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16 UNITED STATES DISTRICT COURT
17 NORTHERN DISTRICT OF CALIFORNIA

19 DAWN KNEPPER, on behalf of herself and all
20 others similarly situated,

21 Plaintiff,

22 v.

23 OGLETREE, DEAKINS, NASH, SMOAK &
24 STEWART, P.C.

25 Defendant.

**DECLARATORY JUDGMENT
COMPLAINT**

1 **NATURE OF THE CASE**

2 1. This is an action for declaratory judgment pursuant to the Federal Declaratory Judgments
3 Act, 28 U.S.C. §§ 2201–2202, and Rule 57 of the Federal Rules of Civil Procedure.

4 2. Plaintiff Dawn Knepper (the “Plaintiff”) is a non-equity shareholder in the law firm of
5 Ogletree, Deakins, Nash, Smoak & Stewart, P.C. (the “Defendant” or “Ogletree” or the “Firm”). She
6 brings this action contemporaneously with a gender discrimination action (the “Underlying Action” or the
7 “Gender Discrimination Action”) that seeks damages and equitable relief from Defendant Ogletree. In the
8 Gender Discrimination Action, Plaintiff alleges that Ogletree practices a pattern of discrimination against
9 female non-equity shareholders in pay, promotion, and other terms and conditions of their employment.
10 The Gender Discrimination Action is based on federal and state law claims and is also filed in the Northern
11 District of California.

12 3. Plaintiff and Defendant (collectively, the “Parties”) dispute the formation of any purported
13 agreement to arbitrate the claims alleged in the Underlying Action. Ogletree maintains the Parties are
14 bound by an arbitration agreement, and thus, have an obligation to arbitrate the claims asserted in the
15 Gender Discrimination Action. Plaintiff maintains, however, that there is no arbitration agreement
16 obligating the Parties to arbitrate and Plaintiff may therefore litigate her discrimination claims in court.
17 As alleged below, the Plaintiff never signed, or otherwise assented to, any arbitration agreement, and thus,
18 no agreement to arbitrate any issue was ever formed.

19 4. Plaintiff now seeks a declaratory judgment that no agreement between the Parties was ever
20 formed to 1) arbitrate the claims in the Gender Discrimination Action, 2) delegate authority to decide
21 issues of arbitrability to an arbitrator, and/or 3) waive the Plaintiff’s rights to bring a class or collective
22 action against Defendants. Alternatively, Plaintiff seeks a declaratory judgment that, to the extent an
23 arbitration agreement between the Parties was formed, the provisions purporting to 1) waive Plaintiff’s
24 rights to bring a class or collective action against the Defendant, or 2) delegate issues of arbitrability to an
25 arbitrator are unenforceable.

26 5. Plaintiff also seeks a declaratory judgment that this Court has the authority to issue
27 judgment on all of Plaintiff’s causes of action brought in this Complaint for Declaratory Judgment.
28

1 **THE PARTIES**

2 6. Plaintiff Dawn Knepper (“Plaintiff Knepper” or “Ms. Knepper”) is a female attorney and
3 non-equity shareholder in Ogletree’s Orange County office.

4 7. Plaintiff Knepper has been employed by Ogletree since approximately June 1, 2005.

5 8. Defendant Ogletree is a law firm with offices worldwide, including six offices in
6 California. Ogletree’s California offices are located in Los Angeles, Orange County, Sacramento, San
7 Diego, San Francisco, and Torrance. Ogletree employs over 100 attorneys in California.

8 **JURISDICTION AND VENUE**

9 9. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. § 1331
10 and 28 U.S.C. § 1332.

11 10. An actual controversy exists between the Parties within the meaning of 28 U.S.C. § 2202,
12 which is of sufficient immediacy and reality to warrant declaratory relief.

13 11. This action concerns the issue of whether the Plaintiff may litigate her federal claims in the
14 Gender Discrimination Action in federal court, and jurisdiction is therefore proper under 28 U.S.C. §
15 1331.

16 12. This Court also has subject matter jurisdiction over this action pursuant to 28 U.S.C. §
17 1332(a)(2) because it is a dispute between citizens of different states and the amount in controversy
18 exceeds \$75,000.00, exclusive of interest and costs.

19 13. The U.S. District Court for the Northern District of California has personal jurisdiction
20 over the Defendant because the Defendant has offices in the Northern District of California and does
21 business in the Northern District of California, and many of the acts complained of and giving rise to the
22 claims alleged herein occurred in California.

