22STCV14718

Assigned for all purposes to: Spring Street Courthouse, Judicial Officer: Maren Nelson

Electronically FILED by Superior Court of California, County of Los Angeles on 05/03/2022 05:46 PM Sherri R. Carter, Executive Officer/Clerk of Court, by J. Covarrubias, Deputy Clerk

1 2	Teresa S. Renaker – SBN 187800 <u>teresa@renakerhasselman.com</u> Kirsten G. Scott – SBN 253464		
3	kirsten@renakerhasselman.com RENAKER HASSELMAN SCOTT LLP		
4	505 Montgomery Street, Suite 1125 San Francisco, CA 94104		
5	Telephone: (415) 653-1733 Facsimile: (415) 727-5079		
6	Elizabeth Hopkins – SBN 324431		
7	<u>ehopkins@kantorlaw.net</u> Susan Meter – SBN 236133		
8	smeter@kantorlaw.net KANTOR & KANTOR, LLP		
9	19839 Nordhoff Street Northridge, CA 91324		
10	Telephone: (818) 886-2525 Facsimile: (818) 350-6272		
11	Attorneys for Plaintiffs and Others Similarly Situ	ated	
12			
13	SUPERIOR COURT OF TH	IE STATE OF CALIFORNIA	
14	COUNTY OF LOS ANGELES		
15		000T0144740	
16	STEPHEN H. BAFFORD and EVELYN L. WILSON, individually and on behalf of others	CASE NO: 22STCV14718	
17	similarly situated,	CLASS ACTION	
18	Plaintiffs,	COMPLAINT FOR DAMAGES	
19	v.	(I) Professional Negligence(II) Negligent Misrepresentation	
20	ALIGHT SOLUTIONS LLC,	(II) Negligent Misrepresentation	
21	Defendant.	DEMAND FOR JURY TRIAL	
22		l	
23			
24	Plaintiffs Stephen H. Bafford and Evelyn L. Wilson, by and through their attorneys, on		
25	behalf of themselves and the putative Class set forth below, and in the public interest, bring the		
26	following class action Complaint against Alight Solutions LLC ("Alight").		
27			
28			
	1		
	COMPLAINT AND DEMAND FOR JURY TRIAL		

1	INTRODUCTION		
2	1. Plaintiffs are retirees of Northrop Grumman Corporation ("Northrop") and		
3	participants in the Northrop Grumman Pension Plan ("the Plan" or "the Northrop Plan"), a defined		
4	benefit pension plan. Both Plaintiffs worked for Northrop, then left Northrop to join TRW		
5	Corporation ("TRW"), and then rejoined Northrop when it acquired TRW in 2002.		
6	2. Northrop contracted with Hewitt Associates LLC, the predecessor of Defendant		
7	Alight Solutions LLC (collectively "Alight"), to provide certain administrative services to the		
8	Plan, including calculating participants' Plan benefits, providing pension benefit statements to		
9	participants, and preparing pension election paperwork for participants to commence their		
10	pensions upon retirement.		
11	3. In the years leading up to their retirements, Plaintiffs regularly requested pension		
12	benefit statements to assist them in their retirement planning. Unbeknownst to Plaintiffs, the		
13	statements Alight provided consistently overstated each participant's pension amount by more		
14	than 100 percent.		
15	4. Alight overstated Plaintiffs' pensions because it failed to apply the Plan terms		
16	correctly. Specifically, the Plan required that Plaintiffs' pensions be calculated based on their		
17	salaries earned during their first periods of Northrop employment, but Alight calculated the		
18	pensions based on Plaintiffs' higher salaries earned during their second periods of Northrop		
19	employment.		
20	5. When Plaintiffs retired, they completed pension election paperwork prepared by		
21	Alight. Like the pre-retirement statements, the pension election paperwork promised Plaintiffs		
22	pension amounts that were more than twice what the Plan provided. Plaintiffs did not know and		
23	had no way of knowing that the figures were wrong.		
24	6. After Plaintiffs retired and commenced receiving their pensions, Northrop and		
25	Alight notified them of the error, cut their pensions by more than one-half, and demanded that they		
26	reimburse the Plan for the excess benefits it had paid since their retirements.		
27	7. Based on the above conduct and the other conduct described herein, Plaintiffs		
28	assert claims against Alight for professional negligence and negligent misrepresentation.		

2

8. Plaintiffs assert these claims on a class-wide basis on behalf of themselves and a Class of similarly-situated persons as described herein. Alight's negligence was not unique to Plaintiffs, but rather was systematic and directed toward the Class as a whole.

