

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

MONROE COUNTY CIRCUIT COURT
DIVISION 3

CAUSE NO. 53003-0211-CT-01987

ROBERT M. KNIGHT,)
)
Plaintiff,)
)
v.)
)
INDIANA UNIVERSITY,)
)
Defendant.)

JURY TRIAL REQUESTED

COMPLAINT FOR DAMAGES AND REQUEST FOR JURY TRIAL

Plaintiff, Robert M. Knight, for his Complaint for Damages and Request for Jury Trial against Defendant Indiana University, states as follows:

GENERAL ALLEGATIONS

1. Plaintiff, an individual, is a resident of Texas.
2. Defendant, a public university, is a resident of Indiana, with its main branch located in Bloomington, Indiana.
3. Plaintiff served as Head Basketball Coach at Indiana University from 1972 until September 10, 2000, when the University's president, Myles Brand, announced the University's decision to terminate him. The termination was effected without cause, without a proper meeting of the trustees, and without giving Plaintiff an opportunity to defend himself from the allegations that the University's president had made against him publicly.
4. During his tenure as Head Basketball Coach at Indiana University, Plaintiff was widely regarded as one of the premier college basketball coaches in the

history of the game, having won 11 Big Ten titles for Indiana University, as well as 3 national championships. Under his guidance, the men's basketball team became one of the very best programs in the country. The program was devoid of NCAA violations and fostered graduation rates among its players that were among the highest in the country. Even Dr. Brand, who ultimately made and announced the decision to terminate Plaintiff, described him as a "legendary coach" who set a "national coaching example, not only in wins and losses, and Big Ten national championships, but also in fielding teams for three decades that comprise outstanding, fine young men."

5. During the first ten years of coaching at Indiana University, Plaintiff had no written coaching contract. On or about July 27, 1982, Plaintiff, at his own insistence, executed an employment agreement ("the agreement"), which is attached hereto as Exhibit "A". He did this to assure the then-president of Indiana University, Dr. John Ryan, that he would stay at Indiana University throughout his career and would never coach elsewhere.

6. The terms of Plaintiff's employment with Defendant were governed by the 10-year employment agreement, which was then extended until June 30, 2002 by two subsequent addendums to the agreement that the parties executed in 1991.

7. Paragraph 11 of the agreement governs termination of the agreement by the University. It provides that the University can terminate Coach Knight "for cause" if (1) the athletic director notifies and recommends to the president of the University that Coach Knight had failed in serious ways to comply with the express terms of the agreement, had engaged in conduct contrary to "generally accepted standards in the coaching profession," or had been guilty of personal conduct that would be grounds for

"punitive discharge" of University employees generally; and (2) Coach Knight is notified in writing by the president and is given the opportunity to receive in writing the specific reasons for his termination and the opportunity to discuss the matter with the president and offer explanations to the president or his delegate. Paragraph 11 does not provide for termination without cause.

8. The University did not comply with these requirements. Instead, Dr. Brand announced that Coach Knight was being terminated without cause pursuant to an alleged termination-at-will provision found in Paragraph 9 of the agreement.

9. In fact, Paragraph 9 does not provide a separate termination provision from Paragraph 11; rather, it sets out the various elements of compensation owed Coach Knight in the event the University terminates him (subject to the for-cause provisions of Paragraph 11), and the elements of compensation to which he is entitled in the event he quits of his own accord. Therefore, the University did not have the right to terminate Plaintiff without cause, and it did not have the right to ignore the due process provisions required by Paragraph 11 of the Agreement and by the University's own internal policies.

10. Notwithstanding its purported reliance on a termination-without-cause provision in the agreement (Paragraph 9), Dr. Brand proceeded to convene a press conference to announce publicly that the University was terminating Coach Knight for cause. Specifically, Dr. Brand announced that the University was terminating Plaintiff because he had violated the University's new "zero tolerance policy" with respect to Coach Knight.

