

No: _____

IN THE
Supreme Court of the United States

JERI L. KNOX,

Petitioner,

v.

WINNIE J. WALKER, TRUSTEE OF THE
FRANK R. WALKER AND WINNIE J. WALKER LIVING TRUST, AND WINNIE J. WALKER, INDIVIDUALLY

Respondent.

On Petition for Writ of Certiorari
To the Court of Appeals of Indiana

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Indiana law treats actual fraud and constructive fraud as distinct torts. Actual fraud requires a showing of an intent to deceive. Constructive fraud does not, and the presence or absence of that intent is what differentiates them. Here, the trial court's fraud determination pointed to both standards, along with the rule that intent distinguishes the two torts, and entered judgment on a finding that petitioner "fraudulently misrepresented her ownership interest," without identifying which standard its findings satisfied. The Court of Appeals affirmed, treating the judgment as one for actual fraud.

The question presented is:

Whether the Due Process Clause permits a judgment for intentional fraud to stand when the court that entered it cited both the actual fraud and constructive fraud standards, acknowledged that an intent to deceive is what distinguishes them, and never determined which standard its findings satisfied.

PARTIES TO THE PROCEEDING

Petitioner is Jeri L. Knox, the defendant-appellant below.

Respondent is Winnie J. Walker, Trustee of the Frank R. Walker and Winnie J. Walker Living Trust, the plaintiff-appellee below. Winnie J. Walker was added as a plaintiff in her individual capacity by the amended complaint in the trial court.

CORPORATE DISCLOSURE STATEMENT

Because no party is a nongovernmental corporation, no corporate disclosure statement is required under this Court's Rule 29.6.

RELATED PROCEEDINGS

The proceedings directly related to this case are:

Walker v. Knox, No. 67C01-2212-CT-663, Putnam Circuit Court, Indiana. Judgment entered April 22, 2025.

Knox v. Walker, No. 25A-CT-1022, Court of Appeals of Indiana. Memorandum decision entered January 27, 2026.

Knox v. Walker, No. 25A-CT-1022, Supreme Court of Indiana. Transfer denied June 4, 2026.

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OPINIONS BELOW

The memorandum decision of the Court of Appeals of Indiana is unreported and is reproduced at App. 1a-22a. The findings of fact, conclusions of law, and judgment of the Putnam Circuit Court are unreported and are reproduced at App. 23a-42a. The order of the Supreme Court of Indiana denying transfer is unreported and is reproduced at App. 43a.

STATEMENT OF THE BASIS FOR JURISDICTION

The Court of Appeals of Indiana issued its decision on January 27, 2026. App. 1a. No petition for rehearing was filed. The Supreme Court of Indiana denied a timely petition to transfer on June 4, 2026. App. 43a. This petition is filed within ninety days of that denial. Sup. Ct. R. 13.1. This Court's jurisdiction rests on 28 U.S.C. § 1257(a).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The Fourteenth Amendment to the United States Constitution provides in relevant part: "nor shall any state deprive any person of life, liberty, or property, without due process of law." "U.S. Const. amend. XIV, § 1.

INTRODUCTION

Indiana law recognizes two distinct fraud torts. Actual fraud requires an intent to deceive, and constructive fraud does not. The trial court cited both standards, quoted the rule that the presence or absence of that intent is what separates them, and entered judgment on a finding that Knox "fraudulently misrepresented her ownership interest in the Oregon Home" without identifying which standard the finding satisfied. App. 34a-35a

The judgment that followed is an intentional tort judgment, with damages measured by the benefit-of-the-bargain rule drawn from fraudulent inducement. The Court of Appeals affirmed, describing the judgment as one for actual fraud and holding that the findings would support an inference of intent to deceive. App. 16a-18a.

In this petition, Knox asks only whether the Due Process Clause permits a judgment for intentional fraud when the court that entered it failed to determine which of two different standards its findings met.

STATEMENT OF THE CASE

I. PRESERVATION OF THE FEDERAL QUESTION

Petitioner did not expressly invoke the Due Process Clause in the state courts. In the Court of Appeals she argued that the actual fraud determination should be reversed because the record did not show that she made any knowingly false statement with an intent to deceive. App. 47a, 58a-61a. She relied on the authorities the trial court had itself cited: that an intent to deceive is an essential element of actual fraud, *Kapoor v. Dybwad*, 49 N.E.3d 108, 124 (Ind. Ct. App. 2015) (*trans. denied*), and that reckless disregard requires more than carelessness, negligence, or mistake of fact, *Spainhower v. Smart & Kessler, LLC*, 176 N.E.3d 258, 266 (Ind. Ct. App. 2021) (*reh'g denied, trans denied*). App. 58a-59a.

