because of his rudeness to her that was completely uncalled for, completely inappropriate for the situation.

That optic in my mind, it was so horrible that when it spread throughout this small town, this small community, and they were going to get it from [the widow], they weren't going to get it from [Stevens], and from [the bank's employees], everybody else that was in the bank confirming it, that optic to me is so bad that there is no way to overcome it. The reputation was just ruined.

I mean there is no way of overcoming that picture. I still picture it in my mind, and that is just a horrible, horrible optic. So I had no other reason, no other choice but to terminate him.

We agree with the district court that, even taking the evidence in the light most favorable to Stevens, he failed to offer sufficient evidence to prove that the bank's proffered reason for his termination was pretext. The bank owner's statements show that the bank terminated Stevens because of his inappropriate behavior that could harm the bank's reputation. Stevens does not explain why the bank would have terminated him because he reported that the VPO wanted to give the family the calendars, especially when the bank's owner was told that the family did not go to the bank specifically to collect the calendars. Nor does Stevens explain why the bank would terminate him because he sought to prevent the release of confidential customer information. From this record, there is not sufficient

evidence to allow reasonable persons to draw different conclusions. We conclude that the district court properly granted the bank's motion for summary judgment.

Punitive damages

Stevens also argues that the district court abused its discretion by denying his motion to add a claim for punitive damages, pursuant to Minn. Stat. § 549.191 (2024). *See Bjerke v. Johnson*, 727 N.W.2d 183, 196 (Minn. App. 2007) (stating that this court reviews denial of motion to amend a complaint to add claim for punitive damages for an abuse of discretion), *aff'd*, 742 N.W.2d 660 (Minn. 2007). Although we have concluded that the district court properly granted the bank's motion for summary judgment, and it is therefore unnecessary for us to address this argument, we briefly address it to affirm the district court's decision.

After he filed his complaint, Stevens moved the district court for leave to amend the complaint to add punitive damages, claiming that the facts would permit a jury to conclude that it is "highly probable" that the bank "acted with a conscious or deliberate disregard to the right of Stevens to report planned violations of law without fear of reprisal." Following a hearing, the district court denied the motion. Stevens argues that the district court's denial of his motion must be reversed because it provided no reason for denying the motion.

After filing the suit a party may make a motion to amend the pleadings to claim punitive damages. The motion must allege the applicable legal basis under section 549.20 or other law for awarding punitive damages in the action and must be accompanied by one or more affidavits showing the factual basis for the claim. At the hearing on the motion, if the court finds prima facie evidence in support of the motion, the court shall grant the moving party permission to amend the pleadings to claim punitive damages.

Minn. Stat. § 549.191. Under Minn. Stat. § 549.20, subd. 1 (2024):

(a) Punitive damages shall be allowed in civil actions only upon clear and convincing evidence that the acts of the defendant show deliberate disregard for the rights or safety of others.

(b) A defendant has acted with deliberate disregard for the rights or safety of others if the defendant has knowledge of facts or intentionally disregards facts that create a high probability of injury to the rights or safety of others and:

(1) deliberately proceeds to act in conscious or intentional disregard of the high degree of probability of injury to the rights or safety of others; or

(2) deliberately proceeds to act with indifference to the high probability of injury to the rights or safety of others.

Stevens appears to be correct that the district court did not provide a reason for denying the motion. But the statute does not require the district court to provide a reason. Under Minn. Stat. § 549.20, subd. 5 (2024), a district court “shall specifically review the punitive damages *award* in light of the factors set forth in subdivision 3 and shall make specific findings with respect to them.” (Emphasis added.) But there is not a similar requirement for a district court to make specific findings in denying a motion to amend the complaint to add a claim for punitive damages. And, although the district court did not provide a reason for denying the motion, it may be inferred that the district court did not find that *prima facie* evidence existed to support the motion. Because Stevens does not offer authority that the district court must make findings on the motion, we conclude that the district court did not abuse its discretion by denying the motion to amend the complaint to add a claim for punitive damages.

Affirmed.