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CLERK OF THE SUPERIOR COURT
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

JOE REQUA, *et al.*, on behalf of Themselves and Others
Similarly Situated,

Petitioners,

v.

REGENTS OF UNIVERSITY OF CALIFORNIA, and DOES, 1
through 99, inclusive,

Respondents.

No. RG 10530492

CLASS ACTION

**Third Amended Petition for
Writ of Mandate**

BY FAX

1 **INTRODUCTION**

2 1. This case is brought by former employees of the Regents of the University of California
3 (“Regents” or “University”) who worked at the Lawrence Livermore National Laboratory
4 (“Livermore Lab” or “LLNL”) on behalf of themselves and others similarly situated. For many
5 years, the University managed the Livermore Lab, which is widely considered one of the nation’s
6 premier defense research laboratories. While Petitioners and Class Members worked there, they
7 were University employees, and the Regents treated them as University employees for all purposes.

8 2. In the 1960s, the Regents authorized University-provided medical benefits for University
9 employees and retirees, and they have provided these benefits since. In 2008, however, the Regents
10 singled out retirees from the Livermore Lab and shifted responsibility for providing their retiree
11 medical benefits to a newly created private consortium (that includes the Regents), known as
12 Lawrence Livermore National Security (“LLNS”). In so doing, the Regents violated of the Contract
13 Clause of the California Constitution by impairing the contract right of Petitioners and Class
14 Members to receive the same University-provided retiree medical benefits as other University
15 retirees.

16 3. Since the Regents stopped providing retirees who worked at the Livermore Lab with the
17 same medical benefits as other University retirees and shifted responsibility for providing these
18 benefits to LLNS, Petitioners and Class Members have been significantly disadvantaged. The
19 benefits provided by LLNS have been inferior to those Petitioners and Class Members received from
20 the University. Petitioners and Class Members ask the Court to restore their vested, contractual right
21 to receive University-provided health benefits and to make them whole for losses suffered.

22 **PARTIES**

23 **JOE REQUA**

24 4. Pursuant to the Order approving the parties’ Stipulation, filed 11/26/13 and 12/23/13,
25 respectively, this paragraph is stricken. This notation is included so that the numbered paragraphs in
26 the Third Amended Petition will conform to those in the Second Amended Petition.

27 5. See paragraph 4, above.

28 6. See paragraph 4, above.

1 21. Ventura is informed and believes that, although LLNS assumed responsibility for
2 managing the Livermore Lab on or about October 1, 2007, the Regents continued to provide medical
3 benefits to her and other retirees who had worked at the Livermore Lab until on or about January 1,
4 2008. She is further informed and believes that during 2008, the coverage provided by LLNS was
5 the same or similar to the coverage the Regents provided to other University retirees. However, on
6 or about January 1, 2009, LLNS increased Ventura's monthly premium and her co-payments for
7 medical visits and prescriptions, an increase that the Regents did not impose on retirees from other
8 University facilities. Ventura estimates that for 2009, she paid about \$1,000 more for retiree medical
9 benefits than she would have paid under the University-provided plan. She estimates that, in 2010,
10 she also paid about \$1,000 more.

11 22. Since Ventura retired in June 2006, her retirement checks have always been issued by
12 UCRP. In fact, she was never treated differently than any other University retiree until on or about
13 January 1, 2008, when the Regents stopped providing her with retiree medical benefits through the
14 University.

15 23. By shifting responsibility for providing retiree medical benefits to a private consortium,
16 LLNS, the Regents abrogated Ventura's vested right to receive the same University-provided health
17 coverage as other University retirees.

18 24. LLNS now uses Kaiser to provide Ventura's retiree medical benefits.

19 ROBERT BECKER

20 25. Petitioner Robert Becker began working for the Livermore Laboratory in 1952. He
21 worked there continuously until he retired in 1983.

