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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

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BRADLEY BRAZILL, an individual,  
  
Plaintiff,  
  
v.

NO. CIV. 2:12-1218 WBS GGH  
  
MEMORANDUM AND ORDER RE:  
MOTION TO DISMISS

CALIFORNIA NORTHSTATE COLLEGE  
OF PHARMACY, LLC, CALIFORNIA  
NORTHSTATE UNIVERSITY, LLC,  
and DOES 1 through 10,  
inclusive,  
  
Defendants.

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Plaintiff Bradley Brazill brings this action against defendants California Northstate College of Pharmacy, LLC and California Northstate University, LLC ("College" collectively), arising from defendants' allegedly wrongful conduct related to defendants' termination of plaintiff's employment. Defendants now move to dismiss the Complaint, with the exception of the fifth claim, for failure to state a claim upon which relief can

1 be granted pursuant to Federal Rule of Civil Procedure 12(b)(6).  
2 (Docket No. 5.)

3 I. Factual and Procedural Background

4 Plaintiff is a 55-year-old licensed pharmacist who owns  
5 and operates a pharmacy in Yolo County. (Compl. ¶ 14 (Docket No.  
6 1).) Plaintiff has been a pharmacist for over 25 years and a  
7 professor of pharmacy for over twenty years. (Id.) In 2009,  
8 defendants hired plaintiff full-time as Chair of the Department  
9 for Clinical and Administrative Sciences at the College, a for-  
10 profit, unaccredited college located in Rancho Cordova,  
11 California. (Id. ¶ 15.) Plaintiff alleges that he was hired  
12 under a one-year contract that was later extended "up to and  
13 including his last day of employment." (Id. ¶ 16.) Plaintiff  
14 began working for the College in August 2009 and his duties  
15 included overseeing the clinical curriculum and evaluating and  
16 supervising the clinical teaching staff. (Id.) Plaintiff  
17 alleges that after his "outstanding 2010 performance review," he  
18 received a four percent raise. (Id.)

19 The College is currently a candidate for accreditation  
20 by the Western Association of Schools and Colleges ("WASC").  
21 (Id. ¶ 17.) In October 2010, members of the WASC visited the  
22 College to assess its candidacy. (Id. ¶ 18.) When WASC members  
23 asked plaintiff to give an assessment as to whether the College  
24 had appropriate resources to complete its mission, he responded  
25 that it did not. (Id.) In several follow-up meetings, plaintiff  
26 reasserted that the College had insufficient resources and  
27 explained that the College's cost-cutting measures put profits  
28 before students' education. (Id.)

1           Plaintiff states that during that same academic year,  
2 he began vocally challenging the College administration's tuition  
3 practices as illegal and detrimental to the College's  
4 accreditation process. (Id. ¶ 19.) Plaintiff alleges that the  
5 College does not receive federal student aid assistance because  
6 it is unaccredited. (Id. ¶ 17.) Plaintiff also alleges that he  
7 knew, or reasonably believed, that the some of the College's  
8 tuition practices violated federal law. (Id. ¶ 20.)  
9 Specifically, plaintiff alleges that the College participated in  
10 a scheme in which it encouraged students to apply for enrollment  
11 at an accredited school in Michigan, apply for excess student  
12 loans, and then use the excess loan money to pay for the  
13 College's tuition. (Id. ¶ 19.) Plaintiff believed that this  
14 practice violated federal provisions requiring that student loans  
15 be used by students only at "eligible institution[s]." (Id.)  
16           Plaintiff alleges that the President of the College,  
17 Alvin Cheung, discovered what plaintiff had told WASC members  
18 during their accreditation investigation and that plaintiff had  
19 been complaining about the College's tuition practices. (Id. ¶  
20 20.) Plaintiff alleges that from that point forward, President  
21 Cheung and the College administration treated him hostilely and  
22 told him that he was not considered a "team player." (Id.)  
23 Plaintiff alleges that the administration implied it was  
24 displeased with plaintiff's critical comments to the WASC and his  
25 disapproval of its tuition practices. (Id.) Plaintiff further  
26 alleges that the administration decried his "old school ways of  
27 thinking," and "implied that it would seek to replace Plaintiff  
28 with someone with a younger, more modern perspective . . . ."

