

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): J. Gary Gwilliam / Randall E. Strauss SBN: 33430 / 168363 Gwilliam Ivary Chiosso Cavalli & Brewer 1999 Harrison St., Suite 1600, Oakland, CA 94612 TELEPHONE NO.:(510) 832-5411 FAX NO.:(510) 832-1918 ATTORNEY FOR (Name): Slater Matzke	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SOLANO STREET ADDRESS: 580 Texas Street MAILING ADDRESS: 580 Texas Street CITY AND ZIP CODE: Fairfield, 94533 BRANCH NAME: Old Solano Courthouse	
CASE NAME: Slater Matzke; Joanna Altman; and William Morat v. City of Vallejo; Greg Nyhoff; Randy Risner; Anne Cardwell; Heather Ruiz; and Does 1-50, inclusive	
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)
CASE NUMBER: _____ JUDGE: _____ DEPT: _____	

Items 1-6 below must be completed (see Instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input checked="" type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
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| a. <input type="checkbox"/> Large number of separately represented parties
b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve
c. <input type="checkbox"/> Substantial amount of documentary evidence | d. <input type="checkbox"/> Large number of witnesses
e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
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3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or Injunctive relief c. punitive
4. Number of causes of action (specify): Four (4)
5. This case is is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: 2/8/2021

Randall E. Strauss _____
(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

**SUMMONS
(CITACION JUDICIAL)**

**FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)**

NOTICE TO DEFENDANT: CITY OF VALLEJO; GREG NYHOFF; RANDY (AVISO AL DEMANDADO): RISNER; ANNE CARDWELL; HEATHER RUIZ; and DOES 1-50, inclusive

**YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
SLATER MATZKE; JOANNA ALTMAN; and WILLIAM MORAT**

NOTICE: You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **AVISO:** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):
Superior Court of California, County of Solano
580 Texas Street
Fairfield, CA 94533

CASE NUMBER:
(Número del Caso):

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: J. Gary Gwilliam / Randall E. Strauss
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Gwilliam Ivary Chiosso Cavalli & Brewer
1999 Harrison St., Suite 1600, Oakland, CA 94612

(510) 832-5411

DATE: _____ Clerk, by _____, Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



NOTICE TO THE PERSON SERVED: You are served

1. as an individual defendant.
2. as the person sued under the fictitious name of (specify):
3. on behalf of (specify):

under: <input type="checkbox"/> CCP 416.10 (corporation)	<input type="checkbox"/> CCP 416.60 (minor)
<input type="checkbox"/> CCP 416.20 (defunct corporation)	<input type="checkbox"/> CCP 416.70 (conservatee)
<input type="checkbox"/> CCP 416.40 (association or partnership)	<input type="checkbox"/> CCP 416.90 (authorized person)
<input type="checkbox"/> other (specify):	
4. by personal delivery on (date):

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Attorneys for Plaintiffs
SLATER MATZKE, ET AL.

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SOLANO

SLATER MATZKE; JOANNA ALTMAN;
and WILLIAM MORAT,

Plaintiffs,

vs.

CITY OF VALLEJO; GREG NYHOFF;
RANDY RISNER; ANNE CARDWELL;
HEATHER RUIZ; and DOES 1-50,
inclusive,

Defendants.

Case No.:

COMPLAINT FOR DAMAGES
1. VIOLATION OF LABOR CODE
SECTION 1102.5
2. HARASSMENT
3. RETALIATION
4. DEFAMATION

DEMAND FOR TRIAL BY JURY

1 **I. INTRODUCTION**

2 1. Plaintiffs Slater Matzke, William Morat, and Joanna Altman were dedicated and
3 successful public servants for the City of Vallejo for many years. All three (3) Plaintiffs worked
4 in supervisory positions, where they learned of and/or witnessed incidents of discrimination,
5 harassment, and retaliation. They were shocked to find that Human Resources rarely, if ever,
6 investigated complaints of these incidents. Further, they were retaliated against and harassed
7 after making complaints of discrimination, harassment, and retaliation on behalf of an aggrieved
8 employee.

9 2. In their positions, they also worked closely with the City Manager, Greg Nyhoff.
10 Nyhoff did nothing to remedy these issues, instead fostering this hostile environment. In fact,
11 Nyhoff, himself, engaged in improper, unethical, corrupt, and illegal conduct. Of particular
12 importance, Nyhoff has undermined Vallejo's position in negotiations regarding the
13 development of land on North Mare Island, favoring and benefitting a private developer contrary
14 to and to the detriment of Vallejo. However, Nyhoff used Vallejo employees to conceal his
15 actions, including by firing employees and pressuring employees and legislators to publicly state
16 their support for him.

17 3. Eventually, the City Council did order an investigation of Nyhoff. During the
18 investigation, Plaintiffs reported these concerns – after being threatened with termination if they
19 refused to participate and/or failed to be as truthful as possible. Although the interviews should
20 have remained confidential, Plaintiffs' statements during their interviews were disclosed to
21 Nyhoff. As a result of their whistleblowing and complaints of unlawful discrimination, Plaintiffs
22 were all terminated from their employment.

23 **II. PARTIES**

24 4. Plaintiff SLATER MATZKE (hereinafter, "Matzke") worked for defendant City
25 of Vallejo at all times material to this Complaint for Damages and Demand for Trial by Jury.

26 5. Plaintiff JOANNA ALTMAN (hereinafter, "Altman") worked for defendant City
27 of Vallejo at all times material to this Complaint for Damages and Demand for Trial by Jury.

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1 6. Plaintiff WILLIAM MORAT (hereinafter, "Morat") worked for defendant City
2 of Vallejo at all times material to this Complaint for Damages and Demand for Trial by Jury
3 (hereinafter, "Complaint").

4 7. Matzke, Altman, and Morat are, from time to time, referred to in this Complaint
5 collectively as "Plaintiffs."

6 8. Defendant CITY OF VALLEJO (hereinafter, "Vallejo") and Does 1 through 10,
7 were public entities, duly organized and existing under and by virtue of the laws of the State of
8 California.

9 9. Defendant GREGORY NYHOFF (hereinafter, "Nyhoff") was the City Manager
10 for defendant Vallejo at all times material to this Complaint. He is being sued individually and
11 in his official capacity.

12 10. Defendant RANDY RISNER (hereinafter, "Risner") was the City Attorney for
13 defendant Vallejo at all times material to this Complaint. He is being sued individually and in
14 his official capacity.

15 11. Defendant ANNE CARDWELL (hereinafter, "Cardwell") was the Assistant City
16 Manager for defendant Vallejo at all times material to this Complaint. She is being sued
17 individually and in her official capacity.

18 12. Defendant HEATHER RUIZ (hereinafter, "Ruiz") was the Human Resources
19 Director for defendant Vallejo at all times material to this Complaint. She is being sued
20 individually and in her official capacity.

21 13. Plaintiffs are ignorant of the true names and capacities of the defendants sued
22 herein as Does 11 through 50, inclusive, and therefore sue these defendants by such fictitious
23 names and capacities. Plaintiffs are informed and believe, and on that basis allege, that each
24 defendant sued under such fictitious names is in some manner responsible for the occurrences
25 herein alleged, and that Plaintiffs' injuries as herein alleged were proximately caused by the
26 conduct of such defendants.

27 14. Nyhoff, Risner, Cardwell, Ruiz, and Does 1 through 50, inclusive, are, from time
28 to time, referred to in this Complaint collectively as "Defendants."

1 **III. JURISDICTION AND VENUE**

2 15. The Court has personal jurisdiction over the defendants because they were
3 residents of and/or a public entity in the State of California.

4 16. At all relevant times, defendants' conduct complained of herein occurred in the
5 County of Solano, in the State of California. Additionally, Vallejo is located in the County of
6 Solano. Therefore, venue in the County of Solano is proper.

7 **IV. EXHAUSTION OF REMEDIES**

8 17. Pursuant to Government Code section 910, on October 21, 2020, Plaintiff Slater
9 Matzke filed a Claim for Damages with defendant the City of Vallejo in proper form and within
10 the applicable statutory period, a copy of which is attached hereto as Exhibit "1", and
11 incorporated herein by reference. On December 4, 2020, the City of Vallejo denied Matzke's
12 claim. A copy of the "Notice of Rejection" of Matzke's claim is attached hereto as Exhibit "2"
13 and is incorporated herein by reference.

14 18. Pursuant to Government Code section 910, on October 21, 2020, Plaintiff Joanna
15 Altman filed a Claim for Damages with defendant the City of Vallejo in proper form and within
16 the applicable statutory period, a copy of which is attached hereto as Exhibit "3", and
17 incorporated herein by reference. On December 4, 2020, the City of Vallejo denied Altman's
18 claim. A copy of the "Notice of Rejection" of Altman's claim is attached hereto as Exhibit "4"
19 and is incorporated herein by reference.

20 19. Pursuant to Government Code section 910, on August 19, 2020, Plaintiff Will
21 Morat filed a Claim for Damages with defendant the City of Vallejo in proper form and within
22 the applicable statutory period, a copy of which is attached hereto as Exhibit "5", and
23 incorporated herein by reference. The claim was amended on October 21, 2020, a copy of which
24 is attached hereto as Exhibit "6", and incorporated herein by reference. On December 4, 2020,
25 the City of Vallejo denied Morat's amended claim. A copy of the "Notice of Rejection" of
26 Morat's amended claim is attached hereto as Exhibit "7" and is incorporated herein by reference.

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1 20. On February 5, 2021, Plaintiff Slater Matzke filed a complaint with the
2 California Department of Fair Employment and Housing (“DFEH”), DFEH Matter Number
3 202102-12538305, requesting an immediate right-to-sue notice, a copy of which is attached
4 hereto as Exhibit “8” and incorporated herein by reference.

5 21. On February 5, 2021, Plaintiff Joanna Altman filed a complaint with the
6 California Department of Fair Employment and Housing (“DFEH”), DFEH Matter Number
7 202102-12538905, requesting an immediate right-to-sue notice, a copy of which is attached
8 hereto as Exhibit “9” and incorporated herein by reference.

9 22. On February 5, 2021, Plaintiff William Morat filed a complaint with the
10 California Department of Fair Employment and Housing (“DFEH”), DFEH Matter Number
11 202102-12539105, requesting an immediate right-to-sue notice, a copy of which is attached
12 hereto as Exhibit “10” and incorporated herein by reference.

13 23. Therefore, Plaintiffs have exhausted all administrative remedies.

14 **V. FACTUAL SUMMARY**

15 24. Gregory (“Greg”) Nyhoff, the City Manager for Vallejo, engaged in graft and
16 corruption, using his position to his benefit as he curated close relationships with land
17 developers, particularly wealthy ones. Nyhoff then negotiated against Vallejo’s interest
18 regarding contracts between Vallejo and those developers.

19 25. Moreover, Nyhoff created a culture of discrimination, harassment, and retaliation
20 in Vallejo that was so deeply embedded that other employees felt free to do the same.
21 Exacerbating this issue, the Human Resources department and its Director, defendant Heather
22 Ruiz, rarely investigated complaints submitted to the office. Further, when Vallejo finally
23 investigated the ongoing discrimination of Morat and Matzke’s employee, it centered its
24 investigation on Morat – who had complained of the discrimination – rather than the bad actor.

25 26. In or around March 2020, the City Council finally ordered an investigation of
26 Nyhoff. However, this was a sham investigation that resulted in Plaintiffs’ terminations, simply
27 because they raised complaints as whistleblowers and for reporting of, and participating in the
28 investigation of complaints of, unlawful discrimination.

1 32. Nyhoff's tenure with the City of Vallejo has been marred by bad acts, including
2 those that affect the entire city and its residents. Egregiously, Nyhoff violated his oath of office
3 and duties as City Manager, blatantly engaging in graft and corruption, putting his own desires
4 far above those of Vallejo and its residents. Again, if any employee threatened his corrupt
5 activities, they were terminated or eventually resigned when they were unable to continue to
6 endure their working conditions.

7 33. A significant cause for Plaintiffs' concern was Nyhoff's actions regarding the
8 North Mare Island project, which concerns the development of approximately 157-acres of
9 vacant, City-owned land. This real estate opportunity will undoubtedly impart substantial
10 benefits to Vallejo and its residents. Plaintiffs Matzke and Morat were a core part of the
11 negotiating team for this project.

12 34. The original term sheet for development rights in the North Mare Island project
13 provided significant benefits to Vallejo, including specific performance benchmarks and clearly
14 defined objectives and required the developer to assume Vallejo's holding costs for the land -
15 \$450,000 per year.

16 35. In or around Fall 2019, Nyhoff met with potential developer investors in
17 Tennessee. He also met with them over the holiday break in or around December 2019 -
18 January 2020. After these meetings, Nyhoff essentially shredded the original term sheet,
19 ordering it renegotiated. Where he had previously been largely uninvolved, Nyhoff actively
20 participated in these renegotiations, but weakened Vallejo's position such that the final term
21 sheet had removed all of Vallejo's power and control in the development process of its own land
22 - removing all benchmarks or performance milestones, omitting public infrastructure
23 requirements, and eliminating all conditions of sale that would have ensured actual development.

24 36. Further, in or around January 2020, Nyhoff stepped in and severed
25 communications between the developers and Vallejo's negotiation team, of which Plaintiffs
26 Matzke and Morat were a core part. This made it essentially impossible for Plaintiffs or other
27 team members to advocate for Vallejo.

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1 37. In or around October 2019, after Vallejo and the North Mare Island developer
2 had agreed to a term sheet, but before staff had taken the term sheet to City Council for approval,
3 Nyhoff commanded Morat to change the wording in the term sheet that would shift a
4 performance benchmark from “construction complete” to “construction substantially complete.”
5 Morat told Nyhoff the subjective insertion of “substantial” would water down the term sheet,
6 rendering it unenforceable, and that Vallejo “will end up in court arguing over what is
7 ‘substantially complete’ five years from now,” or words to that effect. Nyhoff replied, “I don’t
8 care, I won’t be here five years from now,” or words to that effect. Morat replied that other
9 departments on the negotiating team would never agree to such a unilateral change, and that it
10 would effectively negate the entire purpose of the term sheet. When Morat stated, essentially, “I
11 have never made a recommendation to City Council that I didn’t believe wasn’t absolutely the
12 best thing for the City of Vallejo – I can’t put that word in,” Nyhoff replied, “then I’ll find
13 someone who will.”

14 38. Morat confided in Altman that Nyhoff had threatened his employment if he
15 would not negotiate away Vallejo’s position to benefit the developer. A similar, but separate
16 interaction had occurred with another Vallejo employee who had also been on the receiving end
17 of a threat to her employment by Nyhoff. While visibly upset, she told Altman that she had
18 warned Nyhoff that “substantially complete” would need to be defined, otherwise Vallejo would
19 have no standard to measure development. Nyhoff attempted to bully her by threatening to find
20 someone else to do her job – strikingly similar to how Nyhoff reacted to Morat.

21 39. Plaintiffs Matzke and Morat refused to follow Nyhoff’s marching orders during
22 the renegotiation and water down the agreement, continuing to advocate for the original terms,
23 i.e., the terms that most benefited Vallejo – not the developers. Nyhoff simply told them that he
24 would find someone else to do what he wanted.

25 40. There were numerous other red flags that caused Plaintiffs grave concern.

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1 41. Multiple staff recommendations were made regarding a proposed development
2 on City-owned land adjacent to the Napa River/San Francisco Bay, recommending that the
3 developer address future sea level rise. Instead, Nyhoff tried to ignore the many
4 recommendations, wanting to just let the developer build “as is.” Without requiring any
5 mitigation for future sea level rise would have created tremendous future liability for Vallejo.
6 Nyhoff eventually relented.

7 42. Nyhoff repeatedly asked staff to reconsider accepting land from the United
8 States Navy which held a former landfill. The City Council had engaged in numerous
9 discussions about the tremendous liability that would result from taking the toxic and polluted
10 land and consistently decided not to accept the land. Nyhoff believed that he could convince
11 City Council to change their mind and act against the best interest of Vallejo.

12 43. In or around Fall 2018, Vallejo’s building inspectors red-tagged a condemned
13 City-owned building on City-owned Mare Island Preserve for numerous violations, including
14 having no running water, a dangerous roof and structure, no electrical service, and asbestos
15 contaminants. Nyhoff wanted to rescind the red-tag and allow a group to continue to use the
16 building to host public events. He refused to listen to multiple staff members from multiple
17 departments who advised him that, once Vallejo inspected the building and was aware of the
18 danger, rescinding a red-tag would effectively assume tremendous liability for Vallejo in the
19 event something happened. Nyhoff would also verbally abuse staff who tried to advise him of
20 these concerns, including Morat.

21 44. In October 2019, due to a “Red Flag” warning and wind event, Pacific Gas &
22 Electric had launched their Public Safety Power Shutoff. In response, Vallejo activated the
23 Emergency Operations Center (“EOC”). The activation was chaotic. Nyhoff was late every
24 morning, forcing staff to wait for daily EOC briefs. According to Nyhoff, he would arrive forty-
25 five (45) minutes late because his power came back on and he wanted to take a shower. Nyhoff,
26 the Incident Commander, and Vallejo Fire Department Chief Daryl Arbuthnott would argue in
27 front of staff about who was in charge of what. Nyhoff had ignored recommendations to train as
28 a team in order to prepare for an EOC activation, which would have prevented such arguments.

1 Altman, who was a member of the EOC team, was approached by another employee. The
2 employee was upset and concerned that Nyhoff did not take the activation seriously and was
3 indifferent about the natural and man-made danger facing Vallejo.

4 45. Additionally, confidential information regarding the Blue Rock Springs Golf and
5 Housing Project had been leaked to a project opponent, who was threatening litigation, several
6 times. When confronted with this alarming information, including evidence that the leak was
7 coming from Vallejo’s Director of Planning and Building, Nyhoff willfully ignored and
8 dismissed these incidents.

9 46. Plaintiffs were also concerned when Nyhoff retracted a public, documented
10 promise to contribute \$50,000 in City funding to a non-profit capital project, in which the
11 developers were heavily involved, on City-owned land. Nyhoff did so because Vallejo staff was
12 advising on the inclusion of a prevailing wage, as required by law.

13 C. **Nyhoff Fostered a Culture of Discrimination, Harassment, and**
14 **Retaliation.**

15 47. Within the walls of City Hall, Nyhoff fostered a culture of discrimination,
16 harassment, and retaliation. He expected all employees to fall in line, obeying his every
17 command, regardless of the command’s correctness, ethics, or impact. If an employee failed to
18 adhere to Nyhoff’s demands and follow him without question, Nyhoff either terminated them or
19 made their working conditions so untenable that they resigned.

20 48. A Council Member confided in Plaintiff Altman that Vallejo employees had
21 informed them of Nyhoff’s discrimination, harassment, retaliation, and bullying. Further, the
22 Council Member disclosed that Nyhoff had bullied them, including pressuring them into signing
23 a letter requesting that the Department of Justice investigate the Vallejo Police Department.

24 49. Herb Lester, who worked for Vallejo in or around 2018 as a Risk Manager,
25 harassed female staff. Although Nyhoff eventually fired Lester, he did not do so until multiple
26 complaints were made by senior staff.

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1 50. Rob White, who worked for Vallejo as Director of Development Services,
2 harassed female staff. In or around January 2019, he joined the team working on the North Mare
3 Island project, of which Plaintiffs Matzke and Morat were also members. In one instance, the
4 team and Nyhoff were on a ferry to San Francisco to meet with developers. White told a female
5 team member, “shouldn’t you be back at your desk working since you can’t keep up with
6 everyone else,” or words to that effect, while putting his hands on her shoulder. It was clear that
7 the team member was uncomfortable with both White’s words and his physical contact. White
8 also constantly attacked the reputation, character, and abilities of his colleagues – including
9 Plaintiffs – behind their backs. Although Nyhoff eventually fired White, again, he did not do so
10 until multiple complaints were made by senior staff.

11 51. One substantial motivating factor for Plaintiffs’ termination was their reporting
12 of, and attempts to resolve the serious and ongoing discrimination against, and harassment and
13 bullying of, an employee, a Black woman who worked for Morat and Matzke, by Judy Shepard-
14 Hall, Vallejo’s Housing and Community Development Manager.

15 52. The employee had reached out to Plaintiff Morat numerous times, dating back to
16 January 2019, seeking guidance on how to handle Shepard-Hall’s abuse. She had also filed
17 multiple complaints with Human Resources (hereinafter, “HR”), but nothing was done.

18 53. On or around February 18, 2020, Morat and the employee attempted to attend a
19 project meeting, run by Shepard-Hall. The moment they arrived, Shepard-Hall pulled Morat
20 aside and told him, “This meeting isn’t for staff. You’re going to have to have [the employee]
21 leave.” Incensed, Morat and the employee left.

22 54. Immediately after, Morat spoke to Plaintiffs Altman and Matzke about the
23 incident. Altman and Matzke encouraged the employee to report this incident to HR as race
24 discrimination and to go directly to Nyhoff. In a show of support, Morat went to HR with the
25 employee to report the incident, where they spoke to Doris Papillon-Allen, Personnel Analyst II.
26 That evening, Morat sent two (2) emails. The first was an email to all those in attendance at the
27 meeting, briefly explaining why he had left so abruptly. The second was sent to Defendants
28 Nyhoff, Heather Ruiz, Director of Human Resources, and Anne Cardwell, Assistant City

1 Manager, as well as Papillon-Allen, regarding the incident and Shepard-Hall’s ongoing treatment
2 of the employee, officially lodging a complaint regarding the same.

3 55. The next day, Morat met with Nyhoff and Ruiz, who told him that he was being
4 placed on administrative leave. Nyhoff refused to offer any explanation. When Morat asked
5 Ruiz for an explanation, she simply said, “You shouldn’t have sent the email,” or words to that
6 effect. This was clearly retaliation for standing up for and protecting the employee, who was a
7 victim of race discrimination.

8 56. Shortly after Morat was placed on leave, Matzke assumed the role of interim
9 supervisor for the Economic Development Division. He reviewed all of the allegations regarding
10 the discrimination, harassment, and treatment of the employee. He emailed Defendants Nyhoff,
11 Ruiz, Cardwell, and Risner, expressing his concerns. Again, Matzke’s concerns were
12 unanswered. Matzke also spoke to the employee, who told him that HR had not responded to
13 any of their complaints. Matzke then spoke to Nyhoff and sent him an email expressing his
14 further concerns and requesting guidance on how to handle the situation. Nyhoff was
15 unresponsive and dismissive of the issue, and failed to address these serious HR violations and
16 allegations.