22 26. Petitioner Becker was a member of the Public Employees Retirement System (PERS).
23 As a result of other employment, Petitioner was eligible for Social Security and currently receives
24 Social Security benefits. After he retired, Petitioner was advised by the Laboratory not to apply for
25 Medicare benefits because benefits through the University-sponsored retiree medical benefit plan
26 were better. As a result of changes made to retiree medical benefits by LLNS, Petitioner's premiums
27 became prohibitively expensive, and he purchased a less expensive plan. Premiums continue to
28 increase, but at a slower rate.

1 27. Throughout his career at the Livermore Lab, Petitioner was a University employee and
2 was always treated like one by the Regents. Among other things, his paycheck came from the
3 University, and he was covered by the University's Staff Personnel Policies and Procedures.

4 28. During the time he was employed, the Regents provided medical benefits through
5 Anthem Blue Cross, as well as other plans. When he retired, the Regents continued to provide
6 medical benefits to Petitioner in the same manner and under the same terms and conditions as
7 medical benefits were provided to others who had retired from the University of California after
8 working at facilities other than the Livermore Laboratory.

9 29. The Regents continued to treat Petitioner in the same way other University retirees were
10 treated until, on or about January 1, 2008, when the Regents terminated his coverage for retiree
11 medical benefits and transferred responsibility for providing retiree medical benefits to Lawrence
12 Livermore National Security (LLNS). In so doing, the Regents terminated the vested, contractual
13 rights of Petitioner to receive the same University-provided health coverage as other University
14 retirees.

15 30. Petitioner is informed and believes that, although LLNS assumed responsibility for
16 managing the Livermore Lab on or about October 1, 2007, the Regents continued to provide the same
17 retiree medical benefits until on or about January 1, 2008. Petitioner is further informed and believes
18 that, throughout 2008, the coverage LLNS provided was the same or similar to the coverage that the
19 Regents provided to other University retirees. However, on or about January 1, 2009, the LLNS-
20 sponsored plan began to increase premiums and co-payments to a greater extent than the Regents
21 increased premiums and co-payments for the University-sponsored plan.

22 31. As a result of the changes made to retiree medical benefits by LLNS, Petitioner has been
23 damaged by having to pay increased premiums for less coverage than he would be paying if he were
24 a member of the University-sponsored plan for retirees.

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1 GREGORY M. BIANCHINI

2 32. Petitioner Gregory M. Bianchini began working for the Livermore Lab in 1969. He
3 worked there continuously until he retired on or about July 1, 2006.

4 33. Petitioner Bianchini was a member of the University of California Retirement Plan
5 (UCRP). Petitioner does not receive Social Security benefits or Medicare benefits.

6 34. Throughout his career at the Livermore Lab, Petitioner was a University employee and
7 was always treated like one by the Regents. Among other things, his paycheck came from the
8 University, and he was covered by the University's Staff Personnel Policies and Procedures.

9 35. During the time he was employed, the Regents provided medical benefits through Kaiser.
10 When he retired, the Regents continue to provide medical benefits to Petitioner in the same manner
11 and under the same terms and conditions as medical benefits were provided to others who had retired
12 from the University of California after working at facilities other than the Livermore Laboratory.

13 36. The Regents continued to treat Petitioner Bianchini in the same way other University
14 retirees were treated until, on or about January 1, 2008, when the Regents terminated his coverage for
15 retiree medical benefits and transferred responsibility for providing retiree medical benefits to
16 Lawrence Livermore National Security (LLNS). In so doing, the Regents terminated the vested,
17 contractual rights of Petitioner to receive the same University-provided health coverage as other
18 University retirees.

19 37. Petitioner is informed and believes that, although LLNS assumed responsibility for
20 managing the Livermore Lab on or about October 1, 2007, the Regents continued to provide the same
21 retiree medical benefits until on or about January 1, 2008. Petitioner is further informed and believes
22 that, throughout 2008, the coverage LLNS provided was the same or similar to the coverage that the
23 Regents provided to other University retirees. However, on or about January 1, 2009, the LLNS-
24 sponsored plan began to increase premiums and co-payments to a greater extent than the Regents
25 increased premiums and co-payments for the University-sponsored plan.