1 (Id.)

2 On July 14, 2011, the administration notified plaintiff  
3 that President Cheung, Dean David Hawkins, and the Director of  
4 Human Resources, Yasmin Vera, wished to meet with him to discuss  
5 a "conflict of interest" issue. (Id. ¶ 21.) Plaintiff alleges  
6 that he met with Ms. Vera and Vice President Norman Fong, who  
7 advised him that he could resign or be terminated. (Id.) Ms.  
8 Vera allegedly stated that plaintiff was being terminated because  
9 he had allowed faculty members to work in his retail pharmacy.  
10 (Id.) When plaintiff advised them that the Dean had expressly  
11 authorized this practice, Vice President Fong allegedly responded  
12 that it did not matter and that plaintiff was terminated. (Id.)

13 Plaintiff filed this action on May 7, 2012, alleging  
14 six causes of action under federal and state law: (1) age  
15 discrimination under the Age Discrimination in Employment Act  
16 ("ADEA"), 29 U.S.C. §§ 621-634; (2) age discrimination under the  
17 California Fair Employment and Housing Act ("FEHA"), Cal. Gov't  
18 Code §§ 12900-12996; (3) retaliation under the False Claims Act  
19 ("FCA"), 31 U.S.C. § 3730(h); (4) retaliation under California  
20 Labor Code § 1102.5; (5) wrongful termination (Cal. Gov't Code §§  
21 12900-12996; 31 U.S.C. § 3730(h); Cal. Lab. Code § 1102.5); and  
22 (6) breach of employment contract. Defendants' motion to dismiss  
23 does not include claim five for wrongful termination.

## 24 II. Request for Judicial Notice

25 A court may take judicial notice of facts "not subject  
26 to reasonable dispute" because they are either "(1) generally  
27 known within the territorial jurisdiction of the trial court or  
28 (2) capable of accurate and ready determination by resort to

1 sources whose accuracy cannot reasonably be questioned." Fed. R.  
2 Evid. 201. The court may take judicial notice of matters of  
3 public record or of documents whose contents are alleged in the  
4 complaint and whose authenticity is not questioned. Lee v. City  
5 of L.A., 250 F.3d 668, 688-89 (9th Cir. 2001).

6 Plaintiff has requested that the court take judicial  
7 notice of: (1) a copy of the California Department of Industrial  
8 Relation's webpage describing its Retaliation Complaint Unit; and  
9 (2) a copy of the California Department of Industrial Relation's  
10 webpage describing the filing of a retaliation/discrimination  
11 complaint. (Docket No. 6-2.) Because the information appears  
12 on an official government website, its accuracy is not reasonably  
13 in dispute. See, e.g., Edejer v. DHI Mortg. Co., No. 09-1302,  
14 2009 WL 1684714, at \*4 (N.D. Cal. June 12, 2009); Piazza v. EMPI,  
15 Inc., No. 07-954, 2009 WL 590494, at \*4 (E.D. Cal. Feb. 29,  
16 2008); see also Denius v. Dunlap, 330 F.3d 919, 926-27 (7th Cir.  
17 2003) (taking judicial notice of information on official  
18 government website). Accordingly, the court will take judicial  
19 notice of these documents.

### 20 III. Discussion

21 To survive a motion to dismiss, a plaintiff must plead  
22 "only enough facts to state a claim to relief that is plausible  
23 on its face." Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570  
24 (2007). This "plausibility standard," however, "asks for more  
25 than a sheer possibility that a defendant has acted unlawfully,"  
26 Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009), and "[w]here a  
27 complaint pleads facts that are 'merely consistent with' a  
28 defendant's liability, it 'stops short of the line between

1 possibility and plausibility of entitlement to relief.'" Id.  
2 (quoting Twombly, 550 U.S. at 557). In deciding whether a  
3 plaintiff has stated a claim, the court must accept the  
4 allegations in the complaint as true and draw all reasonable  
5 inferences in favor of the plaintiff. Scheuer v. Rhodes, 416  
6 U.S. 232, 236 (1974), overruled on other grounds by Davis v.  
7 Scherer, 468 U.S. 183 (1984); Cruz v. Beto, 405 U.S. 319, 322  
8 (1972).