23 14. Venue is proper pursuant to 28 U.S.C. § 1391(b) because the Defendant conducts
24 substantial business in San Francisco and a substantial part of the events and omissions giving rise to the
25 claims alleged herein occurred in this district.

FACTUAL ALLEGATIONS

1
2 15. Ogletree is one of the largest labor and employment law firms in the United States. It
3 specializes in defending employers against individual and class action employment lawsuits, including
4 lawsuits for discrimination.

5 16. As set forth in the Plaintiff’s Complaint in the Gender Discrimination Action, Ogletree
6 systematically discriminates against its female non-equity shareholders.

7 17. Specifically, Ogletree has created and fostered a male-dominated culture in which male
8 shareholders are grossly over-represented in the Defendant’s management and leadership structure.

9 18. Ogletree discriminates against female non-equity shareholders through formal policies and
10 widespread practices that limit, interfere with, or prevent female non-equity shareholders from receiving
11 the credit they deserve for the business that they generate for the Firm and the hours of work that they
12 spend litigating complex cases. Female non-equity shareholders do not receive equal or comparable pay
13 to their male counterparts, even where they outperform their male counterparts.

14 19. Ogletree’s male-dominated leadership also engages in widespread practices that limit
15 female non-equity shareholders’ ability to develop business and create and maintain professional contacts.
16 Ogletree employs “shoulder-tapping” methods that disproportionately favor male attorneys in selection
17 for firm-supported business development opportunities and networking events.

18 20. By bringing the Underlying Action on behalf of herself and similarly-situated female non-
19 equity shareholders, Plaintiff seeks to rectify the professional and economic wrongs that the Defendant
20 has inflicted on the female non-equity shareholders currently or formerly employed by the Defendant.

21 21. On December 19, 2017, counsel for Defendant sent counsel for Plaintiff a letter stating that
22 named Plaintiff is “bound by a ‘Mutual Arbitration Agreement’” (“Mutual Arbitration Agreement” or
23 “MAA”), and “must first submit [her] disputes to arbitration.”

24 22. Defendant stated in its letter of December 19, 2017, “Ogletree will take all required steps
25 to enforce these arbitration covenants and to recover from anyone who fails to honor her agreement to be
26 bound by such arbitration covenants.”

27 23. Plaintiff maintains that there is no arbitration agreement obligating the Parties to arbitrate.
28

1 24. Based on these facts, an actual controversy exists between the Parties regarding the
2 purported arbitration agreement raised in Defendant’s letter.

3 i. Plaintiff Did Not Sign, or Otherwise Assent to, the Mutual Arbitration Agreement

4 25. No agreement to arbitrate was formed by the Mutual Arbitration Agreement. The Mutual
5 Arbitration Agreement affirmatively requires a signature, and the Plaintiff never signed it, or otherwise
6 assented to it.

7 26. On Friday, January 15, 2016 at 4:45 AM (P.S.T.), Defendant sent an email bearing the
8 subject line “IMPORTANT – Two New Programs for 2016” (the “January 2016 email”), to all of its
9 shareholders. Although there was no indication in the subject heading of the email that it contained any
10 information regarding an arbitration agreement, the email included, as an attachment, the Mutual
11 Arbitration Agreement.

12 27. The first paragraph of the Mutual Arbitration Agreement states that the agreement is
13 between “Ogletree Deakins (the ‘Firm’) **and the undersigned** (‘Individual’),” establishing that a signature
14 is necessary to form an agreement between the Parties (emphasis added).

15 28. The Mutual Arbitration Agreement also states:

16 **12. Miscellaneous.** This is the complete agreement between the Parties on the subject
17 of arbitration and supersedes any other understandings on the subject. No
18 representations, oral or written, are being relied upon by either Party **in executing this**
19 **Agreement**, other than those contained herein.

20 (emphasis added).

21 This language confirms that “execution,” i.e. signature, is a necessary precondition to formation of the
22 Mutual Arbitration Agreement.

23 29. The Mutual Arbitration Agreement further requires a signature in the final paragraph,
24 which states:

25 **Special Note:** *This Agreement is an important document that affects your legal rights.*
26 *You should familiarize yourself with it. **By signing below**, you acknowledge that you*
27 *understand you have the option to opt out of this Agreement by returning an Opt Out*
28 *form to the Director of Human Resources on or before March 1, 2016 and that failure*

1 to return an Opt Out form and remaining in the employment of the Firm after that date
2 will be deemed an acceptance of this Agreement.