26 38. When Petitioner reached age 65 in October 2012, his monthly premium increased from
27 approximately \$45 per month to approximately \$275 per month. Petitioner is informed and believes
28

1 that, if he were covered by the University-sponsored plan, his monthly premiums would not have
2 increased when he reached age 65 but would have remained at approximately the same level.

3
4 GEORES BUTTNER

5 39. Petitioner Geores Buttner began working for the University of California in 1958. In
6 1972, he transferred to the Lawrence Livermore National Laboratory, where he worked until retiring
7 on or about December 15, 1987.

8 40. Petitioner Buttner was a member of the University of California Retirement Plan
9 (UCRP). Petitioner does not receive Social Security benefits.

10 41. Throughout his career at both the Lawrence Berkeley Laboratory and the Lawrence
11 Livermore National Laboratory, Petitioner was a University employee and was always treated like
12 one by the Regents. Among other things, his paycheck came from the University, and he was
13 covered by the University's Staff Personnel Policies and Procedures.

14 42. During the time he was employed, the Regents provided medical benefits through Kaiser.
15 When he retired, the Regents continue to provide medical benefits to Petitioner in the same manner
16 and under the same terms and conditions as medical benefits were provided to others who had retired
17 from the University of California after working at facilities other than the Livermore Laboratory.

18 43. The Regents continued to treat Petitioner in the same way other University retirees were
19 treated until, on or about January 1, 2008, when the Regents terminated his coverage for retiree
20 medical benefits and transferred responsibility for providing retiree medical benefits to Lawrence
21 Livermore National Security (LLNS). In so doing, the Regents terminated the vested, contractual
22 rights of Petitioner to receive the same University-provided health coverage as other University
23 retirees.

24 44. Petitioner is informed and believes that, although LLNS assumed responsibility for
25 managing the Livermore Lab on or about October 1, 2007, the Regents continued to provide the same
26 retiree medical benefits until on or about January 1, 2008. Petitioner is further informed and believes
27 that, throughout 2008, the coverage LLNS provided was the same or similar to the coverage that the
28 Regents provided to other University retirees. However, on or about January 1, 2009, the LLNS-

1 sponsored plan began to increase premiums and co-payments to a greater extent than the Regents
2 increased premiums and co-payments for the University-sponsored plan.

3 45. Petitioner purchases Medicare benefits. However as a result of the transfer of
4 responsibility to LLNS, Petitioner is not reimbursed for Medicare Plan B.

5 ALAN HINDMARSH

6 46. Petitioner Alan Hindmarsh began working for the Livermore Lab in 1968. He worked
7 there continuously until he retired on or about October 1, 2002.

8 47. Petitioner Hindmarsh was a member of the University of California Retirement Plan
9 (UCRP). Petitioner does not receive Social Security benefits or Medicare benefits.

10 48. Throughout his career at the Livermore Lab, Petitioner was a University employee and
11 was always treated like one by the Regents. Among other things, his paycheck came from the
12 University, and he was covered by the University's Staff Personnel Policies and Procedures.

13 49. During the time he was employed, the Regents provided medical benefits to Petitioner
14 through various providers, and Petitioner's plan coverage changed from time to time. At the time he
15 retired, he was receiving coverage through Blue Cross Plus, and the Regents continued to provide
16 these medical benefits to Petitioner in the same manner and under the same terms and conditions as
17 they were provided to others who had retired from the University of California after working at
18 facilities other than the Livermore Laboratory. In 2009, Blue Cross became Anthem Blue Cross, but
19 offered essentially the same plans. However, as a result of changes made to retiree medical benefits
20 by LLNS, Petitioner's premiums became prohibitively expensive, and he changed medical plans to
21 ABC-PPO, also offered by Anthem Blue Cross at lower cost but with less coverage.

