MEMORANDUM DECISION

IN THE

Court of Appeals of Indiana

Lutheran Medical Group, LLC,

Appellant-Plaintiff,

v.

Parkview Health System, Inc., d/b/a Parkview Physician Group-Pediatrics, and Parkview Hospital, Inc.,

Appellees-Defendants.

January 21, 2026

Court of Appeals Case No.
25A-CT-194

Appeal from the
Allen Superior Court

The Honorable
Jennifer L. DeGroote, Judge

Trial Court Cause No.
02D03-2402-CT-108

Memorandum Decision by Senior Judge Baker
Judges May and DeBoer concur.

Baker, Senior Judge.

Statement of the Case

[1] Parkview Health System, Inc., d/b/a Parkview Physician Group-Pediatrics, and Parkview Hospital, Inc. (collectively Parkview) hired Dr. David Lankford, D.O. (Lankford) after he resigned from his position with Lutheran Medical Group, LLC (Lutheran). And Lutheran sought to enforce a non-compete provision in Lankford's Renewal Agreement.[1]

[2] Lutheran filed an amended complaint against Parkview alleging tortious interference with a business relationship, tortious interference with a contract, unfair competition, civil conspiracy and concert of action, and unjust enrichment. The present case involves Lutheran's appeal from the trial court's order granting Parkview's motion to dismiss Lutheran's amended complaint. Concluding that the trial court correctly dismissed Lutheran's amended

[1] Our legislature spoke on the issue of non-compete agreements originally entered into on or after July 1, 2020 in Indiana Code section 25-22.5-5.5-1 (2020). The legislation required that such a non-competition agreement must include several provisions to be enforceable, including the physician's "option to purchase a complete and final release from the terms of the enforceable physician noncompete agreement at a reasonable price." Ind. Code § 25-22.5-5.5-2(4) (2020). Next, in 2023, the legislature prohibited non-compete agreements entered into after July 1, 2023 for primary care physicians. Ind. Code § 25-22.5-5.5-2.5 (2023). And then in 2025, legislative changes provided that physicians and hospitals, parent companies of hospitals, affiliated managers of hospitals, or hospital systems may not enter into non-compete agreements on or after July 1, 2025, and those agreements are unenforceable. Ind. Code § 25-22.5-5.5-2.3(b), (c) (2025).

complaint for failure to state a claim upon which relief can be granted, we affirm.

Issues

[3] Lutheran raises two issues which we reorder and restate as:

> I. Whether the trial court erred by granting Parkview's motion to dismiss its amended complaint; and
>
> II. Whether the trial court improperly took judicial notice of certain facts from another case involving the same non-compete clause.

Facts and Procedural History

[4] Lankford executed a Physician Employment Agreement (Original Agreement) with Lutheran on December 8, 2017. Appellant's App. Vol. 3, p. 9 (Amended Complaint). The period of his employment under the Original Agreement ran from August 1, 2018 to August 1, 2021. *Id.* The Original Agreement also included a non-compete provision, which in pertinent part prohibited Lankford from practicing medicine and surgery on behalf of any person or entity other than Lutheran within a thirty mile radius of Lutheran for a period of one year. *Id.*

[5] The parties entered into the Renewal Agreement, which Lankford executed on December 1, 2020, prior to the expiration of the Original Agreement. *Id.* The Renewal Agreement's term was for thirty-six months or until December 1, 2023. *Id.* And the Renewal Agreement contained a non-compete provision

that is identical to that in the Original Agreement in all material ways. *Id.* at 10. The Renewal Agreement additionally provided that "[t]his Agreement may be terminated by either party for no cause upon ninety (90) days written notice to the other party[.]" Appellant's App. Vol. 2, p. 29 (Amended Complaint ¶ 20); p. 68 (Ex. 2, ¶ 4.2 Termination without Cause).