On transfer she framed the same defect in terms of the two fraud doctrines, arguing that the trial court's conclusions cited both fraud standards, and that while the trial court properly acknowledged that the two types of fraud have two distinct intent requirements, it failed to identify which the findings satisfied. App. 80a-81a.

The Court of Appeals affirmed the trial court under Indiana law. App. 16a-18a. The Supreme Court of Indiana denied transfer without opinion. App. 43a.

II. PROCEEDINGS BELOW

Petitioner Jeri Knox and her mother, Winnie Walker, moved to a home in Florence, Oregon in September 2018 to care for Walker's sister, Juanita Petroni. App. 48a. Title was held first by Walker and later by her living trust. App. 25a, 27a. Knox tracked shared household expenses on a spreadsheet and, in January 2019, prepared a document titled "Note of Ownership" assigning percentage interests in the home to the three women. All three signed it. In August 2019 Walker executed a restated trust providing that the Trustee would honor the most recent Note of Ownership. A second Note, signed by Knox and Walker in July 2020, increased Knox's stated share to 13.22%. App. 27a-29a.

The Oregon home sold on February 1, 2022 for \$625,000. After an outstanding home equity line of credit was retired, \$403,772.50 of the proceeds was used to purchase a home in Greencastle, Indiana, and \$142,225.00 remained. App. 31a.

Walker, as Trustee, filed a partition action in the Putnam Circuit Court on December 21, 2022. In July 2024 she moved to amend to add herself individually and to plead fraud, undue influence, slander of title, and financial exploitation of a senior consumer; the

court granted leave. Trial began February 19, 2025, and the court entered findings of fact and conclusions of law on April 22, 2025. App. 23a, 32a.

The fraud conclusions set out the elements of actual fraud, quoted *Spainhower* for the rule that an intent to deceive is an essential element of actual fraud and that reckless disregard requires more than carelessness, negligence, or mistake of fact, and quoted the same decision for the rule that constructive fraud is a breach of duty the law declares fraudulent irrespective of the moral guilt of the fraudfeasor. The court stated that “it is the presence or absence of such an intent that distinguishes actual fraud from constructive fraud.” App. 34a-35a. It then concluded that Knox “fraudulently misrepresented her ownership interest in the Oregon Home,” inducing the check and the deed. It did not state which standard its findings satisfied. App. 35a. Its damages analysis invoked the benefit-of-the-bargain measure for fraudulent inducement and calculated the damages as equal to the value of the check plus half the value of the Greencastle home. App. 35a-36a.

The court entered judgment for Walker on fraudulent misrepresentation, undue influence, and slander of title. It awarded her the net proceeds from the sale of the Greencastle home and entered a money judgment against Knox of \$71,112.50 “plus the entire amount of the escrow funds.” App. 41a. The court's stated measure was the check plus one-half the Greencastle Home; the judgment awarded the entire proceeds. It denied the financial exploitation claim and dismissed the partition claims as moot. App. 41a.

The Court of Appeals affirmed in an unpublished memorandum decision. App. 11a. It described the judgment as one for actual fraud and held that the findings would support an inference of an intent to deceive. App. 16a-18a. The court denied Knox’s motion to publish on February 9, 2026, and the Supreme Court of Indiana denied transfer on June 4, 2026. App. 43a.

REASONS FOR GRANTING THE PETITION

This petition presents a single question of law. Accepting every finding as true, it asks only whether the Due Process Clause permits a judgment for intentional fraud when the court that entered it failed to determine which of two different fraud standards its findings satisfied.

III. DUE PROCESS AND A JUDGMENT FOR INTENTIONAL FRAUD THAT NEVER RESOLVES WHICH FRAUD STANDARD THE FINDINGS SATISFY.

Intent is the line between actual fraud and constructive fraud. Indiana law treats the two as separate torts. Actual fraud requires a knowing or reckless falsehood and an intent to deceive; as the trial court explained, quoting *Spainhower v. Smart & Kessler, LLC*, 176 N.E.3d 258, 265 (Ind. Ct. App. 2021), “[a]n intent to deceive is an essential element of actual fraud,” and “reckless disregard or ignorance requires more than mere carelessness, negligence, or a mistake of fact[.]” *Id.* at 266. Constructive fraud is its opposite, a breach of duty the law calls fraudulent “irrespective of the moral guilt of the fraud feisor.” *Id.* The trial court stated the distinction itself: “it is the presence or absence of such an intent that distinguishes actual fraud from constructive fraud.” App. 34a-35a.