3 (emphasis added).

4 30. The bottom of the Mutual Arbitration Agreement includes a line for both “Signature” and
5 “Date.”

6 31. The Plaintiff never signed or executed the Mutual Arbitration Agreement.

7 32. Plaintiff did not realize at the time that the January 2016 email contained a Mutual
8 Arbitration Agreement. Plaintiff did not otherwise assent to the Mutual Arbitration Agreement, and had
9 no knowledge of its existence until well after the deadline the Firm gave to opt out of the Mutual
10 Arbitration Agreement.

11 ii. The Parties Never Formed an Agreement to Delegate any Authority to an Arbitrator to
12 Determine Arbitrability of this Controversy

13 33. Section 6 of the Mutual Arbitration Agreement is titled “Authority of the Arbitrator” (the
14 “delegation provision”) and purports to delegate to an arbitrator the authority to determine issues of
15 “interpretation, applicability, enforceability, or formation” of the Mutual Arbitration Agreement.

16 34. As discussed in paragraphs 25-31, by Defendant’s own terms, signature is a precondition
17 to the formation of the Mutual Arbitration Agreement, including the delegation provision. No signatures
18 exist. Hence, no agreement to delegate authority to an arbitrator to decide issues of arbitrability was
19 formed by the Mutual Arbitration Agreement.

20 35. Further, the Mutual Arbitration Agreement does not clearly and unmistakably delegate
21 questions of arbitrability to the arbitrator.

22 36. Section 12 of the Mutual Arbitration Agreement states “If any provision of this Agreement
23 is deemed invalid or unenforceable, such provision shall be modified automatically to the minimum extent
24 necessary to render the Agreement valid and enforceable.”

25 37. Because this section does not clearly and unmistakably delegate to an arbitrator the
26 authority to rule on the validity or enforceability of the Mutual Arbitration Agreement, it does not prevent
27 this Court from hearing and ruling on issues of formation, validity, or enforceability of the Mutual
28 Arbitration Agreement.

1 iii. The Parties Never Formed an Agreement to Waive the Right to Bring Class or Collective
2 Actions, and Such a Provision is Unenforceable

3 38. A sub-section of Section 6 of the Mutual Arbitration Agreement purports to waive the
4 Parties' ability to proceed as a class or collective action. The sub-section states:

5 Because this Agreement is intended to resolve the particular dispute as quickly as
6 possible, the arbitrator shall not have the authority to consolidate the claims of other
7 individuals into a single proceeding, to fashion a proceeding as a class, collective action,
8 or representative action, or to award relief to a class or group of claimants.
9 Notwithstanding anything herein or in AAA's rules to the contrary, any dispute relating
10 to the interpretation, applicability, or enforceability of this paragraph shall be resolved
11 by a court only and shall not be within the power of the arbitrator to resolve.

12 39. For the reasons stated in paragraphs 25-31, by Defendant's own terms, signature is a
13 precondition to the formation of the Mutual Arbitration Agreement, including the purported class waiver
14 provision in Section 6. No signatures exist. Hence, no agreement to waive Plaintiff's rights to bring a class
15 or collective action was formed by the Mutual Arbitration Agreement.

16 40. To the extent that it is found that the Mutual Arbitration Agreement formed a contract
17 between the Plaintiff and the Defendant, any provision that seeks to waive Plaintiff's right to bring class
18 or collective claims is unenforceable under state and federal law.

19 iv. The Mutual Arbitration Agreement, With All its Provisions, is Unenforceable

20 41. The Mutual Arbitration Agreement, including the delegation provision and class waiver
21 provision in Section 6, is unconscionable and the product of fraud.

22 42. The Mutual Arbitration Agreement was presented to Plaintiff in a surreptitious and
23 oppressive manner. It was attached to a misleading email with the subject line "IMPORTANT – Two New
24 Programs for 2016" that did not reasonably inform the Plaintiff that the email attachments contained a
25 purported arbitration agreement, including, specifically, the delegation provision and class waiver
26 provision in Section 6.

27 43. The Mutual Arbitration Agreement, and each separate provision within, is a contract of
28 adhesion. Plaintiff was never required to give any affirmative indication of receipt or assent to the

1 delegation provision. This is evidenced by the fact that Plaintiff never signed, or acknowledged, the
2 Mutual Arbitration Agreement, or any separate provision within. Plaintiff was not provided any
3 opportunity for negotiation of the terms of the Mutual Arbitration Agreement, and each separate provision
4 within, but rather was presented with the terms in a take it or leave it fashion.