THE PARTIES

9. Plaintiff Stephen H. Bafford is an individual person and resident of Utah. He is, and has been at all relevant times, a participant in the Plan. Mr. Bafford worked for Northrop in Pico Rivera, California, and Palmdale, California, from April 1987 to February 1998, earning a vested pension under the Plan. From December 2002 to September 2016, Mr. Bafford worked for Northrop in Ogden, Utah.

Plaintiff Evelyn Wilson is an individual person and resident of California. She is,
 and has been at all relevant times, a participant in the Plan. Ms. Wilson worked for Northrop from
 September 1986 to September 1997 in Hawthorne, California, earning a vested pension under the
 Plan. From December 2002 to February 2014, Ms. Wilson returned to work for Northrop in
 Redondo Beach, California. Ms. Wilson resides in Rancho Palos Verdes, Los Angeles County,
 California.

11. Defendant Alight is an Illinois limited liability corporation that maintains an office
in Irvine, Orange County, California. Beginning in 2008, Alight provided record-keeping and
third-party administration services for the Northrop Plan, including to tens of thousands of
Northrop Plan participants in California. At that time, Northrop Grumman had its principal place
of business in Los Angeles, California. Upon information and belief, Alight operated the Northrop
Grumman Benefits Center and a website at http://benefits.northropgrumman.com, and issued
pension benefit statements and other communications on Northrop letterhead to Northrop Plan
participants in California and elsewhere. Alight provided services to Northrop Plan participants on
behalf of the Northrop Plan's Plan Administrator, which is located in El Segundo, California.

Alight has held itself out as providing "a total retirement approach to help drive
better solutions and outcomes," based on "40+ years of knowledge, expertise, and innovation
managing retirement plans for large organizations, helping people save, plan and retire
confidently." Alight has publicly asserted that its defined benefit plan administration would enable

employees "to retire confidently with industry leading expertise, technology and support," with "a
customer experience designed to help [employees] fully understand their options" and "tools and
rigorous processes that assure quality in all aspects of the services we deliver," making "essential
plan information easy to access and navigate." Alight claims that it provides "strong support
services, deep expertise," and has "tools and information at the ready to help [employees] make
decisions and educate them about their plans." It specifically states that its "Defined Benefit
solution" offers advantages for employees as well as employers.

8 13. Upon information and belief, Northrop and/or the Northrop Plan's Administrative
9 Committee contracted with Alight to carry out certain of the Administrative Committee's
10 responsibilities for Northrop Plan administration, including its pension benefit statement
11 responsibilities under ERISA § 105(a), 29 U.S.C. § 1025(a), and its responsibility for processing
12 pension applications.

13 14. Alight's services included providing an online platform that allowed
14 participants to request statements of their accrued pension benefits based on potential future
15 employment termination dates and benefit commencement dates, in purported satisfaction of the
16 Administrative Committee's obligations under ERISA § 105(a).

17

JURISDICTION AND VENUE

18 15. This Court has jurisdiction over Plaintiffs' claims under Cal. Code Civ. Proc.
19 § 410.10.

16. Venue is proper under Cal. Code Civ. Proc. § 395.5 because the contract for
Alight's services to the Northrop Plan and its participants was made and/or to be performed in Los
Angeles County and Alight's liability to Northrop Plan participants arises in part in Los Angeles
County. Ms. Wilson's benefits and those of many similarly situated Northrop Plan participants are
payable in Los Angeles County.

25 17. This case is an unlimited civil case because the amount at stake exceeds \$25,000
26 and a complex civil case because it is a proposed class action.

27 28

FACTS

<u>The Northrop Plan</u>

18. The Northrop Plan is an employee pension benefit plan as defined by ERISA § 3(2), 29 U.S.C. § 1002(2), sponsored by Northrop. The Northrop Plan consists in part of sub-plans including the Northrop Grumman Retirement Plan and the Grumman Pension Plan. The Northrop Plan is a defined benefit pension plan, meaning that each participating employee is entitled to a fixed periodic payment during retirement based on a pension calculation formula set forth in the applicable sub-plan, and each surviving spouse of a participating employee is entitled to a fixed periodic payment during his or her lifetime unless he or she has validly waived the survivor benefit.

1 19. Prior to July 1, 2003, each Northrop Plan sub-plan used a final average pay formula 2 to calculate benefits. Under the final average pay formula, a participant's pension was calculated 3 based on factors including his or her years of benefit service and his or her average rate of annual 4 salary during his or her highest three years of salary out of the last ten years that he was a covered 5 employee under the plan.

