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Los Angeles Superior Court

DEC 07 2015

Sherri R. Carter, Executive Officer/Clerk
By: Moses Soto, Deputy

12
13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES**

15
16 STEVE SARKISIAN and SARK
17 ENTERPRISES, INC.,

18 Plaintiffs,

19 v.

20 UNIVERSITY OF SOUTHERN
21 CALIFORNIA; and DOES 1-10,

22 Defendants.

Case No.: **BC 6 03 3 3 7**

COMPLAINT FOR DAMAGES

1. Breach of Written Contract (Head Coach Contract)
2. Breach of Implied Covenant of Good Faith and Fair Dealing (Head Coach Contract)
3. Failure to Engage in the Interactive Process (Cal. Gov't. Code § 12940(n))
4. Failure to Accommodate (Cal. Gov't. Code § 12940(m))
5. Discrimination on the Basis of Disability (Cal. Gov't. Code § 12940(h))
6. Retaliation (Cal. Gov't. Code § 12940(a))
7. Failure to Prevent Discrimination and Retaliation (Cal. Gov't. Code § 12940(k))
8. Violation of Confidentiality of Medical Information Act (Cal. Civ. Code §§ 56 *et seq.*)

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- 9. Invasion of Privacy (Cal. Const. art. I, § 1)
- 10. Negligent Disclosure
- 11. Wrongful Termination in Violation of Public Policy (Cal. Labor Code § 1102.5)
- 12. Breach of Written Contract (Marketing Agreement)
- 13. Breach of the Implied Covenant of Good Faith and Fair Dealing (Marketing Agreement)
- 14. Negligent Supervision, Hiring, Training, and Retention

JURY TRIAL DEMANDED

INTRODUCTION

1
2 Steven Sarkisian left a successful head coaching job at the University of Washington
3 relying on a long term commitment from USC, a commitment USC now refuses to honor.

4 Instead of supporting its Head Coach, Steve Sarkisian, when he needed its help the
5 most, USC kicked him to the curb.

6 Instead of honoring the contract it made with Steve Sarkisian, USC kicked him to the
7 curb.

8 Instead of accommodating Steve Sarkisian's disability, USC kicked him to the curb.

9 By mid-October 2015, Steve Sarkisian, the highly successful head coach of the USC
10 Football team, came to grips with the fact that he suffered from alcoholism, a disability
11 recognized by medical experts as well as by California law. Inspired by the courage of other high
12 profile individuals with alcoholism who had recently sought treatment, including New York
13 Yankee C.C. Sabathia, Steve Sarkisian realized he needed immediate professional help and time
14 off to get that help.

15 On October 11, 2015, Mr. Sarkisian pleaded with his boss Pat Haden, the athletic
16 director, to give him time off to get the help he needed. Rather than express any concern or
17 willingness to accommodate this request from a man whose history with USC goes back 23 years
18 to his days as a student-athlete, Haden's immediate response was to derisively repeat the phrase
19 "Unbelievable." Shortly thereafter, Haden called back and placed Mr. Sarkisian on indefinite
20 leave. Less than 24 hours later, while Mr. Sarkisian was on a plane travelling to get the help he
21 needed, Haden notified Mr. Sarkisian by email that he had been fired. Under the circumstances
22 of this case, California law required USC to make the reasonable accommodation of giving Steve
23 Sarkisian time off to get help for his disability and then return to his job. Instead, USC ignored
24 both its obligations under California law and the commitments it made to Steve Sarkisian.

25 Although Steve Sarkisian has now completed an intensive rehabilitation program, is sober
26 and ready to return to coaching, USC has taken away his team, his income, and a job that he
27 loved. USC also has refused to pay Mr. Sarkisian all the monies he is owed for the remainder of
28 his contract, all in violation of USC's contractual commitments and California's anti-

1 discrimination laws. Mr. Sarkisian brings this action to redress these wrongs.

2 PARTIES

3 1. Plaintiff Steve Sarkisian is, and at all times herein relevant was, an individual
4 residing in the County of Los Angeles, State of California.

5 2. Plaintiff Sark Enterprises, Inc. ("Sark Enterprises") is, and at all times herein
6 relevant was, a California corporation headquartered in California with its principal place of
7 business in California.

