CONFORMED COPY ORIGINAL FILED 1 Lori E. Andrus (SBN 205816) uperior Court of California County of Los Angeles lori@andrusanderson.com 2 Jennie Lee Anderson (SBN 203586) APR 02 2019 jennie@andrusanderson.com 3 ANDRUS ANDERSON LLP Sherri R. Carter, Executive Officer/Clerk of Court 155 Montgomery Street, Suite 900 By: Brigitte De La Rosa, Deputy 4 San Francisco, CA 94104 (415) 986-1400 Telephone: 5 Facsimile: (415) 986-1474 6 Attorneys for Plaintiffs and the Proposed Class 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 LOS ANGELES COUNTY 9 10 Case No. 1957 CV10974 LARONDA RASMUSSEN and KAREN MOORE, on behalf of themselves and all others 11 similarly situated, COMPLAINT - CLASS ACTION 12 Plaintiffs, DEMAND FOR JURY TRIAL 13 vs. 14 THE WALT DISNEY COMPANY, WALT DISNEY PICTURES, HOLLYWOOD 15 RECORDS, INC., and DOES 1-10, 16 Defendants. 17 When it comes to paying women fairly, The Walt Disney Company, 1 nearing its 100th 18 year,² is woefully behind the times. Put simply, Disney refuses to pay its women employees 19 equal to men doing the same work. In many instances, Disney is paying women workers tens of 20 thousands of dollars less than their male counterparts. 21 Plaintiffs LaRonda Rasmussen and Karen Moore—both valuable and long-time Disney 22 employees—bring this lawsuit to address the rampant gender pay discrimination at Disney. 23 Because Disney's pay practices negatively affect their female co-workers throughout The Walt 24 Disney Studios, they bring this case as a class action. 25 26 ¹ Except where appropriate, Defendants The Walt Disney Company, Walt Disney Pictures and Hollywood Records, Inc. are referred to collectively throughout as "Disney." 27 ² Disney Brothers Cartoon Studio, which would become The Walt Disney Company, was created 28 in 1923. See https://www.thewaltdisneycompany.com/about/ (last visited March 22, 2019).

EQUAL PAY CLASS ACTION COMPLAINT

Specifically, upon knowledge and upon information and belief, Plaintiffs allege:

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INTRODUCTION

- The Walt Disney Company is the world's largest media company.³ 1.
- 2. As explained in its 2018 Annual Report, 4 "The Walt Disney Company, together with its subsidiaries, is a diversified worldwide entertainment company with operations in four business segments: Media Networks, Parks and Resorts, Studio Entertainment, and Consumer Products & Interactive Media.
- Disney's "Studio Entertainment" business segment "produces and acquires live-3. action and animated motion pictures, musical recordings, and live stage plays." Internally, the term "Studio Entertainment" is used interchangeably with "The Walt Disney Studios." 6,7
- "The businesses in the Studio Entertainment segment generate revenue from distribution of films in the theatrical, home entertainment and television and SVOD [(subscription video-on-demand)] markets, stage play ticket sales, music distribution and licensing of Company intellectual property for use in live entertainment productions...The Company distributes films primarily under the Walt Disney Pictures, Pixar, Marvel, Lucasfilm and Touchstone banners."8
- 5. Many thousands of people, and thousands of women, work in The Walt Disney Studios.
- Over the 11 years Ms. Rasmussen has worked for Disney, she has come to understand that Disney routinely underpays its female employees, passes them over for promotion, piles on extra work without additional compensation, and does not supply sufficient support staff to women employees. Based on her extensive experience—and after her efforts to resolve her complaints internally were unsuccessful—Ms. Rasmussen was left with little choice

³ See https://www.thewaltdisneycompany.com/about/ (last visited March 22, 2019).

⁴ Available at: https://www.thewaltdisneycompany.com/wp-content/uploads/2019/01/2018-Annual-Report.pdf (last visited March 22, 2019). ⁵ *Id*.

⁶ See https://www.thewaltdisneycompany.com/about/ (last visited March 22, 2019).

⁷ The Studio Entertainment business segment is referred to herein as "The Walt Disney Studios."

⁸ See https://www.thewaltdisneycompany.com/wp-content/uploads/2019/01/2018-Annual-Report.pdf (last visited March 22, 2019).

determine whether her job responsibilities were aligned with her title.