[6] As early as June 2022, Lankford discussed potential employment with various employees of Parkview including a meeting in August characterized as an "interview[]." *Id.* at 29 (Amended Complaint ¶¶ 21-22). And then in October 2022, Lutheran required Lankford and three other pediatric intensivists to see patients in both the pediatric intensive care unit and the general pediatric unit. *Id.* at 30 (Amended Complaint ¶ 23).

[7] Lankford's counsel sent letters on December 7, 8, and 29 of 2022, alleging that Lutheran breached the Renewal Agreement by requiring him to see patients in the general pediatric unit in addition to the pediatric intensive care unit. *Id.* (Amended Complaint ¶ 24). Lutheran's counsel advised Lankford that they disputed the allegations and denied breaching the Renewal Agreement. *Id.* (¶ 26). On January 5, 2023, Lankford notified Lutheran that he was resigning from his privileges at the hospital, pursuant to Section 3.6 of the Lutheran Hospital Medical Staff Bylaws, effective January 7, 2023. *Id.* (Amended Complaint ¶ 27). And on January 5, Lutheran advised Lankford that his employment was being terminated for cause based on his January 5 letter. *Id.* at 31 (Amended Complaint ¶ 28). On February 23, 2023, Lankford's counsel informed Lutheran's counsel that Lankford intended to accept a position to

practice medicine with another health care organization. *Id.* (Amended Complaint ¶ 32).

[8] Lankford executed an employment agreement with Parkview on March 13, 2023. *Id.* at 31-32 (Amended Complaint ¶ 33). Lutheran then contacted Parkview and asserted that Lankford was bound by the non-compete provision of his Renewal Agreement. *Id.* at 32 (Amended Complaint ¶ 35). And on May 11, 2023, Parkview's counsel contacted Lutheran about buying out Lankford's non-compete provision but was advised the buyout had to be between Lankford and Lutheran to comply with federal law. *Id.* (Amended Complaint ¶ 37). Next, Lutheran contacted Lankford with an offer to release him from the non-compete and provided him with a buyout sum. *Id.* (Amended Complaint ¶ 38). Lankford did not respond to Lutheran's offer. *Id.* at 33 (Amended Complaint ¶ 39).

[9] On July 25, Lankford filed a Verified Complaint for Declaratory and Injunctive Relief against Lutheran in Cause Number 02D02-2307-PL-261 (the Commercial Court action). *Id.* at 100-12. Lutheran responded by filing counterclaims against Lankford and by asserting third-party claims against Parkview in that action. *Id.* at 112-31. The Commercial Court granted Lankford's request for a preliminary injunction. *Id.* at 169-99 (Commercial Court Order); Appellant's App. Vol. 3, p. 17 (Amended Complaint ¶ 48).

Lutheran did not appeal that order as of right under Indiana Appellate Rule 14(A)(5). Appellant's Br. p. 16.[2]

[10] Next, Parkview moved to dismiss the third-party claims against it in the Commercial Court action. Appellant's App. Vol. 2, pp. 132-51 (Motion and Brief in Support). On February 1, 2024, Lutheran moved to dismiss its counterclaims against Lankford and the third-party claims against Parkview without prejudice. *Id.* at 158-60.

[11] On February 7, Lutheran filed those claims as a new action against Lankford and Parkview in the present case. *Id.* at 26-78 (Complaint and Exhibits). On July 17, the court granted Lankford's motion to dismiss the claims against him after finding that they were compulsory counterclaims under Trial Rule 13(A) that had to be asserted in the Commercial Court action. *Id.* at 8 (CCS entry). Parkview also moved to dismiss the claims against it pursuant to Trial Rule 12(B)(6), which the court granted.

[12] On July 29, Lutheran filed its Amended Complaint against Parkview, asserting the five claims which are the subject of this appeal. Appellant's App. Vol. 3, pp. 7-27 (Amended Complaint). Each of those claims was premised on the violation of the non-compete agreement entered into between Lankford and Lutheran in the Renewal Agreement. *Id.* at 17-18 (¶ 50, Count I-Tortious

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[2] We note that the Commercial Court case was dismissed with prejudice by an order dated January 7, 2026, with the court retaining "jurisdiction for purposes of enforcing the terms of the parties' settlement agreement." Cause No. 02D02-2307-PL-261 (CCS entry 1/7/26).