9 A. Age Discrimination (Claims One and Two)

10 The ADEA makes it illegal for an employer "to fail or  
11 refuse to hire . . . any individual [age forty or above] . . .  
12 because of such individual's age." 29 U.S.C. § 623(a)(1).  
13 Similarly, FEHA makes it illegal for an employer "because of the  
14 . . . age . . . of any person, to refuse to hire or employ the  
15 person." Cal. Gov't Code § 12940(a). Plaintiff brings age  
16 discrimination claims under the disparate treatment theory of  
17 both the ADEA and FEHA.

18 To establish a prima facie case of age discrimination  
19 under the disparate treatment theory under the ADEA, plaintiff  
20 must show that he: (1) was a member of the protected class (aged  
21 40 or older); (2) was performing his job satisfactorily; (3) was  
22 discharged; and (4) was replaced by a substantially younger  
23 employee with equal or inferior qualifications or some other  
24 circumstances that would lead to an inference of age  
25 discrimination. Reeves v. Sanderson Plumbing Prods., Inc., 530  
26 U.S. 133, 142 (2000); Rose v. Wells Fargo & Co., 902 F.2d 1417,  
27 1421 (9th Cir. 1990). California courts look to federal  
28 precedent when interpreting FEHA because of its similarity to the

1 ADEA. Guz v. Bechtel Nat'l, Inc., 24 Cal. 4th 317, 354 (2000).  
2 To plead a claim for Age Discrimination under FEHA, a plaintiff  
3 must satisfy the same four-part test as the ADEA. Id. The court  
4 will therefore consider claims one and two together.

5 As to the fourth factor, a plaintiff must show that age  
6 was the basis of the employer's adverse decision. Gross v. FBL  
7 Fin. Servs., Inc., 557 U.S. 167, 176, (2009). The Ninth Circuit  
8 has also held "that the failure to prove replacement by a younger  
9 employee is 'not necessarily fatal' to an age discrimination  
10 claim where the discharge results from a general reduction in the  
11 work force due to business conditions." Rose, 902 F.2d at 1421;  
12 see also Ewing v. Gill Indus., Inc., 3 Cal. App. 4th 601, 610-11  
13 (6th Dist. 1992). A plaintiff may instead meet his burden  
14 "through circumstantial, statistical, or direct evidence that the  
15 discharge occurred under circumstances giving rise to an  
16 inference of age discrimination." Rose, 902 F.2d at 1421; see  
17 also Reeves, 530 U.S. at 132; Nesbit v. Pepsico, Inc., 994 F.2d  
18 703, 705 (9th Cir. 1993).

19 Here, plaintiff alleges that the College administration  
20 "disparaged his 'old school ways and thinking.'" (Compl. ¶ 20.)  
21 Although some courts have held that the term "old-school" could  
22 suggest age discrimination when combined with other evidence or  
23 allegations, the term alone is insufficient to support an  
24 inference of age discrimination. See Craig v. Sw. Airlines, Co.,  
25 2007 WL 4105980, at \*5 (Jan. 23, 2007) (finding performance  
26 appraisal that plaintiff had an "old school leadership style"  
27 insufficient); see also Nesbit, 994 F.2d at 705; Nidds v.  
28 Schindler Elevator Corp., 113 F.3d 912, 918-19 (9th Cir. 1996)

1 (holding that employer's use of the phrase "old timers" did not  
2 support inference of discriminatory motive); Alexander v. San  
3 Diego Unified Sch. Dist., No. 08-CV-01814, 2009 WL 3299813, at \*7  
4 (S.D. Cal. Oct. 13, 2009). Similarly, plaintiff's allegation  
5 that the administration "implied that it would seek to replace  
6 Plaintiff with someone with a younger, more modern perspective,"  
7 (Compl. ¶ 20), is conclusory and not a recitation of defendants'  
8 actual statement.