20. Effective July 1, 2003, the Northrop Plan switched to a less-generous "cash
balance" formula. However, because ERISA prohibits reductions of accrued benefits, Northrop
Plan participants who accrued benefits before the cash balance conversion continued to be entitled
to have those benefits calculated under the more-generous final average pay formula.

Thus, after July 1, 2003, participants who accrued benefits prior to July 1, 2003,
 continued to be entitled to have those benefits calculated using the final average pay formula.
 Plaintiffs' Northrop Plan benefits are calculated based on the pre-July 1, 2003 benefit formula.

23 22. Through a complex formula pieced together from multiple plan documents,
24 definitions, and appendices, the final average pay formula recognized Plaintiffs' years of service
25 after returning to Northrop for vesting and early retirement credit, but did not recognize their
26 earnings after returning to Northrop in determining their final average earnings. Plaintiffs and
27 similarly situated Northrop Plan participants had no way to ascertain and apply this multi-step
28 formula without assistance from the entities charged with administering the Plan, including Alight.

5

23. Under the Northrop Plan's terms, a participant is entitled to a normal retirement benefit commencing at age 65. A participant who has attained at least age 55 with at least 10 years of service is entitled to a reduced early retirement benefit, and a participant whose age plus his or her years of early retirement service equals at least 85 is entitled to an unreduced early retirement benefit – that is, to receive his or her full age 65 pension before age 65.

24. As used in ERISA, "accrued benefit" means the participant's benefit expressed as an annual benefit beginning at normal retirement age, or the actuarial equivalent of that amount. ERISA §§ 3(23)(A), 204(c)(3), 29 U.S.C. §§ 1002(23)(A), 1054(c)(3). The Plan defines "accrued benefit" consistent with these rules.

10 25. ERISA defines "normal retirement benefit" as the greater of a participant's benefit
11 at normal retirement age or his or her early retirement benefit.

26. Because the Northrop Plan's final average pay formulae calculate benefits based in
part on a participant's years of service at employment termination and age at benefit
commencement, a participant's pension benefit will vary depending upon his or her employment
termination date and benefit commencement date. Thus, Alight's online platform allowed
Northrop Plan participants to request that Alight determine the effect of different combinations of
dates on their pension benefit amounts, and the statements generated and mailed by Alight to
participants provided that information.

19

1

2

3

4

5

6

7

8

9

Plaintiffs' Employment and Pension Service

20 27. Mr. Bafford began his employment with Northrop in April 1987, at age 26, as a
21 Procurement Expeditor. He worked for Northrop in Pico Rivera, California, and Palmdale,
22 California.

23 28. Ms. Wilson began her employment with Northrop in September 1986 as a software
24 engineer, working in Hawthorne, California.

25 29. As Northrop employees, Mr. Bafford and Ms. Wilson accrued pension benefits
26 under the Northrop Grumman Retirement Plan, which is one of the sub-plans of the Northrop
27 Plan. Ms. Wilson also accrued benefits under the Grumman Pension Plan, another Northrop Plan
28 sub-plan.

1	30. In September 1997, Ms. Wilson was laid off by Northrop and went to work for		
2	TRW Corporation ("TRW") in California as a software engineer.		
3	31. In February 1998, Mr. Bafford terminated employment with Northrop and went to		
4	work for TRW in Ogden, Utah, as a Subcontract Manager.		
5	32. As TRW employees, Mr. Bafford and Ms. Wilson accrued pension benefits under		
6	the TRW Pension Plan ("TRW Plan").		
7	33. In December 2002, Northrop acquired TRW, and Mr. Bafford and Ms. Wilson		
8	became Northrop employees again.		
9	34. Upon information and belief, more than 20,000 TRW employees became Northrop		
10	employees as a result of the December 2002 acquisition.		
11	35. Northrop renamed the TRW Plan the Northrop Grumman Space and Mission		
12	Systems Salaried Employees Pension Plan. Mr. Bafford and Ms. Wilson continued to accrue		
13	benefits under the renamed TRW Plan as Northrop employees.		
14	Pension Benefit Statements		
15	36. Plaintiffs and the members of the proposed Class were the victims of a systemic		
16	calculation error affecting Northrop Plan participants who, while working for Northrop, accrued		
17	benefits under pension plans formerly sponsored by acquired companies. According to Pension		
18	Recalculation Notices issued by Alight to Mr. Bafford and Ms. Wilson, the error involved		
19	calculating these participants' pensions based on their final average earnings following their		
20	return to Northrop employment, rather than on their final average earnings from their first periods		
21	of Northrop employment.		
22	37. The systemic error resulted in participants' benefits being overstated.		
23	38. The systemic error persisted from at least 2010 until late 2016.		
24	39. The systemic error infected pension benefit statements provided to participants,		
25	pension election paperwork provided to participants, and pension checks provided to participants.		
26	40. For example, beginning in 2010, Mr. Bafford began requesting pension benefit		
27	statements as he approached age 50 to assist him in planning for retirement.		
28			
	7		
	COMPLAINT AND DEMAND FOR HIRV TRIAL		