17 57. The employee then reached out to Altman, asking for advice. The employee
18 discussed how Shepard-Hall had been discriminating against, and harassing and bullying, her.
19 Altman advised her to fully document everything that had happened thus far and going forward,
20 send it to Nyhoff, and to reach out to her union representative.

21 58. Notably, Shepard-Hall is close friends with Defendants Ruiz and Cardwell –
22 Shepard-Hall’s supervisor. In fact, shortly before the February 18 meeting, Shepard-Hall asked
23 Ruiz if she would “get in trouble” if she kicked Morat and the employee out, or words to that
24 effect. Ruiz told her that she would not. Further, whenever a complaint was made to Ruiz about
25 Shepard-Hall, Ruiz would tell her who had complained and would refuse to investigate.

26 59. Further, Shepard-Hall conspired with one of Morat’s direct reports to terminate
27 Morat.

28 ///

1 60. In or around early March 2020, an investigation of Shepard-Hall’s actions was
2 conducted. All Plaintiffs were interviewed. During the interviews with Matzke and Altman, the
3 majority of the questions related to Morat and his behavior, management style, and conduct –
4 nothing to do with Shepard-Hall’s conduct.

5 61. In fact, Shepard-Hall and defendants Ruiz and Cardwell all conspired to
6 terminate Plaintiffs. It is clear that, although the investigation should have been confidential,
7 Plaintiffs’ statements were disclosed to Shepard-Hall.

8 62. Additionally, Nyhoff told Shepard-Hall that, if she signed a letter in support of
9 him (“March 13 letter”) which stated that he was not a racist and/or made public statements to
10 that effect, he would protect her in the investigation of her actions. Shepard-Hall signed the
11 letter.

12 **D. Nyhoff Openly Confirmed That He Is Racist.**

13 63. Vallejo stresses the importance of promoting diversity among its staff members.
14 However, Vallejo’s message was not furthered by Nyhoff during SLT meetings. In the fall of
15 2019, during a SLT Meeting, Nyhoff started talking about Vallejo’s diversity training. He told
16 the SLT, “I was a big racist well into my thirties. I did not trust Mexicans or African Americans.
17 I did not go into their neighborhoods because I thought they would rob me. I didn’t talk to them;
18 I didn’t associate with them. I was scared of them.” Nyhoff did not offer any details about any
19 subsequent transformation, other than to say the SLT was diverse.

20 64. During a SLT meeting in January 2020, defendant Ruiz discussed Vallejo
21 participating in a diversity conference and training, which would result in plans to update City
22 personnel rules and ordinances. Nyhoff reminded the team – a very diverse group – that he had
23 shared that he was a racist growing up and that he “was afraid of any one of color and that it was
24 probably because he grew up in Kansas.”

25 65. Nyhoff’s confessions of being a racist visibly made staff members very
26 uncomfortable and clearly demonstrate his animus against Plaintiffs for reporting discrimination
27 and harassment.

28 ///

1 Leadership Team other than Plaintiffs, to City Council.

2 70. Prior to the interviews, Risner informed Matzke that he could be terminated for
3 refusing to participate in the interview and that he must be honest, open, and include all details in
4 his answer to the questions. Matzke expressed his concerns that one of the key issues with
5 Nyhoff was an HR matter and that HR's involvement in the investigation was inappropriate and
6 presented a clear conflict of interest.

7 71. On March 31, 2020, Plaintiffs were individually interviewed by Linda Daube
8 (hereinafter, "Daube"), the attorney hired to conduct the interview. Daube audio-recorded their
9 interview, which Vallejo has refused to provide to Plaintiffs.

10 72. Throughout the interviews, Plaintiffs were repeatedly advised that they "had to
11 tell the truth," "would be terminated if found to be untruthful or unforthcoming," and "would be
12 terminated if they did not fully participate in the investigation" of Nyhoff. Of course, Plaintiffs'
13 only intention throughout the interview was to be honest and candid, and to provide truthful
14 information for the good of Vallejo.

15 73. During the interview, Daube asked Plaintiffs if they knew of various alleged
16 improper, unethical, and inappropriate actions regarding Nyhoff. Plaintiffs reported that Nyhoff:
17 failed to put the best interests of Vallejo above his own; used his position to benefit developers,
18 such as favoritism to the provision of favors to Mare Island developers with whom Nyhoff had
19 developed deep personal relationships; and threatened and bullied his subordinates when they
20 questioned his decisions and conduct. In fact, Nyhoff would demote and terminate employees
21 who questioned him or stood in the way of these close relationships. Plaintiffs also raised
22 concerns with Daube about the validity of the March 13 letter. Additionally, Plaintiffs cited
23 improper and inappropriate behavior in the handling of the aforementioned Emergency
24 Operations Center activation in which Nyhoff, the Incident Commander, verbally jostled with
25 the Vallejo Fire Department Chief Daryl Arbuthnott in front of twenty (20) employees during a
26 critical incident – where time was of the essence – and then personally halted forward progress,
27 as he was forty-five (45) minutes late to an Operations debrief, he had called for, because he
28 "wanted to take a shower."

1 74. During Daube’s investigation, Plaintiffs also discussed the uneasy and hostile
2 work environment created by Nyhoff and his retaliatory, discriminatory, and bullying behavior.
3 They discussed Nyhoff’s failure to pay attention to, or read, reports, his failure to stay updated
4 on key issues even when given talking points from his staff, and the blame that Nyhoff placed on
5 his staff when these failures caused him problems. In response to questions about Nyhoff and
6 discrimination, Plaintiffs detailed the harassment, discriminatory and bullying culture cultivated
7 by him, as well as his willful failure to investigate HR complaints. In short, each Plaintiff raised
8 issues about possible violations of State and local law, regulations, charters, and rules.

9 75. Daube asked them if Nyhoff ever brought up issues of race or gender in Senior
10 Leadership Team meetings. Plaintiffs confirmed that Nyhoff repeatedly admitted to being a
11 racist during his thirties.

12 76. Daube informed Plaintiffs that a report and some transcripts would be prepared
13 and then shared with Risner, who was responsible for maintaining the confidentiality of the
14 investigation and preventing Nyhoff from obtaining information shared by all those interviewed,
15 including. Morat repeatedly told Daube during his interviews that, “Nyhoff is going to get ahold
16 of this report, and he’s going to use it as a hitlist to go after anyone who said anything critical of
17 him,” or words to that effect. Plaintiffs were assured that the investigation was otherwise
18 confidential. Contrary to her assurances, defendant Risner and Boucher shared confidential
19 information from the interviews with Nyhoff. In fact, Boucher encouraged Nyhoff to fire
20 Plaintiffs based on their interviews.

21 **G. Defendants Retaliated Against and Terminated Plaintiffs for**
22 **Whistleblowing.**

23 77. The City Council concluded the investigation of Nyhoff in a closed-door session
24 on April 22, 2020. The following morning, on April 23, 2020, Plaintiffs were summarily
25 terminated. As noted above, only four (4) hours later, the employee that Plaintiffs had advocated
26 for was notified that the investigation of Shepard-Hall’s harassment was closed and that her
27 claims were “not sustainable.”

28 ///

1 78. Instead of conducting a legitimate investigation, Vallejo wrongfully terminated
2 Plaintiffs. These wrongful terminations are clearly demonstrative of and executed on the basis of
3 Plaintiffs' whistleblowing. Further, instead of conducting a legitimate investigation of race
4 discrimination, Vallejo wrongfully harassed, retaliated against, and terminated Plaintiffs for
5 participating in the investigation of complaints of unlawful discrimination based on race and for
6 reporting unlawful discrimination based on race.

7 79. Again, Plaintiffs had excellent records of service. Their only "offense" was
8 speaking up against a City Manager who had allowed, encouraged, and directly participated in
9 creating and sustaining a workplace environment rife with illegal discrimination. Plaintiffs'
10 disclosures to the investigator and to Vallejo officials constituted legally protected
11 "whistleblowing."

12 80. Immediately following Plaintiffs' termination, Plaintiff Matzke began, and
13 continues to receive, threatening emails and messages from an employee of Vallejo. The
14 threatening messages are being sent directly to an email used by Matzke to make Public Records
15 Requests. A limited number of City staff have access to this information. Further, a Vallejo
16 police car was parked outside of Matzke's home on at least four (4) occasions for no apparent
17 reason other than to intimidate him.

18 **H. Defendants Continue to Defame Plaintiffs.**

19 81. Adding insult to injury, Defendant Vallejo, by and through its staff, Council
20 Members, and Nyhoff, have smeared the personal and professional reputation of Plaintiffs.
21 These statements have been made to the media, Vallejo employees, and community members.
22 These statements include, but are not limited to the following:

- 23 (a) Vallejo, its staff and its representatives, including Defendants, have spread
24 false rumors about Plaintiffs' professional performance. Vallejo has
25 repeatedly publicly confirmed that Plaintiffs' termination was not related to
26 COVID-19, but rather were due to a "personnel matter," thereby corroborating
27 the aforementioned false rumors.

28 ///

- 1 (b) The Human Resources Department, of which defendant Ruiz is the Director,
2 has told many individuals that Plaintiffs were fired for “doing something
3 illegal,” or words to that effect. Specifically, Plaintiffs have been accused of
4 embezzling money.
- 5 (c) Vallejo disclosed, in a Public Records Act Request, that Morat had been
6 placed on paid administrative leave from February 2019 to April 23, 2020. In
7 another Request, Vallejo refused to disclose the same information on another
8 PRA about police officers, correctly citing the exclusion.
- 9 (d) In or around May 2020, an anonymous phone call was made to an individual
10 in another agency of Vallejo, wherein the caller threatened to “be careful of
11 recommending Will.”

12 82. However, Defendants’ actions – i.e., spreading false information and accusations
13 – are not unique to Plaintiffs. Vallejo has a pattern and practice of making and disseminating
14 similar wild accusations against former employees, particularly those fired by Nyhoff and
15 whistleblowers. For example, former Vallejo Police Captain John Whitney, a decorated officer
16 and whistleblower, who exposed several issues in the Vallejo Police Department (“hereinafter
17 “VPD”), including the practice of Vallejo police officers bending back star points on their
18 badges after they kill someone in the line of duty, and the failure of the VPD to conduct an
19 internal investigation of the officer-involved shooting of Willie McCoy, who was gunned down
20 by six (6) VPD officers and hit with fifty-five (55) bullets. Vallejo terminated Whitney for
21 allegedly removing personal data from his work-issued cellphone while he was under
22 investigation for improperly handling information. Tellingly, Whitney was cleared of those
23 allegations.

24 83. Obviously, this defamation has impacted Plaintiffs emotionally and
25 economically and continues to do so, as Defendants continue to concoct and spread vicious
26 falsehoods about Plaintiffs. In fact, Defendants’ actions have prevented each Plaintiff from
27 finding future employment consistent with their earning potential and qualifications in their
28 chosen profession.

FIRST CAUSE OF ACTION
Violation of Labor Code section 1102.5
[Plaintiffs Against Vallejo]

84. Plaintiffs incorporate by reference and reallege each and every allegation set forth above, as though fully set forth herein.

85. Defendants' actions, as described above, violate California Labor Code section 1102.5(b), which provides that, "[a]n employer, or any person acting on behalf of the employer, shall not retaliate against an employee for disclosing information, or because the employer believes that the employee disclosed or may disclose information, to a government or law enforcement agency, to a person with authority over the employee or another employee who has the authority to investigate, discover, or correct the violation or noncompliance, ... if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee's job duties."

86. Defendants' actions, as described above, violate California Labor Code section 1102.5(c), which provides that "[a]n employer, or any person acting on behalf of the employer, shall not retaliate against an employee for refusing to participate in an activity that would result in a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation."

87. Plaintiffs reasonably believed that Defendants' conduct violated, *inter alia*, the California Fair Employment and Housing Act (hereinafter, "FEHA"), California Government Code section 12900, *et seq.*, and California Government Code sections 1090, 87100, *et seq.*

88. Defendant Vallejo would abide by its own internal handbooks, procedures, written agreements, rules and regulations, amendments and modifications to agreements in, *inter alia*, not retaliating against whistleblowers; government ethics; selecting employees for termination; bullying, harassment, discrimination, retaliation, and conducting investigations of the same; conducting investigations of graft and corruption; and procedures for handling complaints.

///

GWILLIAM IVARY CHIOSSO CAVALLI & BREWER
ATTORNEYS AT LAW
A Professional Corporation
1999 Harrison St., Suite 1600, Oakland, CA 94612

1 89. Plaintiffs performed all the conditions of their employment agreements that were
2 required of them.

3 90. Defendant Vallejo failed to carry out its responsibilities under the terms of the
4 employment agreement by wrongfully, and without cause, discharging Plaintiffs. Vallejo further
5 breached its employment agreement with Plaintiffs by unlawfully retaliating against them.

6 91. Plaintiffs' discharge from their employment was not for good cause and violated
7 the due process provisions of the written and implied policies and procedures which governed
8 the employee-employer relationship between Plaintiffs and Vallejo.

9 92. As a direct, legal, and proximate cause of Defendant Vallejo's breach of
10 employment agreement, Plaintiffs suffered, and continue to suffer, substantial losses in earnings
11 and benefits, which they would have received had Vallejo not breached the employment
12 agreements with Plaintiffs.

13 **SECOND CAUSE OF ACTION**
14 **Harassment (Gov. Code § 12900, et seq.)**
15 **[Plaintiffs Against Defendants]**

16 93. Plaintiffs incorporate by reference and realleges each and every allegation set
17 forth above, as though fully set forth herein.

18 94. Under the FEHA, it is an unlawful employment practice "[f]or an employer . . .
19 or any other person, because of race ... to harass an employee Harassment of an employee
20 ... shall be unlawful if the entity, or its agents or supervisors, knows or should have known of
21 this conduct and fails to take immediate and appropriate corrective action. ... An entity shall
22 take all reasonable steps to prevent harassment from occurring." (Gov. Code, § 12940(j)(1).)
23 "'Race ... ' includes a perception ... that the person is associated with a person who has, or is
24 perceived to have, any of those characteristics." (Gov. Code, § 12926(o).) At all times herein
25 mentioned, Government Code section 12940, subsection (j)(1) was in full force and effect and
26 was binding on Defendants.

26 ///

27 ///

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1 95. The employee that Plaintiffs are associated with is a member of a protected class
2 within the meaning of the FEHA based on the employee's race, African American. At all times
3 material to this complaint, Plaintiffs satisfactorily performed their duties and responsibilities, as
4 expected by the Defendants.

5 96. Plaintiffs and informed, believe, and thereon allege that their complaints of race
6 discrimination were a substantial motivating reason in the Defendants' continuing course of
7 unlawful conduct, including discrimination and harassment, as set forth hereinabove.

8 97. In particular, Defendants Nyhoff, Risner, Cardwell, and Ruiz's mistreatment of
9 Plaintiffs included, but was not limited to:

- 10 (a) Defendants Nyhoff and Ruiz willfully ignored and refused to investigate
11 numerous complaints of race discrimination made by Plaintiffs and others.
12 When Plaintiffs directly confronted Nyhoff with complaints of race
13 discrimination, Nyhoff was unresponsive and dismissive.
- 14 (b) Shepard-Hall conspired with Defendants Cardwell and Ruiz to terminate
15 Plaintiffs for reporting her unlawful discriminatory and harassing conduct.
- 16 (c) Defendant Ruiz told Plaintiff Morat that he was being placed on
17 administrative leave for making a complaint of race discrimination.
- 18 (d) The majority of the questions asked during the investigation of Shepard-Hall's
19 conduct did not focus on her conduct, but on Plaintiff Morat and his behavior,
20 management style, and conduct.
- 21 (e) Defendant Nyhoff told Shepard-Hall that, if she signed a letter in support of
22 him, he would protect her in the investigation of her actions.
- 23 (f) Plaintiffs' statements regarding, *inter alia*, Defendant Nyhoff's refusal to
24 investigate complaints of race discrimination, made during their interviews
25 pursuant to the investigation of Nyhoff, should have remained confidential.
26 However, Defendant Risner disclosed those statements to Nyhoff.

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1 98. The aforementioned conduct of Defendants Nyhoff, Risner, Cardwell, and Ruiz,
2 which was known or should have been known to Defendant Vallejo, was far outside the scope of
3 necessary job performance and was instead engaged in for personal gratification, because of
4 meanness or bigotry, or for other personal motives. (See *Reno v. Baird* (1998) 18 Cal.4th 640,
5 645-46.) Such harassment is in violation of the FEHA and has resulted in damage and injury to
6 Plaintiffs, as alleged herein.

7 99. Within the time provided by law, Plaintiffs filed complaints of harassment and
8 retaliation with the DFEH. Right-to-sue notices for Plaintiffs were issued on February 5, 2021.

9 100. As a proximate result of the Defendants' willful, knowing, and intentional
10 discrimination and harassment against Plaintiffs, they have sustained and continue to sustain
11 substantial losses in earnings and other employment benefits.

12 101. As a direct and proximate result of the Defendants' unlawful conduct, Plaintiffs
13 have sustained and continue to sustain physical injuries, pain and suffering, extreme and severe
14 mental anguish, and emotional distress. Plaintiffs have also incurred and will continue to incur
15 medical expenses for treatment and for incidental medical expenses. Plaintiffs are thereby
16 entitled to general and compensatory damages in amounts to be proven at trial.

17 102. The Defendants' conduct as described above was willful, despicable, knowing,
18 and intentional; accordingly, Plaintiffs seek an award of punitive and exemplary damages in an
19 amount according to proof.

20 **THIRD CAUSE OF ACTION**
21 **Retaliation (Gov. Code § 12900, et seq.)**
22 **[Plaintiffs Against Vallejo]**

23 103. Plaintiffs incorporate by reference and realleges each and every allegation set
24 forth above, as though fully set forth herein.

25 104. At all times herein mentioned, Government Code section 12940, subsection (h)
26 was in full force and effect and was binding on Defendants. This section prohibits retaliation
27 because of opposition to, or making a complaint regarding, unlawful discrimination, retaliation,
28 and/or harassment.

///

1 105. After Plaintiffs reported the above-described unlawful discrimination,
2 harassment, and/or retaliation to Defendant Vallejo, Defendants retaliated against Plaintiffs as
3 described above by taking unlawful actions, including but not limited to: denying Plaintiffs
4 promotional opportunities; subjecting Plaintiffs to retaliatory discipline; terminating Plaintiffs;
5 and/or failing to conduct a good-faith investigation into Plaintiffs' complaints of discrimination,
6 harassment, and/or retaliation.

7 106. Defendants' acts, when taken as a whole, materially and adversely affected the
8 terms and conditions of Plaintiffs' employment and/or were adverse employment actions and
9 constitute retaliation in violation of Government Code section 12940, subsection (h).

10 107. Plaintiffs lawful complaints of discrimination, harassment, and/or retaliation,
11 were substantial motivating reasons for Defendants' retaliatory acts, described in detail above.

12 108. Within the time provided by law, Plaintiffs filed complaints of harassment and
13 retaliation with the DFEH. Right-to-sue notice for Plaintiffs were issued on February 5, 2021.

14 109. As a direct and proximate result of the unlawful conduct of Defendants,
15 Plaintiffs were harmed and have suffered, and continue to suffer, special damages including, but
16 not limited to: losses in earnings, bonuses, deferred compensation, employment benefits, earning
17 capacity; opportunities for employment advancement and work experience; and other damages to
18 be proven at the time of trial.

19 110. As a direct and proximate result of the unlawful conduct of Defendants,
20 Plaintiffs were harmed and have suffered, and continue to suffer, general damages including but
21 not limited to shock, embarrassment, humiliation, emotional distress, and other damages to be
22 proven at the time of trial.

23 111. Defendants' conduct was a substantial factor in causing Plaintiffs' harm.

24 112. The individual Defendants committed the acts herein alleged maliciously,
25 fraudulently, and oppressively with the wrongful intention of injuring Plaintiffs, from an
26 improper and evil motive amounting to malice, and in conscious disregard of the rights of
27 Plaintiffs. In light of the individual Defendants' willful, knowing, and intentional retaliation
28 against Plaintiffs, Plaintiffs seek an award of punitive and exemplary damages in an amount

1 according to proof.

2 113. As a direct cause of the acts alleged above, Plaintiffs had to hire the services of
3 an attorney. Plaintiffs has incurred and continues to incur legal expenses and attorneys' fees, and
4 are entitled to an award of attorneys' fees and costs pursuant to Government Code section 12965,
5 subsection (b). Plaintiffs are presently unaware of the precise amount of these expenses and fees
6 and pray leave of court to amend this complaint when the amounts are more fully known.

7 **FOURTH CAUSE OF ACTION**
8 **Defamation**
9 **[Plaintiffs Against Defendants]**

10 114. Plaintiffs incorporate by reference and reallege each and every allegation set
11 forth above, as though fully set forth herein.

12 115. As described herein, Defendants Vallejo, Nyhoff, Risner, Cardwell, Ruiz, and
13 Does 1-50 have intentionally and knowingly made false and defamatory statements regarding
14 Plaintiffs, falsely accusing Plaintiffs of, *inter alia*, insubordination, embezzlement, and
15 professional misconduct. Some of the statements were made to Plaintiffs' former colleagues.
16 Some of the statements were made directly to community members. Many of the statements
17 were made to the general public, including through the media.

18 116. The statements were made with knowledge of falsity or with a reckless disregard
19 for the truth.

20 117. The statements were made with the intent to damage and harm Plaintiffs'
21 reputation and thereby impact their ability to earn a living as public and/or private employees.

22 118. Defendants' false publications are per se defamatory.

23 119. Pursuant to Government Code section 815.2, Defendant Vallejo "is liable for
24 injury proximately caused by an act or omission of an employee ... within the scope of his
25 employment if the act or omission would, apart from this section, have given rise to a cause of
26 action against that employee or his personal representative."

27 120. As a direct and proximate result of the Defendants' wrongful conduct, Plaintiffs
28 have suffered damages, including but not limited to legal expenses, economic losses, loss of
reputation, emotional distress, and other damages.

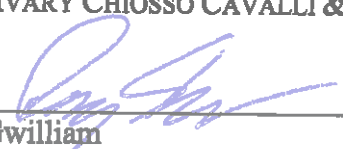
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I. For such other and further relief as the court deems just and proper.

DATE: February 8, 2021

GWILLIAM IVARY CHIOSSO CAVALLI & BREWER



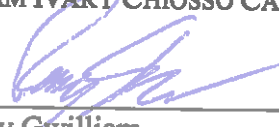
J. Gary Gwilliam
Randall E. Strauss
Attorneys for Plaintiffs
SLATER MATZKE, ET AL.