- ➤ "She is extremely detail oriented, questions everything, has excellent process knowledge and is methodical. She always earns the respect of the business community extremely fast. She is now building a strong reputation within the IT team."
- "She has also shown herself to be a very good presenter. She presented at several critical meetings this years [sic] and she showed tremendous poise and professionalism."
- ➤ "In 2015, LaRonda grew upon the successful engagement she has built over the last 2 years and maintained her trusted partnership with the music royalties and accounting team."
- ➤ "LaRonda starts with yes and her can-do willingness to take on challenging work is infectious with the larger team. She is transparent and willing to confront difficult issues."

Disney Underpays Other Women Employees

- 30. Plaintiff Rasmussen is not alone in being treated as cheap labor at Disney.
- 31. Other women employees were also underpaid by Disney.
- 32. Another female Manager was given the work of a Senior Manager, but was not given a promotion for taking on extra responsibilities.
- 33. At the same time that Ms. Rasmussen received an "equity adjustment" in her salary, a female Senior Manager also received a 26.6% raise and another female Manager received a 27.7% raise, suggesting that Disney recognized the pay disparity was widespread.
- 34. Plaintiff Karen Moore, Senior Copyright Admin Administrator within the Disney Music Group and a 23-year employee, inquired about an open position for "Manager," but she was discouraged from applying. Later, the job was converted into a "Senior Manager" position and eventually a man was placed in that spot. On information and belief, he is making significantly more than Ms. Moore even though they are both performing the same or substantially similar work.

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- 35. Disney's compensation policies, practices, and procedures are consistent company-wide, and within The Walt Disney Studios. Disney maintains uniform policies and/or practices for setting initial pay, giving employees pay raises, and bonuses. Disney's centralized pay structure establishes corporate-imposed compensation ranges (which are not fully transparent to employees).
- 36. The administration of Disney's compensation system is centralized, and the company's compensation decisions originate from a highly-concentrated and male-dominated management regime. 10
- 37. In addition to compensation, Disney maintains centralized control over employees' terms and conditions of employment, including, but not limited to, job and location assignment, career progression, and promotions.
- 38. Disney utilizes uniform performance evaluations throughout The Walt Disney Studios, and makes centralized decisions about promotions, compensation, bonuses, and all manner of other employment policies governing employment conditions.
- 39. Disney has detailed written policies on a wide variety of topics, including employee conduct and performance, reimbursement policies, electronic communications, internet use, vacations, parental leave, inventions, and others. Disney's Standards of Business Conduct apply equally to all of its employees, as does its Employee Policy Manual.
- 40. Employees are trained in-house in accordance with company-wide, substantive, training protocols.

¹⁰ Disney's male-dominated culture is evidenced in the makeup of its senior leadership. Despite attracting talent from "renowned global organizations and industries," The Walt Disney Company's Board of Directors has a majority of men, and its Executive Leadership team is 77% male. See https://www.thewaltdisneycompany.com/about/ (last visited March 22, 2019). Likewise, The Walt Disney Studio's senior leadership is 2/3 male.

Disney's Policies, Practices and Procedures Result In Unequal Pay

- 41. Disney's centralized compensation policies, practices and procedures which result in unequal pay include initial salary determinations based on prior salary history, initial job assignment, career progression, training, promotions, and evaluations.
- 42. Historically, and during the relevant time period, Disney expressly considered each job applicant's prior compensation (i.e., the compensation the prospective employee was earning immediately prior to employment with Disney) in determining that employee's initial compensation level. In doing so, Disney's hiring policies and practices perpetuated gender discrimination, since women's salary history tends to reflect lower pay than men's. By inquiring about salary history, Disney's compensation policies, practices and procedures continued the historic pay disparity between men and women, resulting in male employees receiving higher starting salaries than women, even when those men and women are hired into the same job position and perform substantially equal or similar work. These disparities were compounded year on year.
- 43. The employment policies, procedures and practices at issue are not unique or limited to any particular department/business area; rather, they apply throughout The Walt Disney Studios and, thus, affect all women employees in the same manner regardless of the department/business area in which they work.
- 44. Disney's uniform policies, procedures and practices suffer from a lack of transparency, adequate quality standards and controls, sufficient implementation metrics, management/HR review, and opportunities for redress or challenge. As a result, women employees are assigned, evaluated, compensated, developed, and promoted within a system that is insufficiently designed, articulated, explained or implemented to consistently, reliably or equitably manage or reward employees.
- 45. Disney also lacks a system of accountability with respect to gender discrimination. Social science research has increasingly shown that implementing a meaningful system which holds employees accountable for making unbiased personnel decisions is an effective means of eradicating unequal pay. A meaningful system of accountability includes transparency in the