41. Alight's statements consistently informed Mr. Bafford that if he worked until at
 least age 55 and elected to receive his benefit in the form of a 100 percent joint and survivor
 annuity, his Northrop Plan benefit would be over \$2,000 per month during his lifetime and the
 same amount for his wife's lifetime if he predeceased her. Specifically, Alight provided the
 following statements:

Statement Date	Employment Termination Date	Benefit Commencement Date	100% JSA Benefit Amount
Mar. 2010	Oct. 2015	Nov. 2015	\$2,033.93
Nov. 2011	Sept. 2015	Oct. 2015	\$2,011.90
Feb. 2013	Sept. 2015	Oct. 2015	\$2,007.27
Feb. 2013	Sept. 2016	Oct. 2016	\$2,114.41
Mar. 2014	Jan. 2017	Feb. 2017	\$2,110.64
Oct. 2014	Sept. 2015	Oct. 2015	\$2,077.27
Oct. 2014	Sept. 2015	Apr. 2016	\$2,098.02
Oct. 2014	Mar. 2016	Apr. 2016	\$2,098.02
Aug. 2015	Sept. 2016	Oct. 2016	\$2,114.41
Aug. 2015	Dec. 2016	Jan. 2017	\$2,111.58
Aug. 2015	Apr. 2017	May 2017	\$2,107.58
June 2016	Sept. 2016	Oct. 2016	\$2,114.41

42. Each of the statements provided to Mr. Bafford showed that it was based on his
earnings from his second period of Northrop employment. Mr. Bafford did not know and had no
way of knowing that Alight should have used his earnings from his first period of Northrop
employment.

28

8 COMPLAINT AND DEMAND FOR JURY TRIAL

43. Likewise, Ms. Wilson made numerous requests for benefit statements. For instance, in February 2011, pursuant to Ms. Wilson's request, Alight sent Ms. Wilson a pension benefit statement that set forth the amount of her retirement benefits under the Northrop Plan if she terminated employment on May 31, 2011, and commenced her pension on June 1, 2011. The statement showed Ms. Wilson's earnings from her most recent three years of employment: 2009, 2010, and 2011. Ms. Wilson did not know and had no way of knowing that Alight should have used her earnings from her first period of Northrop employment.

1

2

3

4

5

6

7

17

44. 8 Similarly, in November 2013, pursuant to Ms. Wilson's request, Alight sent Ms. 9 Wilson a pension benefit statement that set forth the amount of her retirement benefits under the 10 Northrop Plan if she terminated employment on January 31, 2014, and commenced her pension 11 on February 1, 2014. Again, the statement used Ms. Wilson's average earnings from her last three 12 years of employment: 2012, 2013, and 2014. Ms. Wilson did not know and had no way of 13 knowing that basing her pension amount on these years' earnings was contrary to the Plan terms. The statements showed if Ms. Wilson retired on February 1, 2014, and elected to receive her 14 15 benefit in the form of a 50 percent joint-and-survivor annuity, her Northrop Plan benefit would be 16 \$1,630.11 during her lifetime and \$815.06 for her spouse's lifetime if she predeceased him.

Plaintiffs' Retirements

45. Ms. Wilson retired on February 1, 2014, and, consistent with the statements and
her pension election paperwork prepared by Alight, she began receiving benefits in the amount of
\$1,630.11 per month under the Northrop Grumman Retirement Plan and \$117.36 per month under
the Grumman Pension Plan, both based on her average earnings during her final three years of
service at Northrop.

46. From February 1, 2014, through March 1, 2017, the Northrop Plan made payments
to Ms. Wilson of \$1,630.11 per month for her Northrop Grumman Retirement Plan benefit and
\$117.36 per month for her Grumman Pension Plan benefit.

47. In July 2016, Mr. Bafford requested and received materials necessary to
commence his pension as of October 1, 2016. The materials included a statement again showing
the 100 percent joint-and-survivor benefit amount of \$2,114.41 per month.

