

**IN THE COURT OF APPEALS OF IOWA**

No. 8-1020 / 07-2132  
Filed February 19, 2009

**WILLIAM C. LEE,**  
Plaintiff-Appellant,

**vs.**

**STATE OF IOWA and CHEROKEE  
MENTAL HEALTH INSTITUTE,**  
Defendants-Appellees.

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Appeal from the Iowa District Court for Polk County, Arthur E. Gamble,  
Judge.

William C. Lee appeals the district court's ruling denying his motion for the  
certification of class action. **AFFIRMED.**

James L. Sayre of James L. Sayre, P.C., Clive, for appellant.

Thomas J. Miller, Attorney General, and Jeffery C. Peterzalek, Assistant  
Attorney General, for appellees.

Considered by Sackett, C.J., and Eisenhauer and Doyle, JJ.

**DOYLE, J.**

William C. Lee appeals the district court's ruling denying his motion for the certification of class action. Lee contends that requirements for the certification of a class action were met. Upon our review, we affirm.

***I. Background Facts and Proceedings.***

On March 10, 2007, Lee filed his petition at law individually and as a representative of a class of individuals against defendants State of Iowa and Cherokee Mental Health Institute (hereinafter collectively "State") alleging the following facts: Effective July 1, 2006, the State implemented its "Sick Leave Insurance Program" (SLIP) for the benefit of all State employees who were eligible for a bona fide retirement and who had accumulated sick leave to the extent of having a sick leave account balance in the amount of \$2000, plus the cost of one month of the State's share of the State group health insurance program. Upon retirement the employee would be paid the \$2000 stipend and the remaining balance would be converted to a bank for purposes of purchasing health insurance. Pursuant to the SLIP, the State would pay, upon retirement for those qualifying employees, an amount ranging from sixty percent to one hundred percent of the employer's share of the State group health insurance premium for each employee until the converted value of the employee's sick leave balance is exhausted or the employee attains Medicare eligibility, whichever comes first. However, other than the \$2000 stipend, State employees who had attained Medicare eligibility would receive no benefits, and employees

who had attained the age of fifty-five, but who were not yet Medicare eligible, would receive reduced benefits.

Lee, an employee of the State, retired on September 30, 2006. Lee was eligible for a bona fide retirement and had the requisite amount in his sick leave account balance to participate in the SLIP. However, Lee was Medicare eligible. Because he was Medicare eligible, the State would not allow Lee to participate in the SLIP, in the form of paying the employer's share of the state group health insurance premium, to the extent he had the requisite sick leave account balance.

Based upon these alleged facts, Lee asserted that the State's disallowance of his participation in the SLIP upon his retirement because he was already Medicare eligible was age discrimination in violation of the Iowa Civil Rights Act of 1965, codified at Iowa Code chapter 216 (2007). Additionally, Lee asserted that accumulation of sick time as provided in the SLIP constituted "wages" as defined by Iowa's Wage Payment Collection Act, Iowa Code chapter 91A, and that the State's denial to provide benefits to Lee, in the form of payment of the State's share of the State group health plan insurance premium, was an intentional failure to pay wages due and owing to Lee in violation of chapter 91A.

Lee's complaint filed with the Iowa Civil Rights Commission (ICRC) did not indicate that he intended to bring a class-based action before the ICRC. Lee's petition filed in district court stated that he filed a timely complaint with the ICRC alleging age discrimination, and that he requested and received a right-to-sue letter from the ICRC pursuant to Iowa Code section 216.16(2). However, Lee's

petition did not assert that the members he sought to represent had filed a timely complaint with the ICRC and had received right-to-sue letters from the ICRC.

On August 30, 2007, Lee filed his motion for certification of class action before the district court. The motion alleged the class of individuals he sought to represent was composed of present and former employees of the State who:

- a) were, on or after July 1, 2006, eligible for a bona fide retirement, as that term is defined by the Iowa Public Employees Retirement System ("IPERS"); and
- b) had or have a sick leave account balance of more than \$2,000, plus the cost of at least one month of the [State's] share of the State group health insurance premium; [and]
- c) either were already eligible for Medicare benefits, or
- d) would receive reduced benefits, pursuant to [the State's SLIP], because of their respective ages.

Among other things, Lee asserted:

That once the individual members of the class are identified, the questions of law and fact are common to them, the claims or defenses of the parties are typical of the claims and/or defenses of the class, and the representative party, [Lee], will fairly and adequately protect the interests of the class.

On September 12, 2007, the State filed its resistance to Lee's motion. The State argued that Lee had failed to comply with the "single filing rule" and therefore could not bring a class civil rights claim. Additionally, the State argued, among other things, that Lee failed to establish the requisite typicality with respect to his requested class, and that individual issues relating to law and fact dominated over common issues in the litigation.

On November 26, 2007, the district court entered its ruling denying Lee's motion for class certification. The court found Lee's representation of the entire class would not promote the fair and efficient adjudication of this controversy because certain defenses may apply to Lee's situation that would not apply to

other class members, and that other defenses may apply to the claims of all or most of the potential class that do not apply to Lee. Additionally the court found that there was a lack of commonality of their claims depending on whether they are contract or non-contract covered employees. Also, the court found that Lee could not represent a class before the court because he failed to take advantage of the “single filing rule” since his complaint did not alert the ICRC that he intended to submit a class-based complaint.

Lee appeals. Lee contends the “single filing rule” does not apply in this case. Additionally, Lee contends the prerequisites for filing a class action have been met.

## ***II. Scope and Standards of Review.***

“Our review of the district court’s ruling granting or denying certification of a class action is limited because the district court enjoys broad discretion in the certification of class action lawsuits.” *Vos v. Farm Bureau Life Ins. Co.*, 667 N.W.2d 36, 44 (Iowa 2003) (citing *Stone v. Pirelli Armstrong Tire Corp.*, 497 N.W.2d 843, 845 (Iowa 1993)). We therefore review a district court’s decision on class certification for an abuse of discretion. *Comes v. Microsoft Corp.*, 696 N.W.2d 318, 320 (Iowa 2005) (citing *Vos*, 667 N.W.2d at 44). “A court abuses its discretion when it exercised its discretion on ‘grounds or for reasons clearly untenable or to an extent clearly unreasonable.’” *State v. Helmers*, 753 N.W.2d 565, 567 (Iowa 2008) (citations omitted).

***III. Discussion.***

We have reviewed the thorough and well-reasoned decision of the district court. We approve of the reasons and the conclusions in the opinion and conclude the district court's ruling should be affirmed pursuant to Iowa Court Rule 21.29(1)(d).

**AFFIRMED.**