DEMAND FOR TRIAL BY JURY

Plaintiffs hereby demand a trial by jury

DATE: February 8, 2021

GWILLIAM IVARY CHIOSSO CAVALLI & BREWER



J. Gary Gwilliam
Randall E. Strauss
Attorneys for Plaintiffs
SLATER MATZKE, ET AL.

EXHIBIT 1

CLAIM FOR DAMAGES AGAINST
THE CITY OF VALLEJO, CALIFORNIA
(GOVT. CODE §§10, 910.2 & 910.4)



RECEIVED

OCT 21 2020

Ryan Baldeviss

TO: CITY CLERK
CITY OF VALLEJO, CITY HALL
555 SANTA CLARA STREET, 3RD FLOOR
VALLEJO, CA 94590

Vallejo City Clerk

Date & Time Filed with City Clerk [City Use Only]

CLAIMANT HEREBY PRESENTS THE FOLLOWING CLAIM FOR DAMAGES:

1. Claimant's Name: Slater Matzke
2. Claimant's Address: 3600 American River Drive, Suite 205 City Sacramento Zip Code 95864
3. Claimant's Telephone No. (916) 488-5988 Date of Birth January 28, 1978
4. Date of Incident / Accident / Arrest: April 23, 2020
5. Date of injuries, damages, or losses were discovered: April 23, 2020
6. Location of Incident / Accident / Arrest: Vallejo City Hall, 555 Santa Clara Street, Vallejo CA 94590
7. What did City or employee(s) do to cause this loss, damage, or injury?
See Attachment A.
8. What are the name(s) of the City's employee(s) who caused this injury, damage, or loss (if known)?
Greg Nyhoff, Randy Risner, and Anne Cardwell.
9. What specific injuries, damages, or losses did Claimant sustain?
See Attachment A.
10. What amount of money is Claimant seeking, or the appropriate court of jurisdiction (see reverse)?
In excess of \$1,667,500.00 before attorney's fees and costs.
11. How was this amount calculated? (If applicable, please itemize.)
See Attachment A.
12. Names, addresses, and telephone numbers of witnesses, doctors, hospitals, and any person who can substantiate your claim or the amount claimed: See Attachment B.

13. Any additional information that you believe might be helpful in considering this claim:

See demand letter sent to all City Council Members dated May 15, 2020, and audio-recorded interviews of Claimant.

14. All notices and communications with regard to this claim should be directed to (only to be completed if different than Claimant's address and phone number at Questions 2 and 3 above):

William Ivary Chiosso Cavalli & Brewer

Name: J. Gary Guilliam & Randall B. Strauss Relationship attorneys for Claimant

Address 1999 Harrison Street, Suite 1600 City Oakland Zip Code 94612

Daytime Telephone No: (510) 832-5411

15. DATE: 10/21/20 SIGNATURE: 

If additional space is needed to provide requested information, please attach sheets identifying paragraph(s) being answered.

Answer all items fully and to the best of your knowledge and information. Failure to do so may result in your claim being found insufficient. If you have any questions concerning completion of this form, please contact the Risk Management Division at 707-648-8608. Legal advice concerning your claim should be obtained from your own lawyer.

To assist you in answering Question 10 above, the law requires the claim to show the amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether jurisdiction over the claim would rest in municipal court (\$25,000 or less) or superior court (more than \$25,000). Govt. Code §910(f).

WARNING: PRESENTATION FOR ALLOWANCE OR PAYMENT OF A FALSE OR FRAUDULENT CLAIM, WITH INTENT TO DEFRAUD IS A CRIME PUNISHABLE AS A FELONY UNDER CALIFORNIA PENAL CODE, SECTION 72, AND INSURANCE CODE, SECTION 1871.1.

Updated 10/26/15
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On April 23, 2020, Slater Matzke was wrongfully terminated from the City of Vallejo (“City”) for: complaining about discrimination, harassment and bullying; complaining about the City Manager’s, Greg Nyhoff, improper, unethical, corrupt and illegal conduct; and for participating in investigations regarding the same. These actions are in direct violation of applicable provisions of the California Labor Code and the California Government Code give rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

NYHOFF CREATES A CULTURE OF HARASSMENT, RETALIATION, AND DISCRIMINATION

The Harassment and Discrimination of a Subordinate Employee by other City Employees

One substantial motivating factor for the termination of Mr. Matzke was related to his reporting of, and attempts to resolve the harassment, discrimination, and bullying of an employee, a Black woman who worked for him. On February 22, 2020, upon assuming the role of interim supervisor for the Economic Development Division (“ED”), Mr. Matzke became aware of the serious ongoing harassment and discrimination towards his employee. In his supervisory role, Mr. Matzke reviewed the allegations and directly expressed his concerns to Mr. Nyhoff, Heather Ruiz, the City’s HR Director, Anne Cardwell, the Assistant City Manager, and Randy Risner, the Interim City Attorney. However, Mr. Matzke’s concerns went unanswered and he was dismissed. After the employee informed Mr. Matzke that HR had failed to respond to any of her complaints, Mr. Matzke spoke directly to, and emailed, Mr. Nyhoff expressing his concerns, and requested guidance on how to handle the situation. Mr. Nyhoff was unresponsive and failed to address these serious HR violations and allegations. Mr. Matzke participated in an investigation of the harassment allegations, but the majority of the questions related to Mr. Morat and his behavior, management style, and conduct.

Mr. Nyhoff Confirms He is a Racist

The City stresses the importance of promoting diversity among its staff members. However, the City’s message was not furthered by Mr. Nyhoff during SLT meetings. In the fall of 2019, during a SLT Meeting, Mr. Nyhoff started talking about the City’s diversity training. He told the SLT, “I was a big racist well into my thirties. I did not trust Mexicans or African Americans. I did not go into their neighborhoods because I thought they would rob me. I didn’t talk to them; I didn’t associate with them. I was scared of them.” Mr. Nyhoff did not offer any details about how he changed, other than to say the SLT was diverse.

A few weeks after this meeting, Mr. Nyhoff mentioned these statements again in an SLT meeting, once more emphasizing that he was a racist into his thirties, but again never couching that with information on a subsequent transformation. During a SLT meeting in January 2020, Ms. Ruiz talked about the City participating in a diversity conference and training, which would result in plans to update City personnel rules and ordinances. Mr. Nyhoff reminded the team – a very diverse group – that he had shared that he was a racist growing up, and that he “was afraid of any one of color and that it was probably because he grew up in Kansas.”

Attachment A
Slater Matzke

Mr. Nyhoff's confessions of being a racist visibly made every staff member very uncomfortable, and demonstrate his animus against Mr. Matzke for reporting discrimination.

Mr. Nyhoff Blames and Bullies Staff for His Poor Performance Evaluation.

On May 28, 2019, the City Council conducted Mr. Nyhoff's performance evaluation in a closed session. The following day, Mr. Nyhoff called a SLT meeting to tell everyone he was extremely disappointed that his evaluation did not go well and implied that this was his staff's fault. Mr. Nyhoff subsequently had nine (9) closed session performance evaluations and/or contract negotiations with City Council between May 2019 – April 2020, as the City Council never finalized his evaluation that had commenced in January 2019. Following each closed session, Mr. Nyhoff would routinely attack various senior staff, either verbally or in writing, for what he perceived as their failures that reflected poorly on him.

On another occasion, a Councilmember confided in Joanna Altman that they had been told by City employees that Mr. Nyhoff had been bullying other staff members. Further, Mr. Nyhoff had bullied the Councilmember; the Councilmember said that Mr. Nyhoff tried bullying and pressuring them into signing a letter requesting the Department of Justice investigate the Vallejo Police Department.

Mr. Nyhoff's behavior described above constitutes violations of the City's policies, practices, and procedures regarding, *inter alia*, bullying and harassment.

Mr. Matzke disclosed all of this information in a recorded interview with Linda Daube, the investigator hired by the City Council to conduct an evaluation of Mr. Nyhoff. (See below.)

COMPLAINTS OF GRAFT AND CORRUPTION

At the direction of City Council, and confirmed to Mr. Matzke by Mr. Risner, an investigation of Mr. Nyhoff was conducted so that the City Council could proceed with terminating Mr. Nyhoff. A Councilmember confirmed that the City Council had directed Mr. Risner to hire an attorney to conduct the investigation to ensure that the termination of Mr. Nyhoff complied with all legal requirements. Mr. Risner further confirmed that it was an investigation of Mr. Nyhoff and that ten (10) individuals had been selected by City Council for interviews. Prior to the interviews, Mr. Risner informed Mr. Matzke that he could be terminated for refusing to participate in the interview and that he must be honest, open, and include all details in his answer to the questions. Mr. Matzke expressed his concerns that one of the key issues with Mr. Nyhoff was an HR matter and that HR's involvement in the investigation was inappropriate and presented a conflict of interest.

On March 31, 2020, Mr. Matzke participated in a workplace investigation regarding Mr. Nyhoff. Ms. Daube audio-recorded Mr. Matzke's interview and the City has refused to provide him with a copy of the audio. During the interview, Ms. Daube asked if Mr. Matzke knew of various alleged improper, unethical, and inappropriate actions regarding Mr. Nyhoff. Mr. Matzke reported that Mr. Nyhoff: failed to put the best interests of the City above his own; used his position to benefit developers, such as favoritism to the provision of favors to Mare Island developers with whom Mr. Nyhoff had developed deep personal relationships; and threatened his

Attachment A
Slater Matzke

subordinates when they questioned his decisions and conduct. Mr. Matzke was repeatedly advised that he “had to tell the truth,” “would be terminated if found to be untruthful or unforthcoming,” and “would be terminated if they did not fully participate in the investigation” of Mr. Nyhoff. Mr. Matzke’s only intention throughout the interview was to be honest and candid, and to provide truthful information for the good of the City.

Mr. Matzke raised concerns with Ms. Daube about the validity of the March 13, 2020 letter signed by the City’s Senior Executive Directors in support of Mr. Nyhoff. It was generally believed that the letter had been circulated by Mr. Nyhoff, himself, or at his direction, and it was common knowledge that Mr. Nyhoff would retaliate against anyone who did not sign it. Mr. Matzke was never presented the letter.

During Ms. Daube’s investigation, Mr. Matzke also discussed the uneasy and hostile work environment created by Mr. Nyhoff, and his retaliatory behavior. He also discussed Mr. Nyhoff’s failure to pay attention to, or read, reports, his failure to stay updated on key issues even when given talking points from his staff, and the blame that Mr. Nyhoff placed on his staff when these failures caused him problems. Ms. Daube asked Mr. Matzke if Mr. Nyhoff ever brought up issues of race or gender in SLT meetings. Mr. Matzke confirmed that Mr. Nyhoff repeatedly admitted to being a racist during his thirties. In response to questions about Mr. Nyhoff and discrimination, Mr. Matzke detailed the harassment, discriminatory and bullying culture cultivated by Mr. Nyhoff, as well as Mr. Nyhoff’s failure to investigate HR complaints.

Ms. Daube informed Mr. Matzke that she would be preparing a report and some transcripts that would be shared with Mr. Risner.

MR. MATZKE’S TERMINATION

The City Council concluded the investigation of Mr. Nyhoff in a closed-door session on April 22, 2020. The following morning, on April 23, 2020, Mr. Matzke was summarily terminated. Only four (4) hours later, the complainant-employee was notified that the investigation of Ms. Shepard-Hall’s harassment was closed and that her claims were “not sustainable.”

Again, Mr. Matzke had an excellent record of service. His only “offense” was speaking up against a City Manager who had allowed, encouraged, and directly participated in creating and sustaining a workplace environment rife with illegal discrimination. Mr. Matzke’s disclosures to the investigator and to the City constituted legally protected “whistleblowing.” It is clear that this “offense” is the direct cause of Mr. Matzke’s wrongful termination.

Immediately following Mr. Matzke’s termination, he began and continues to receive threatening emails and messages from an employee of the City. The threatening messages are being sent directly to an email used by Mr. Matzke to make Public Records Requests. A limited number of City staff have access to this information. Further, a Vallejo police car was parked outside of Mr. Matzke’s home on at least four (4) occasions for no apparent reason other than to intimidate him.

///

DEFAMATORY STATEMENTS HAVE DAMAGED MR. MATZKE

Adding insult to injury, the City, by its staff, Councilmembers, and Mr. Nyhoff, have smeared the personal and professional reputation of Mr. Matzke. The City has repeatedly publicly confirmed that Mr. Matzke's termination was not COVID-19 related and were due to a "personnel matter," confirming the false rumors about Mr. Matzke's professional performance spread by Mr. Nyhoff and his direct reports. This defamation has prevented Mr. Matzke from finding future employment consistent with his earning potential.

MR. MATZKE'S DAMAGES

The conduct by the City has resulted in significant damages to Mr. Matzke in the lost past and future wages, lost benefits, reputational damage, severe emotional distress, medical fees and costs, and attorneys' fees and costs. In fact, Mr. Matzke was in the middle of securing a lucrative private contract but was eventually denied because the company stated that he was "too hot" because of all of the news articles referencing his termination from the City. Mr. Matzke continues to suffer emotional distress as a result of the City's ongoing defamatory statements about him and the damage their actions continue to inflict on his career. Precise damages will be proven at trial. Estimated damages as of today's date are as follows:

Economic loss to date: \$667,500.00

Future economic loss: \$285,000 per year until Mr. Matzke is able to mitigate his damages

Emotional distress in excess of \$1,000,000.00

Mr. Matzke's wrongful termination is in direct violation of applicable provisions of the California Labor Code and the California Government Code, and gives rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

**Attachment B
Slater Matzke**

Linda Daube, Heather Ruiz, Christopher Boucher, Will Morat, Joanna Altman, LaTanya Terrones, Council Member Katy Meissner, Council Member Phippen Dew, Council Member Hakeem Brown, Nate Bergeron, Stacy Madigan, Shannon Eckmeyer, Gerald Ramiza, Erin Hanford, Michelle Straub, and Doris Papillon-Allen. Christopher Boucher has all relevant telephone numbers and contact information of the witnesses.

EXHIBIT 2



Risk Management Division • 555 Santa Clara Street, Vallejo • CA 94590 707.648.5404

December 4, 2020

**TO: J. Gary Gwilliam & Randall E. Strauss
1999 Harrison Street, Suite 1600
Oakland, CA 94612**

CLAIMANT: Slater Metzke

SUBJECT: NOTICE OF REJECTION

NOTICE IS HEREBY GIVEN that the claim which you presented by filing it in the office of the City Clerk on October 21, 2020 is rejected by operation of law, and the undersigned hereby gives you notice to this effect.

WARNING

Subject to certain exceptions, you have only six (6) months from the date this notice was deposited in the mail to file a lawsuit on this claim. See California Government Code Section 945.6.

This time limitation applies only to causes of action arising under California law for which a claim is mandated by the California Government Tort Claims Act, Government Code sections 900 et. seq. Other causes of action, including those arising under federal law, may have shorter time limitations for filing.

If you choose to bring your case to court and the court should determine that the proceeding was not brought in good faith and with reasonable cause, the City will seek defense costs reasonably and necessarily incurred by the City of Vallejo. See Code of Civil Procedure Section 1038.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,
Sedgwick

Rose Mary Jimenez
Adjuster Complex Commercial Claims
(805) 288-4306
E-mail: rosemary.jimenez@sedgwick.com

cc: City of Vallejo

PROOF OF SERVICE BY MAIL

I, the undersigned say:

I am now and at all times herein mentioned have been over the age of 18 years, not a party to the within cause or claim, and am employed by Sedgwick, State of California. My business address is P.O. Box 619079, Roseville, California 95661. I am readily familiar with this agency's business practice for collection and processing of correspondence for mailing with the United States Postal Service. On the date set forth below, I served a copy of the attached letter to claimant by placing the original in an envelope addressed to:

**J. Gary Gwilliam & Randall E. Strauss
1999 Harrison Street, Suite 1600
Oakland, CA 94612**

Re: Slater Matzke

which envelope was then sealed and, with postage fully prepaid thereon and placed for collection and mailing at my remote business location and following ordinary business practices. Said correspondence will be deposited with the United States Postal Service at Martinez, California on the date set forth below in the ordinary course of business; there is a delivery service by mail at the Martinez location.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 4th day of December 2020, at Martinez, California.



Linda Del Vigna, Declarant

EXHIBIT 3

**CLAIM FOR DAMAGES AGAINST
THE CITY OF VALLEJO, CALIFORNIA
(GOVT. CODE §§10, 910.2 & 910.4)**



RECEIVED

OCT 21 2020

Ryan Baldassar

**TO: CITY CLERK
CITY OF VALLEJO, CITY HALL
555 SANTA CLARA STREET, 3RD FLOOR
VALLEJO, CA 94590**

Vallejo City Clerk

Date & Time Filed with City Clerk [City Use Only]

CLAIMANT HEREBY PRESENTS THE FOLLOWING CLAIM FOR DAMAGES:

1. Claimant's Name: Joanna Altman
2. Claimant's Address: See #14 (below), City _____ Zip Code _____
3. Claimant's Telephone No. (_____) See #14 (below), Date of Birth September 7, 1982
4. Date of Incident / Accident / Arrest: April 23, 2020
5. Date of injuries, damages, or losses were discovered: April 23, 2020
6. Location of Incident / Accident / Arrest: Vallejo City Hall, 555 Santa Clara Street, Vallejo, CA 94590
7. **What did City or employee(s) do to cause this loss, damage, or injury?**
See Attachment A.
8. **What are the name(s) of the City's employee(s) who caused this injury, damage, or loss (if known)?**
Greg Nyhoff, Randy Risner, and Anne Cardwell.
9. **What specific injuries, damages, or losses did Claimant sustain?**
See Attachment A.
10. **What amount of money is Claimant seeking, or the appropriate court of jurisdiction (see reverse)?**
In excess of \$1,073,340.22 before attorney's fees and costs.
11. **How was this amount calculated? (If applicable, please itemize.)**
See Attachment A.
12. **Names, addresses, and telephone numbers of witnesses, doctors, hospitals, and any person who can substantiate your claim or the amount claimed:** See Attachment B.

13. Any additional information that you believe might be helpful in considering this claim:

See demand letter sent to all City Council Members dated May 15, 2020, and audio-recorded interviews of Claimant.

14. All notices and communications with regard to this claim should be directed to (only to be completed if different than Claimant's address and phone number at Questions 2 and 3 above):

William Ivory Chioso Cavalli & Brewer

Name: J. Gary Gwilliam & Randall E. Strauss Relationship attorneys for Claimant

Address 1999 Harrison Street, Suite 1600 City Oakland Zip Code 94612

Daytime Telephone No: (510) 832-5411

15. DATE: 10/21/20 SIGNATURE: 

If additional space is needed to provide requested information, please attach sheets identifying paragraph(s) being answered.

Answer all items fully and to the best of your knowledge and information. Failure to do so may result in your claim being found insufficient. If you have any questions concerning completion of this form, please contact the Risk Management Division at 707-848-8808. Legal advice concerning your claim should be obtained from your own lawyer.

To assist you in answering Question 10 above, the law requires the claim to show the amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether jurisdiction over the claim would rest in municipal court (\$25,000 or less) or superior court (more than \$25,000). Govt. Code §910(f).

WARNING: PRESENTATION FOR ALLOWANCE OR PAYMENT OF A FALSE OR FRAUDULENT CLAIM, WITH INTENT TO DEFRAUD IS A CRIME PUNISHABLE AS A FELONY UNDER CALIFORNIA PENAL CODE, SECTION 72, AND INSURANCE CODE, SECTION 1871.1.

Updated 10/20/18
J:\CLAIMS\Claims Templates\Claim Form 10.20.18.docx

On April 23, 2020, Joanna Altman was wrongfully terminated from the City of Vallejo ("City") for: complaining about discrimination, harassment and bullying; complaining about the City Manager's, Greg Nyhoff, improper, unethical, corrupt and illegal conduct; and for participating in investigations regarding the same. These actions are in direct violation of applicable provisions of the California Labor Code and the California Government Code, and give rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

NYHOFF CREATES A CULTURE OF HARASSMENT, RETALIATION, AND DISCRIMINATION

The Harassment and Discrimination of a Subordinate Employee by other City Employees

One substantial motivating factor for the termination of Ms. Altman was related to her reporting of, and attempts to resolve the harassment, discrimination, and bullying of an employee by staff, particularly by Judy Shepard-Hall, the City's Housing Director.

In early Fall 2019, Ms. Altman sat on an interview panel convened to select two (2) positions within the Economic Development Division ("ED"), which was managed by Will Morat. After the interview panel, Mr. Morat and Ms. Altman selected candidates to offer employment. Following appointment, Mr. Morat informed Ms. Altman that one of his subordinates was being discriminated against, harassed, and bullied.

On or around February 18, 2020, Mr. Morat spoke to Ms. Altman about a concerning incident that had just taken place involving the employee and Ms. Shepard-Hall. During the course of their discussion, Slater Matzke arrived and became apprised of the situation. Ms. Altman and Mr. Matzke advised and encouraged Mr. Morat to accompany the employee to HR to file a complaint about the incident. Instead of immediately investigating the situation, Mr. Morat was retaliated against and placed on administrative leave on or about the day following the incident.

On or around March 4, 2020, Ms. Altman participated in a workplace investigation regarding Ms. Shepard-Hall, conducted by Doris Papilion-Allen. However, several of the questions from the investigator related to Mr. Morat and his behavior, management style, and conduct. Further, she was advised that, if she was not honest, she could be terminated and was required to attest to this requirement by signing a form provided to her by the investigator.

Mr. Nyhoff Confirms He is a Racist

The City stresses the importance of promoting diversity among its staff members. However, the City's message was not furthered by Mr. Nyhoff during Senior Leadership Team ("SLT") meetings. In the late fall or early winter of 2019, during a SLT Meeting, Mr. Nyhoff started talking about the City's diversity training. He told the SLT, "I was a big racist well into my thirties. I did not trust Mexicans or African Americans. I did not go into their neighborhoods because I thought they would rob me. I didn't talk to them; I didn't associate with them. I was scared of them." Mr. Nyhoff did not offer any details about how he changed, other than to say the SLT was diverse.

A short time later, in January 2020, Mr. Nyhoff mentioned these statements again in an SLT meeting when Heather Ruiz talked about the City participating in a diversity conference and training, which would result in plans to update City personnel rules and ordinances. Mr. Nyhoff reminded the team – a very diverse group – that he had shared that he was a racist growing up, and that he “was afraid of any one of color and that it was probably because he grew up in Kansas.”

Mr. Nyhoff’s confessions of being a racist visibly made every staff member very uncomfortable and demonstrated his animus against Ms. Altman for reporting discrimination.

Mr. Nyhoff Blames and Bullies Staff for His Poor Performance Evaluation.