Interference With a Business Relationship); p. 20 (¶ 60, Count II-Tortious Interference With Contract); p. 23 (¶ 71, Count III-Unfair Competition); p. 24 (¶ 77, Count IV-Civil Conspiracy and Concert of Action); p. 25 (¶ 84 Unjust Enrichment). And Lutheran referred to the Commercial Court case between Lankford and Lutheran in that Amended Complaint. *Id.* at 17 (¶48).

[13] On September 24, Parkview moved to dismiss the Amended Complaint under Trial Rule 12(B)(6) and asked the court to take judicial notice of the Commercial Court's records, specifically, the Commercial Court's order granting Lankford's preliminary injunction related to the non-compete provision of the Renewal Agreement. *Id.* at 52-53. The court granted Parkview's motion to dismiss Lutheran's Amended Complaint. Appellant's App. Vol. 2, pp. 12-25. Lutheran now appeals.

Discussion and Decision

I. Motion To Dismiss For Failure To State A Claim

[14] The trial court granted Parkview's motion to dismiss for failure to state a claim as to each of the counts Lutheran alleged against Parkview. "The standard of review on appeal of a trial court's grant of a motion to dismiss for the failure to state a claim is de novo and requires no deference to the trial court's decision." *Bellows v. Bd. of Comm'rs of Cnty. of Elkhart*, 926 N.E.2d 96, 110 (Ind. Ct. App. 2010).

> When reviewing a 12(B)(6) motion to dismiss for failure to state a claim upon which relief can be granted, this court accepts as true

> the facts alleged in the complaint. A [Trial Rule] 12(B)(6) motion to dismiss tests the legal sufficiency of the complaint. When reviewing a [Trial Rule] 12(B)(6) motion to dismiss, we view the pleadings in the light most favorable to the non-moving party, and draw every reasonable inference in favor of that party. We will affirm a successful [Trial Rule] 12(B)(6) motion when a complaint states a set of facts, which, even if true, would not support the relief requested in that complaint. Moreover, we will affirm the trial court's grant of a motion to dismiss if it is sustainable on any theory or basis found in the record.

Minks v. Pina, 709 N.E.2d 379, 381 (Ind. Ct. App. 1999) (internal citations omitted), *trans. denied*.

[15] Additionally, "when evaluating a 12(B)(6) motion to dismiss, 'the court may look only at the pleadings, with all well-pleaded material facts alleged in the complaint taken as admitted, *supplemented by any facts of which the court will take judicial notice*.'" *Moss v. Horizon Bank, N.A.*, 120 N.E.3d 560, 563 (Ind. 2019) (quoting *Davis ex rel. Davis v. Ford Motor Co.*, 747 N.E.2d 1146, 1149 (Ind. Ct. App. 2001), *trans. denied*). We address the trial court's rulings on these claims in turn.

A. Tortious Interference With A Business Relationship

[16] Count I of the Amended Complaint alleged tortious interference with a business relationship. Appellant's App. Vol. 3, pp. 17-20. "The elements of tortious interference with a business relationship are: (1) the existence of a valid relationship; (2) the defendant's knowledge of the existence of the relationship; (3) the defendant's intentional interference with that relationship; (4) the

absence of justification; and (5) damages resulting from defendant's wrongful interference with the relationship." *McCollough v. Noblesville Schs.*, 63 N.E.3d 334, 344 (Ind. Ct. App. 2016), *trans. denied*. "Additionally, our Supreme Court has held that 'this tort requires some independent illegal action.'" *Id.* (quoting *Brazauskas v. Fort Wayne-South Bend Diocese, Inc.*, 796 N.E.2d 286, 291 (Ind. 2003)).