48. After Mr. Bafford submitted his pension paperwork, Alight issued him a "Retirement Plan Pension Election Confirmation Statement" on Northrop letterhead, showing that he had elected the 100 percent joint-and-survivor annuity benefit of \$2,114.41 per month. Mr. Bafford signed and returned the accompanying "Pension Election Authorization Form," certifying that he had elected the 100 percent joint-and-survivor annuity form of benefit. The form states that Mr. Bafford "[c]ertifies that I understand this payment option pays **\$2,114.41** per month," and "[c]ertifies that I understand my beneficiary is LAURA A. BAFFORD and will receive upon my death \$2,114.41 per month."

9 49. On August 11, 2016, Alight confirmed on Northrop letterhead that it had received
10 and would process Mr. Bafford's Pension Election Authorization Form and that his first payment
11 would be made on October 1, 2016.

12 50. From October 1, 2016, through January 1, 2017, the Northrop Plan made monthly
13 benefit payments to Mr. Bafford of \$2,114.41 each.

14

1

2

3

4

5

6

7

8

Discovery of the Systemic Error; Benefit Recalculations

15 51. In December 2016, more than three months after his retirement, Mr. Bafford
16 received a "Pension Plan Recalculation Notice" on Northrop letterhead, falsely stating that
17 Northrop had recalculated his benefit "based on updated information." The notice stated, "The
18 initial calculation of your benefit was based on the information we had on file about you at that
19 time," inaccurately implying that Northrop had received some new, previously unknown
20 information relevant to Mr. Bafford's pension amount.

21 52. In January 2017, Mr. Bafford received another "Pension Plan Recalculation
22 Notice" on Northrop letterhead, explaining that his monthly Northrop Plan benefit would be
23 permanently reduced from \$2,114.41 to \$807.89 – a reduction of more than 60 percent.

53. The second recalculation notice admitted that there was no "updated information"
that formed the basis of the recalculation. Instead, the notice explained that Mr. Bafford's pension
amount had been based on "incorrect pay." Specifically, the benefit had been based on Mr.
Bafford's final average salary from his second period of Northrop employment, but should have
been based on final average salary from his first period of Northrop employment.

1

54. Thus, Mr. Bafford's pension was recalculated based on information that had been in Northrop's possession for nearly 20 years, including throughout the period when Alight issued at least a dozen statements showing that Mr. Bafford had earned a pension in excess of \$2,000 per month.

55. In February 2017, three years after her retirement, Ms. Wilson received a Pension Plan Recalculation Notice on Northrop letterhead. Although Ms. Wilson had been told for numerous years that her benefits would be based on her earnings from her final three years of service at Northrop, and the Northrop Plan actually paid those benefits for three years, the Pension Plan Recalculation Notice states that there was a mistake in the benefit calculation. The notice states that Ms. Wilson's pension benefits would be recalculated using her 1995-1997 salary, the final average salary from her first period of Northrop employment. The recalculation decreased her retirement benefits dramatically to less than half the retirement benefits she had been promised and was receiving for three years.

56. Thus, as with Mr. Bafford, Northrop and/or Alight recalculated Ms. Wilson's
Northrop Grumman Retirement Plan and Grumman Pension Plan benefits based on information
that had been in Northrop's possession for 20 years, including the entire time Alight issued
statements showing she had earned pension benefits in excess of \$1,600 and the entire three years
that the Northrop Plan actually paid her that amount.

57. Northrop insisted that Ms. Wilson repay the alleged "overpayment" of over
\$35,000, even though any mistake in the calculation was through no fault of Ms. Wilson, and
stated that if Ms. Wilson did not repay the alleged overpayment in a lump sum, her already
diminished pension would be reduced further until the Northrop Plan had collected the alleged
overpayment.

Plaintiffs' Reliance

58. In issuing pension benefit statements and pension election paperwork, Alight
intended to, and did, induce reliance on the part of Northrop Plan participants, including
Plaintiffs. The sole purpose for requesting a pension benefit statement is to learn the amount of a
participant's pension benefit upon retirement.

1

2

59. Due to the complexity of the Northrop Plan terms and the required calculations, and the multiple plan documents involved, Northrop Plan participants had no way to verify the benefit amounts provided in pension benefit statements, pension election paperwork, and pension payments.

60. The Northrop Plan's summary plan description instructed participants that Alight's website would allow them to "track the amount of your accrued benefit." The summary plan description told participants that tracking their benefit amounts was "a key part of planning for a financially secure retirement" and could "help you make informed decisions about" retirement savings.