9 Plaintiff's allegations of suggestive comments about  
10 his age along with mere recitation of the elements fall short of  
11 supporting an inference of discrimination. In Nesbit, comments  
12 made by the plaintiff's employer that "[we] don't necessarily  
13 like grey hair" and "[w]e don't want unpromotable [sic] fifty-  
14 year olds around" were found insufficient to satisfy the fourth  
15 element of an ADEA claim. Nesbit, 994 F.2d at 705. The comments  
16 made by the employer in Nesbit were far more suggestive than  
17 plaintiff's allegations in this case.

18 The replacement of a slightly younger employee will  
19 not give rise to a successful ADEA claim. The replacement must  
20 be substantially younger. Maxfield v. Sinclair Int'l, 766 F.2d  
21 788, 793 (3d Cir. 1985); see also Venuti v. Superior Court, 232  
22 Cal. App. 3d 1463 (2d Dist. 1991). Plaintiff merely alleges, in  
23 conclusory fashion, that "[d]efendants intentional terminated  
24 Plaintiff, because of his age, and replaced him with a  
25 substantially younger employee with equal or inferior  
26 qualifications . . . ." (Compl. ¶¶ 24, 28.) "A pleading that  
27 offers labels and conclusions or a formulaic recitation of the  
28 elements of a cause of action will not do." Iqbal, 556 U.S. at



1 678 (quotation marks omitted). The complaint offers no reference  
2 to the name, age, or qualifications of plaintiff's replacement  
3 and plaintiff, therefore, does not sufficiently allege that he  
4 was replaced by a substantially younger employee. Drawing all  
5 reasonable inferences in favor of plaintiff, the court finds that  
6 the College's alleged remarks fall short of showing a plausible  
7 inference of age discrimination. Accordingly, the court will  
8 grant defendants' motion to dismiss plaintiff's first and second  
9 claims for age discrimination.

10 B. Retaliation Under the FCA (Claim Three)

11 The False Claims Act was enacted "with the purpose of  
12 [combating] widespread fraud by government contractors who were  
13 submitting inflated invoices and shipping faulty goods to the  
14 government." United States ex rel. Hopper v. Anton, 91 F.3d  
15 1261, 1265-66 (9th Cir. 1996). To this end, the FCA creates  
16 liability for any person who, inter alia, conspires to or  
17 "knowingly presents, or causes to be presented, a false or  
18 fraudulent claim for payment or approval" to an officer or  
19 employee of the United States. 31 U.S.C. § 3729(a)(1)(A), (C).

20 The FCA protects employees from being "discharged,  
21 demoted, . . . or in any other manner discriminated against in  
22 the terms and conditions of employment . . . because of lawful  
23 acts done by the employee . . . in furtherance of an [FCA] action  
24 . . . ." 31 U.S.C. § 3730(h). "An FCA retaliation claim  
25 requires proof of three elements: '(1) the employee must have  
26 been engaging in conduct protected under the Act; (2) the  
27 employer must have known that the employee was engaging in such  
28 conduct; and (3) the employer must have discriminated against the

1 employee because of her protected conduct.'" United States ex  
2 rel. Cafasso v. Gen. Dynamics C4 Sys., Inc., 637 F.3d 1047, 1060  
3 (9th Cir. 2011) (quoting Hopper, 91 F.3d at 1269). Defendants  
4 argue that plaintiff was not engaging in conduct that was  
5 protected under the FCA.