On May 28, 2019, the City Council conducted Mr. Nyhoff’s performance evaluation in a closed session. The following day, Mr. Nyhoff called an emergency SLT meeting to tell everyone he was extremely disappointed that his evaluation did not go well and implied that this was his staff’s fault. Mr. Nyhoff subsequently had nine (9) closed session performance evaluations and/or contract negotiations with City Council between May 2019 – April 2020, as City Council never finalized his annual evaluation following his first year in the position in January 2019. Following each closed session, Mr. Nyhoff would routinely attack various senior staff, either verbally or in writing, for what he perceived as their failures that reflected poorly on him.

On another occasion, a Councilmember confided in Ms. Altman that they had been told by City employees that Mr. Nyhoff had been bullying staff members. Further, the Councilmember disclosed to Ms. Altman that they too had been bullied by Mr. Nyhoff on multiple occasions. The Councilmember furthered this statement by explaining to Ms. Altman that the bullying and pressuring occurred in front of Mayor Bob Sampayan regarding the support and signing of a letter requesting the Department of Justice investigate the Vallejo Police Department.

Mr. Nyhoff’s behavior described above constitutes violations of the City’s policies, practices, and procedures regarding, *inter alia*, bullying and harassment.

COMPLAINTS OF GRAFT AND CORRUPTION

At the direction of City Council, and confirmed to Mr. Matzke by Mr. Risner, an investigation of Mr. Nyhoff was conducted so that the City Council could proceed with terminating Mr. Nyhoff. A Councilmember confirmed with Ms. Altman that the City Council had directed Mr. Risner to hire an attorney to conduct the investigation to ensure that the termination of Mr. Nyhoff complied with all legal requirements. The Councilmember affirmed that six (6) of the seven (7) members of the City Council desired to terminate Mr. Nyhoff. Mr. Risner further confirmed that it was an investigation of Mr. Nyhoff and that ten (10) individuals had been selected by City Council for interviews. Prior to the interviews, Mr. Risner had informed Mr. Matzke that he could be terminated for refusing to participate in the interview and that he must be honest, open, and include all details in his answer to the questions. Mr. Matzke

expressed his concerns that one of the key issues with Mr. Nyhoff was an HR matter and that HR's involvement in the investigation was inappropriate and presented a conflict of interest.

On March 31, 2020, Ms. Altman participated in this workplace investigation regarding Mr. Nyhoff. Ms. Daube audio-recorded Ms. Altman's interview. At the start of their interview, Ms. Altman told Ms. Daube that she had strong concerns about retaliation, feared losing her job, and pleaded for anonymity. Ms. Daube asked Ms. Altman to commit to telling the truth, and insinuated that Ms. Altman would be terminated if she did not tell the truth during her interview. Ms. Altman's only intention throughout the interview was to be honest and candid, and to provide truthful information for the good of the City.

During the interview, Ms. Daube asked if Ms. Altman knew of various alleged improper, unethical, and inappropriate actions regarding Mr. Nyhoff. Ms. Altman reported that Mr. Nyhoff: failed to put the best interests of the City above his own; used his position to benefit developers, such as the provision of favors to Mare Island developers with whom Mr. Nyhoff had developed deep personal relationships; and threatened his subordinates when they questioned his decisions and conduct.

Ms. Altman raised concerns with Ms. Daube about the validity of the March 13, 2020 letter signed by the City's Senior Executive Directors in support of Mr. Nyhoff. It was generally believed that the letter had been circulated by Mr. Nyhoff, himself, or at his direction, and it was common knowledge that Mr. Nyhoff would retaliate against anyone who did not sign it. Ms. Altman was never presented the letter.

During Ms. Daube's investigation, Ms. Altman also discussed the uneasy and hostile work environment created by Mr. Nyhoff, and his retaliatory behavior. Ms. Altman also discussed Mr. Nyhoff's failure to pay attention to, or read, reports or e-mails, his failure to stay updated on key issues even when given talking points from his staff, and the blame that Mr. Nyhoff placed on his staff when these failures caused him problems. Ms. Daube asked Ms. Altman if Mr. Nyhoff ever brought up issues of race or gender in SLT meetings. Ms. Altman confirmed that Mr. Nyhoff repeatedly admitted to being a racist during his thirties. Ms. Daube asked Ms. Altman questions about Mr. Morat and about the investigation of Ms. Shepard-Hall. In response to questions about Mr. Nyhoff and discrimination, Ms. Altman detailed the harassment, discriminatory and bullying culture cultivated by Mr. Nyhoff, as well as Mr. Nyhoff's failure to investigate HR complaints.

Ms. Daube informed Ms. Altman that she would be preparing a report and some transcripts that would be shared with Mr. Risner.

MS. ALTMAN'S TERMINATION

The City Council concluded the investigation of Mr. Nyhoff in a closed-door session on April 22, 2020. The following morning, on April 23, 2020, Ms. Altman was summarily terminated. Only four (4) hours later, the complainant-employee was notified that the investigation of Ms. Shepard-Hall's harassment was closed and that her claims were "not sustainable."

Again, Ms. Altman had an excellent record of service. Her only “offense” was speaking up against a City Manager who had allowed, encouraged, and directly participated in creating and sustaining a workplace environment rife with illegal discrimination. Ms. Altman’s disclosures to the investigators and to the City constituted legally protected “whistleblowing.” It is clear that this “offense” is the direct cause of Ms. Altman’s wrongful termination.

DEFAMATORY STATEMENTS HAVE DAMAGED MS. ALTMAN

Adding insult to injury, the City, by its staff, Councilmembers, and Mr. Nyhoff or his designee, have smeared the personal and professional reputation of Ms. Altman. The City has repeatedly publicly confirmed that Ms. Altman’s termination was not COVID-19 related and was due to a “personnel matter,” conforming the false rumors about Ms. Altman’s professional performance spread by Mr. Nyhoff and his direct reports. This defamation prevented Ms. Altman from finding future employment consistent with her earning potential.

MS. ALTMAN’S DAMAGES

The conduct by the City has resulted in significant damages to Ms. Altman in the lost past and future wages, lost benefits, reputational damage, severe emotional distress, medical fees and costs, and attorneys’ fees and costs. Ms. Altman continues to suffer emotional distress as a result of the City’s ongoing defamatory statements about her.

Precise damages will be proven at trial. Estimated damages as of today’s date, before attorney’s fees and costs, are as follows:

Economic loss to date: \$73,340.22

Future economic loss: \$69,551.56 per year (ongoing plus compounded CalPERS benefits)

Emotional distress in excess of \$1,000,000.00

Ms. Altman’s wrongful termination is in direct violation of applicable provisions of the California Labor Code and the California Government Code, and gives rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

**Attachment B
Joanna Altman**

Linda Daube, Heather Ruiz, Christopher Boucher, Will Morat, Slater Matzke, LaTanya Terrones, Mayor Bob Sampayan, Council Member Phippen Dew, Council Member Hakeem Brown, Council Member Katy Meissner, Nate Bergeron, Stacy Madigan, Shannon Eckmeyer, Gerald Ramiza, Erin Hanford, Michelle Straub, and Doris Papillon-Allen. Christopher Boucher has all relevant telephone numbers and contact information of the witnesses.

EXHIBIT 4



Risk Management Division 555 Santa Clara Street Vallejo • CA 94590 707.648.5404

December 4, 2020

TO: J. Gary Gwilliam & Randall E. Strauss
1999 Harrison Street, Suite 1600
Oakland, CA 94612

CLAIMANT: Joanna Altman

SUBJECT: NOTICE OF REJECTION

NOTICE IS HEREBY GIVEN that the claim which you presented by filing it in the office of the City Clerk on October 21, 2020 is rejected by operation of law, and the undersigned hereby gives you notice to this effect.

WARNING

Subject to certain exceptions, you have only six (6) months from the date this notice was deposited in the mail to file a lawsuit on this claim. See California Government Code Section 945.6.

This time limitation applies only to causes of action arising under California law for which a claim is mandated by the California Government Tort Claims Act, Government Code sections 900 et. seq. Other causes of action, including those arising under federal law, may have shorter time limitations for filing.

If you choose to bring your case to court and the court should determine that the proceeding was not brought in good faith and with reasonable cause, the City will seek defense costs reasonably and necessarily incurred by the City of Vallejo. See Code of Civil Procedure Section 1038.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,
Sedgwick

Rose Mary Jimenez
Adjuster Complex Commercial Claims
(805) 288-4306
E-mail: rosemary.jimenez@sedgwick.com

cc: City of Vallejo

PROOF OF SERVICE BY MAIL

I, the undersigned say:

I am now and at all times herein mentioned have been over the age of 18 years, not a party to the within cause or claim, and am employed by Sedgwick, State of California. My business address is P.O. Box 619079, Roseville, California 95661. I am readily familiar with this agency's business practice for collection and processing of correspondence for mailing with the United States Postal Service. On the date set forth below, I served a copy of the attached letter to claimant by placing the original in an envelope addressed to:

**J. Gary Gwilliam & Randall E. Stranas
1999 Harrison Street, Suite 1600
Oakland, CA 94612**

Re: Joanna Altman

which envelope was then sealed and, with postage fully prepaid thereon and placed for collection and mailing at my remote business location and following ordinary business practices. Said correspondence will be deposited with the United States Postal Service at Martinez, California on the date set forth below in the ordinary course of business; there is a delivery service by mail at the Martinez location.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 4th day of December 2020, at Martinez, California.



Linda Del Vigna, Declarant

EXHIBIT 5

CLAIM FOR DAMAGES AGAINST
THE CITY OF VALLEJO, CALIFORNIA
(GOVT. CODE §15, §10.2 & §15.4)



**TO: CITY CLERK
CITY OF VALLEJO, CITY HALL
688 SANTA CLARA STREET, 3RD FLOOR
VALLEJO, CA 94588**

RECEIVED

AUG 19 2020

Vallejo City Clerk

Date & Time Filed with City Clerk (City Use Only)

CLAIMANT HEREBY PRESENTS THE FOLLOWING CLAIM FOR DAMAGES:

1. Claimant's Name: Will Morat
2. Claimant's Address: 3600 American River Drive, Suite 205, Sacramento, CA Zip Code 95864
3. Claimant's Telephone No. (916) 488-5388 Date of Birth 08/27/75
4. Date of Incident / Accident / Arrest: February 18, 2020
5. Date of injuries, damages, or losses were discovered: February 18, 2020
6. Location of Incident / Accident / Arrest: Vallejo City Hall, 555 Santa Clara Street, Vallejo, CA 94580
7. What did City or employee(s) do to cause this loss, damage, or injury?
See Attachment A.
8. What are the name(s) of the City's employee(s) who caused this injury, damage, or loss (if known)?
Greg Nyhoff, Randy Risner, and Anne Cardwell.
9. What specific injuries, damages, or losses did Claimant sustain?
See Attachment B.
10. What amount of money is Claimant seeking, or the appropriate court of jurisdiction (see reverse)?
In excess of \$400,000 before attorney's fees.
11. How was this amount calculated? (If applicable, please itemize.) See Attachment C.
12. Names, addresses, and telephone numbers of witnesses, doctors, hospitals, and any person who can substantiate your claim or the amount claimed: Linda DeLuca, Heather Ruiz, Christopher Boucher, Will Morat, Joanna Altman, Sletta Matzka, LaTanya Terrones, Council Member Pippen Dew, Council Member Hakeem Brown, Nels Bergeron, Stacy Madgen, Shannon Eckmeyer, Gerald Ramirez, Erin Hazelord, and Doris Papillon-Alien. Christopher Boucher has all relevant telephone numbers.

13. Any additional information that you believe might be helpful in considering this claim: Please see demand letter sent to all City Council Members dated May 15, 2020. City Council should also review tape audio recorded statements of various witnesses on March 31, 2020.

14. All notices and communications with regard to this claim should be directed to (only to be completed if different than Claimant's address and phone number at Questions 2 and 3 above):

Name: Sheila Lamb Carroll Relationship: Claimant's Attorney
Address: 3600 American River Drive, Suite 205, Sacramento, CA Zip Code: 95834
Daytime Telephone No: (916) 455-8385

15. DATE: August 18, 2020 SIGNATURE: Sheila Lamb Carroll

If additional space is needed to provide requested information, please attach sheets identifying paragraph(s) being answered.

Answer all items fully and to the best of your knowledge and information. Failure to do so may result in your claim being found insufficient. If you have any questions concerning completion of this form, please contact the Risk Management Division at 707/849-4466. Legal advice concerning your claim should be obtained from your own lawyer.

To assist you in answering Question 10 above, the law requires the claim to show the amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether jurisdiction over the claim would rest in municipal court (\$25,000 or less) or superior court (more than \$25,000). Govt. Code §910(f).

WARNING: PRESENTATION FOR ALLOWANCE OR PAYMENT OF A FALSE OR FRAUDULENT CLAIM, WITH INTENT TO DEFAUD IS A CRIME PUNISHABLE AS A FELONY UNDER CALIFORNIA PENAL CODE, SECTION 72, AND INSURANCE CODE, SECTION 1871.1.

Revised 03-03-13
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Will Morazi's wrongful termination from the City of Vallejo ("City") for his various complaints to those in a supervisory position regarding a pattern and practice of sex and race discrimination, harassment and bullying for complaining of graft in the form of the City Manager's improper, unethical, corrupt and illegal conduct with respect to City contracts; and for participating in an investigation regarding the same. These actions are in direct violation of applicable California Labor Code provisions, give rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

Mr. Morazi's termination occurred the morning immediately after the investigation into City Manager's Greg Nyhoff's conduct concluded. The optics are damning for the City to my the least. Mr. Morazi had an excellent record of service up until he was summarily placed on a paid leave for reporting of an employee's harassment, and was terminated after, and due to his participation of a related investigation. Their only "offense" was speaking up against a City Manager who had allowed, encouraged, and directly participated in creating and sustaining a workplace environment that cultivated and allowed sexual and race harassment and bullying. A City Manager that engaged in unethical and improper actions including graft and corruption, and during an investigation they were compelled to participate in City Council Meetings and the City's Investigator under the threat of termination. The protected actions of my clients resulted in their termination and was followed by a series of press communications aimed at ruining their reputations.

SUMMARY OF EVENTS

The following summary of events depicts the coverage of Mr. Nyhoff's corrupt, unethical, and improper behavior and his lack of leadership of City employees resulting in the wrongful termination of three dedicated and highly respected employees of the City.

On April 23, 2020, Mr. Altman, Mr. Metzke, and Mr. Morazi were terminated by and in the direction of Mr. Nyhoff. Their terminations occurred the morning after the investigation into Mr. Nyhoff, which was directed by City Council for purposes of the City Manager's termination, and was concluded during a closed session with the City Council members, a meeting without transparency and accountability, and occurring approximately three (3) weeks following my clients compelled participation in the said investigation of Mr. Nyhoff.

These events include, and are provided with more detail below:

- The protected action of reporting of harassment, bullying, sex and racial discrimination of fellow employees by my clients to the City Manager and the Human Resources Department ("HR");
- The retaliation against Mr. Morazi for reporting said harassment and discrimination by placing him on administrative leave on February 19, 2020;
- The continued failure of Mr. Nyhoff and HR thoroughly and accurately investigate those claims and provide remedy for the aggrieved employee;
- The reporting of actions by Mr. Nyhoff that created a culture of harassment, retaliation and discrimination to the independent investigator hired by City Council to investigate Mr. Nyhoff for purposes of his termination ("Investigator"), including:

Mr. Nyhoff's admitted racism at Senior Leadership Team ("SLT") meetings;
Mr. Nyhoff's failure to promptly address multiple HR complaints of sexual and physical harassment of colleagues by a former employee in Winter 2019; and
Mr. Nyhoff's blaming and bullying of his direct reports for his own poor performance evaluation by City Council beginning in May 2019 and continuing through April 2020 - bullying that Mr. Nyhoff perpetrated against at least one City Councilmember.

- The reporting of improper and unethical actions by Mr. Nyhoff, including graft and corruption, to the investigator, including:
 - Mr. Nyhoff's undisclosed meetings with potential developer investors in Tennessee in Fall 2019 and over Christmas Break in December 2019/January 2020;
 - Attempts by Mr. Nyhoff to add language from contract negotiations that would make the contracts more favorable to developers;
 - Mr. Nyhoff's intervention in January 2020 to sever communications between a developer and the negotiating team in order to ensure development agreements were more favorable for the developer;
 - Mr. Nyhoff's willful ignorance of confidential information leaking to a project opponent that was threatening litigation, and repeated attempts to terminate the City's contractual agreement with a developer to move the project forward; and
 - Mr. Nyhoff's retraction of a public and documented promise to contribute \$50,000 in City funding to a non-profit capital project on City-owned land because City staff was attempting to include prevailing wage as legally required by California law.
- The termination, without cause, of Ms. Altman, Mr. Matzka, and Mr. Morat on April 23, 2020, the morning after the investigation into Mr. Nyhoff was concluded in a closed session of City Council, in direct retaliation for reporting these events;
- Defamatory statements made by Mr. Nyhoff, Vallejo City Council, and City staff attacking the character, professional reputation, and experience of Ms. Altman, Mr. Matzka, and Mr. Morat that appeared in published media, public City Council agendas, and indirect communications with the public.

NYHOFF CREATES A CULTURE OF HARASSMENT, RETALIATION, AND DISCRIMINATION

The workplace environment cultivated by Mr. Nyhoff during his 27-month tenure at the City allows and encourages harassment, discrimination, and retaliation of staff. During my clients' tenure at the City, they conducted themselves in a manner consistent with State and Federal laws and the City's Administrative Rules by reporting harassment and racial discrimination to HR and Mr. Nyhoff. The City rewarded their protection of a harassed employee by first placing Mr. Morat on administrative leave for reporting unlawful harassment of his subordinate by a peer. Later, after Mr. Matzka complained directly to Mr. Nyhoff, Mr. Rianex, and the Director of Human Resources about the same harassment; and after Ms. Altman, Mr. Matzka, and Mr. Morat were directed to participate in two investigations with threat of termination for non-participation - one investigation into the harassment allegations against a City management employee, and another investigation

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ordered by City Council into Mr. Nyhoff – Mr. Morz was promptly and summarily fired in retaliation.

The Harassment and Discrimination of Mr. Morz's Subordinate Employee by other City Employees

One substantial motivating factor for the termination of Mr. Morz and the sole reason for his administrative leave was related to his reporting of, and attempts to resolve the harassment, discrimination and bullying of a Black employee who worked for him. The employee had reported that she was being harassed because of her race and sex. In November 2018, the employee confided in Mr. Morz as a trusted colleague with her concerns about the treatment of her by other employees. She further opined that she had filed a Complaint with Human Resources, but that there had been no response and no investigation. From November until February 2020, Mr. Morz witnessed the further harassment of his employee. Finally, Mr. Morz realized that the Human Resources department was non-responsive to his employee's claims of race harassment and discrimination. As the employee's Manager, Mr. Morz acted in a manner consistent with California Law and City of Vallejo's policies, and he escalated the matter in an attempt to have someone in the City seriously investigate, evaluate and respond to the employee's concerns. He wrote an email complaining of the lack of response of the Human Resource's department. When he was placed on administrative leave, the Director of Human Resources told him he should not have sent the email in which he complained.

Mr. Nyhoff Confirms He is a Racist.

The City stresses the importance of promoting diversity among its staff members. However, the City's message was not furthered by Mr. Nyhoff during SLT meetings. In Fall 2019, during a SLT Meeting, Mr. Nyhoff started talking about the City's diversity training. He told the SLT: "I was a big racist well into my thirties. I did not trust Mexicans or African Americans. I did not go into their neighborhoods because I thought they would rob me. I didn't talk to them; I didn't associate with them. I was scared of them." Mr. Nyhoff did not offer any details about how he changed, other than to say the SLT was diverse.

A few weeks after this meeting, Mr. Nyhoff mentioned these statements again in an SLT meeting, once more emphasizing that he was a racist into his thirties, with no information on any subsequent transformation. During a SLT meeting in January 2020, Mr. Ruiz talked about the City participating in a diversity conference and training which would result in plans to update City personnel rules and ordinances. Mr. Nyhoff reminded the team, a very diverse group, that he had shared that he was a racist growing up and that "he was afraid of any one of color and that it was probably because he grew up in Kansas."

Mr. Nyhoff's confession of being a racist visibly made every staff member very uncomfortable.

Mr. Nyhoff Blames and Bullies Staff for His Poor Performance Evaluation.

On May 29, 2019, City Council conducted Mr. Nyhoff's performance evaluation in a closed session. The following day, Mr. Nyhoff called a SLT meeting to tell everyone he was extremely

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disappointed that his evaluation did not go well and implied it was his staff's fault. Mr. Nyhoff subsequently had nine (9) closed session performance evaluations or contract negotiations by City Council between May 2019 and April 2020, as City Council never finalized his evaluation that initially started in January 2019. Following each closed session evaluation, Mr. Nyhoff would routinely attack various senior staff, either verbally or in writing, for what he perceived as their failures that reflected poorly on him. In one instance, Mr. Nyhoff blamed Mr. Morat for a failure of the Fire Prevention Division (not even remotely Mr. Morat's responsibility) with regard to ongoing inspections.

On another occasion, a Councilmember confided in Ms. Altman that City employees had reported to the Councilmember that Mr. Nyhoff had been bullying other staff members, and that the Councilmember also been subjected directly to bullying behavior directly from Mr. Nyhoff. The Councilmember said that Mr. Nyhoff tried bullying and pressuring him/her to sign a letter requesting the Department of Justice investigate the Vallejo Police Department.

These issues were all shared by my clients, in recorded interviews, with Ms. Daube, the investigator that was conducting an evaluation of Mr. Nyhoff at the direction of City Council, and were retaliated against by Mr. Nyhoff when they were summarily terminated on April 23, 2020 the morning after the investigation was finalized in closed session with City Council.

COMPLAINTS OF GRAFT AND CORRUPTION

On March 31, 2020 Mr. Morat participated in a workplace investigation regarding Mr. Nyhoff. During that investigation, he was told the investigation was about Mr. Nyhoff and had been ordered by City Council. Linda Daube, the investigator, audio recorded Mr. Morat's interview and the City has refused to provide him with a copy of the audio. This audio recording is a document that will be helpful to Mr. Morat and that will be obtained by subpoena once litigation commences. Ms. Daube very directly asked if Mr. Morat knew of various alleged improper, unethical, and inappropriate actions regarding Mr. Nyhoff. Mr. Morat answered honestly, and was concerned, saddened, and duty bound to report various instances of inappropriate behavior that began with simple favoritism and crescendo into providing more favorable Mayer Island developers with whom Mr. Nyhoff had developed deep personal relationships. During this investigation interviews, which was recorded by Ms. Daube, Mr. Morat was repeated advised that he "had to tell the truth" "would be terminated if found to be untruthful or unforthcoming" "would be terminated if they did not fully participate in the investigation" of Mr. Nyhoff. Mr. Morat's motivation for his statements was for the good of the City, and to be honest and candid as is consistent with his values. Mr. Morat reported that Mr. Nyhoff failed to put the best interests of the City above his own. Mr. Morat reported that Mr. Nyhoff used his position to benefit developers. Mr. Nyhoff threatened his subordinates when they questioned his decisions and conduct.