61. In deciding when to retire, and in making other financial decisions to plan for
retirement, Plaintiffs relied on Alight's representations that Mr. Bafford's pension would be in
excess of \$2,000 for Mr. Bafford and Ms. Wilson's would be in excess of \$1,700.

Procedural History

62. On June 15, 2018, Ms. Wilson filed a complaint for violations of ERISA in the
United States District Court for the Central District of California.

6 63. On December 7, 2018, Mr. Bafford filed a complaint in the United States District
7 Court for the Central District of California for violations of ERISA and, alternatively,
8 professional negligence and negligent misrepresentation against Alight. The case was designated
9 as *Bafford v. Northrop Grumman Corporation, et al.*, No. 2:18-cv-10219-ODW-E.

. In March 2019, Ms. Wilson voluntarily dismissed her complaint without prejudice.

65. Also in March 2019, Mr. Bafford and Ms. Wilson jointly filed an amended

complaint in the *Bafford* case, adding Ms. Wilson as a plaintiff and adding class allegations.

66. In January 2020, the district court dismissed the complaint, including dismissing
the state-law claims against Alight as preempted by ERISA.

67. In April 2021, the United States Court of Appeals for the Ninth Circuit reversed
the dismissal of the state-law claims against Alight and remanded the case to the Central District.

27 68. In March 2022, the district court issued an order to show cause regarding diversity
28 jurisdiction over Plaintiffs' state-law claims against Alight.

1	69.	The Court gave Alight the option to file a response to the order to show cause, but
2	Alight did no	ot respond.
3	70.	On April 4, 2022, the district court determined that it lacked diversity jurisdiction
4	over the clair	ns against Alight, declined to exercise supplemental jurisdiction, and dismissed
5	Plaintiffs' cla	aims against Alight without prejudice.
6		CLASS ACTION ALLEGATIONS
7	71.	Plaintiffs bring this action as a class action under Cal. Code Civ. Proc. § 382.
8	72.	Plaintiffs assert their claims on behalf of a proposed Class defined as follows: ¹
9		All Northrop Plan participants and beneficiaries whose final average pay benefits
10	were	miscalculated due to participants accruing benefits, while working at Northrop, under
11	a plar	previously sponsored by an acquired company, and whose final average pay benefits
12	were	recalculated after June 1, 2016.
13	73.	This action is brought, and may properly be maintained, as a class action under
14	Cal. Code Ci	v. Proc. § 382. There is a well-defined community of interest in the litigation and the
15	Class membe	ers are ascertainable from Alight's and/or the Plan's records.
16	74.	Numerosity: The Class is so numerous that joinder of all Class members is
17	impracticable	e. Plaintiffs estimate that there are hundreds of Class members. The Northrop Plan's
18	publicly avai	lable IRS Form 5500 (Annual Return/Report of Employee Benefit Plan), for the Plan
19	year ending I	December 31, 2015, states that there were more than 111,000 Northrop Plan
20	participants c	luring that year. Plaintiffs are informed and believe that hundreds of former Northrop
21	employees w	ere hired by TRW, many of whom subsequently returned to Northrop employment
22	when Northro	op acquired TRW. While the precise number of proposed class members has not been
23	determined a	t this time, Plaintiffs are informed and believe that the substantial number of
24	Northrop Pla	n participants and beneficiaries who have been similarly affected precludes joinder
25		
26		
27		esserve the right to propose other or additional classes or subclasses in their motion for ation or subsequent pleadings in this action.
28		ation of subsequent pleadings in this action.

of all affected participants and beneficiaries. Numerosity of the class will be ascertained and confirmed by discovery.

75. Typicality: Plaintiffs' claims are typical of other Class members' claims. Plaintiffs and all members of the proposed Class sustained the same or similar injuries arising out of and caused by Alight's common course of conduct in miscalculating and misrepresenting their Northrop Plan benefits. Alight's practices with regard to calculating pensions and providing pension benefit statements and pension election forms were uniform and standard with respect to the Class as a whole. Plaintiffs' claims are thereby representative of, and co-extensive with, the claims of the proposed Class members.

10 76. Adequacy: Plaintiffs will fairly and adequately protect the interests of the Class
11 and have engaged counsel experienced in complex class action litigation.

