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11 *Attorneys for Plaintiffs and Others Similarly Situated*

12

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14

**COUNTY OF LOS ANGELES**

15

16 STEPHEN H. BAFFORD and EVELYN L.  
 17 WILSON, individually and on behalf of others  
 similarly situated,

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Plaintiffs,

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v.

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ALIGHT SOLUTIONS LLC,

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Defendant.

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CASE NO: **22STCV14718**

**CLASS ACTION**

**COMPLAINT FOR DAMAGES**

(I) Professional Negligence

(II) Negligent Misrepresentation

**DEMAND FOR JURY TRIAL**

Plaintiffs Stephen H. Bafford and Evelyn L. Wilson, by and through their attorneys, on behalf of themselves and the putative Class set forth below, and in the public interest, bring the following class action Complaint against Alight Solutions LLC (“Alight”).

**INTRODUCTION**

1  
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.



1 employees “to retire confidently with industry leading expertise, technology and support,” with “a  
2 customer experience designed to help [employees] fully understand their options” and “tools and  
3 rigorous processes that assure quality in all aspects of the services we deliver,” making “essential  
4 plan information easy to access and navigate.” Alight claims that it provides “strong support  
5 services, deep expertise,” and has “tools and information at the ready to help [employees] make  
6 decisions and educate them about their plans.” It specifically states that its “Defined Benefit  
7 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.

20 16. Venue is proper under Cal. Code Civ. Proc. § 395.5 because the contract for  
21 Alight’s services to the Northrop Plan and its participants was made and/or to be performed in Los  
22 Angeles County and Alight’s liability to Northrop Plan participants arises in part in Los Angeles  
23 County. Ms. Wilson’s benefits and those of many similarly situated Northrop Plan participants are  
24 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.

1 **FACTS**

2 **The Northrop Plan**

3 18. The Northrop Plan is an employee pension benefit plan as defined by ERISA §  
4 3(2), 29 U.S.C. § 1002(2), sponsored by Northrop. The Northrop Plan consists in part of sub-plans  
5 including the Northrop Grumman Retirement Plan and the Grumman Pension Plan. The Northrop  
6 Plan is a defined benefit pension plan, meaning that each participating employee is entitled to a  
7 fixed periodic payment during retirement based on a pension calculation formula set forth in the  
8 applicable sub-plan, and each surviving spouse of a participating employee is entitled to a fixed  
9 periodic payment during his or her lifetime unless he or she has validly waived the survivor  
10 benefit.

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

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

20 21. Thus, after July 1, 2003, participants who accrued benefits prior to July 1, 2003,  
21 continued to be entitled to have those benefits calculated using the final average pay formula.  
22 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.





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

| <b>Statement Date</b> | <b>Employment Termination Date</b> | <b>Benefit Commencement Date</b> | <b>100% JSA Benefit Amount</b> |
|-----------------------|------------------------------------|----------------------------------|--------------------------------|
| 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                     |

24           42.     Each of the statements provided to Mr. Bafford showed that it was based on his  
 25 earnings from his second period of Northrop employment. Mr. Bafford did not know and had no  
 26 way of knowing that Alight should have used his earnings from his first period of Northrop  
 27 employment.  
 28





1           48.     After Mr. Bafford submitted his pension paperwork, Alight issued him a  
2 “Retirement Plan Pension Election Confirmation Statement” on Northrop letterhead, showing that  
3 he had elected the 100 percent joint-and-survivor annuity benefit of \$2,114.41 per month. Mr.  
4 Bafford signed and returned the accompanying “Pension Election Authorization Form,” certifying  
5 that he had elected the 100 percent joint-and-survivor annuity form of benefit. The form states  
6 that Mr. Bafford “[c]ertifies that I understand this payment option pays **\$2,114.41** per month,” and  
7 “[c]ertifies that I understand my beneficiary is LAURA A. BAFFORD and will receive upon my  
8 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                           **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.

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







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

3 75. Typicality: Plaintiffs' claims are typical of other Class members' claims. Plaintiffs  
4 and all members of the proposed Class sustained the same or similar injuries arising out of and  
5 caused by Alight's common course of conduct in miscalculating and misrepresenting their  
6 Northrop Plan benefits. Alight's practices with regard to calculating pensions and providing  
7 pension benefit statements and pension election forms were uniform and standard with respect to  
8 the Class as a whole. Plaintiffs' claims are thereby representative of, and co-extensive with, the  
9 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:

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

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

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

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

25 e. Whether Plaintiffs and Class members justifiably relied on Alight's  
26 misrepresentations; and  
27  
28



1 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  
4 provided Plaintiffs and other Northrop Plan participants with grossly inaccurate pension  
5 statements and pension election paperwork, and by related acts and omissions.

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

11 83. Thus, a third-party administrator providing services to an employee benefit plan  
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  
14 pension benefit plan.

15 84. Alight held itself out, and continues to hold itself out, as a specialist in defined  
16 benefit plan administration. Alight failed to use the care and skill ordinarily used by a reputable  
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 **COUNT II: CLAIM FOR NEGLIGENT MISREPRESENTATION**

24 86. Plaintiffs incorporate Paragraphs 1 through 78 as though fully set forth herein.

25 87. Alight misrepresented to Plaintiffs and the Class members the amount of their  
26 benefits under the Northrop Plan.







**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****Status**

|                         |          |
|-------------------------|----------|
| Complaint               | Accepted |
| Civil Case Cover Sheet  | Accepted |
| Summons                 | Accepted |
| Notice (name extension) | Accepted |

**Comments**

Submitter's Comments:

Clerk's Comments:

**Electronic Filing Service Provider Information**

Service Provider: Legal Connect

Contact: Legal Connect

Phone: (800) 909-6859