The following are some examples of Mr. Nyhoff's improper, unethical, and corrupt actions, which Mr. Morat witnessed or was made aware of and which he was duty bound to convey to Ms. Daube.

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Mare Island Project

In July 2018, Mr. Nyhoff appointed Mr. Moret as team lead to work with the developer, Nimlitz Group, on the North Mare Island Development ("Mare Island"). In November 2018, Nimlitz and Lenner notified the City that they were negotiating a deal to sell an additional 600 acres of land on Mare Island to the Nimlitz Group. The land is governed by a development agreement with the City that requires City Council approval for any transfer or sale. At this time, Mr. Nyhoff promoted Mr. Moret to lead and manage the Economic Development Division, particularly to lead the Mare Island negotiations. Mr. Metzke, a consultant at the time, was also on the core team.

In October 2019, Mr. Moret's team negotiated a business term sheet with the Nimlitz Group for the sale of North Mare Island to take to the City Council on October 22nd. Nimlitz had requested the term "substantial" be used in reference to a key milestone for construction (i.e. "construction substantially complete" vs. "construction complete"). As lead negotiator, Mr. Moret held firm to leaving out a subjective term like "substantial". The partners of Nimlitz confirmed leaving out the term "substantial" was acceptable. Mr. Nyhoff subsequently visited Nimlitz's offices on Mare Island without informing Mr. Moret agreed to insert the term "substantial." Mr. Nyhoff informed Mr. his desire to include "substantial" but Mr. Moret and Mr. Metzke were strongly opposed and provided an argument against it, stating it is an ambiguous term that would lead to litigation in the future because the City and Nimlitz would inevitably disagree on what is considered "substantially complete". The City Attorney's Office also adamantly opposed including the term.

The disagreement over "substantial" continued and Mr. Nyhoff informed Mr. Moret that Mr. Nyhoff had lost all his (Nyhoff's) credibility with Nimlitz and that he put "substantial" in to prove to Nimlitz that they can trust him (Nyhoff). Mr. Moret reiterated that he would not do that because it is not in the best interest of the City and confirmed that the partners at Nimlitz were agreed about leaving it out. Mr. Moret again explained that if they put in a subjective word like "substantial," the City will end up in litigation with Nimlitz five (5) years from now. Mr. Nyhoff replied: "*I don't care, I won't be here 5 years from now.*" Mr. Moret said "Well, I plan to be." Mr. Moret expressed that he could not in good conscience "water down" the agreement in a manner that was not in the best interests of the City. Mr. Nyhoff replied, "*Then I'll find someone who will.*" From that point forward, Mr. Moret feared that Mr. Nyhoff would retaliate and that his job with the City, which he had held for 6 years, was in jeopardy. It should be noted that the issue of substantial completion is a term that the City had struggled with on a previous development, and City Council had directed City employees to take steps to prevent a similar situation.

Mr. Altman was informed by a City attorney working on the Nimlitz negotiations that Mr. Nyhoff made threats to the attorney's job because the attorney also refused to include the term "substantial" in the term sheet. Mr. Nyhoff stated that he would get an outside attorney to work on Mare Island if the City Attorney's Office did not do what he wanted.

In late Fall 2019, Mr. Nyhoff informed Mr. Moret that while in Tennessee for a conference, he spent a day with a developer, Southern Land Company. Mr. Nyhoff was impressed with Southern Land Company because "*they are trustworthy since they conduct business as gentlemen by handshakes and holding to their word.*" Over Christmas Break of 2019, and without informing the

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City negotiating team, Mr. Nyhoff hosted the CEO and COO of Southern Land Company at his house, but never informed his staff of the visit. At this time, Southern Land Company was still unknown in Vallejo, especially to the public and the City was (and still is) in active negotiations with the Nimitz Group for development rights to Mare Island.

In January 2020, Mr. Nyhoff informed Mr. Morat that the two key project managers for the Nimitz Group were terminated, and Southern Land Company was coming in. Mr. Nyhoff failed to establish Southern Land Company's role, but it was clear that they were running the Mare Island project going forward. Mr. Nyhoff made clear to Mr. Morat that he did not care about the City's response to Southern Land Company's presence, the City's official messaging regarding the new developer, nor the public's perception, and stated that *"Southern Land Company would handle it."* Following this meeting, Mr. Nyhoff deliberately cut out the Mare Island negotiation team from any conversations with Southern Land Company and further undermined the negotiating position of the City and the community. Mr. Nyhoff organized closed door, non-publicly noticed meetings with Southern Land Company and City Councilmembers.

Blue Rock Project

In February 2019, at a negotiation meeting with the City, a project opponent that was threatening litigation, Syar Industries, disclosed to the City that they knew confidential information about the Blue Rock Project related to closed session meetings with City Council, giving them an advantage in the negotiations. Mr. Morat immediately brought this to the attention of Mr. Nyhoff, but he ignored it. In a second meeting with Syar, Mr. Morat noticed that again Syar representatives were in possession of confidential information. Mr. Morat notified Mr. Nyhoff that sensitive, confidential information was leaking, but Mr. Nyhoff ignored Mr. Morat's concerns. Between January 2019 and January 2020, Mr. Nyhoff repeatedly attempted to terminate the City's involvement with the project - a position sought by the project opponent, Syar - and Mr. Nyhoff continued to fail to educate himself on the necessity of the project and its financial implications for the City despite repeated attempts by Mr. Morat to provide memos, summaries and in-person bullet points that encapsulated the project's challenges and necessity.

"Save Our Sail" Donation

In the Summer of 2019, Mr. Nyhoff announced at a kick-off event that the City would donate \$50,000 to the "Save Our Sail" project, a joint project with the non-profit Mare Island Historic Park Foundation Museum. Mr. Morat informed Mr. Nyhoff that the Mare Island Museum moved quickly on the "Save Our Sail" project and began working without using prevailing wage, complicating the City's efforts to provide the \$50,000 donation. Mr. Morat stated that he was working on a staff report and recommendation for the City Council to legally approve the funds. Mr. Morat worked with the City Attorneys' Office to determine the legal path to provide the funds by the City. Mr. Nyhoff made the following statements to Mr. Morat: *"That's bullshit .. I've given money all my career. If we can't just give them \$50,000 then I'll find an attorney who will," "No - we're just gonna give them the \$50,000 - we're not doing this route," and "The City Attorneys' Office is just being ridiculous."*

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Subsequently, a Councilmember expressed frustration that Mr. Nyhoff just offered \$50,000 publicly without City Council authority and approval.

Because staff and the City Attorney's Office could not legally concede to Mr. Nyhoff's request, in December 2019, Mr. Nyhoff pulled the draft staff report for the \$50,000 from the proposed City Council agenda. The item never moved forward and the \$50,000 was never donated to the Museum.

Mr. Morat expressed to Ms. Daube his fear and concerns of retaliation by Mr. Nyhoff because of his participation in the investigation. Mr. Morat emphasized that Mr. Nyhoff will retaliate against anyone that Ms. Daube interviews who says anything critical about Mr. Nyhoff, Mr. Morat was concerned that he would be terminated because he had already been retaliated against for reporting the HR race and sex harassment of one of his direct reports. Mr. Morat detailed to Ms. Daube the facts relating his employee filing a written unanswered complaint with the Director of Human Resources of the City of Vallejo and the fact his good faith reporting of this employees claims had resulted in his being put on leave.

Mr. Morat raised concerns with Ms. Daube the validity of the March 13, 2020 letter signed by the City of Vallejo Senior Executive Directors in support of Mr. Nyhoff. It was believed that Mr. Nyhoff circulated the letter on his own behalf, or at Mr. Nyhoff's direction, and it was common knowledge that Mr. Nyhoff would retaliate against anyone who did not sign it Mr. Morat was never presented the letter.

During Ms. Daube's investigation, Mr. Morat discussed the uneasy and hostile work environment created by Mr. Nyhoff, his retaliatory behavior, his failure of paying attention or reading reports, his failure to stay updated on key issues even when given talking points from his staff, his poor leadership and decision making, and failure to put the City's best interest before his own. Ms. Daube asked multiple sensitive questions that he answered quoting vulgar language and asking if Mr. Morat was incompetent. Ms. Daube asked Mr. Morat if Mr. Nyhoff ever brought up issues of race or gender in SLT meetings. Mr. Morat confirmed that Mr. Nyhoff repeatedly admitted to being a racist during his thirties. In response to the discrimination question, Mr. Morat detailed the harassment, discriminatory and bullying culture cultivated by Mr. Nyhoff, as well as Mr. Nyhoff's failure to investigate HR complaints, the complaint of his subordinate. They provided examples of Mr. Nyhoff's impropriety with developers and how he does not make decisions in the best interests of the City or the community. The interviews were recorded by the interviewer Ms. Daube and it was multiple hours. Specifically, the following incidents were described:

- Repeated instances of harassment of staff and failure to properly investigate misconduct by Mr. Nyhoff, and Assistant City Manager, Anne Cardwell.
- The battle over the term "substantial" during the Mare Island negotiations with Nimitz.
- Mr. Nyhoff's improper visits to Tennessee with a developer, Southern Land Company, and hosting the same developer at his house in secret over Christmas break.
- Mr. Nyhoff deliberately cutting the Mare Island negotiating team out of conversations when Southern Land Company starts in January 2020.

- Mr. Nyhoff's attempts to halt the Blue Rock project even though the City had a City Council approved EHA with the developer.
- Mr. Nyhoff's refusal to listen to the Building Department, City Attorney Office, and staff that reminding the red tags on buildings at the Mare Island Preserve was not an option. In spite of this, Mr. Nyhoff kept the buildings open and occupied for more than twelve (12) months.
- Mr. Nyhoff's repeated questions to staff as to why the City would not accept ownership of the old Navy landfill on Mare Island. Mr. Nyhoff wanted the City to accept a large and polluted liability, despite the City Council's explicit direction in City Council meetings.
- During the PG&E shutdown in Fall 2019, Mr. Nyhoff refused to keep the Emergency Operations Center ("EOC") open as recommended by the Fire Chief and all EOC staff, as well as his repeated late arrival (45 minutes late) to the EOC because "his power came on and he wanted to take a hot shower."
- The debacle with Mr. Nyhoff's promised donation of \$50,000 to the "Save Our Sall" project.
- Mr. Nyhoff's attempts to ignore the sea level rise implications for a project on the Northern Waterfront, and his attempts to remove any requirement for the developer to mitigate for future sea level rise, despite the fact that staff told Mr. Nyhoff we had resolved the issues with the developer that would protect the City and could move forward with the project.

DEFAMATORY STATEMENTS HAVE DAMAGED MR. MORAT

The City, by its staff, Councilmembers, and Mr. Nyhoff, have smeared the personal and professional reputation of Mr. Morat. The City has repeatedly confirmed in news articles that my Mr. Morat's termination was not COVID-19 related and was due to a "personnel matter," insinuating the false rumors of my clients' professional performance spread by Mr. Nyhoff and his direct reports. This defamation *per se* has prevented Mr. Morat from finding future employment consistent with his earning potential and has deprived him of significant retirement earnings. The defamation of departed staff members is a pattern of practice of Mr. Nyhoff. Mr. Morat has been previously told "that phone call never happened" when he proceeded to speak disparagingly about another employee.

These defamatory statements directly contradicted Mr. Morat's performance evaluations demonstrating an exemplary record of professional performance during their tenure at the City.

The following are examples of the defamatory statements:

- On March 13, 2020, a developer associate informs Mr. Morat that a City Councilmember told the developer that Will was on administrative leave because "Will fuked up", "Will is on leave because he was going after another department head," and that "Will was hiding projects" - all untrue accusations
- On April 23, 2020, a colleague received a call from a blocked number stating, "be careful about recommending Will for a job".

- On April 23, 2020, an article was published in the Vallego Times Herald, titled, "*Three Top Employees Gone From City of Vallego.*" The City clarified that the departures were "a personnel matter" and "not related to COVID-19 forecasts or layoffs."
- On April 24, 2020, the City Council April 28th agenda packet is published, citing the March 13, 2020 letter of support from City Council to Mr. Nyhoff. This letter referred to "rumors" about Mr. Nyhoff's leadership and that the City Council is underway these rumors and the people that spread them. It also implied that the reason for the terminations of Mr. Moran was because they were the source of the rumors. The letter from City Council is dated April 23rd, the same day that Mr. Altman, Mr. Matzka, and Mr. Moran were terminated.
- On April 24, 2020, Mr. Matzka was contacted by two City staff members stating that they heard that Mr. Moran and Mr. Matzka were removed because they had been "doing something shady" on the Mare Island development projects.
- On May 4, 2020, an article was published in the Vallego Times Herald, titled, "*Former Supervisor Fined as Special Economic Development Advisor in Vallego*". The terminations of Mr. Altman, Mr. Matzka, and Mr. Moran are mentioned and again the City characterizes the terminations as a "personnel matter".
- On May 1, 2020, the City released documentation under PRA #20-207 noting that Will Moran was on paid administrative leave since February 19, 2020, a violation of the California state law which exempts records that protect the privacy rights and interests of individual employees under Government Code Section 6254(e), causing further damage and defaming Mr. Moran's professional reputation.
- On July 27, 2020, the City correctly denied another employee request for listing employees on paid administrative leave under PRA #20-572, citing the relevant Government Code Section 6254(e), clearly demonstrating their intent to intentionally defame and damage Mr. Moran's reputation by releasing personnel information previously under PRA #20-207:

In response to your request, to the extent such records exist, the City will not be producing those records, which are exempt from disclosure under the privilege for personnel information set forth in Government Code section 6254(e), the privilege for confidential information set forth in California Evidence Code section 1040(e), the catchall provision of California Government section 6255 because the public interest in non-disclosure outweighs the public interest in disclosure, and/or to protect the privacy rights and interests of the individual employees. Accordingly, the City is closing this request.

INTENDED LEGAL THEORIES OF RECOVERY

Mr. Morat's potential claims include Retaliation in Violation of Public Policy, Termination in Violation of Government Code 12940(h), defamation, interference with prospective economic advantage, and intentional infliction of emotional distress. Together these claims entitle Mr. Morat to a recovery of general damages, special damages, punitive damages and recovery of attorneys' fees.

These appalling circumstances have enforced the notion that if Mr. Morat remained silent and obedient to Mr. Nyhoff and implicit with his improper, unethical, and potentially corrupt actions,

First, an employer is prohibited from terminating any employee, including at-will employees, for attempting to comply with Cal. Govt. Code §12940 forbidding racial, sexual, or other forms of job harassment. To establish a prima facie case, it must be shown that the plaintiff engaged in a protected activity and the employer subjected the plaintiff to adverse employment action, and there is a causal link between the protected activity and the employer's action. "Both the state and federal statutes are designed to foster open communication between an employer and its employees regarding perceived misconduct, encouraging employees to call their employers' attention to unlawful practices of which the employer might be unaware and which might result in litigation if not voluntarily changed." (*Fleit v. North American Watch Corp.* (1992) 3 Cal.App.4th 467, 477.) Cal. Govt. Code §12940(h) requires that supervisors "take immediate and appropriate corrective action" when harassment is brought to their attention. Supervisors who properly take immediate corrective action are protected from retaliation. (*Fleit, supra*, 3 Cal.App.4th at 477.)

Mr. Morat took all steps that he could to initiate immediate corrective action to protect the same employee who was being harassed and racially discriminated against. He acted in compliance with Cal. Govt. Code §12940 and the City's Administrative Rules. Instead of commending Ms. Altman, Mr. Matzke, and Mr. Morat for their actions, the City terminated them because they were seen as problematic for their reporting.

Second, under Cal. Labor Code §1102.5 and Cal. Govt. Code §53296, an employer may not retaliate against an employee for actions taken by the employee such as reporting a violation of law to his employer. This law provides that employers may not retaliate against (including by wrongfully firing) any employee who reports a suspected violation of law by the employer to a government or law enforcement agency, or to a supervisor or other employee who has the authority to investigate or correct the violation. Throughout their tenure at the City, Ms. Altman, Mr. Matzke, and Mr. Morat witnessed a myriad of questionable and unethical conduct by Mr. Nyhoff. They participated in an investigation of Mr. Nyhoff orchestrated by City Council and Mr. Risner where they honestly reported substantial violations of Mr. Nyhoff, including interference with developer negotiations, questionable meetings with developers, and the failure to properly investigate HR complaints. During their interviews, they reiterated on multiple occasions that they feared they would be retaliated against by Mr. Nyhoff based on their participation in the investigation and their critical remarks. About three weeks following their investigative interview, they were terminated by Mr. Nyhoff. It can be easily surmised that Mr. Nyhoff was substantially

**Morat 910 Claim
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motivated by a desire to get rid of the individuals who had honestly reported his unlawful violations and questioned his ability to properly serve the City.

Third, the personal and professional reputation of Mr. Morat has been substantially harmed due to false rumors spread throughout the community, to councilmembers, to the public, to developers, and to potential employers by the City's staff members, specifically Mr. Nyhoff. Mr. Morat has been defamed by false information related to their terminations in violation of Cal. Civ. Code §§45, et seq. and Cal. Lab. Code §1050. The City will be held liable for the defamatory statements made by its supervisors, managers which are made in the course and scope of their employment. Mr. Morat has been barred from receiving employment opportunities due to the conduct of Mr. Nyhoff and the City.

**More: 910 Claim
Attachment B
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The conduct by the City has resulted in significant damages to Mr. Moret in the lost past and future wages, lost benefits, reputational damage, severe emotional distress, medical fees and cost, attorneys' fees and costs. These damages are presently estimated to be greater than \$400,000.

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Precise damages will be proven at trial. Estimated damages as of today's date are in excess of \$400,000 including back wages, future wages, emotional distress damages, per se defamation damages and attorney fee and costs.

EXHIBIT 6

CLAIM FOR DAMAGES AGAINST
THE CITY OF VALLEJO, CALIFORNIA
(GOVT. CODE §§16, 916.2 & 916.4)



RECEIVED

OCT 21 2020

Ryan
Baldwin

TO: CITY CLERK
CITY OF VALLEJO, CITY HALL
888 SANTA CLARA STREET, 3RD FLOOR
VALLEJO, CA 94590

Vallejo City Clerk

Date & Time Filed with City Clerk (City Use Only)

AMENDED

CLAIMANT HEREBY PRESENTS THE FOLLOWING CLAIM FOR DAMAGES:

1. Claimant's Name: Will Morat
2. Claimant's Address: See #14 (below) City _____ Zip Code _____
3. Claimant's Telephone No. (_____) See #14 (below) Date of Birth August 27, 1975
4. Date of Incident / Accident / Arrest: April 23, 2020
5. Date of injuries, damages, or losses were discovered: April 23, 2020
6. Location of Incident / Accident / Arrest: Vallejo City Hall, 555 Santa Clara Street, Vallejo, CA 94590
7. What did City or employee(s) do to cause this loss, damage, or injury?
See Attachment A.
8. What are the name(s) of the City's employee(s) who caused this injury, damage, or loss (if known)?
Greg Nyhoff, Randy Risner, and Anne Cardwell.
9. What specific injuries, damages, or losses did Claimant sustain?
See Attachment A.
10. What amount of money is Claimant seeking, or the appropriate court of jurisdiction (see reverse)?
In excess of \$1,081,402.00 before attorney's fees and costs.
11. How was this amount calculated? (if applicable, please itemize.)
See Attachment B.
12. Names, addresses, and telephone numbers of witnesses, doctors, hospitals, and any person who can substantiate your claim or the amount claimed See Attachment C.

13. Any additional information that you believe might be helpful in considering this claim:

See demand letter sent to all City Council Members dated May 15, 2020, audio-recorded interviews of Claimant, and Claimant's previously-filed Claim for Damages, received by the City on August 19, 2020.

14. All notices and communications with regard to this claim should be directed to (only to be completed if different than Claimant's address and phone number at Questions 2 and 3 above):

Gwilliam Ivory Chiosso Cavalli & Brewer

Name: J. Gary Gwilliam & Randall E. Strauss Relationship attorneys for Claimant

Address 1999 Harrison Street, Suite 1600 City Oakland Zip Code 94612

Daytime Telephone No: (510) 832-5411

15. DATE: 10/21/20 SIGNATURE: 

If additional space is needed to provide requested information, please attach sheets identifying paragraph(s) being answered.

Answer all items fully and to the best of your knowledge and information. Failure to do so may result in your claim being found insufficient. If you have any questions concerning completion of this form, please contact the Risk Management Division at 707-848-8608. Legal advice concerning your claim should be obtained from your own lawyer.

To assist you in answering Question 10 above, the law requires the claim to show the amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether jurisdiction over the claim would rest in municipal court (\$25,000 or less) or superior court (more than \$25,000). Govt. Code §910(f).

WARNING: PRESENTATION FOR ALLOWANCE OR PAYMENT OF A FALSE OR FRAUDULENT CLAIM, WITH INTENT TO DEFRAUD IS A CRIME PUNISHABLE AS A FELONY UNDER CALIFORNIA PENAL CODE, SECTION 72, AND INSURANCE CODE, SECTION 1671.1.

Updated 10/26/18
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Mark 910 Claims
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Will Morat's wrongful termination from the City of Vallejo ("City") for his various complaints to those in a supervisory position regarding a pattern and practice of sex and race discrimination, harassment and bullying; for complaining of graft in the form of the City Manager's improper, unethical, corrupt and illegal conduct with respect to City contracts; and for participating in an investigation regarding the same. These actions are in direct violation of applicable California Labor Code provisions, give rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

Mr. Morat's termination occurred the morning immediately after the investigator into City Manager's Greg Nyhoff's conduct concluded. The opeds are damning for the City to say the least. Mr. Morat had an excellent record of service up until he was summarily placed on a paid leave for reporting of an employer's harassment, and was terminated after, and due to his participation of a related investigation. Their only "offense" was speaking up against a City Manager who had allowed, encouraged, and directly participated in creating and sustaining a workplace environment that cultivated and allowed sexual and race harassment and bullying. A City Manager that engaged in unethical and improper actions including graft and corruption, and during an investigation they were compelled to participate in City Council Members and the City's Investigator under the threat of termination. The protected actions of my clients resulted in their termination and was followed by a series of gross communications aimed at ruining their reputations.