22 50. The Regents continued to treat Petitioner in the same way other University retirees were
23 treated until, on or about January 1, 2008, when the Regents terminated his coverage for retiree
24 medical benefits and transferred responsibility for providing retiree medical benefits to Lawrence
25 Livermore National Security (LLNS). In so doing, the Regents terminated the vested, contractual
26 rights of Petitioner to receive the same University-provided health coverage as other University
27 retirees.

28

1 July 1964, when he returned to LLNL. He worked at LLNL continuously until he retired on
2 November 1, 1993.

3 63. Petitioner Wood was a member of the Public Employees Retirement System (PERS) until
4 1962, when he went to Utah. Upon returning to the Lab in July 1964, he joined the University of
5 California Retirement System (UCRS) without the Social Security option.

6 64. Petitioner was not a member of Social Security as a result of working at the Livermore
7 Laboratory but did qualify for Social Security as the result of other employment. He now receives
8 Medicare benefits.

9 65. Throughout his career at the Livermore Lab, Petitioner was a University employee and
10 was always treated like one by the Regents. Among other things, his paycheck came from the
11 University, and he was covered by the University's Staff Personnel Policies and Procedures.

12 66. During the time he was employed, the Regents provided medical benefits. When he
13 retired, the Regents continue to provide medical benefits to Petitioner in the same manner and under
14 the same terms and conditions as medical benefits were provided to others who had retired from the
15 University of California after working at facilities other than the Livermore Laboratory.

16 67. The Regents continued to treat Petitioner in the same way other University retirees were
17 treated until, on or about January 1, 2008, when the Regents terminated his coverage for retiree
18 medical benefits and transferred responsibility for providing retiree medical benefits to Lawrence
19 Livermore National Security (LLNS). In so doing, the Regents terminated the vested, contractual
20 rights of Petitioner to receive the same University-provided health coverage as other University
21 retirees.

22 68. Petitioner is informed and believes that, although LLNS assumed responsibility for
23 managing the Livermore Lab on or about October 1, 2007, the Regents continued to provide the same
24 retiree medical benefits until on or about January 1, 2008. Petitioner is further informed and believes
25 that, throughout 2008, the coverage LLNS provided was the same or similar to the coverage that the
26 Regents provided to other University retirees. However, on or about January 1, 2009, the LLNS-
27 sponsored plan began to increase premiums and co-payments to a greater extent than the Regents
28 increased premiums and co-payments for the University-sponsored plan.

SHARON WOOD

1
2 69. Petitioner Sharon Wood is the surviving spouse of David D. Wood, who was employed at
3 the Livermore Laboratory from 1960 until 1987, when he passed away as a result of cancer.

4 70. David D. Wood was a member of the Public Employees Retirement System (PERS). He
5 was retired by PERS at the time of his death, and Petitioner Sharon Wood receives retirement
6 benefits as his surviving spouse from PERS.

7 71. As a result of her own employment, Petitioner Sharon Wood was eligible for and receives
8 Social Security benefits. She is also eligible for and receives Medicare benefits.

9 72. Throughout his career at the Livermore Lab, David Wood was a University employee and
10 was always treated like one by the Regents. Among other things, his paycheck came from the
11 University, and he was covered by the University's Staff Personnel Policies and Procedures.

12 73. During the time he was employed, the Regents provided medical benefits through Kaiser.
13 When David Wood died in 1987, the Regents provided retiree medical benefits in the same manner
14 and under the same terms and conditions as medical benefits were provided to others who had retired
15 from the University of California after working at facilities other than the Livermore Laboratory.

16 74. The Regents continued to treat Petitioner Wood in the same way other University retirees
17 were treated until, on or about January 1, 2008, when the Regents terminated his coverage for retiree
18 medical benefits and transferred responsibility for providing retiree medical benefits to Lawrence
19 Livermore National Security (LLNS). In so doing, the Regents terminated the vested, contractual
20 rights of Petitioner to receive the same University-provided health coverage as other University
21 retirees.