12 77. Commonality: Common questions of law and fact exist as to all members of the
13 Class and predominate over any questions solely affecting individual members of the Class,
14 including but not limited to:

a. Whether Northrop Plan participants are intended third-party beneficiaries of Alight's contract to provide services in connection with the Northrop Plan;

b. Whether Alight made misrepresentations of fact when it told Plaintiffs in pension benefit statements and pension election forms that their pension amounts would be more than twice what the Plan terms allowed;

c. Whether Alight had reasonable grounds to believe that Plaintiffs and Class members had earned pensions in far greater amounts than the Plan terms allowed;

d. Whether Alight intended to induce Northrop Plan participants to rely on its
 overstatements of their pension amounts in planning for their retirements, when there is no
 conceivable purpose for a pension benefit statement other than retirement planning;

25

26

27

28

1

2

3

4

5

6

7

8

9

15

16

17

18

19

20

21

22

23

24

e. Whether Plaintiffs and Class members justifiably relied on Alight's misrepresentations; and

Whether Alight's conduct in reiterating the same pension calculation errors for f. several years and as to multiple Northrop Plan participants fell below the standard of care for a professional pension plan administrator.

3

1

2

16

17

19

21

4 78. Class certification is appropriate under Cal. Code Civ. Proc. § 382 and applicable 5 law because, among other things, these and other common questions predominate over any questions affecting only individual members of the Class; it would be impracticable to bring all 6 7 Class members before the Court individually; and a class action is superior to other available 8 methods for the fair and efficient adjudication of this litigation and would benefit the Class. 9 Members of the Class do not have an interest in pursuing separate actions against Alight, and 10 Plaintiffs are unaware of any similar claims brought against Alight by any members of the Class 11 on an individual basis. Class certification also will obviate the need for unduly duplicative 12 litigation that might result in inconsistent judgments concerning Alight's practices. Moreover, 13 management of this action as a class action will not present any likely difficulties. In the interests of justice and judicial efficiency, it would be desirable to concentrate the litigation of all Class 14 15 members' claims in a single forum.

CLAIMS FOR RELIEF

COUNT I: CLAIM FOR PROFESSIONAL NEGLIGENCE

79. 18 Plaintiffs incorporate Paragraphs 1 through 78 as though fully set forth herein. 80. A third-party administrator performing professional services owes a duty of care to 20 the intended beneficiaries of the professional services rendered, including, without limitation, (1) the duty to have that degree of learning and skill ordinarily possessed by a reputable third-party 22 administrator practicing in the same or similar locality under similar circumstances; (2) the duty 23 to use the care and skill ordinarily exercised in like cases by reputable members of the profession 24 practicing in the same or similar locality in similar circumstances; and (3) the duty to use 25 reasonable diligence and his or her best judgment in the exercise of skill and the application of 26 learning. A failure to perform any one of these duties constitutes negligence.

27 81. Alight owed this duty of care to Northrop Plan participants as intended third-party beneficiaries of its contract to perform services for the Northrop Plan. There is no purpose for 28

administration services provided to an employee benefit plan other than to benefit the employees. 2 Moreover, Alight was paid for its services from the Northrop Plan's assets – that is, with money 3 held in trust for the benefit of Northrop Plan participants. Alight failed to perform its duty when it provided Plaintiffs and other Northrop Plan participants with grossly inaccurate pension 5 statements and pension election paperwork, and by related acts and omissions.

82. A third-party administrator that holds itself out as a specialist in a particular field, such as the calculation of benefits under a pension plan, has the duty (1) to have the knowledge and skill ordinarily possessed, and (2) to use the care and skill ordinarily used by a reputable specialist practicing in the same field and in the same or similar locality and under similar circumstances. A failure to fulfill either duty constitutes negligence.

83. Thus, a third-party administrator providing services to an employee benefit plan 11 12 has a duty to exercise such care, skill, and diligence as other members of the profession 13 commonly possess and exercise in the course of the provision of services to or for an employee pension benefit plan. 14

15 84. Alight held itself out, and continues to hold itself out, as a specialist in defined benefit plan administration. Alight failed to use the care and skill ordinarily used by a reputable 16 17 specialist in defined benefit plan administration when it miscalculated Plaintiffs' and Class 18 members' pensions and repeated the misinformation persistently for several years before and into 19 Plaintiffs' retirements, and by related acts and omissions.

20 85. As a consequence of Alight's professional negligence, Plaintiffs and Class 21 members have been injured in that they relied upon the inaccurate information in planning for 22 their retirements, and have suffered losses as a result.

23

24

25

1

4

6

7

8

9

10

COUNT II: CLAIM FOR NEGLIGENT MISREPRESENTATION

86. Plaintiffs incorporate Paragraphs 1 through 78 as though fully set forth herein. 87. Alight misrepresented to Plaintiffs and the Class members the amount of their 26 benefits under the Northrop Plan.