8 3. Defendant the University of Southern California ("USC") is, and at all times
9 herein relevant was, a corporation headquartered in California with its principal place of business
10 in California at 3551 Trousdale Parkway, ADM 352, Los Angeles, California 90089-5013 and a
11 covered employer under the Fair Employment Housing Act (FEHA), Cal. Gov. Code §§ 12940 *et*
12 *seq.*

13 4. The true names of Defendant Does 1 through 10, inclusive, are presently unknown
14 to Plaintiffs, who therefore sue these defendants by such fictitious names and capacities.
15 Plaintiffs will amend this complaint to allege their true identities when ascertained. Plaintiffs are
16 informed, believe, and on that basis allege, that each fictitiously named defendant is responsible
17 in some way for the acts and failures to act herein alleged, and that Plaintiffs' injuries as herein
18 alleged were legally caused by the conduct of each such defendant.

19 5. Plaintiffs are informed, believe, and thereupon allege that, at all times material
20 herein, each of the Defendants was the agent or employee of, and/or working in concert with,
21 his/her co-Defendants and was acting within the scope of such agency, employment, and/or
22 concerted activity. Plaintiffs allege that to the extent that certain acts and omissions were
23 perpetrated by certain Defendants, the remaining Defendant or Defendants confirmed and ratified
24 said acts and omissions.

25 6. Whenever and wherever reference is made in this Complaint to any act or failure
26 to act by a Defendant or Defendants, such allegations and references shall also be deemed to
27 mean the acts and failures of each Defendant acting individually, jointly and severally.

28 ///

1 VENUE AND EXHAUSTION OF ADMINISTRATIVE REMEDIES

2 7. Venue in Los Angeles County is proper as it is the county in which the two
3 contracts at issue in this matter were negotiated, where they were to be performed, where USC
4 breached the contracts, where liability for all of Plaintiffs' claims arose, and where USC has its
5 principal place of business.

6 8. On or about December 4, 2015, Steve Sarkisian filed a charge of discrimination
7 and retaliation with the DFEH.

8 9. On or about December 4, 2015, the DFEH issued Steve Sarkisian a Right to Sue
9 Letter.

10 10. Accordingly, Steve Sarkisian has exhausted all administrative remedies under
11 the Fair Employment and Housing Act necessary to bring this action.

12 STEVE SARKISIAN'S SUCCESSFUL ATHLETIC CAREER

13 11. Steve Sarkisian was born and raised in Torrance, California, the youngest of seven
14 children.

15 12. Mr. Sarkisian was a talented athlete, and had a standout high school career in both
16 baseball and football. He began his college career at USC playing baseball. Football, however,
17 was Steve Sarkisian's true love. After one semester at USC, Mr. Sarkisian transferred to El
18 Camino Junior College, which provided him an opportunity to play football. Mr. Sarkisian was
19 so successful at El Camino that he began to receive offers from Division 1 schools to play
20 football. One of those offers was from Brigham Young University. Mr. Sarkisian decided on
21 BYU and transferred there for his junior year to play football. During his first year at BYU, Mr.
22 Sarkisian started at quarterback and set a then NCAA record for completion percentage in one
23 game (91.2), a record that stood for another ten years.

24 13. During his senior year at BYU, Steve Sarkisian became engaged to his girlfriend,
25 whom he later married in 1997.

26 14. His senior year, Steve Sarkisian led the entire NCAA with a 173.6 passer rating.
27 In recognition of his achievements, he was named Western Athletic Conference offensive player
28 of the year, awarded the Sammy Braugh Trophy as the nation's top passer, and featured on the

1 cover of *TV Guide*. Steve Sarkisian's career 162 passing efficiency rating is fifteenth all-time on
2 the NCAA list. After graduating from BYU, Mr. Sarkisian played professional football for three
3 seasons in the Canadian Football League ("CFL"), from 1997 through 1999.

4 STEVE SARKISIAN BEGINS HIS COACHING CAREER

5 15. Although a talented athlete, Steve Sarkisian's true gift lies in coaching. Mr.
6 Sarkisian's coaching career followed a rapid ascent through the ranks of college football, during
7 which time he coached multiple Heisman Trophy winners. In 2000, Mr. Sarkisian returned to El
8 Camino College to begin his coaching career, serving as quarterback coach. His success at El
9 Camino once again received attention, this time from the coaching ranks. In 2001, USC asked
10 Mr. Sarkisian to return to USC, this time as a graduate offensive assistant coach. Mr. Sarkisian
11 spent the next three years coaching at USC, helping lead the University to a cumulative 29-9
12 record over that period. In 2004, Mr. Sarkisian then moved to the professional ranks as a
13 quarterback coach for the Oakland Raiders. That year the team ranked eighth out of thirty-two
14 NFL teams in passing yardage, a dramatic improvement over a ranking of twenty-seventh the
15 prior year.