[17] In the Amended Complaint, Lutheran alleged that Parkview sought to harm it by "poaching" or "hiring away" Lutheran's pediatric physicians including Lankford, knowing that those pediatric physicians were subject to employment agreements containing non-compete provisions. Appellant's App. Vol. 3, pp. 17-18 (Amended Complaint ¶ 50). Lutheran further alleged that Lankford and Parkview "illegally met in a series of meetings, including an 'interview' for the purpose of causing Dr. Lankford to breach his employment agreement" with Lutheran. *Id.* at 18 (Amended Complaint ¶ 51). Additionally, Lutheran alleged that Parkview and Lankford engaged in "cooperative sub-rosa efforts and affirmative actions, including an illusory claim of breach of contract by Dr. Lankford" against Lutheran. *Id.* (Amended Complaint ¶ 52).

[18] The trial court found that Count I failed to state a claim upon which relief could be granted and dismissed it. For tortious interference with a business relationship, the court held that Lutheran had not alleged anything that amounted to "illegal conduct with respect to employing Dr. Lankford" because the non-compete provision in Lankford's contract had been deemed, at least preliminarily, unenforceable. Appellant's App. Vol. 2, p. 19. The court further

held that Lutheran had failed to show that Parkview's interference with the business relationship was done without justification. *Id.* The court observed that Lutheran had asserted in its Amended Complaint that Parkview's action was done, in part, to improve the delivery of pediatric services. *Id.*; *see also* Appellant's App. Vol. 3, p. 15 (Amended Complaint ¶37 (Lankford was to provide "pediatric services" and "medical services" at Parkview's facilities)). "[T]he existence of a legitimate reason for the defendant's actions provides the necessary justification to avoid liability." *Morgan Asset Holding Corp. v. CoBank, ACB*, 736 N.E.2d 1268, 1272 (Ind. Ct. App. 2000). We agree with the trial court's conclusion.

B. Tortious Interference With A Contract

[19] Count II alleged tortious interference with a contract. Appellant's App. Vol. 3, pp. 20-22. "A claim for tortious interference with a contractual relationship is established by evidence of the following elements: (1) the existence of a valid and enforceable contract; (2) defendant's knowledge of the existence of the contract; (3) defendant's intentional inducement of breach of the contract; (4) the absence of justification; and (5) resulting damages." *Indiana Health Ctrs., Inc. v. Cardinal Health Syss., Inc.*, 774 N.E.2d 992, 1000 (Ind. Ct. App. 2002).

[20] As for interference with the Renewal Agreement, Lutheran alleged that Parkview hired Lankford "with the knowledge and intent that such employment would induce Dr. Lankford to breach his Renewal Agreement with [Lutheran]." *Id.* at 22 (Amended Complaint ¶ 66). Lutheran further alleged, "As a direct and responsible result of Dr. Lankford's and [Parkview's]

improper, illegal and malicious interference of [Lutheran's] relationships with its patients, [Lutheran] has suffered and continues to suffer substantial damages entitling it to an award of damages permitted by applicable law, including but not limited to compensatory damages, punitive damages, pre-judgment and post-judgment interest, and attorney's fees and costs of this action, and any other just and proper relief." *Id.* (Amended Complaint ¶ 67).

[21] The court held, however, that the Amended Complaint failed to state a claim because "the fact that an employer hires someone knowing that employment would violate an agreement with the employee's former employer, does not satisfy the inducement of breach element for tortious interference with a contract." Appellant's App. Vol. 2, p. 21 (citing *Cardinal Health*, 774 N.E.2d at 1001). Indeed, *Cardinal Health* holds that "the mere fact that Cardinal hired Dr. Wolfe with knowledge that his employment would violate the Agreement's non-compete clause does not amount to inducement of breach." 774 N.E.2d at 1001.