6 Section 3730(h) only protects employees who have acted  
7 "in furtherance of an action" under the FCA. Actions taken "in  
8 furtherance" include investigation for, initiation of, testimony  
9 for, or assistance in an action filed or to be filed, 31 U.S.C.  
10 § 3730(h), and the text is interpreted broadly by courts,  
11 McKenzie v. Bell S. Telecomm., Inc., 219 F.3d 508, 513-14 (6th  
12 Cir. 2000). "Specific awareness of the FCA is not required," but  
13 "the plaintiff must be investigating matters which are  
14 calculated, or reasonably could lead, to a viable FCA action."  
15 Hopper, 91 F.3d at 1269 (citing Neal v. Honeywell Inc., 33 F.3d  
16 860, 864 (7th Cir. 1994)). Investigation into an employer's non-  
17 compliance with state or federal regulations is insufficient to  
18 state a claim for retaliation under the FCA. See id.; United  
19 States ex rel. Yesudian v. Howard Univ., 153 F.3d 731, 740 (D.C.  
20 Cir. 1998). "To be covered by the False Claims Act, the  
21 plaintiff's investigation must concern 'false or fraudulent'  
22 claims." Yesudian, 153 F.3d at 740.

23 In this case, the Complaint does not allege that  
24 plaintiff was engaged in any actions related to false or  
25 fraudulent claims by the College. Plaintiff only alleges that he  
26 "challenged the administration" for "tuition practices that he  
27 believed to be illegal and had the potential to hurt the  
28 accreditation process." (Compl. ¶ 19.) Plaintiff's allegations

1 only suggest that he was attempting to get the College to comply  
2 with federal law and meet accreditation standards, not that he  
3 was trying to recover money for the government or investigating  
4 fraud claims. Accordingly, the court will grant defendants'  
5 motion to dismiss plaintiff's claim for retaliation under the  
6 FCA.

7 C. Retaliation Under California Labor Code § 1102.5 (Claim  
8 Four)

9 The "rule of exhaustion of administrative remedies is  
10 well established in California jurisprudence . . . ." Campbell  
11 v. Regents of the Univ. of Cal., 35 Cal. 4th 311, 321 (2005).  
12 The essence of that rule is that "where an administrative remedy  
13 is provided by statute, relief must be sought from the  
14 administrative body and this remedy exhausted before the courts  
15 will act." Id. (quoting Abelleira v. District Court of Appeal,  
16 17 Cal. 2d 280, 292 (1941)). Exhaustion of administrative  
17 remedies is a "jurisdictional prerequisite to resort to the  
18 courts," not a matter of judicial discretion. See Johnson v.  
19 City of Loma Linda, 24 Cal. 4th 61, 70 (2000); Palmer v. Regents  
20 of the Univ. of Cal., 107 Cal. App. 4th 899, 904 (2003) (same, in  
21 the context of FEHA); George Arakelian Farms, Inc. v. Agric.  
22 Labor Relations Bd., 40 Cal. 3d 654 (1985) (same, in the context  
23 of challenging an adverse labor board decision); Abelleira, 17  
24 Cal. 2d at 293 (citing Myers v. Bethlehem Shipbuilding Corp., 303  
25 U.S. 41 (1938)) (National Labor Relations Board); Prentis v. Atl.  
26 Coast Line, 211 U.S. 210 (1908) (rate orders); Porter v.  
27 Investors' Syndicate, 286 U.S. 461, 468 (1932) (investment  
28 commissioners and permit of investment company); Gorham Mfg. Co.

1 v. State Tax Comm'n, 266 U.S. 265 (1924) (tax board)).