5 44. Furthermore, the arbitration agreement and the delegation provision are so unjustifiably
6 one-sided that they shock the conscience. The contract provisions are buried in the text of a document
7 attached to a misleading email, and purport to strip the non-drafting party of significant rights, including
8 the right to vindicate claims in court, the right to pursue claims as part of a class or collective action, and
9 the right to challenge her purported yielding of nearly all authority interpreting these rights to an arbitrator.

10 v. This Court Should Determine the Formation, Validity, and/or Enforceability of the
11 Mutual Arbitration Agreement

12 45. The Parties never formed any binding contract to delegate authority to an arbitrator to
13 decide issues of formation, validity, and/or enforceability of the Mutual Arbitration Agreement. Thus, it
14 should be left to this Court to make the determinations on the Plaintiff's requests for declaratory judgment
15 in this action.

16 46. In addition, by Ogletree's own terms, the Mutual Arbitration Agreement delegates
17 exclusive authority to the court to hear and resolve "any dispute relating to the interpretation, applicability,
18 or enforceability of the" class waiver provision. By carving out certain issues to which the court is
19 delegated authority in the third paragraph of the delegation provision, and delegating authority to the
20 arbitrator regarding certain other issues, there is a danger of an arbitrator and court reaching conflicting
21 conclusions as to the formation, validity, or enforceability of certain provisions of the purported Mutual
22 Arbitration Agreement.

23 47. The danger of inconsistent rulings makes an exclusive judicial forum imperative. Because
24 the Parties agree that the authority to hear and decide at least part of the issues raised in this action is
25 delegated to the court, this Court is the most reasonable forum to hear and decide all of the related issues
26 raised in this action.

1 **CAUSES OF ACTION**

2 **COUNT I**

3 **Declaratory Judgment that the Parties Never Formed an Agreement to Arbitrate**

4 48. The Plaintiff incorporates by reference the allegations set forth in the preceding paragraphs
5 of this Complaint.

6 49. The Parties never formed an agreement to arbitrate. Plaintiff never signed, or otherwise
7 assented to, any agreement to arbitrate disputes, and is under no obligation to arbitrate the claims alleged
8 in the Gender Discrimination Action.

9 50. As a result of the facts described in the foregoing paragraphs, an actual controversy of
10 sufficient immediacy exists between the Parties as to whether the Parties ever formed an agreement to
11 submit disputes to arbitration.

12 **COUNT II**

13 **Declaratory Judgment that the Parties Never Formed an Agreement to Delegate Authority to an**
14 **Arbitrator**

15 51. The Plaintiff incorporates by reference the allegations set forth in the preceding paragraphs
16 of this Complaint.

17 52. The Parties never formed an agreement to delegate issues of arbitrability to an arbitrator.
18 Plaintiff never signed, or otherwise assented to, any delegation provision, and is under no obligation to
19 bring issues of arbitrability before an arbitrator. Instead, this Court has the authority to issue judgment on
20 all issues of formation, validity, and enforceability of any purported arbitration agreement.

21 53. Because of the facts described in the foregoing paragraphs, an actual controversy of
22 sufficient immediacy exists between the Parties as to whether the Parties ever formed an agreement to
23 delegate authority to an arbitrator to determine issues of arbitrability.

24 **COUNT III**

25 **Declaratory Judgment that the Parties Never Formed an Agreement Waiving the Right to Bring**
26 **Claims as Part of a Class or Collective Action**

27 54. The Plaintiff incorporates by reference the allegations set forth in the preceding paragraphs
28 of this Complaint.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Plaintiff prays for judgment as follows:

3 a. A declaration that the Parties never formed an agreement to arbitrate disputes, and
4 that the Plaintiff may proceed to pursue her claims in the Gender Discrimination Action in federal
5 court;

6 b. A declaration that the Parties never formed an agreement to delegate authority to
7 an arbitrator to decide issues of arbitrability, and that this Court has the authority to issue judgment
8 in this action;

9 c. A declaration that purported class waivers contained in the purported arbitration
10 agreement are not binding on the Parties, and that the Plaintiff may proceed in her efforts to
11 vindicate her collective rights; and

12 d. Any further relief to which the Plaintiff may be entitled.

13 **DEMAND FOR JURY TRIAL**

14 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff requests a trial by jury on
15 all issues so triable.

16 Dated: January 12, 2018

17
18
19 Respectfully submitted,

20
21 /s/ Jill Sanford

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