27 28

88. Alight had no reasonable grounds for believing that its statements regarding the amount of Plaintiffs' and the Class members' benefits were true, because the Plan terms did not allow for pensions to be calculated as Alight calculated them.

3 4

5

6

7

8

9

10

11

1

2

89. Alight owed a duty of care to Northrop Plan participants, as intended third-party
beneficiaries of its contract to perform services for the Northrop Plan, to exercise reasonable care
in providing them with statements of pension benefits. There is no purpose for administration
services provided to an employee benefit plan other than to benefit the employees. Moreover,
Alight was paid for its services from the Northrop Plan's assets – that is, with money held in trust
for the benefit of Northrop Plan participants. Alight failed to meet the duty of care when it
provided Plaintiffs and other Northrop Plan participants with grossly inaccurate pension
statements and pension election paperwork, and by related acts and omissions.

90. Alight intended that Plaintiffs and the Class members act in reliance on its
statements of their pension benefit for purposes of financial planning, including because there is
no purpose for a pension benefit statement other than to assess the value of the pension benefits.

15 91. Plaintiffs and the Class members justifiably relied on Alight's pension statements
16 in planning for their retirement.

Plaintiffs and the Class members have been injured as a result of their justifiable
reliance on the inaccurate information in planning for retirement, and have suffered losses as a
result.

20

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and the Class, pray for relief as follows:
1. Determining that this action may proceed as a class action under Cal. Code Civ.
Proc. § 382;

24 2. Designating Plaintiffs as Class Representatives and designating Plaintiffs' counsel
25 as counsel for the Class;

26

3. Issuing proper notice to the Class at Alight's expense;

27 4. Declaring that Alight is liable to Plaintiffs and the Class for professional negligence
28 based on the conduct described herein;

1	5. Declaring that Alight is liable to Plaintiffs and the Class for negligent			
2	misrepresentation based on the conduct described herein;			
3	6. Awarding actual damages;			
4	7.	Awarding reasonable at	ttorneys' fee	s and costs;
5	8.	8. Granting such other and further relief, in law or equity, as this Court may deem		
6	appropriate and just.			
7	DEMAND FOR JURY TRIAL			
8	Pursuant to Section 16, Article I of the California Constitution and Cal. Code Civ. Proc.			
9	§ 631, Plaintiffs and the Class demand a trial by jury.			ry.
10				
11	DATED: M	fay 3, 2022	RENAKER HASSELMAN SCOTT LLP	
12			KAN	FOR & KANTOR, LLP
13			By:	/s/ Teresa S. Renaker
14				Teresa S. Renaker Kirsten G. Scott
15				Elizabeth Hopkins
16				Susan Meter
17				Attorneys for Plaintiffs and Others Similarly Situated
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
			18	
		COMPLAINT AND DEMAND FOR JURY TRIAL		

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES Branch Name: Spring Street Courthouse Mailing Address: 312 North Spring Street City, State and Zip Code: Los Angeles CA 90012

SHORT TITLE: EVELYN L. WILSON, , et al. vs ALIGHT SOLUTIONS LLC

CASE NUMBER: 22STCV14718

NOTICE OF CONFIRMATION OF ELECTRONIC FILING

The Electronic Filing described by the below summary data was reviewed and accepted by the Superior Court of California, County of LOS ANGELES. In order to process the filing, the fee shown was assessed.

Electronic Filing Summary Data

Electronically Submitted By: Legal Connect Reference Number: 5711794_2022_05_03_16_34_47_723_8 Submission Number: 22LA00545866 Court Received Date: 05/03/2022 Court Received Time: 5:46 pm Case Number: 22STCV14718 Case Title: EVELYN L. WILSON, , et al. vs ALIGHT SOLUTIONS LLC Location: Spring Street Courthouse Case Type: Civil Unlimited Case Category: Other Professional Malpractice (not medical or legal) Jurisdictional Amount: Over \$25,000 Notice Generated Date: 05/04/2022 Notice Generated Time: 9:46 am

Documents Electronically Filed/Received	<u>Status</u>
Complaint	Accepted
Civil Case Cover Sheet	Accepted
Summons	Accepted
Notice (name extension)	Accepted

<u>Comments</u>

Submitter's Comments:

Clerk's Comments:

Electronic Filing Service Provider Information

Service Provider: Legal Connect Contact: Legal Connect Phone: (800) 909-6859