SUMMARY OF EVENTS

The following summary of events depicts the coverage of Mr. Nyhoff's corrupt, unethical, and improper behavior and his lack of leadership of City employees resulting in the wrongful termination of these dedicated and highly respected employees of the City.

On April 23, 2020, Mr. Alstman, Mr. Matzke, and Mr. Morat were terminated by and at the direction of Mr. Nyhoff. Their terminations occurred the morning after the investigation into Mr. Nyhoff, which was directed by City Council for purposes of the City Manager's violation, and was concluded during a closed session with the City Council members, a meeting without transparency and accountability, and occurring approximately three (3) weeks following my clients compelled participation in the said investigation of Mr. Nyhoff.

These events include, and are provided with more detail below:

- The protected action of reporting of harassment, bullying, sex and racial discrimination of fellow employees by my clients to the City Manager and the Human Resources Department ("HR");
- The retaliation against Mr. Morat for reporting said harassment and discrimination by placing him on administrative leave on February 19, 2020;
- The continued failure of Mr. Nyhoff and HR thoroughly and accurately investigate those claims and provide remedy for the aggrieved employees;
- The reporting of actions by Mr. Nyhoff that created a outline of harassment, retaliation and discrimination to the independent investigator hired by City Council to investigate Mr. Nyhoff for purposes of his termination ("Investigator"), including:

Mr. Nyhoff's admitted racism at Senior Leadership Team ("SLT") meetings;
Mr. Nyhoff's failure to promptly address multiple HR complaints of sexual and physical harassment of colleagues by a former employee in Winter 2019; and
Mr. Nyhoff's blaming and bullying of his direct reports for his own poor performance evaluation by City Council beginning in May 2019 and continuing through April 2020 - bullying that Mr. Nyhoff perpetrated against at least one City Councilmember.

- The reporting of improper and unethical actions by Mr. Nyhoff, including graft and corruption, to the investigator, including:
 - Mr. Nyhoff's undisclosed meetings with potential developer investors in Tennessee in Fall 2019 and over Christmas Break in December 2019/January 2020;
 - Attempts by Mr. Nyhoff to add language from contract negotiations that would make the contracts more favorable to developers;
 - Mr. Nyhoff's intervention in January 2020 to sever communications between a developer and the negotiating team in order to ensure development agreements were more favorable for the developer;
 - Mr. Nyhoff's willful ignorance of confidential information leaking to a project opponent that was threatening litigation, and repeated attempts to terminate the City's contractual agreement with a developer to move the project forward; and
 - Mr. Nyhoff's retraction of a public and documented promise to contribute \$50,000 in City funding to a non-profit capital project on City-owned land because City staff was attempting to include prevailing wage as legally required by California law.
- The termination, without cause, of Ms. Altman, Mr. Matzka, and Mr. Morat on April 23, 2020, the morning after the investigation into Mr. Nyhoff was concluded in a closed session of City Council, in direct retaliation for reporting these events;
- Defamatory statements made by Mr. Nyhoff, Vallejo City Council, and City staff attacking the character, professional reputation, and experience of Ms. Altman, Mr. Matzka, and Mr. Morat that appeared in published media, public City Council agendas, and indirect communications with the public.

NYHOFF CREATES A CULTURE OF HARASSMENT, RETALIATION, AND DISCRIMINATION

The workplace environment cultivated by Mr. Nyhoff during his 27-month tenure at the City allows and encourages harassment, discrimination, and retaliation of staff. During my clients' tenure at the City, they conducted themselves in a manner consistent with State and Federal laws and the City's Administrative Rules by reporting harassment and racial discrimination to HR and Mr. Nyhoff. The City rewarded their protection of a harassed employee by first placing Mr. Morat on administrative leave for reporting unlawful harassment of his subordinate by a peer. Later, after Mr. Matzka complained directly to Mr. Nyhoff, Mr. Riener, and the Director of Human Resources about the same harassment; and after Ms. Altman, Mr. Matzka, and Mr. Morat were directed to participate in two investigations with threat of termination for non-participation - one investigation into the harassment allegations against a City management employee, and another investigation

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ordered by City Council into Mr. Nyhoff -- Mr. Moran was promptly and summarily fired in retaliation.

The Harassment and Discrimination of Mr. Moran's Subordinate Employee by other City Employees

One substantial motivating factor for the termination of Mr. Moran and the sole reason for his administrative leave was related to his reporting of, and attempts to resolve the harassment, discrimination and bullying of a Black employee who worked for him. This employee had reported that she was being harassed because of her race and sex. In November 2018, the employee confided in Mr. Moran as a trusted colleague with her concerns about the treatment of her by other employees. She further confided that she had filed a Complaint with Human Resources, but that there had been no response and no investigation. From November until February 2020, Mr. Moran witnessed the further harassment of his employee. Finally, Mr. Moran realized that the Human Resources department was non-responsive to his employee's claims of race harassment and discrimination. As the employee's Manager, Mr. Moran acted in a manner consistent with California Law and City of Vallejo's policies, and he escalated the matter in an attempt to have someone in the City seriously investigate, evaluate and respond to the employee's concerns. He wrote an email complaining of the lack of response of the Human Resource's department. When he was placed on administrative leave, the Director of Human Resources told him he should not have sent the email in which he complained.

Mr. Nyhoff Confirms He is a Racist.

The City stresses the importance of promoting diversity among its staff members. However, the City's message was not furthered by Mr. Nyhoff during SLT meetings. In Fall 2019, during a SLT Meeting, Mr. Nyhoff started talking about the City's diversity training. He told the SLT: "I was a big racist well into my thirties. I did not trust Mexicans or African Americans. I did not go into their neighborhoods because I thought they would rob me. I didn't talk to them; I didn't associate with them. I was scared of them." Mr. Nyhoff did not offer any details about how he changed, other than to say the SLT was diverse.

A few weeks after this meeting, Mr. Nyhoff mentioned these statements again in an SLT meeting, once more emphasizing that he was a racist into his thirties, with no information on any subsequent transformation. During a SLT meeting in January 2020, Mr. Ruiz talked about the City participating in a diversity conference and training which would result in plans to update City personnel rules and ordinances. Mr. Nyhoff reminded the team, a very diverse group, that he had shared that he was a racist growing up and that "he was afraid of any one of color and that it was probably because he grew up in Kansas."

Mr. Nyhoff's confession of being a racist vitally made every staff member very uncomfortable.

Mr. Nyhoff Blames and Bullies Staff for His Poor Performance Evaluation.

On May 28, 2019, City Council conducted Mr. Nyhoff's performance evaluation in a closed session. The following day, Mr. Nyhoff called a SLT meeting to tell everyone he was extremely

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disappointed that his evaluation did not go well and implied it was his staff's fault. Mr. Nyhoff subsequently had nine (9) closed session performance evaluations or contract negotiations by City Council between May 2019 and April 2020, as City Council never finalized his evaluation that initially started in January 2019. Following each closed session evaluation, Mr. Nyhoff would routinely attack various senior staff, either verbally or in writing, for what he perceived as their failure that reflected poorly on him. In one instance, Mr. Nyhoff blamed Mr. Morat for a failure of the Fire Prevention Division (not even remotely Mr. Morat's responsibility) with regard to ongoing inspections.

On another occasion, a Councilmember confided in Ms. Altman that City employees had reported to the Councilmember that Mr. Nyhoff had been bullying other staff members, and that the Councilmember also been subjected directly to bullying behavior directly from Mr. Nyhoff. The Councilmember said that Mr. Nyhoff tried bullying and pressuring him/her to sign a letter requesting the Department of Justice investigate the Vallejo Police Department.

These issues were all shared by my clients, in recorded interviews, with Ms. Daube, the investigator that was conducting an evaluation of Mr. Nyhoff at the direction of City Council, and were retaliated against by Mr. Nyhoff when they were summarily terminated on April 23, 2020 the morning after the investigation was finalized in closed session with City Council.

COMPLAINTS OF GRAFT AND CORRUPTION

On March 31, 2020 Mr. Morat participated in a workplace investigation regarding Mr. Nyhoff. During that investigation, he was told the investigation was about Mr. Nyhoff and had been ordered by City Council. Linda Daube, the investigator, audio recorded Mr. Morat's interview and the City has refused to provide him with a copy of the audio. This audio recording is a document that will be helpful to Mr. Morat and that will be obtained by subpoena once litigation commences. Ms. Daube very directly asked if Mr. Morat knew of various alleged improper, unethical, and inappropriate actions regarding Mr. Nyhoff. Mr. Morat answered honestly, and was concerned, saddened, and duty bound to report various instances of inappropriate behavior that began with simple favoritism and crescendo into providing more favorable Mayer Island developers with whom Mr. Nyhoff had developed deep personal relationships. During this investigation interviews, which was recorded by Ms. Daube, Mr. Morat was repeated advised that he "had to tell the truth" "would be terminated if found to be untruthful or unforthcoming" "would be terminated if they did not fully participate in the investigation" of Mr. Nyhoff. Mr. Morat's motivation for his statements was for the good of the City, and to be honest and candid as is consistent with his values. Mr. Morat reported that Mr. Nyhoff failed to put the best interests of the City above his own. Mr. Morat reported that Mr. Nyhoff used his position to benefit developers. Mr. Nyhoff threatened his subordinates when they questioned his decisions and conduct.

The following are some examples of Mr. Nyhoff's improper, unethical, and corrupt actions, which Mr. Morat witnessed or was made aware of and which he was duty bound to convey to Ms. Daube.

Mare Island Project

In July 2018, Mr. Nyhoff appointed Mr. Morat as team lead to work with the developer, Nimitz Group, on the North Mare Island Development ("Mare Island"). In November 2018, Nimitz and Lerner notified the City that they were negotiating a deal to sell an additional 600 acres of land on Mare Island to the Nimitz Group. The land is governed by a development agreement with the City that requires City Council approval for any transfer or sale. At this time, Mr. Nyhoff promoted Mr. Morat to lead and manage the Economic Development Division, particularly to lead the Mare Island negotiations. Mr. Matzke, a consultant at the time, was also on the core team.

In October 2019, Mr. Morat's team negotiated a business term sheet with the Nimitz Group for the sale of North Mare Island to take to the City Council on October 22nd. Nimitz had requested the term "substantial" be used in reference to a key milestone for construction (i.e. "construction substantially complete" vs. "construction complete"). As lead negotiator, Mr. Morat held firm to leaving out a subjective term like "substantial". The partners of Nimitz confirmed leaving out the term "substantial" was acceptable. Mr. Nyhoff subsequently visited Nimitz's offices on Mare Island without informing Mr. Morat agreed to insert the term "substantial." Mr. Nyhoff informed Mr. his desire to include "substantial" but Mr. Morat and Mr. Matzke were strongly opposed and provided an argument against it, stating it is an ambiguous term that would lead to litigation in the future because the City and Nimitz would inevitably disagree on what is considered "substantially complete". The City Attorney's Office also adamantly opposed including the term.

The disagreement over "substantial" continued and Mr. Nyhoff informed Mr. Morat that Mr. Nyhoff had lost all his (Nyhoff's) credibility with Nimitz and that he put "substantial" in to prove to Nimitz that they can trust him (Nyhoff). Mr. Morat reiterated that he would not do that because it is not in the best interest of the City and confirmed that the partners at Nimitz were agreed about leaving it out. Mr. Morat again explained that if they put in a subjective word like "substantial," the City will end up in litigation with Nimitz five (5) years from now. Mr. Nyhoff replied: *"I don't care, I won't be here 5 years from now."* Mr. Morat said *"Well, I plan to be."* Mr. Morat expressed that he could not in good conscience "water down" the agreement in a manner that was not in the best interests of the City. Mr. Nyhoff replied, *"Then I'll find someone who will."* From that point forward, Mr. Morat feared that Mr. Nyhoff would retaliate and that his job with the City, which he had held for 6 years, was in jeopardy. It should be noted that the issue of substantial completion is a term that the City had struggled with on a previous development, and City Council had directed City employees to take steps to prevent a similar situation.

Ms. Altman was informed by a City attorney working on the Nimitz negotiations that Mr. Nyhoff made threats to the attorney's job because the attorney also refused to include the term "substantial" in the term sheet. Mr. Nyhoff stated that he would get an outside attorney to work on Mare Island if the City Attorney's Office did not do what he wanted.

In late Fall 2019, Mr. Nyhoff informed Mr. Morat that while in Tennessee for a conference, he spent a day with a developer, Southern Land Company. Mr. Nyhoff was impressed with Southern Land Company because *"they are trustworthy since they conduct business as gentlemen by handshakes and holding to their word."* Over Christmas Break of 2019, and without informing the

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City negotiating team, Mr. Nyhoff hosted the CEO and COO of Southern Land Company at his house, but never informed his staff of the visit. At this time, Southern Land Company was still unknown in Vallejo, especially to the public and the City was (and still is) in active negotiations with the Nimitz Group for development rights to Mare Island.

In January 2020, Mr. Nyhoff informed Mr. Morat that the two key project managers for the Nimitz Group were terminated, and Southern Land Company was coming in. Mr. Nyhoff failed to establish Southern Land Company's role, but it was clear that they were running the Mare Island project going forward. Mr. Nyhoff made clear to Mr. Morat that he did not care about the City's response to Southern Land Company's presence, the City's official messaging regarding the new developer, nor the public's perception, and stated that *"Southern Land Company would handle it."* Following this meeting, Mr. Nyhoff deliberately cut out the Mare Island negotiation team from any conversations with Southern Land Company and further undermined the negotiating position of the City and the community. Mr. Nyhoff organized closed door, non-publicly noticed meetings with Southern Land Company and City Councilmembers.

Blue Rock Project

In February 2019, at a negotiation meeting with the City, a project opponent that was threatening litigation, Syar Industries, disclosed to the City that they knew confidential information about the Blue Rock Project related to closed session meetings with City Council, giving them an advantage in the negotiations. Mr. Morat immediately brought this to the attention of Mr. Nyhoff, but he ignored it. In a second meeting with Syar, Mr. Morat noticed that again Syar representatives were in possession of confidential information. Mr. Morat notified Mr. Nyhoff that sensitive, confidential information was leaking, but Mr. Nyhoff ignored Mr. Morat's concerns. Between January 2019 and January 2020, Mr. Nyhoff repeatedly attempted to terminate the City's involvement with the project - a position sought by the project opponent, Syar - and Mr. Nyhoff continued to fail to educate himself on the necessity of the project and its financial implications for the City despite repeated attempts by Mr. Morat to provide memos, summaries and in-person bullet points that encapsulated the project's challenges and necessity.

"Save Our Sail" Donation

In the Summer of 2019, Mr. Nyhoff announced at a kick-off event that the City would donate \$50,000 to the "Save Our Sail" project, a joint project with the non-profit Mare Island Historic Park Foundation Museum. Mr. Morat informed Mr. Nyhoff that the Mare Island Museum moved quickly on the "Save Our Sail" project and began working without using prevailing wage, complicating the City's efforts to provide the \$50,000 donation. Mr. Morat stated that he was working on a staff report and recommendation for the City Council to legally approve the funds. Mr. Morat worked with the City Attorneys' Office to determine the legal path to provide the funds by the City. Mr. Nyhoff made the following statements to Mr. Morat: *"That's bullshit - I've given money all my career. If we can't just give them \$50,000 then I'll find an attorney who will," "No - we're just gonna give them the \$50,000 - we're not doing this route," and "The City Attorneys' Office is just being ridiculous."*

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Subsequently, a Councilmember expressed frustration that Mr. Nyhoff just offered \$50,000 publicity without City Council authority and approval.

Because staff and the City Attorney's Office could not legally concede to Mr. Nyhoff's request, in December 2019, Mr. Nyhoff pulled the draft staff report for the \$50,000 from the proposed City Council agenda. The item never moved forward and the \$50,000 was never donated to the Museum.

Mr. Morat expressed to Ms. Daube his fear and concerns of retaliation by Mr. Nyhoff because of his participation in the investigation. Mr. Morat emphasized that Mr. Nyhoff will retaliate against anyone that Ms. Daube interviews who says anything critical about Mr. Nyhoff. Mr. Morat was concerned that he would be terminated because he had already been retaliated against for reporting the HR race and sex harassment of one of his direct reports. Mr. Morat detailed to Ms. Daube the facts relating his employee filing a written unanswered complaint with the Director of Human Resources of the City of Vallejo and the fact his good faith reporting of this employee's claims had resulted in his being put on leave.

Mr. Morat raised concerns with Ms. Daube the validity of the March 13, 2020 letter signed by the City of Vallejo Senior Executive Directors in support of Mr. Nyhoff. It was believed that Mr. Nyhoff circulated the letter on his own behalf, or at Mr. Nyhoff's direction, and it was common knowledge that Mr. Nyhoff would retaliate against anyone who did not sign it. Mr. Morat was never presented the letter.

During Ms. Daube's investigation, Mr. Morat discussed the uneasy and hostile work environment created by Mr. Nyhoff, his retaliatory behavior, his failure of paying attention or reading reports, his failure to stay updated on key issues even when given talking points from his staff, his poor leadership and decision making, and failure to put the City's best interest before his own. Ms. Daube asked multiple sensitive questions that he answered quoting vulgar language and asking if Mr. Morat was incompetent. Ms. Daube asked Mr. Morat if Mr. Nyhoff ever brought up issues of race or gender in SLT meetings. Mr. Morat confirmed that Mr. Nyhoff repeatedly admitted to being a racist during his thirties. In response to the discrimination question, Mr. Morat detailed the harassment, discriminatory and bullying culture cultivated by Mr. Nyhoff, as well as Mr. Nyhoff's failure to investigate HR complaints, the complaint of his subordinate. They provided examples of Mr. Nyhoff's impropriety with developers and how he does not make decisions in the best interests of the City or the community. The interviews were recorded by the interviewer Ms. Daube and it was multiple hours. Specifically, the following incidents were described:

- Repeated instances of harassment of staff and failure to properly investigate misconduct by Mr. Nyhoff, and Assistant City Manager, Anne Cardwell.
- The battle over the term "substantial" during the Mare Island negotiations with Nimitz.
- Mr. Nyhoff's improper visits to Tennessee with a developer, Southern Land Company, and hosting the same developer at his house in secret over Christmas break.
- Mr. Nyhoff deliberately cutting the Mare Island negotiating team out of conversations when Southern Land Company starts in January 2020.

- Mr. Nyhoff's attempts to halt the Blue Rock project even though the City had a City Council approved ENA with the developer.
- Mr. Nyhoff's refusal to listen to the Building Department, City Attorney Office, and staff that rescinding the red tags on buildings at the Mare Island Preserve was not an option. In spite of this, Mr. Nyhoff kept the buildings open and occupied for more than twelve (12) months.
- Mr. Nyhoff's repeated questions to staff as to why the City would not accept ownership of the old Navy landfill on Mare Island. Mr. Nyhoff wanted the City to accept a large and polluted liability, despite the City Council's explicit direction in City Council meetings.
- During the PG&E shutdown in Fall 2019, Mr. Nyhoff refused to keep the Emergency Operations Center ("EOC") open as recommended by the Fire Chief and all EOC staff, as well as his repeated late arrival (45 minutes late) to the EOC because "his power came on and he wanted to take a hot shower."
- The debacle with Mr. Nyhoff's promised donation of \$50,000 to the "Save Our Sail" project.
- Mr. Nyhoff's attempts to ignore the sea level rise implications for a project on the Northern Waterfront, and his attempts to remove any requirement for the developer to mitigate for future sea level rise, despite the fact that staff told Mr. Nyhoff we had resolved the issues with the developer that would protect the City and could move forward with the project.

DEFAMATORY STATEMENTS HAVE DAMAGED MR. MORAT

The City, by its staff, Councilmembers, and Mr. Nyhoff, have smeared the personal and professional reputation of Mr. Morat. The City has repeatedly confirmed in news articles that my Mr. Morat's termination was not COVID-19 related and was due to a "personnel matter," insinuating the false rumors of my clients' professional performance spread by Mr. Nyhoff and his direct reports. This defamation *per se* has prevented Mr. Morat from finding future employment consistent with his earning potential and has deprived him of significant retirement earnings. The defamation of departed staff members is a pattern of practice of Mr. Nyhoff. Mr. Morat has been previously told "that phone call never happened" when he proceeded to speak disparagingly about another employee.

These defamatory statements directly contradicted Mr. Morat's performance evaluations demonstrating an exemplary record of professional performance during their tenure at the City.

The following are examples of the defamatory statements:

- On March 13, 2020, a developer associate informs Mr. Morat that a City Councilmember told the developer that Will was on administrative leave because "Will flaked up", "Will is on leave because he was going after another department head," and that "Will was hiding projects" - all untrue accusations
- On April 23, 2020, a colleague received a call from a blocked number stating, "be careful about recommending Will for a job".

- On April 23, 2020, an article was published in the Vallejo Times Herald, titled, "Three Top Employees Gone From City of Vallejo." The City clarified that the departures were "a personnel matter" and "not related to COVID-19 shuttles or layoffs."
- On April 24, 2020, the City Council April 28th agenda packet is published, citing the March 13, 2020 letter of support from City Council to Mr. Nyhoff. This letter referred to "rumors" about Mr. Nyhoff's leadership and that the City Council is unhappy those rumors and the people that spread them. It also implied that the reason for the terminations of Mr. Morot was because they were the source of the rumors. The letter from City Council is dated April 23rd, the same day that Mr. Altman, Mr. Matzke, and Mr. Morot were terminated.
- On April 24, 2020, Mr. Matzke was contacted by two City staff members stating that they heard that Mr. Morot and Mr. Matzke were removed because they had been "doing something shady" on the Mare Island development projects.
- On May 4, 2020, an article was published in the Vallejo Times Herald, titled, "Former Supervisor Hired as Special Economic Development Advisor in Vallejo". The terminations of Mr. Altman, Mr. Matzke, and Mr. Morot are mentioned and again the City characterizes the terminations as a "personnel matter."
- On May 1, 2020, the City released documentation under PRA #20-207 noting that Will Morot was on paid administrative leave since February 19, 2020, a violation of the California state law which exempts records that protect the privacy rights and interests of individual employees under Government Code Section 6254(e), causing further damage and defaming Mr. Morot's professional reputation.
- On July 27, 2020, the City correctly denied another employees request for listing employees on paid administrative leave under PRA #20-572, citing the relevant Government Code Section 6254(e), clearly demonstrating their intent to intentionally defame and damage Mr. Morot's reputation by releasing personnel information previously under PRA #20-207.

In response to your request, to the extent such records exist, the City will not be producing those records, which are exempt from disclosure under the privilege for personnel information set forth in Government Code section 6254(e), the privilege for confidential information set forth in California Evidence Code section 1040(a), the catchall provision of California Government section 6255 because the public interest in non-disclosure outweighs the public interest in disclosure, and/or to protect the privacy rights and interests of the individual employee. Accordingly, the City is closing this request.