2           Plaintiff's fourth cause of action alleges violation of  
3 California Labor Code section 1102.5. Section 1102.5 is a  
4 "whistle-blower" protection statute, intended to prevent  
5 employees from being restrained from, or retaliated against for,  
6 reporting wrongdoing to the appropriate authorities. Section  
7 1102.5's statutory scheme contains a remedial provision that  
8 allows discharged employees to file a complaint before the  
9 California Labor Commissioner pursuant to California Labor Code  
10 section 98.7. Cal. Lab. Code § 98.6(b). Section 98.7 provides  
11 that "[a]ny person who believes that he or she has been  
12 discharged or otherwise discriminated against in violation of any  
13 law under the jurisdiction of the Labor Commissioner may file a  
14 complaint with the division within six months after the  
15 occurrence of the violation." The fact that this administrative  
16 remedy is neither mandatory nor exclusive does not abrogate the  
17 exhaustion requirement. See Neveu v. City of Fresno, 392 F.  
18 Supp. 2d 1159, 1179-80 (E.D. Cal. 2005); Campbell, 35 Cal. 4th at  
19 333.

20           In Campbell, the California Supreme Court unanimously  
21 held that even though section 1102.5 is silent as to any  
22 requirement for administrative exhaustion, "the past 60 years of  
23 California law on administrative remedies" nevertheless compelled  
24 the conclusion that a person bringing a claim under the section  
25 is subject to the exhaustion requirement. 35 Cal. 4th at 329.  
26 As plaintiff correctly points out, however, the particular  
27 administrative remedy process that Campbell found to be  
28 applicable was the employer's internal grievance procedures, not

1 a complaint filed with the Labor Commissioner. "While Campbell  
2 may not have reached section 98.7 in light of the plaintiff's  
3 failure to exhaust even internal administrative grievance  
4 procedures, its reasoning is fully applicable to exhaustion  
5 requirements under the Labor Code, whether or not internal  
6 grievance procedures may also be at issue in a particular case."  
7 Reynolds v. City & Cnty. of S.F., No. C 09-0301, 2011 WL 4808423,  
8 at \*1 (N.D. Cal. Oct. 11, 2011). Consistent with Campbell and  
9 section 98.7, this court has previously held that plaintiffs  
10 alleging claims under section 1102.5 must first exhaust their  
11 administrative remedies. See Lund v. Leprino Foods Co., No. Civ.  
12 S-06-0431-WBS, 2007 WL 1775474, at \*3-4 (E.D. Cal. June 20, 2007)  
13 (citing Neveu, 392 F. Supp. 2d at 1180; Campbell, 35 Cal. 4th at  
14 333).

15 Plaintiff cites to the decision by Judge Wanger in  
16 Creighton v. City of Livingston ("Creighton II"), No. Civ. F-08-  
17 1507-OWW, 2009 WL 3245825 (E.D. Cal. Oct. 07, 2009), to argue  
18 that Campbell is not applicable in this case. Upon a motion for  
19 reconsideration, in Creighton II Judge Wanger observed that the  
20 decisions he had relied upon in dismissing the plaintiff's claim  
21 in Creighton I "were all federal district court decisions relying  
22 on Campbell to conclude that exhaustion of administrative  
23 remedies is required before the Labor Commissioner." Id. at \*12.  
24 Reviewing California precedents and distinguishing Campbell,  
25 Judge Wanger held in Creighton II that exhaustion of  
26 administrative remedies was not required under section 1102.5.  
27 See id.

28 In this court's view, Creighton II is an aberration as

1 "federal district courts addressing this issue have almost  
2 uniformly agreed that a plaintiff alleging a violation of section  
3 1102.5 is required to allege exhaustion of administrative  
4 remedies with the Labor Commissioner before bringing suit."

5 Hanford Exec. Mgmt. Emp. Ass'n v. City of Hanford, No.

6 1:11-cv-00828-AWI, 2012 WL 603222, at \*17 (E.D. Cal. Feb. 23,  
7 2012) (citing cases); see also LaTourelle v. Barber, No. Civ S-  
8 10-2667-MCE-CMF, 2012 WL 218952, at \*8 (E.D. Cal. Jan. 24, 2012);

