

New York Court Affirms Enforceability of Severance Agreement in Unanimous Decision

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CLM client Reversible Destiny Foundation prevailed in the Appellate Division, in a unanimous decision affirming the enforceability of the terms of a severance and settlement agreement between the foundation and a former employee and director. The court confirmed the rule that parties that receive the benefits of a severance agreement may not challenge the validity of that agreement. Of particular interest to nonprofits, the courts rejected plaintiffs' arguments that state whistleblower statutes and the fact that defendants were assisting another nonprofit in litigation warranted a public policy exception. CLM associate Madelyn White argued the motion before Justice Tanya R. Kennedy in the Supreme Court. CLM partner Judith Wallace and counsel Melissa Erwin were on the briefs.

Reversible Destiny Foundation v. Johanna Post and Andrew MacNair, Index No. 657477/17 (1st Dep't, June 27, 2019).

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