INTENDED LEGAL THEORIES OF RECOVERY

Mr. Moore's potential claims include Retaliation in Violation of Public Policy, Termination in Violation of Government Code 12949(b), defamation, interference with prospective economic advantage, and intentional infliction of emotional distress. Together these claims entitle Mr. Moore to a recovery of general damages, special damages, punitive damages and recovery of attorney's' fees.

These appalling circumstances have enforced the notion that if Mr. Moore remained silent and obedient to Mr. Nyhoff and implicit with his improper, unethical, and potentially corrupt actions,

First, an employer is prohibited from terminating any employee, including at-will employees, for attempting to comply with Cal. Govt. Code §12940 forbidding racial, sexual, or other forms of job harassment. To establish a prima facie case, it must be shown that the plaintiff engaged in a protected activity and the employer subjected the plaintiff to adverse employment action, and there is a causal link between the protected activity and the employer's action. "Both the state and federal statutes are designed to foster open communication between an employer and its employees regarding perceived misconduct, encouraging employees to call their employer's attention to unlawful practices of which the employer might be unaware and which might result in litigation if not voluntarily changed." (*Fitz v. North American Watch Corp.* (1992) 3 Cal.App.4th 467, 477.) Cal. Govt. Code §12940(b) requires that supervisors "take immediate and appropriate corrective action" when harassment is brought to their attention. Supervisors who properly take immediate corrective action are protected from retaliation. (*Fitz, supra*, 3 Cal.App.4th at 477.)

Mr. Moore took all steps that he could to initiate immediate corrective action to protect the same employer who was being harassed and racially discriminated against. He acted in compliance with Cal. Govt. Code §12940 and the City's Administrative Rules. Instead of commending Mr. Altman, Mr. Matzke, and Mr. Moore for their actions, the City terminated them because they were seen as problematic for their reporting.

Second, under Cal. Labor Code §1102.5 and Cal. Govt. Code §53296, an employer may not retaliate against an employee for actions taken by the employee such as reporting a violation of law to his employer. This law provides that employers may not retaliate against (including by wrongfully firing) any employee who reports a suspected violation of law by the employer to a government or law enforcement agency, or to a supervisor or other employee who has the authority to investigate or correct the violation. Throughout their tenure at the City, Mr. Altman, Mr. Matzke, and Mr. Moore witnessed a myriad of questionable and unethical conduct by Mr. Nyhoff. They participated in an investigation of Mr. Nyhoff orchestrated by City Council and Mr. Risner where they honestly reported substantial violations of Mr. Nyhoff, including interference with developer negotiations, questionable meetings with developers, and the failure to properly investigate HR complaints. During their interviews, they reiterated on multiple occasions that they feared they would be retaliated against by Mr. Nyhoff based on their participation in the investigation and their critical remarks. About three weeks following their investigative interview, they were terminated by Mr. Nyhoff. It can be easily surmised that Mr. Nyhoff was substantially

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motivated by a desire to get rid of the individuals who had honestly reported his unlawful violations and questioned his ability to properly serve the City.

Third, the personal and professional reputation of Mr. Morat has been substantially harmed due to false rumors spread throughout the community, to councilmembers, to the public, to developers, and to potential employers by the City's staff members, specifically Mr. Nyhoff. Mr. Morat has been defamed by false information related to their terminations in violation of Cal. Civ. Code §§45, *et seq.* and Cal. Lab. Code §1050. The City will be held liable for the defamatory statements made by its supervisors, managers which are made in the course and scope of their employment. Mr. Morat has been barred from receiving employment opportunities due to the conduct of Mr. Nyhoff and the City.

**Will Morat
Attachment B**

The conduct by the City has resulted in significant damages to Mr. Morat in the lost past and future wages, lost benefits, reputational damage, severe emotional distress, medical fees and costs, and attorneys' fees and costs. Mr. Morat continues to suffer emotional distress as a result of the City's ongoing defamatory statements about him and the damage their actions continue to inflict on his career. Precise damages will be proven at trial. Estimated damages as of today's date are as follows:

Economic loss to date: \$81,402.00

Future economic loss: \$135,225 per year (ongoing)

Emotional distress in excess of \$1,000,000.00

Mr. Morat's wrongful termination is in direct violation of applicable provisions of the California Labor Code and the California Government Code, and gives rise to potential claims for retaliation against whistleblowers, retaliation against employees reporting harassment and discrimination issues, and defamation.

Attachment C
Will Morat

Linda Daube, Heather Ruiz, Christopher Boucher, Joanna Altman, Slater Matzke, LaTanya Terrones, Council Member Phippen Dew, Council Member Hakeem Brown, Nate Bergeron, Council Member Katy Miessner, Michelle Straub, Stacy Madigan, Shannon Eckmeyer, Gerald Ramiza, Erin Hanford, and Doris Papillon-Allen. Christopher Boucher has all relevant telephone numbers and contact information of the witnesses.

EXHIBIT 7



Risk Management Division • 555 Santa Clara Street • Vallejo - CA 94590 707.648.5404

December 4, 2020

TO: J. Gary Gwilliam & Randall E. Strauss
1999 Harrison Street, Suite 1600
Oakland, CA 94612

CLAIMANT: Will Morat

SUBJECT: NOTICE OF REJECTION

NOTICE IS HEREBY GIVEN that the claim which you presented by filing it in the office of the City Clerk on October 21, 2020 is rejected by operation of law, and the undersigned hereby gives you notice to this effect.

WARNING

Subject to certain exceptions, you have only six (6) months from the date this notice was deposited in the mail to file a lawsuit on this claim. See California Government Code Section 945.8.

This time limitation applies only to causes of action arising under California law for which a claim is mandated by the California Government Tort Claims Act, Government Code sections 900 et. seq. Other causes of action, including those arising under federal law, may have shorter time limitations for filing.

If you choose to bring your case to court and the court should determine that the proceeding was not brought in good faith and with reasonable cause, the City will seek defense costs reasonably and necessarily incurred by the City of Vallejo. See Code of Civil Procedure Section 1038.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,
Sedgwick

A handwritten signature in black ink, appearing to read "Rose Mary Jimenez".

Rose Mary Jimenez
Adjuster Complex Commercial Claims
(805) 288-4306
E-mail: rosemary.jimenez@sedgwick.com

cc: City of Vallejo

PROOF OF SERVICE BY MAIL

I, the undersigned say:

I am now and at all times herein mentioned have been over the age of 18 years, not a party to the within cause or claim, and am employed by Sedgwick, State of California. My business address is P.O. Box 619079, Roseville, California 95661. I am readily familiar with this agency's business practice for collection and processing of correspondence for mailing with the United States Postal Service. On the date set forth below, I served a copy of the attached letter to claimant by placing the original in an envelope addressed to:

**J. Gary Gwilliam & Randall E. Strauss
1999 Harrison Street, Suite 1600
Oakland, CA 94612**

Re: Will Morat

which envelope was then sealed and, with postage fully prepaid thereon and placed for collection and mailing at my remote business location and following ordinary business practices. Said correspondence will be deposited with the United States Postal Service at Martinez, California on the date set forth below in the ordinary course of business; there is a delivery service by mail at the Martinez location.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 4th day of December 2020, at Martinez, California.



Linda Del Vigna, Declarant

EXHIBIT 8



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
<http://www.dfeh.ca.gov> | Email: contact.center@dfeh.ca.gov

KEVIN KISH, DIRECTOR

February 5, 2021

Randall Strauss
1999 Harrison St. Ste. 1600, Suite 1600
Oakland, California 94612

RE: **Notice to Complainant's Attorney**
DFEH Matter Number: 202102-12538305
Right to Sue: Matzke / City of Vallejo et al.

Dear Randall Strauss:

Attached is a copy of your complaint of discrimination filed with the Department of Fair Employment and Housing (DFEH) pursuant to the California Fair Employment and Housing Act, Government Code section 12900 et seq. Also attached is a copy of your Notice of Case Closure and Right to Sue.

Pursuant to Government Code section 12962, DFEH will not serve these documents on the employer. You must serve the complaint separately, to all named respondents. Please refer to the attached Notice of Case Closure and Right to Sue for information regarding filing a private lawsuit in the State of California. A courtesy "Notice of Filing of Discrimination Complaint" is attached for your convenience.

Be advised that the DFEH does not review or edit the complaint form to ensure that it meets procedural or statutory requirements.

Sincerely,

Department of Fair Employment and Housing



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
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KEVIN KISH, DIRECTOR

February 5, 2021

RE: Notice of Filing of Discrimination Complaint
DFEH Matter Number: 202102-12538305
Right to Sue: Matzke / City of Vallejo et al.

To All Respondent(s):

Enclosed is a copy of a complaint of discrimination that has been filed with the Department of Fair Employment and Housing (DFEH) in accordance with Government Code section 12960. This constitutes service of the complaint pursuant to Government Code section 12962. The complainant has requested an authorization to file a lawsuit. A copy of the Notice of Case Closure and Right to Sue is enclosed for your records.

This matter may qualify for DFEH's Small Employer Family Leave Mediation pilot program. Under this program, established under Government Code section 12945.21, a small employer with 5 -19 employees, charged with violation of the California Family Rights Act, Government Code section 12945.2, has the right to participate in DFEH's free voluntary mediation service. Under this program both the employee requesting an immediate right to sue and the employer charged with the violation may request that all parties participate in DFEH's free voluntary mediation service. A request for mediation must be made within 30 days of receipt of the Notice of Case Closure and Right to Sue. If mediation is requested, the employee is prohibited from filing a civil action until mediation is complete. The employee's statute of limitations to file a civil action, including for all related claims not arising under section 12945.2, is tolled from DFEH's receipt of a mediation request under section 12945.21 until mediation is complete. To request DFEH Small Employer Family Leave Mediation, email DRDOnlinerequests@dfeh.ca.gov and include the DFEH matter number indicated on the Right to Sue notice.

Please refer to the attached complaint for a list of all respondent(s) and their contact information.

No response to DFEH is requested or required.

Sincerely,

Department of Fair Employment and Housing

**DEPARTMENT OF FAIR EMPLOYMENT & HOUSING**

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
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KEVIN KISH, DIRECTOR

February 5, 2021

Slater Matzke
1999 Harrison Street, Suite 1600
Oakland, California 94612

RE: Notice of Case Closure and Right to Sue
DFEH Matter Number: 202102-12538305
Right to Sue: Matzke / City of Vallejo et al.

Dear Slater Matzke:

This letter informs you that the above-referenced complaint filed with the Department of Fair Employment and Housing (DFEH) has been closed effective February 5, 2021 because an immediate Right to Sue notice was requested.

This letter is also your Right to Sue notice. According to Government Code section 12965, subdivision (b), a civil action may be brought under the provisions of the Fair Employment and Housing Act against the person, employer, labor organization or employment agency named in the above-referenced complaint. The civil action must be filed within one year from the date of this letter.

This matter may qualify for DFEH's Small Employer Family Leave Mediation pilot program. Under this program, established under Government Code section 12945.21, a small employer with 5 -19 employees, charged with violation of the California Family Rights Act, Government Code section 12945.2, has the right to participate in DFEH's free voluntary mediation service. Under this program both the employee requesting an immediate right to sue and the employer charged with the violation may request that all parties participate in DFEH's free voluntary mediation service. A request for mediation must be submitted to the DFEH within 30 days of receipt of the Notice of Case Closure and Right to Sue. If mediation is requested, the employee is prohibited from filing a civil action until mediation is complete. The employee's statute of limitations to file a civil action, including for all related claims not arising under section 12945.2, is tolled from DFEH's receipt of a mediation request under section 12945.21 until mediation is complete. To request DFEH Small Employer Family Leave Mediation, email DRDOnlineRequests@dfeh.ca.gov and include the DFEH matter number indicated on the Right to Sue notice.

To obtain a federal Right to Sue notice, you must contact the U.S. Equal Employment Opportunity Commission (EEOC) to file a complaint within 30 days of receipt of this DFEH Notice of Case Closure or within 300 days of the alleged discriminatory act, whichever is earlier.

Sincerely,



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

KEVIN KISH, DIRECTOR

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
<http://www.dfeh.ca.gov> | Email: contact.center@dfeh.ca.gov

Department of Fair Employment and Housing

1 3. Complainant **Slater Matzke**, resides in the City of Oakland, State of California.

2 4. Complainant alleges that on or about **April 23, 2020**, respondent took the
3 following adverse actions:

4 **Complainant was harassed** because of complainant's race.

5 **Complainant experienced retaliation** because complainant reported or resisted any form
6 of discrimination or harassment, participated as a witness in a discrimination or harassment
7 complaint and as a result was terminated, denied any employment benefit or privilege.

8 **Additional Complaint Details:** Slater Matzke began working for Vallejo as a FUSE Corp
9 Fellow in or around September 2016. On or around October 19, 2017, he was contracted
10 as an Executive Advisor to the City as a consultant. On or around February 1 2020, he was
11 hired as a Special Advisor to the Office of the City Manager. As demonstrated by Vallejo's
12 continued contracting and eventual hiring of Matzke at senior-level positions, he performed
13 his job well and was regularly commended for his work and dedication to Vallejo.

14 In or around January 2018, the Vallejo City Council appointed Greg Nyhoff as City Manager
15 for Vallejo. Thus began a parade of horrors committed and endorsed by Nyhoff in and
16 beyond City Hall. Within the walls of City Hall, Nyhoff fostered a culture of discrimination,
17 harassment, and retaliation. He expected all employees to fall in line, obeying his every
18 command, regardless of the command's correctness, ethics, or impact. If an employee
19 failed to adhere to Nyhoff's demands and follow him without question, Nyhoff either
20 terminated them or made their working conditions so untenable that they resigned.

21 A Council Member confided in Joanna Altman that Vallejo employees had informed them of
22 Nyhoff's discrimination, harassment, retaliation, and bullying. Further, the Council Member
23 disclosed that Nyhoff had bullied them, including pressuring them into signing a letter
24 requesting that the Department of Justice investigate the Vallejo Police Department.

25 Herb Lester, who worked for Vallejo during 2018 as a Risk Manager, harassed female staff.
26 Although Nyhoff eventually fired Lester, he did not do so until multiple complaints were
27 made by senior staff.

28 Phil White, who worked for Vallejo as Director of Development Services, harassed female
staff. In or around January 2019, he joined the team working on the North Mare Island
project, of which Matzke and Will Morat were also members. In one instance, the team and
Nyhoff were on a ferry to San Francisco to meet with developers. White told a female team
member, "shouldn't you be back at your desk working since you can't keep up with everyone
else," or words to that effect, while putting his hands on her shoulder. It was clear that the
team member was uncomfortable with both White's words and his physical contact. White
also constantly attacked the reputation, character, and abilities of his colleagues – including
Matzke – behind their backs. Although Nyhoff eventually fired White, again, he did not do
so until multiple complaints were made by senior staff.

One substantial motivating factor for Matzke's termination was his reporting of, and attempts
to resolve the serious and ongoing discrimination against, and harassment and bullying of,
an employee, a Black woman who worked for Matzke and Morat, by Judy Shepard-Hall,
the Vallejo's Housing and Community Development Manager.

1 The employee had reached out to Morat numerous times, dating back to January 2019,
2 seeking guidance on how to handle Shepard-Hall's abuse. She had also filed multiple
3 complaints with Human Resources ("HR"), but nothing was done.
4 On or around February 18, 2020, Morat and the employee attempted to attend a project
5 meeting, run by Shepard-Hall. The moment they arrived, Shepard-Hall pulled Morat aside
6 and told him, "This meeting isn't for staff. You're going to have to have [the employee]
7 leave." Incensed, Morat and the employee left.
8 Immediately after, Morat spoke to Altman and Matzke about the incident. Altman and
9 Matzke encouraged the employee to report this incident to HR as race discrimination and to
10 go directly to Nyhoff. In a show of support, Morat went to HR with the employee to report
11 the incident, where they spoke to Doris Papillon-Allen, Personnel Analyst II. That evening,
12 Morat sent two (2) emails. The first was an email to all those in attendance at the meeting,
13 briefly explaining why he had left so abruptly. The second was sent to Nyhoff, Heather Ruiz,
14 Director of Human Resources, and Anne Cardwell, Assistant City Manager, and Papillon-
15 Allen, regarding the incident and Shepard-Hall's ongoing treatment of the employee,
16 officially lodging a complaint regarding the same.
17 The next day, Morat met with Nyhoff and Ruiz, who told him that he was being placed on
18 administrative leave. Nyhoff refused to offer any explanation. When Morat asked Ruiz for
19 an explanation, she simply said, "You shouldn't have sent the email," or words to that effect.
20 This was clearly retaliation for standing up for and protecting the employee, who was a
21 victim of race discrimination.
22 Shortly after Morat was placed on leave, Matzke assumed the role of interim supervisor for
23 the Economic Development Division. He reviewed all of the allegations regarding the
24 discrimination, harassment, and treatment of the employee. He emailed Nyhoff, Ruiz,
25 Cardwell, and Risner, expressing his concerns. Again, Matzke's concerns were
26 unanswered. Matzke also spoke to the employee, who told him that HR had not responded
27 to any of their complaints. Matzke then spoke to Nyhoff and sent him an email expressing
28 his further concerns and requesting guidance on how to handle the situation. Nyhoff was
unresponsive, dismissive of the issue, and failed to address these serious HR violations and
allegations.
The employee then reached out to Altman, asking for advice. The employee discussed how
Shepard-Hall had been discriminating against, and harassing and bullying, her. Altman
advised her to fully document everything that had happened thus far and going forward,
send it to Nyhoff, and to reach out to her union representative.
Notably, Shepard-Hall is close friends with Ruiz and Cardwell – Shepard-Hall's supervisor.
In fact, shortly before the February 18 meeting, Shepard-Hall asked Ruiz if she would "get in
trouble" if she kicked Morat and the employee out, or words to that effect. Ruiz told her that
she would not. Further, whenever a complaint was made to Ruiz about Shepard-Hall, Ruiz
would tell her who had complained and would refuse to investigate.
Further, Shepard-Hall conspired with of one Morat's direct reports to terminate Morat.
In or around early March 2020, an investigation of Shepard-Hall's actions was conducted.
Matzke, Altman, and Morat were interviewed. During the interviews with Matzke and
Altman, the majority of the questions related to Morat and his behavior, management style,
and conduct – nothing to do with Shepard-Hall's conduct.
In fact, Shepard-Hall, Ruiz, and Cardwell all conspired to terminate Morat, Matzke, and
Altman.

1 It is clear that, although the investigation should have been confidential, their statements were disclosed to Shepard-Hall.

2 Additionally, Nyhoff told Shepard-Hall that, if she signed a letter in support of him ("March 13 letter"), he would protect her in the investigation of her actions. Shepard-Hall signed the letter.

3
4 In or around March 2020, the City Council ordered an investigation of Nyhoff. On March 31, 2020, Matzke, Altman, and Morat were individually interviewed by Linda Daube, the attorney hired to conduct the interview. Daube audio-recorded their interview, which Vallejo has refused to provide to them.

5
6 During Daube's investigation, Matzke, Altman, and Morat discussed, inter alia, the uneasy and hostile work environment created by Nyhoff and his retaliatory, discriminatory, and bullying behavior. They discussed Nyhoff's failure to pay attention to, or read, reports, his failure to stay updated on key issues even when given talking points from his staff, and the blame that Nyhoff placed on his staff when these failures caused him problems. In response to questions about Nyhoff and discrimination, they detailed the harassment, discriminatory and bullying culture cultivated by him, as well as his willful failure to investigate HR complaints. In short, each raised issues about possible violations of State and local law, regulations, charters, and rules. Daube asked them if Nyhoff ever brought up issues of race or gender in Senior Leadership Team meetings. They confirmed that Nyhoff repeatedly admitted to being a racist during his thirties.

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10 The City Council concluded the investigation of Nyhoff in a closed-door session on April 22, 2020. The following morning, on April 23, 2020, Matzke, Altman, and Morat were summarily terminated. Only four (4) hours later, the employee that they had advocated for was notified that the investigation of Shepard-Hall's harassment was closed and that her claims were "not sustainable."

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14 Instead of conducting legitimate investigations of race discrimination, Vallejo wrongfully harassed, retaliated against, and terminated Matzke, as well as Altman and Morat, for participating in the investigation of complaints of unlawful discrimination based on race and for reporting unlawful discrimination based on race.

1 VERIFICATION

2 I, **Randall E. Strauss**, am the **Attorney** in the above-entitled complaint. I have read
3 the foregoing complaint and know the contents thereof. The matters alleged are
4 based on information and belief, which I believe to be true.

5 On February 5, 2021, I declare under penalty of perjury under the laws of the State of
6 California that the foregoing is true and correct.

Oakland, California

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EXHIBIT 9



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

KEVIN KISH, DIRECTOR

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
<http://www.dfeh.ca.gov> | Email: contact.center@dfeh.ca.gov

February 5, 2021

Randall Strauss
1999 Harrison St. Ste. 1600, Suite 1600
Oakland, California 94612

RE: **Notice to Complainant's Attorney**
DFEH Matter Number: 202102-12538905
Right to Sue: Altman / City of Vallejo et al.

Dear Randall Strauss:

Attached is a copy of your complaint of discrimination filed with the Department of Fair Employment and Housing (DFEH) pursuant to the California Fair Employment and Housing Act, Government Code section 12900 et seq. Also attached is a copy of your Notice of Case Closure and Right to Sue.

Pursuant to Government Code section 12962, DFEH will not serve these documents on the employer. You must serve the complaint separately, to all named respondents. Please refer to the attached Notice of Case Closure and Right to Sue for information regarding filing a private lawsuit in the State of California. A courtesy "Notice of Filing of Discrimination Complaint" is attached for your convenience.

Be advised that the DFEH does not review or edit the complaint form to ensure that it meets procedural or statutory requirements.

Sincerely,

Department of Fair Employment and Housing



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

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(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
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KEVIN KISH, DIRECTOR

February 5, 2021

RE: **Notice of Filing of Discrimination Complaint**
DFEH Matter Number: 202102-12538905
Right to Sue: Altman / City of Vallejo et al.

To All Respondent(s):

Enclosed is a copy of a complaint of discrimination that has been filed with the Department of Fair Employment and Housing (DFEH) in accordance with Government Code section 12960. This constitutes service of the complaint pursuant to Government Code section 12962. The complainant has requested an authorization to file a lawsuit. A copy of the Notice of Case Closure and Right to Sue is enclosed for your records.