22 75. Petitioner is informed and believes that, although LLNS assumed responsibility for
23 managing the Livermore Lab on or about October 1, 2007, the Regents continued to provide the same
24 retiree medical benefits until on or about January 1, 2008. Petitioner is further informed and believes
25 that, throughout 2008, the coverage LLNS provided was the same or similar to the coverage that the
26 Regents provided to other University retirees. However, on or about January 1, 2009, the LLNS-
27 sponsored plan began to increase premiums and co-payments to a greater extent than the Regents
28 increased premiums and co-payments for the University-sponsored plan.

1 THE REGENTS

2 76. The Regents of the University of California is a public corporation organized and
3 operating under the laws of the State of California, pursuant to Article IX, section 9, of the California
4 Constitution.

5 77. The Regents are an arm of the state with “full powers of organization and government.”
6 The Regents are self-governing, with general rule-making and policy-making powers, including
7 quasi-legislative powers, whose policies of internal regulation may enjoy a status equivalent to state
8 statutes. The Regents are authorized to enter into contracts with employees and third parties.

9 DOE RESPONDENTS

10 78. Petitioners do not know the names and capacities of Doe Respondents 1-99, but will
11 amend the petition and add this information when they do. Petitioners are informed and believe that
12 each Doe Respondent was responsible in some manner for the acts complained of.

13 FACTS

14 79. The Livermore Lab opened in 1952 as a branch of the University of California Radiation
15 Laboratory. From 1952 until 2007, the Regents operated the Livermore Lab under a contract with
16 the U.S. Department of Energy (“DOE”) or predecessor agencies of the federal government.

17 80. During this time, Petitioners and Class Members were regular employees of the
18 University, who worked under the same terms and conditions, and who were entitled to the same
19 benefits, as other University employees.

20 81. While the Regents managed the Livermore Lab, they treated University employees who
21 worked there in the same manner as they treated other University employees. Like other University
22 employees, the Livermore Lab employees received their paychecks from the University; were subject
23 to the same terms and conditions of work and covered by the same personnel policies as other
24 University employees; and they participated in the same retirement system as other University
25 employees.

26 82. Until late 2007 or early 2008, the Regents also treated retirees who had worked at the
27 Livermore Lab in the same manner as other University retirees.

28

1 83. During the 1960s, the Regents first authorized medical benefits for University employees,
2 including those working at the Livermore Lab. At the same time or shortly thereafter, the Regents
3 also authorized medical benefits for University retirees, including the retirees who had worked at the
4 Livermore Lab. The Regents' actions in authorizing and providing the retiree medical benefit were
5 taken in accordance with policies and procedures used by the Regents in the ordinary course of their
6 business and in the proper exercise of their powers.

7 84. Between the 1960s and 2007, the Regents provided the same medical benefits to active
8 and retired employees who had worked at the Livermore Lab as they provided to other active and
9 retired University employees.

10 85. When the Regents authorized retiree medical benefits in the 1960s, no policy or provision
11 of state law, and no provision of the Regents' own policies, prohibited or limited their authority to do
12 so. To the contrary, statutes and laws enacted by the state legislature and local governments and
13 agencies confirm that it was government policy to provide medical benefits to public employees and
14 retirees.

15 86. The policy adopted by the Regents made no distinction between employees and retirees
16 at the Livermore Lab and those at other University facilities.

17 87. Petitioners are informed and believe and so allege that, in authorizing retiree medical
18 benefits in the 1960s, the Regents did not include any provision that reserved the right to later
19 terminate or eliminate this benefit. Nor did the Regents include a provision authorizing modification
20 of retiree medical benefits in a manner that was not consistent with the legal authority of public
21 agencies to modify vested retirement benefits under California law, or reserve a right to transfer
22 responsibility for providing a vested benefit to another entity (like LLNS). The Regents did not
23 include any provision reserving the right to exclude Petitioners or Class Members (or other
24 employees working at the Livermore Lab or any other University facility) from coverage under
25 University-sponsored group health plan coverage or treat them differently than other University
26 employees or retirees.

27 88. Petitioners are informed and believe and so allege that it was not until the 1990s that
28 Regents began to insert language asserting a right to modify or eliminate retiree medical benefits, and