[22] Further, the court observed that the Renewal Agreement's non-compete provision, at least preliminarily, had been held unenforceable. Appellant's App. Vol. 2, p. 21. And the court observed that Lutheran "has not set forth any allegations from which it can be reasonably inferred that the conduct of Parkview was unjustified." *Id.* The court held that "[u]njustified in this context means 'malicious and exclusively directed to the injury and damage of another.'" *Id.* (quoting *Mourning v. Allison Transmission, Inc.*, 72 N.E.3d 482, 488 (Ind. Ct. App. 2017)). As noted above, Lutheran alleged in its Amended

Complaint that Parkview hired Lankford to provide medical services, more specifically pediatric services, a justifiable reason.

[23] We agree with the trial court's conclusion that Lutheran has failed to state a claim as to this count.

C. Unfair Competition

[24] Count III alleges that Parkview engaged in unfair competition. "Indiana courts have created a cause of action for unfair competition, defined as 'the attempt to create confusion concerning the source of the unfair competitor's goods.'" *Felsher v. Univ. of Evansville*, 755 N.E.2d 589, 598 (Ind. 2001) (quoting *Westward Coach Mfg. Co. v. Ford Motor Co.*, 388 F.2d 627, 633 (7th Cir. 1968)). "This common law tort was historically considered 'a subspecies of the class of torts known as tortious interference with business or contractual relations.'" *Felsher*, 755 N.E.2d at 598 (quoting William L. Prosser, Law of Torts 956 (4th ed. 1971)). And in *Hartzler v. Goshen Churn & Ladder Co.*, 104 N.E. 34, 38 (Ind. Ct. App. 1914), unfair competition is described as when defendant "by his conduct pass[es] off his goods as plaintiff's goods, or his business as plaintiff's business."

[25] Lutheran alleged in its Amended Complaint that "[t]he actions and conduct of [Parkview] related to the action of recruiting and later hiring Dr. Lankford were predatory and intended for the purpose of harming [Lutheran] and had the effect of giving [Parkview] an unfair competitive advantage over [Lutheran] related to the delivery of in-patient pediatric services and care." Appellant's App. Vol. 3, p. 23 (Amended Complaint ¶ 72). However, as the trial court

observed, "the Amended Complaint lacks any allegations that Parkview created, or attempted to create confusion concerning the source of the unfair competitor's goods per the definition of unfair competition." Appellant's App. Vol. 2, p. 22 (internal quotations omitted). And to the extent Lutheran argues that its claims involve interference with a business and contractual relationship, we have already determined that those allegations have failed to state a claim upon which relief can be granted. We agree with the trial court's conclusion that this count fails to state a claim upon which relief may be granted and must be dismissed.

D. Civil Conspiracy and Concert of Action

[26] Count IV alleges civil conspiracy and concert of action. Appellant's App. Vol. 3, pp. 23-25. "A civil conspiracy is defined as 'a combination of two or more persons, by concerted action, to accomplish an unlawful purpose or to accomplish some purpose, not in itself unlawful, by unlawful means.'" *Newland Res., LLC, v. Branham Corp.*, 908 N.E.2d 763, 776 (Ind. Ct. App. 2009) (quoting *Huntington Mortg. Co. v. DeBrota*, 703 N.E.2d 160, 168 (Ind. Ct. App. 1998)). "Additionally, civil conspiracy is not an independent cause of action." *Id.* The cause of action is one for damages resulting from a conspiracy. *Huntington*, 703 N.E.2d at 168.

[27] Lutheran alleged in its Amended Complaint that "[Parkview] and Dr. Lankford [sic] conspired individually, collectively, and in concert of action to accomplish unlawful purposes, including but not limited to the acts, omissions and torts described in this Amended Complaint and to accomplish lawful purposes by

unlawful means, including but not limited to the acts, omissions, and torts described in the Amended Complaint." Appellant's App. Vol. 3, p. 24 (Amended Complaint ¶ 78). The Amended Complaint raised the existence of the non-compete provision in the Renewal Agreement and Parkview's knowledge thereof. *Id.* (Amended Complaint ¶¶76, 77, 78).