This matter may qualify for DFEH's Small Employer Family Leave Mediation pilot program. Under this program, established under Government Code section 12945.21, a small employer with 5 -19 employees, charged with violation of the California Family Rights Act, Government Code section 12945.2, has the right to participate in DFEH's free voluntary mediation service. Under this program both the employee requesting an immediate right to sue and the employer charged with the violation may request that all parties participate in DFEH's free voluntary mediation service. A request for mediation must be made within 30 days of receipt of the Notice of Case Closure and Right to Sue. If mediation is requested, the employee is prohibited from filing a civil action until mediation is complete. The employee's statute of limitations to file a civil action, including for all related claims not arising under section 12945.2, is tolled from DFEH's receipt of a mediation request under section 12945.21 until mediation is complete. To request DFEH Small Employer Family Leave Mediation, email DRDOnlineRequests@dfeh.ca.gov and include the DFEH matter number indicated on the Right to Sue notice.

Please refer to the attached complaint for a list of all respondent(s) and their contact information.

No response to DFEH is requested or required.

Sincerely,

Department of Fair Employment and Housing



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

KEVIN KISH, DIRECTOR

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February 5, 2021

Joanna Altman
1999 Harrison Street, Suite 1600
Oakland, California 94612

RE: Notice of Case Closure and Right to Sue
DFEH Matter Number: 202102-12538905
Right to Sue: Altman / City of Vallejo et al.

Dear Joanna Altman:

This letter informs you that the above-referenced complaint filed with the Department of Fair Employment and Housing (DFEH) has been closed effective February 5, 2021 because an immediate Right to Sue notice was requested.

This letter is also your Right to Sue notice. According to Government Code section 12965, subdivision (b), a civil action may be brought under the provisions of the Fair Employment and Housing Act against the person, employer, labor organization or employment agency named in the above-referenced complaint. The civil action must be filed within one year from the date of this letter.

This matter may qualify for DFEH's Small Employer Family Leave Mediation pilot program. Under this program, established under Government Code section 12945.21, a small employer with 5 -19 employees, charged with violation of the California Family Rights Act, Government Code section 12945.2, has the right to participate in DFEH's free voluntary mediation service. Under this program both the employee requesting an immediate right to sue and the employer charged with the violation may request that all parties participate in DFEH's free voluntary mediation service. A request for mediation must be submitted to the DFEH within 30 days of receipt of the Notice of Case Closure and Right to Sue. If mediation is requested, the employee is prohibited from filing a civil action until mediation is complete. The employee's statute of limitations to file a civil action, including for all related claims not arising under section 12945.2, is tolled from DFEH's receipt of a mediation request under section 12945.21 until mediation is complete. To request DFEH Small Employer Family Leave Mediation, email DRDOnlinerequests@dfeh.ca.gov and include the DFEH matter number indicated on the Right to Sue notice.

To obtain a federal Right to Sue notice, you must contact the U.S. Equal Employment Opportunity Commission (EEOC) to file a complaint within 30 days of receipt of this DFEH Notice of Case Closure or within 300 days of the alleged discriminatory act, whichever is earlier.

Sincerely,



STATE OF CALIFORNIA | Business, Consumer Services and Housing Agency

GAVIN NEWSOM, GOVERNOR

DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

KEVIN KISH, DIRECTOR

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1884 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
<http://www.dfeh.ca.gov> | Email: contact.center@dfeh.ca.gov

Department of Fair Employment and Housing

1 3. Complainant **Joanna Altman**, resides in the City of **Oakland**, State of **California**.

2 4. Complainant alleges that on or about **April 23, 2020**, respondent took the
3 following adverse actions:

4 **Complainant was harassed because of complainant's race.**

5 **Complainant experienced retaliation** because complainant reported or resisted any form
6 of discrimination or harassment, participated as a witness in a discrimination or harassment
7 complaint and as a result was terminated, denied any employment benefit or privilege.

8 **Additional Complaint Details:** Joanna Altman began working for Vallejo in or around
9 October 2012 as an Administrative Analyst II. In or around 2016, she was promoted to the
10 position of Assistant to the City Manager. Altman had a glowing personnel record and was
11 regularly commended for her hard work and dedication to Vallejo. Not only was she
12 excellent at her own job, she extremely knowledgeable about all aspects of work at City
13 Hall, mentoring many employees.

14 In or around January 2018, the Vallejo City Council appointed Greg Nyhoff as City Manager
15 for Vallejo. Thus began a parade of horrors committed and endorsed by Nyhoff in and
16 beyond City Hall. Within the walls of City Hall, Nyhoff fostered a culture of discrimination,
17 harassment, and retaliation. He expected all employees to fall in line, obeying his every
18 command, regardless of the command's correctness, ethics, or impact. If an employee
19 failed to adhere to Nyhoff's demands and follow him without question, Nyhoff either
20 terminated them or made their working conditions so untenable that they resigned.

21 A Council Member confided in Altman that Vallejo employees had informed them of Nyhoff's
22 discrimination, harassment, retaliation, and bullying. Further, the Council Member disclosed
23 that Nyhoff had bullied them, including pressuring them into signing a letter requesting that
24 the Department of Justice investigate the Vallejo Police Department.

25 Herb Lester, who worked for Vallejo during 2018 as a Risk Manager, harassed female staff.
26 Although Nyhoff eventually fired Lester, he did not do so until multiple complaints were
27 made by senior staff.

28 Phil White, who worked for Vallejo as Director of Development Services, harassed female
staff. In or around January 2019, he joined the team working on the North Mare Island
project, of which Matzke and Will Morat were also members. In one instance, the team and
Nyhoff were on a ferry to San Francisco to meet with developers. White told a female team
member, "shouldn't you be back at your desk working since you can't keep up with everyone
else," or words to that effect, while putting his hands on her shoulder. It was clear that the
team member was uncomfortable with both White's words and his physical contact. White
also constantly attacked the reputation, character, and abilities of his colleagues – including
Matzke – behind their backs. Although Nyhoff eventually fired White, again, he did not do
so until multiple complaints were made by senior staff.

One substantial motivating factor for Altman's termination was her reporting of, and attempts
to resolve the serious and ongoing discrimination against, and harassment and bullying of,
an employee, a Black woman who worked for Matzke and Morat, by Judy Shepard-Hall,
Vallejo's Housing and Community Development Manager.

1 The employee had reached out to Morat numerous times, dating back to January 2019,
2 seeking guidance on how to handle Shepard-Hall's abuse. She had also filed multiple
3 complaints with Human Resources ("HR"), but nothing was done.
4 On or around February 18, 2020, Morat and the employee attempted to attend a project
5 meeting, run by Shepard-Hall. The moment they arrived, Shepard-Hall pulled Morat aside
6 and told him, "This meeting isn't for staff. You're going to have to have [the employee]
7 leave." Incensed, Morat and the employee left.
8 Immediately after, Morat spoke to Altman and Matzke about the incident. Altman and
9 Matzke encouraged the employee to report this incident to HR as race discrimination and to
10 go directly to Nyhoff. In a show of support, Morat went to HR with the employee to report
11 the incident, where they spoke to Doris Papillon-Allen, Personnel Analyst II. That evening,
12 Morat sent two (2) emails. The first was an email to all those in attendance at the meeting,
13 briefly explaining why he had left so abruptly. The second was sent to Nyhoff, Heather Ruiz,
14 Director of Human Resources, and Anne Cardwell, Assistant City Manager, and Papillon-
15 Allen, regarding the incident and Shepard-Hall's ongoing treatment of the employee,
16 officially lodging a complaint regarding the same.
17 The next day, Morat met with Nyhoff and Ruiz, who told him that he was being placed on
18 administrative leave. Nyhoff refused to offer any explanation. When Morat asked Ruiz for
19 an explanation, she simply said, "You shouldn't have sent the email," or words to that effect.
20 This was clearly retaliation for standing up for and protecting the employee, who was a
21 victim of race discrimination.
22 Shortly after Morat was placed on leave, Matzke assumed the role of interim supervisor for
23 the Economic Development Division. He reviewed all of the allegations regarding the
24 discrimination, harassment, and treatment of the employee. He emailed Nyhoff, Ruiz,
25 Cardwell, and Risner, expressing his concerns. Again, Matzke's concerns were
26 unanswered. Matzke also spoke to the employee, who told him that HR had not responded
27 to any of their complaints. Matzke then spoke to Nyhoff and sent him an email expressing
28 his further concerns and requesting guidance on how to handle the situation. Nyhoff was
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allegations.
The employee then reached out to Altman, asking for advice. The employee discussed how
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In fact, Shepard-Hall, Ruiz, and Cardwell all conspired to terminate Altman, Morat, and
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1 It is clear that, although the investigation should have been confidential, their statements were disclosed to Shepard-Hall.

2 Additionally, Nyhoff told Shepard-Hall that, if she signed a letter in support of him ("March 13 letter"), he would protect her in the investigation of her actions. Shepard-Hall signed the letter.

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4 In or around March 2020, the City Council ordered an investigation of Nyhoff. On March 31, 2020, Altman, Matzke, and Morat were individually interviewed by Linda Daube, the attorney hired to conduct the interview. Daube audio-recorded their interview, which Vallejo has refused to provide to them.

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6 During Daube's investigation, Altman, Matzke, and Morat discussed, inter alia, the uneasy and hostile work environment created by Nyhoff and his retaliatory, discriminatory, and bullying behavior. They discussed Nyhoff's failure to pay attention to, or read, reports, his failure to stay updated on key issues even when given talking points from his staff, and the blame that Nyhoff placed on his staff when these failures caused him problems. In response to questions about Nyhoff and discrimination, they detailed the harassment, discriminatory and bullying culture cultivated by him, as well as his willful failure to investigate HR complaints. In short, each raised issues about possible violations of State and local law, regulations, charters, and rules. Daube asked them if Nyhoff ever brought up issues of race or gender in Senior Leadership Team meetings. They confirmed that Nyhoff repeatedly admitted to being a racist during his thirties.

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11 The City Council concluded the investigation of Nyhoff in a closed-door session on April 22, 2020. The following morning, on April 23, 2020, Altman, Matzke, and Morat were summarily terminated. Only four (4) hours later, the employee that they had advocated for was notified that the investigation of Shepard-Hall's harassment was closed and that her claims were "not sustainable."

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14 Instead of conducting legitimate investigations of race discrimination, Vallejo wrongfully harassed, retaliated against, and terminated Altman, as well as Matzke and Morat, for participating in the investigation of complaints of unlawful discrimination based on race and for reporting unlawful discrimination based on race.

1 VERIFICATION

2 I, **Randall E. Strauss**, am the **Attorney** in the above-entitled complaint. I have read
3 the foregoing complaint and know the contents thereof. The matters alleged are
4 based on information and belief, which I believe to be true.

5 On February 5, 2021, I declare under penalty of perjury under the laws of the State of
6 California that the foregoing is true and correct.

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Oakland, California

EXHIBIT 10



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

KEVIN KISH, DIRECTOR

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
(800) 884-1684 (Voice) | (800) 700-2320 (TTY) | California's Relay Service at 711
<http://www.dfeh.ca.gov> | Email: contact.center@dfeh.ca.gov

February 5, 2021

Randall Strauss
1999 Harrison St. Ste. 1600, Suite 1600
Oakland, California 94612

RE: **Notice to Complainant's Attorney**
DFEH Matter Number: 202102-12539105
Right to Sue: Morat / City of Vallejo et al.

Dear Randall Strauss:

Attached is a copy of your complaint of discrimination filed with the Department of Fair Employment and Housing (DFEH) pursuant to the California Fair Employment and Housing Act, Government Code section 12900 et seq. Also attached is a copy of your Notice of Case Closure and Right to Sue.

Pursuant to Government Code section 12962, DFEH will not serve these documents on the employer. You must serve the complaint separately, to all named respondents. Please refer to the attached Notice of Case Closure and Right to Sue for information regarding filing a private lawsuit in the State of California. A courtesy "Notice of Filing of Discrimination Complaint" is attached for your convenience.

Be advised that the DFEH does not review or edit the complaint form to ensure that it meets procedural or statutory requirements.

Sincerely,

Department of Fair Employment and Housing



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
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KEVIN KISH, DIRECTOR

February 5, 2021

RE: Notice of Filing of Discrimination Complaint
DFEH Matter Number: 202102-12539105
Right to Sue: Morat / City of Vallejo et al.

To All Respondent(s):

Enclosed is a copy of a complaint of discrimination that has been filed with the Department of Fair Employment and Housing (DFEH) in accordance with Government Code section 12960. This constitutes service of the complaint pursuant to Government Code section 12962. The complainant has requested an authorization to file a lawsuit. A copy of the Notice of Case Closure and Right to Sue is enclosed for your records.

This matter may qualify for DFEH's Small Employer Family Leave Mediation pilot program. Under this program, established under Government Code section 12945.21, a small employer with 5 -19 employees, charged with violation of the California Family Rights Act, Government Code section 12945.2, has the right to participate in DFEH's free voluntary mediation service. Under this program both the employee requesting an immediate right to sue and the employer charged with the violation may request that all parties participate in DFEH's free voluntary mediation service. A request for mediation must be made within 30 days of receipt of the Notice of Case Closure and Right to Sue. If mediation is requested, the employee is prohibited from filing a civil action until mediation is complete. The employee's statute of limitations to file a civil action, including for all related claims not arising under section 12945.2, is tolled from DFEH's receipt of a mediation request under section 12945.21 until mediation is complete. To request DFEH Small Employer Family Leave Mediation, email DRDOnlineRequests@dfeh.ca.gov and include the DFEH matter number indicated on the Right to Sue notice.

Please refer to the attached complaint for a list of all respondent(s) and their contact information.

No response to DFEH is requested or required.

Sincerely,

Department of Fair Employment and Housing



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

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KEVIN KISH, DIRECTOR

February 5, 2021

Will Morat
1999 Harrison Street, Suite 1600
Oakland, California 94612

RE: Notice of Case Closure and Right to Sue
DFEH Matter Number: 202102-12539105
Right to Sue: Morat / City of Vallejo et al.

Dear Will Morat:

This letter informs you that the above-referenced complaint filed with the Department of Fair Employment and Housing (DFEH) has been closed effective February 5, 2021 because an immediate Right to Sue notice was requested.

This letter is also your Right to Sue notice. According to Government Code section 12965, subdivision (b), a civil action may be brought under the provisions of the Fair Employment and Housing Act against the person, employer, labor organization or employment agency named in the above-referenced complaint. The civil action must be filed within one year from the date of this letter.

This matter may qualify for DFEH's Small Employer Family Leave Mediation pilot program. Under this program, established under Government Code section 12945.21, a small employer with 5 -19 employees, charged with violation of the California Family Rights Act, Government Code section 12945.2, has the right to participate in DFEH's free voluntary mediation service. Under this program both the employee requesting an immediate right to sue and the employer charged with the violation may request that all parties participate in DFEH's free voluntary mediation service. A request for mediation must be submitted to the DFEH within 30 days of receipt of the Notice of Case Closure and Right to Sue. If mediation is requested, the employee is prohibited from filing a civil action until mediation is complete. The employee's statute of limitations to file a civil action, including for all related claims not arising under section 12945.2, is tolled from DFEH's receipt of a mediation request under section 12945.21 until mediation is complete. To request DFEH Small Employer Family Leave Mediation, email DRDOnlineRequests@dfeh.ca.gov and include the DFEH matter number indicated on the Right to Sue notice.

To obtain a federal Right to Sue notice, you must contact the U.S. Equal Employment Opportunity Commission (EEOC) to file a complaint within 30 days of receipt of this DFEH Notice of Case Closure or within 300 days of the alleged discriminatory act, whichever is earlier.

Sincerely,



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

KEVIN KISH, DIRECTOR

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Department of Fair Employment and Housing

1 **COMPLAINT OF EMPLOYMENT DISCRIMINATION**
2 **BEFORE THE STATE OF CALIFORNIA**
3 **DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING**
4 **Under the California Fair Employment and Housing Act**
 (Gov. Code, § 12900 et seq.)

5 **In the Matter of the Complaint of**
6 **Will Morat**

DFEH No. 202102-12539105

7 **Complainant,**

8 **vs.**

9 **City of Vallejo**
10 **555 Santa Clara Street, 3rd Floor**
11 **Vallejo, California 94590**

12 **Gregory Nyhoff**
13 **555 Santa Clara Street, 3rd Floor**
14 **Vallejo, California 94590**

15 **Randy Risner**
16 **555 Santa Clara Street, 3rd Floor**
17 **Vallejo, California 94590**

18 **Heather Ruiz**
19 **555 Santa Clara Street, 3rd Floor**
20 **Vallejo, California 94590**

21 **Anne Cardwell**
22 **555 Santa Clara Street, 3rd Floor**
23 **Vallejo, California 94590**

24 **Respondents**

25 1. Respondent **City of Vallejo** is an employer **City of Vallejo** subject to suit under the
26 California Fair Employment and Housing Act (FEHA) (Gov. Code, § 12900 et seq.).

27 2. Complainant is naming **Gregory Nyhoff** as individual Co-Respondent(s).

28 Complainant is naming **Randy Risner** as individual Co-Respondent(s).

Complainant is naming **Heather Ruiz** as individual Co-Respondent(s).

Complainant is naming **Anne Cardwell** as individual Co-Respondent(s).

1 3. Complainant **Will Morat**, resides in the City of **Oakland**, State of **California**.

2 4. Complainant alleges that on or about **April 23, 2020**, respondent took the
3 following adverse actions:

4 **Complainant was harassed because of complainant's race.**

5 **Complainant experienced retaliation** because complainant reported or resisted any form
6 of discrimination or harassment, participated as a witness in a discrimination or harassment
7 complaint and as a result was terminated, suspended, denied any employment benefit or
8 privilege.

8 **Additional Complaint Details:** Will Morat began working for Vallejo in or around December
9 2013 as an Administrative Analyst I and was promoted to Administrative Analyst II in or
10 around October 2015. In April of 2017, Morat was appointed the Project Manager for the
11 Blue Rock Springs Golf Course project. On or around January 2018, he was promoted to
12 the Interim Manager for the Housing & Community Development Department. On or around
13 July 2018, he was appointed the Project Manager for the Mare Island Project and was
14 designated as lead negotiator for Vallejo's team. On or around October 8, 2018, Morat was
15 promoted to the position of Assistant to the City Manager. One (1) month later, in or around
16 November 2018, Morat was promoted again, now leading and managing the Economic
17 Development Division.

14 In or around January 2018, the Vallejo City Council appointed Greg Nyhoff as City Manager
15 for Vallejo. Thus began a parade of horrors committed and endorsed by Nyhoff in and
16 beyond City Hall. Within the walls of City Hall, Nyhoff fostered a culture of discrimination,
17 harassment, and retaliation. He expected all employees to fall in line, obeying his every
18 command, regardless of the command's correctness, ethics, or impact. If an employee
19 failed to adhere to Nyhoff's demands and follow him without question, Nyhoff either
20 terminated them or made their working conditions so untenable that they resigned.

17 A Council Member confided in Joanna Altman that Vallejo employees had informed them of
18 Nyhoff's discrimination, harassment, retaliation, and bullying. Further, the Council Member
19 disclosed that Nyhoff had bullied them, including pressuring them into signing a letter
20 requesting that the Department of Justice investigate the Vallejo Police Department.

19 Herb Lester, who worked for Vallejo during 2018 as a Risk Manager, harassed female staff.
20 Although Nyhoff eventually fired Lester, he did not do so until multiple complaints were
21 made by senior staff.

21 Phil White, who worked for Vallejo as Director of Development Services, harassed female
22 staff. In or around January 2019, he joined the team working on the North Mare Island
23 project, of which Morat and Slater Matzke were also members. In one instance, the team
24 and Nyhoff were on a ferry to San Francisco to meet with developers. White told a female
25 team member, "shouldn't you be back at your desk working since you can't keep up with
26 everyone else," or words to that effect, while putting his hands on her shoulder. It was clear
27 that the team member was uncomfortable with both White's words and his physical contact.
28 White also constantly attacked the reputation, character, and abilities of his colleagues –
including Morat – behind their backs. Although Nyhoff eventually fired White, again, he did
not do so until multiple complaints were made by senior staff.

1 One substantial motivating factor for Morat's termination was his reporting of, and attempts
2 to resolve the serious and ongoing discrimination against, and harassment and bullying of,
3 an employee, a Black woman who worked for him and Matzke, by Judy Shepard-Hall,
4 Vallejo's Housing and Community Development Manager.
5 The employee had reached out to Morat numerous times, dating back to January 2019,
6 seeking guidance on how to handle Shepard-Hall's abuse. She had also filed multiple
7 complaints with Human Resources ("HR"), but nothing was done.
8 On or around February 18, 2020, Morat and the employee attempted to attend a project
9 meeting, run by Shepard-Hall. The moment they arrived, Shepard-Hall pulled Morat aside
10 and told him, "This meeting isn't for staff. You're going to have to have [the employee]
11 leave." Incensed, Morat and the employee left.
12 Immediately after, Morat spoke to Matzke and Altman about the incident. Matzke and
13 Altman encouraged the employee to report this incident to HR as race discrimination and to
14 go directly to Nyhoff. In a show of support, Morat went to HR with the employee to report
15 the incident, where they spoke to Doris Papillon-Allen, Personnel Analyst II. That evening,
16 Morat sent two (2) emails. The first was an email to all those in attendance at the meeting,
17 briefly explaining why he had left so abruptly. The second was sent to Nyhoff, Heather Ruiz,
18 Director of Human Resources, and Anne Cardwell, Assistant City Manager, and Papillon-
19 Allen, regarding the incident and Shepard-Hall's ongoing treatment of the employee,
20 officially lodging a complaint regarding the same.
21 The next day, Morat met with Nyhoff and Ruiz, who told him that he was being placed on
22 administrative leave. Nyhoff refused to offer any explanation. When Morat asked Ruiz for
23 an explanation, she simply said, "You shouldn't have sent the email," or words to that effect.
24 This was clearly retaliation for standing up for and protecting the employee, who was a
25 victim of race discrimination.
26 Shortly after Morat was placed on leave, Matzke assumed the role of interim supervisor for
27 the Economic Development Division. He reviewed all of the allegations regarding the
28 discrimination, harassment, and treatment of the employee. He emailed Nyhoff, Ruiz,
Cardwell, and Risner, expressing his concerns. Again, Matzke's concerns were
unanswered. Matzke also spoke to the employee, who told him that HR had not responded
to any of their complaints. Matzke then spoke to Nyhoff and sent him an email expressing
his further concerns and requesting guidance on how to handle the situation. Nyhoff was
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Morat, Matzke, and Altman were interviewed. During the interviews with Matzke and

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Altman.

3 It is clear that, although the investigation should have been confidential, their statements
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4 Additionally, Nyhoff told Shepard-Hall that, if she signed a letter in support of him ("March 13
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Oakland, California

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