distribution of opportunities and rewards, which is sorely deficient at Disney. A meaningful system of accountability also includes regular monitoring to identify instances in which rewards and opportunities are not distributed appropriately. Decision makers should be required to justify personnel decisions, and some entity, individual or department, should be charged with addressing instances in which fair treatment has been violated, and sanctioning those who engage in unfair treatment. In other words, organizations need a department or individual who receives regular reports on the decisions that have been made impacting gender. That individual or department must regularly monitor all personnel actions to compare how employees of different sexes have been treated, and must have sufficient clout to remedy unfair personnel actions and appropriately sanction the decision makers who violated the organization's standards of fair behavior.

- 46. Businesses have systems of accountability for all consequential processes—accident rates, losses, output, etc. The research on accountability shows that decision makers who know that they are going to be held accountable for an outcome are less likely to use irrelevant criteria in making a decision, and that women fare better in organizations that have accountability systems associated with personnel evaluation.
- 47. Without the appropriate standards, guidelines, or transparency necessary to ensure an equitable workplace, unfounded criticisms may be lodged against women employees and illegitimate criticisms may be given undue weight.
- 48. Like other companies that operate without transparency, consistency, and accountability, Disney's leadership tends to value male workers more than female workers. The company's overall corporate culture and the uniform policies, procedures and practices inevitably result in systemic pay discrimination to the disadvantage of the company's female employees. Such pay discrimination is manifested in multiple ways, including, without limitation, by: (a) paying Plaintiffs and other female employees less than similarly-situated males; (b) failing to advance Plaintiffs at the same pace as male employees performing equal or substantially similar work; and (c) other adverse employment actions.

1	assignment, performance evaluation, promotion, and/or advancement policies,
2	procedures and practices, and in the general terms and conditions of work and
3	employment under the California Equal Pay Act;
4	(b) whether the failure to institute adequate standards, quality controls,
5	implementation metrics, or oversight in assignment, compensation, evaluation,
6	development, promotion and/or advancement systems violates the California Equa
7	Pay Act;
8	(c) whether the lack of transparency and of opportunities for redress in those systems
9	violates the California Equal Pay Act and/or other statutes; and
10	(d) whether Disney's failure to prevent, investigate, or properly respond to evidence
11	and complaints of discrimination in the workplace violates the California Equal
12	Pay Act.
13	57. The common questions of fact include whether Disney has, <i>inter alia</i> :
14	(a) used a system of assignment that lacks meaningful or appropriate standards,
15	implementation metrics, quality controls, transparency, and opportunities for
16	redress;
17	(b) through the use of that system of assignment, placed Class members in job
18	classifications and/or job titles lower than similarly-situated males;
19	(c) systematically, intentionally and/or knowingly placed Class members in job
20	classifications and/or job titles lower than similarly-situated males;
21	(d) used a compensation system that lacks meaningful or appropriate standards,
22	implementation metrics, quality controls, transparency and opportunities for
23	redress;
24	(e) through the use of that compensation system, compensated Class members less
25	than similarly-situated males in salaries, bonuses, raises, and/or benefits;
26	(f) systematically, intentionally, and/or knowingly compensated Class members less
27	than similarly-situated males;
28	(g) used a promotion system that lacks meaningful or appropriate standards,
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1	implementation metrics, quality controls, transparency and opportunities for
2	redress;
3	(h) through the use of that promotion system, precluded or delayed the promotion of
4	Class members into higher level positions traditionally held by males;
5	(i) systematically, intentionally and/or knowingly precluded or delayed the promotion
6	of Class members into higher levels positions traditionally held by males;
7	(j) used a system for performance evaluations that lacks meaningful or appropriate
8	standards, implementation metrics, quality controls, transparency and
9	opportunities for redress;
10	(k) through the use of that performance evaluation system inadequately, inequitably,
11	or disparately measured and classified Class members' and similarly-situated
12	males' performance;
13	(l) systematically, intentionally and/or knowingly subjected Class members to
14	inaccurate, inequitable or discriminatorily-lowered performance evaluations;
15	(m) used HR and equal employment opportunity systems that lack meaningful or
16	appropriate standards, implementation metrics, quality controls, transparency and
17	opportunities for redress;
18	(n) through the use of those systems, minimized, ignored or covered up evidence of
19	pay discrimination and/or otherwise mishandled the investigation of responses to
20	complaints of pay discrimination brought to the attention of management, Disney
21	HR, or through other reporting channels;
22	(o) systematically, intentionally, and/or knowingly showed an indifference to evidence
23	of discrimination in the workplace or otherwise minimized, ignored, mishandled,
24	or covered up evidence of or complaints about pay discrimination; and
25	(p) failed to adequately or meaningfully train, coach or discipline management
26	personnel on equal employment opportunity principles and compliance.
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- 58. The answers to these common questions will be the same for Plaintiffs and all Class members and will establish (or not establish) the elements of Plaintiffs' claims at the same time as the Class members' claims.
- 59. Plaintiffs' individual claims require resolution of the common questions of whether Disney has engaged in pay discrimination against the Class members.
- 60. Plaintiffs have standing to seek such relief because of the adverse effect that such discrimination has had on them as individuals and on Class members generally. Disney caused Plaintiffs' injuries through its discriminatory policies, procedures and practices. These injuries are redressable through systemic relief and class-wide remedies.
- 61. In order to achieve such class-wide relief, Plaintiffs will first establish the existence of systemic gender pay discrimination as the premise for the relief they seek. Without class certification, the same evidence and issues would be subject to re-litigation in a multitude of individual lawsuits with an attendant risk of inconsistent adjudications and conflicting obligations. Certification of the Class is the most efficient and judicious means of presenting the evidence and arguments necessary to resolve such questions for Plaintiffs, the Class, and Defendants.
- 62. The cost of proving the damages caused by Disney's policies, procedures and practices makes it impracticable for Plaintiffs and Class members to prosecute their claims individually.