[28] The trial court concluded that "the only independent tort Lutheran has alleged that could support a claim for civil conspiracy against Parkview is unfair competition." Appellant's App. Vol. 2, p. 23. And the court already found that Lutheran had failed to state a claim for unfair competition upon which relief could be granted. *Id.* We agree with the trial court that the Amended Complaint does not state a claim upon which relief can be granted on this count, and the count must be dismissed.

E. Unjust Enrichment

[29] Count V alleges a claim for unjust enrichment. Appellant's App. Vol. 3, pp. 25-26. "To prevail on a claim of unjust enrichment, a plaintiff must establish that a measurable benefit has been conferred on the defendant under such circumstances that the defendant's retention of the benefit without payment would be unjust." *Bayh v. Sonnenburg*, 573 N.E.2d 398, 408 (Ind. 1991).

[30] Lutheran alleged in its Amended Complaint that the Renewal Agreement had a non-compete provision in it, that Parkview knew Lankford's Renewal Agreement contained a non-compete provision, that Lankford breached that Renewal Agreement, and that Parkview and Lankford "have been conferred a

measurable benefit under such circumstances that their retention of the benefit without payment would be unjust." Appellant's App. Vol. 3, p. 25 (Amended Complaint ¶¶¶ 82, 83,84, 85).

[31] The trial court concluded that there was no allegation "that Lutheran itself conferred a benefit upon Parkview." Appellant's App. Vol. 2, p. 24. We agree with the trial court's conclusion. The count must be dismissed because the parties to the Renewal Agreement were Lankford and Lutheran. And there is no allegation that Lutheran conferred a benefit upon Parkview, just that Lankford breached a non-compete provision found, at least preliminarily, to be unenforceable. We find no error here.

[32] In sum, we conclude that the trial court correctly dismissed the Amended Complaint for failure to state a claim upon which relief can be granted.

II. Judicial Notice

[33] Lutheran strenuously argues that the trial court erred by taking judicial notice of the Commercial Court's rulings and orders in the case between Lankford and Lutheran. *See* Appellant's Br. pp. 25-38.

[34] Evidence Rule 201 provides that a court may judicially notice the existence of records of a court of this state. Ind. Rule of Evidence 201(a)(2)(C). Lutheran argues that "judicial notice should be limited to the fact of the record's existence, rather than to any facts found or alleged within the record of another case." Appellant's Br. p. 33 (quoting *Gray v. State*, 871 N.E.2d 408, 413 (Ind Ct. App. 2007), *trans. denied*).

[35] We have concluded above that the Amended Complaint was properly dismissed without making any reference to the Commercial Court's decision other than to say that the preliminary injunction prohibiting enforcement of the non-compete clause was granted. Nevertheless, we observe that Lutheran pleaded the Commercial Court's ruling, providing the cause number and preliminary decision of that court in the Amended Complaint. Appellant's App. Vol. 3, p. 17 (Amended Complaint ¶ 48). Thus, Lutheran is not in the best position to complain about Parkview's request that the court also look to the Commercial Court's rulings in that matter, as the basis for the allegations in the Amended Complaint was the non-compete clause found, at least preliminarily, to be unenforceable by that court.

[36] We find no need to address this issue further because the Amended Complaint fails to state a claim upon which relief can be granted under any of the counts. And this may be done by noting solely that the non-compete provision of the Renewal Agreement was, at least preliminarily, found to be unenforceable by the Commercial Court, without reference to any of the underlying facts or additional information from that case. We find no reversible error here.

Conclusion

[37] In light of the foregoing, we conclude that the trial court properly dismissed Lutheran's Amended Complaint against Parkview for failure to state a claim upon which relief can be granted. And the court did not err by taking judicial notice of the order of another court granting a preliminary injunction

preventing the enforcement of Lutheran's non-compete clause against Lankford.

[38] Affirmed.

May, J., and DeBoer, J., concur.

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