11. This alleged policy was unilaterally imposed by Indiana University three months earlier and was never made part of the agreement. Dr. Brand himself had earlier

described this non-negotiated, ill-defined policy as the “the most stringent code of conduct applied to any coach in the nation,” and it was for an alleged violation of this extremely vague and stringent standard—rather than a finding of cause under Paragraph 11 of the agreement—that Plaintiff was terminated.

12. Furthermore, although the University announced publicly that it was terminating Coach Knight for an alleged violation of the University’s new zero-tolerance policy, and although it publicly discussed the rationale for such termination, it never gave Plaintiff the right to discuss the matter with the president and offer explanations, as required by Paragraph 11 of the agreement, or the opportunity to receive and present information and ask questions, as required by the University’s own employment policies, prior to its decision to terminate him.

13. The incident that Dr. Brand cited to the public as the precipitating basis for Plaintiff’s termination involved a brief encounter between Plaintiff and a student outside Assembly Hall.

14. Dr. Brand also accused Plaintiff of “gross insubordination.” Dr. Brand explained that when he called Plaintiff to discuss the matter at 10:30 p.m. the night before Plaintiff was leaving for a previously planned and paid-for vacation in Canada, Plaintiff declined to cancel the vacation so he could come in the next day. In fact, Dr. Brand had merely asked Plaintiff to be available by phone the next day, and Plaintiff told Dr. Brand that he would do so.

15. As a result of the University’s breach of the agreement, Plaintiff sustained substantial damages. The agreement between the University and Plaintiff ran through June 30, 2002. Pursuant to this agreement, Plaintiff received salary, enumerated benefits,

deferred compensation, and other sources of income, including income that was not specifically enumerated in the agreement, but which was directly dependant on the agreement, and which the parties intended to be a part of Plaintiff's total compensation. This non-enumerated income was derived from perquisites such as Coach Knight's television and radio programs, his basketball camp, his shoe contract and various endorsements, and other related items. The value (through the term of the agreement) of these perquisites, which was destroyed when the University breached the agreement, was in excess of \$2,000, 000.00.

COUNT I
Breach of Contract

16. Plaintiff incorporates by reference Paragraphs 1 through 15 of this Complaint as though fully set forth herein.

17. The agreement between Plaintiff and the University could only be terminated for cause pursuant to Paragraph 11 of the agreement.

18. Additionally, the University elected to terminate the agreement for cause, i.e., for violation of its "Zero Tolerance Policy," even though it also announced it was terminating without cause pursuant to a supposed "at-will" provision in Paragraph 9. Therefore, even if the University had originally had the authority under the agreement to terminate without a showing of cause—which, per Paragraph 11 it did not—it was estopped from proceeding under the alleged termination-at-will provision once it elected to terminate for cause.

19. The University thus breached the agreement in two respects when it terminated Plaintiff: (1) the University was required to have sufficient cause to terminate Plaintiff under the agreement, and it did not in fact have such cause; and (2) the

University was required to afford Plaintiff certain due-process rights before it made the decision to terminate Plaintiff (e.g., the right to discuss the matter with the president and offer explanations, and the right to receive and present information and ask questions), and it did not afford Plaintiff these rights.

20. As a result of Defendant's breach, Plaintiff suffered damages in an amount to be proven at trial, including lost income, benefits and perquisites, both enumerated and non-enumerated.

WHEREFORE, Plaintiff respectfully requests that the Court grant judgment in his favor in an amount to be proven at trial, along with costs, attorney fees, and such other relief as the Court deems just and proper.

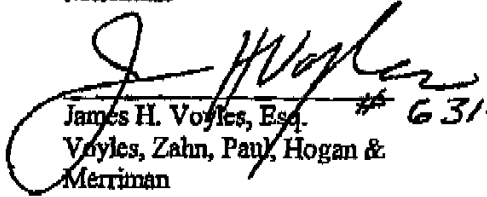
REQUEST FOR JURY TRIAL

The Plaintiff, Robert M. Knight, requests that all matters contained in this Complaint be tried by jury.

DATED: October ____, 2002.

Respectfully submitted,

Voyles, Zahn, Paul, Hogan &
Merriman


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