9 Reynolds, 2011 WL 4808423, at \*1; Dolis v. Bleum USA, Inc., No.

10 C11-2713, 2011 WL 4501979, at \*2 (N.D. Cal. Sept. 28, 2011);

11 Chacon v. Housing Auth. of Cnty. of Merced, No. 1:10-cv-2416-AWI-

12 GSA, 2011 WL 2621313, at \*4 (E.D. Cal. June 29, 2011) (FNR);

13 Carter v. Dep't of Corr.-Santa Clara Cnty., No. C 09-2413, 2010

14 WL 2681905, at \*9-10 (N.D. Cal. July 6, 2010); Bowman v. Yolo

15 County, No. 2:08-cv-00498-GEB, 2008 WL 3154691, at \*1-2 (E.D.

16 Cal. Aug. 4, 2008); Neveu, 392 F. Supp. 2d at 1180 (J. Wanger).

17 Accordingly, the court will grant defendants' motion to  
18 dismiss plaintiff's claim for retaliation under section 1102.5.

19 D. Breach of Employment Contract

20 To state a claim for breach of contract under  
21 California law, a plaintiff must allege (1) the existence of a  
22 contract; (2) plaintiff's performance or excuse for  
23 nonperformance of the contract; (3) defendant's breach of the  
24 contract; and (4) resulting damages.<sup>1</sup> Armstrong Petroleum Corp.

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26 <sup>1</sup> The required elements for pleading a breach of  
27 employment contract claim are the same as the elements for  
28 general breach of contract actions. Wise v. S. Pac. Co., 223  
Cal. App. 2d 50, 59 (1963), overruled on other grounds by Applied  
Equip. Corp. v. Litton Saudi Arabia Ltd., 7 Cal. 4th 503 (1994).

1 v. Tri-Valley Oil & Gas Co., 116 Cal. App. 4th 1375, 1390 (5th  
2 Dist. 2004). Plaintiff alleges that he was a contract employee  
3 and that defendants breached the employment contract when they  
4 terminated his employment without cause.<sup>2</sup> (Compl. ¶ 46.)

5 Under California law, employees and employers are  
6 presumed to be engaged in an at-will relationship. Werner v. Am.  
7 Int'l Grp., Inc., 201 F.3d 446 (9th Cir. 1999). California Labor  
8 Code section 2922 provides that "[a]n employment, having no  
9 specified term, may be terminated at the will of either party on  
10 notice to the other." Cal. Lab. Code § 2922; see also Guz, 24  
11 Cal. 4th at 335. Employment for a "specified term" means an  
12 employment for a period greater than one month. Cal. Lab. Code  
13 § 2922. California law provides that "[a]n employment for a  
14 specified term may be terminated at any time by the employer in  
15 case of any willful breach of duty by the employee in the course

16 \_\_\_\_\_  
17 <sup>2</sup> Defendants attempt to submit an At-Will Acknowledgment  
18 signed by plaintiff to demonstrate that the employment  
19 relationship was in fact at-will. (Ruzicka Decl. Ex. A (Docket  
20 No. 5-2).) When deciding a motion to dismiss, a court may not  
21 ordinarily consider material other than the facts alleged in the  
22 complaint. Anderson v. Angelone, 86 F.3d 932, 934 (9th Cir.  
23 1996) ("A motion to dismiss . . . must be treated as a motion for  
24 summary judgment . . . if either party . . . submits materials  
25 outside the pleadings in support or opposition to the motion, and  
26 if the district court relies on those materials."). "A court may  
27 consider evidence on which the complaint 'necessarily relies' if:  
28 (1) the complaint refers to the document; (2) the document is  
central to the plaintiff's claim; and (3) no party questions the  
authenticity of the copy attached to the 12(b)(6) motion."  
Marder v. Lopez, 450 F.3d 445, 448 (9th Cir. 2006). Under the  
"incorporation by reference doctrine," the court may consider  
materials necessarily relied upon in the complaint even if the  
complaint does not expressly mention them. Coto Settlement v.  
Eisenberg, 593 F.3d 1031, 1038 (9th Cir. 2010) (citing Intri-Plex  
Techs., Inc. v. Crest Grp., Inc., 499 F.3d 1048, 1052 (9th Cir.  
2007)). Here, the Complaint does not explicitly refer to the At-  
Will Acknowledgment, nor is it integral to plaintiff's claims.  
The court further declines to treat defendants' motion as a  
motion for summary judgment in order to consider the document.