Typicality

- 63. Plaintiffs' claims are typical of the claims of the Class. The relief sought by Plaintiffs for gender pay discrimination complained of herein is also typical of the relief sought on behalf of the Class.
- 64. Like the members of the Class, Plaintiffs are women males who have worked for Disney in its Studio Entertainment business segment during the liability period and have been paid less than their male counterparts doing the same or substantially similar work.

- 65. Additionally, discrimination in assignment, selection, promotion, and/or advancement affected the compensation and employment opportunities of Plaintiffs and all members of the Class in the same or similar way.
- 66. Disney has failed to create adequate incentives for its management and Disney HR personnel to comply with its own policies and equal employment opportunity laws regarding each of the employment policies, procedures and practices referenced in this Complaint, and has failed to adequately discipline its management and Disney HR personnel when they violated company policy and/or discrimination laws. These failures have affected Plaintiffs and the Class members in the same or similar ways.
- 67. The relief necessary to remedy the claims of Plaintiffs is the same relief necessary to remedy the claims of the Class members in this case.

Adequacy of Representation

- 68. Plaintiffs' interests are co-extensive with those of the members of the Class.

 Plaintiffs seek to remedy Disney's discriminatory employment policies, procedures and practices so that Class members will no longer be paid less than their male counterparts doing the same or similar work. Plaintiffs are willing and able to represent the Class fairly and vigorously as she pursues their individual claims in this action.
- 69. Plaintiffs have retained counsel who are qualified, experienced, and able to conduct this litigation and to meet the time and fiscal demands required to litigate an employment discrimination class action of this size and complexity. The interests, experience, and resources of Plaintiffs' counsel to litigate competently the individual and class claims at issue in this case satisfy the adequacy of representation requirement.

Superiority of The Class Mechanism

70. Class certification is appropriate because common questions of law and fact predominate over any questions affecting only individual Class members. Disney's liability in this case is based on uniform company policies and procedures applicable to all Class members. The compensation that Disney owes to each individual Class member is relatively small when compared to the expense and burden of individual litigation to recover that compensation

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DEMAND FOR JURY TRIAL

Plaintiffs, on behalf of themselves and the Class, demand a jury trial in this action for all claims so triable.

DATE: April 2, 2019

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