Due process limits the judgments a State may enter against a private party. *See BMW of N. Am., Inc. v. Gore*, 517 U.S. 559, 562 (1996) (due process imposes substantive limits on state-imposed civil liability). The Court has not decided whether due process permits liability for an intentional tort without a determination that the required mental state was found. The distinction is important because a determination of actual fraud brands a defendant a deliberate deceiver, while constructive fraud does not, and a person is entitled to know which wrong the State has adjudged her to have committed.

The decision below speaks in the language of Indiana law and cites no federal authority, but the federal question comes before the judgment rather than beside it. The trial court entered judgment on the fraud count and awarded damages on it. App. 41a-42a. It cited both standards and acknowledged that intent differentiates them, then found only that Knox “fraudulently misrepresented her ownership interest,” without saying which doctrine its findings satisfied. App. 34a-35a. Its damages analysis measured the award by the value of the check “plus” half the Greencastle home, a benefit-of-the-bargain measure drawn from intent-based fraudulent inducement, without making the intent finding that theory requires. App. 36a. The Court of Appeals affirmed without addressing this issue. App. 11a, 16a-18a. A judgment for actual fraud unsupported by a finding of intent has not adjudicated the element that makes it actual fraud.

This Court is the proper forum to decide whether due process allows this result. The petition for a writ of certiorari should be granted, the judgment on the fraudulent misrepresentation claim vacated, and the cause remanded for further proceedings.

IV. THE QUESTION IS IMPORTANT, RECURRING, AND UNSETTLED.

Families share finances, and aging parents rely on adult children to manage accounts and paper transactions the parent no longer follows. When those arrangements fall apart, actual and constructive fraud are pleaded together, because the same conduct can support either. The intent element is what separates a contested family accounting from a deliberate deceit, and a rule that lets a court enter an intentional fraud judgment without properly determining the element of intent will recur across many cases and many families.

V. THRESHOLD CONSIDERATIONS BEARING ON THE COURT'S REVIEW.

Three threshold questions bear on the Court's authority to reach the merits: whether the judgment rests on an independent state ground, whether the federal question was preserved, and whether the petition seeks only error correction. Each is addressed in turn.

The state-ground question. A judgment that arises from an adequate and independent state ground lies beyond this Court's reach on direct review, because a ruling that could not change the judgment would be advisory. *Coleman v. Thompson*, 501 U.S. 722, 729 (1991). But a state ground is independent only when it does not depend on and is not intertwined with a federal question. *Glossip v. Oklahoma*, 604 U.S. 226, 242 (2025). Here the state ground depends on the federal one: the Indiana courts could not sustain this fraud judgment without presupposing that a fraud judgment untethered to a resolved intent standard satisfies due process, and that presupposition is the federal question. Knox acknowledges the Court may find the state ground adequate and independent and deny on that basis, but believes that the question is close enough to call for a decision rather than simply assumption.

The preservation question. A litigant raises a federal issue in state court by, for example, citing the federal source, citing a case that decides the issue on federal grounds, or labeling the claim federal. *Baldwin v. Reese*, 541 U.S. 27, 32 (2004). The petitioner did not expressly cite to the Due Process Clause below, but she argued throughout that the fraud judgment failed to resolve the intent element the governing rule requires. A party is not confined on review to the precise arguments made below, provided the question was brought to the court's attention in some manner. *Bankers Life & Cas. Co. v. Crenshaw*, 486 U.S. 71, 78 (1988). *Crenshaw* itself found a due process challenge unpreserved on its own facts, and the Court could do so here.

The error correction question. It is true that certiorari is rarely granted where the claimed error is a mistaken factual finding or the misapplication of a settled rule. Sup. Ct. R. 10. Here, Knox asks only whether, taking the findings as given, a judgment for intentional fraud can stand when the court never determined which fraud standard those findings satisfy. The petition should be granted.

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be granted.

Respectfully submitted,

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