1 of his employment, or in case of his habitual neglect of his duty  
2 or continued incapacity to perform it." Cal. Lab. Code § 2924.  
3 Section 2924, however, does not limit the parties' ability to  
4 define the contract terms creating an employment relationship.  
5 See Guz, 24 Cal. 4th at 335-36.

6 Plaintiff's only allegation regarding the details of  
7 his employment agreement was that he "began his employment . . .  
8 under a one-year contract, which was later extended up to and  
9 including his last day of employment." (Compl. ¶ 16.) Plaintiff  
10 does not specify whether his employment agreement was oral or  
11 written, whether there was an explicit good cause provision, or  
12 what the terms of his contract extension were. Without attaching  
13 a copy of the employment agreement to the complaint, or  
14 allegations containing specific details regarding its contents,  
15 plaintiff's allegations fail to establish that plaintiff  
16 performed under the contract or that defendants breached the  
17 contract. Accordingly, the court will grant defendants' motion  
18 to dismiss plaintiff's claim for breach of employment contract.

19 IT IS THEREFORE ORDERED that defendants' motion to  
20 dismiss claims one, two, three, four, and six be, and the same  
21 hereby is, GRANTED.

22 Plaintiff has twenty days from the date of this Order  
23 to file an amended complaint, if he can do so consistent with  
24 this Order.<sup>1</sup>

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25  
26 <sup>1</sup> The only claim remaining at this time is plaintiff's  
27 fifth claim for wrongful termination in violation of public  
28 policy. Because plaintiff brings his wrongful termination claim  
based on violations of both state and federal law, the claim is  
insufficient to establish federal jurisdiction. See Long v.  
Bando Mfg. of Am., Inc., 201 F.3d 754, 760 (6th Cir. 2000)



1 DATED: August 2, 2012

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3 WILLIAM B. SHUBB  
4 UNITED STATES DISTRICT JUDGE

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16 (finding no federal jurisdiction over a state wrongful  
17 termination claim based on alleged violations of the public  
18 policy expressed in federal statutes because the complaint also  
19 put forth public policy violations based on state statutes); Dixon v. Coburg Dairy, Inc., 369 F.3d 811, 818 (4th Cir. 2004)  
20 (finding no federal jurisdiction over a wrongful termination  
21 claim based on alleged violations of the First Amendment of the  
22 United States Constitution and the laws of South Carolina because  
23 the plaintiff also asserted a state law-based theory under which  
24 a wrongful termination claim could supported); Willy v. Coastal  
25 Corp., 855 F.2d 1160, 1171 (5th Cir. 1988) (“[I]n this Texas  
26 common law wrongful discharge case, the role of issues of federal  
27 law is more collateral than in the forefront. Further, other  
28 issues of Texas law are substantially implicated in all theories  
of the wrongful discharge claim.”); Drake v. Cheyenne Newspapers,  
Inc., 842 F. Supp. 1403, 1412 (D. Wyo. 1994) (“[T]he Court could  
completely ignore any reference to the First Amendment without  
affecting plaintiffs’ chance of recovery because the plaintiffs  
could rely on the Wyoming Constitution . . . as their source of  
public policy.”); Gardiner v. St. Croix Dist. Governing Bd. Of  
Directors, --- F. Supp. 2d ----, No.2012-027, 2012 WL 1153286, \*7  
(D.V.I. Mar. 30, 2012) (dismissing a wrongful termination claim  
that cited both the Virgin Islands Wrongful Discharge Act and the  
Fourteenth Amendment); Bonaquide v. Reg’l Sch. Dist. No. 6, 2010  
WL 3062137, at \*4-5 (D. Conn. July 26, 2012). Unless plaintiff  
amends his complaint to state a federal claim, it is the court’s  
intention to dismiss under 28 U.S.C. 1367(c)(3).