16 16. In 2005, Steve Sarkisian again was asked to return to USC, now as the quarterback
17 coach and an assistant Head Coach under Head Coach Pete Carroll, which he agreed to do. In
18 2007, Mr. Sarkisian was promoted to USC's offensive coordinator and assistant Head Coach, and
19 helped lead USC to a record of 11-2 that year. Mr. Sarkisian's success at USC then attracted the
20 attention of the University of Washington. In December 2008, Mr. Sarkisian was hired as the
21 head football coach for the University of Washington, a position he held until he voluntarily
22 resigned to become the Head Coach at USC in December 2013. During his first year coaching at
23 Washington, Mr. Sarkisian spearheaded the team to a dramatic turnaround, leading the Huskies
24 from the depths of a winless season the prior year to bowl games during each of the next four
25 years.

26 STEVE SARKISIAN HIRED AS HEAD COACH OF USC

27 17. In December 2013, Steve Sarkisian was approached by Pat Haden ("Haden"), the
28 current athletic director at USC, to be the Head Coach of the University's football program. USC

1 and Mr. Sarkisian entered into a written Head Coach contract (“Head Coach Contract”), making
2 Mr. Sarkisian USC’s head football coach for the next five seasons. USC and Steve Sarkisian
3 each thereby made a long-term commitment to the other.

4 18. Also in December 2013, USC and Steve Sarkisian—as a representative of a
5 company he owned, Sark Enterprises, Inc.—executed a separate Marketing Agreement for a term
6 to run concurrent with the Head Coach Contract. Under the Marketing Agreement, USC agreed
7 to pay a \$1,000,000 annual fee to Sark Enterprises, Inc. in consideration for Marketing Services
8 performed by Steve Sarkisian.

9 STEVE SARKISIAN’S SUCCESSFUL FIRST SEASON AS HEAD COACH AT USC

10 19. In 2014, during his first season as head coach at USC, Steve Sarkisian led the team
11 to a 9-4 record and a victorious trip to a bowl game. In addition to success on the field, Haden
12 emphasized to Mr. Sarkisian during his interview in 2013 that academic performance was also an
13 important component of the job since a college coach is also an educator. In his first season as
14 Head Coach, Steve Sarkisian also led the team to academic success. Under Mr. Sarkisian’s
15 leadership, in the fall of 2014 the USC football team achieved the highest team GPA in the
16 football program’s history. That record was then topped in the spring of 2015, when the team
17 achieved a team GPA that was the highest in any semester of the program’s history. Steve
18 Sarkisian also implemented a monitoring system that resulted in class and tutorial attendance
19 above 99%.

20 STEVE SARKISIAN SUFFERED FROM A MEDICAL DISABILITY

21 20. At all relevant times, Steve Sarkisian has been a person with a disability under the
22 Fair Employment and Housing Act (“FEHA”), Government Code Section 12900, *et seq.*, in that
23 Mr. Sarkisian has suffered from alcoholism and this disability limited one or more major life
24 activities.

25 21. Experts widely agree that chronic alcoholism is a disease, not a choice. As far
26 back as 1956, the American Medical Association declared that alcoholism was an illness. As
27 with many illnesses, alcoholism can control its victims. As with any illness, it needs to be
28 discovered and diagnosed. And as with many illnesses, with proper treatment it can be

1 successfully controlled. California law expressly recognizes alcoholism as a disability.

2 22. Steve Sarkisian is not alone in suffering from this disability. According to the
3 most recent data reported by the National Institute on Alcohol Abuse and Alcoholism, 16.6
4 million adults suffered from an alcohol use disorder in 2013.

5 STRESS AFFECTING STEVE SARKISIAN DURING THE 2015 SEASON

6 23. Steve Sarkisian experienced mounting stress over the course of the 2015 football
7 season. To begin with, despite its outward glamour, coaching a college football team is a
8 tremendously stressful job under even the best of circumstances. This is particularly true for a
9 prominent football program in the nation's second largest media market. During the off-season,
10 Mr. Sarkisian worked full-time recruiting high school athletes from around the country to attend
11 USC and join its program. This work required Mr. Sarkisian to spend four to five days of each
12 week on the road, separating him from his family. The few days he spent each week in Los
13 Angeles were consumed with hosting students in town whom Mr. Sarkisian was recruiting to join
14 the USC football program.

15 24. The fall and winter football season was even more demanding. An average
16 workweek easily exceeded 100 hours. On many days, Steve Sarkisian arrived at work no later
17 than 6:00 A.M. and did not return home until after midnight. There were many nights when Mr.
18 Sarkisian slept in his office. Even Mr. Sarkisian's few moments at home were spent "on-call."
19 Mr. Sarkisian made himself available not only to his 110 players at all hours but also to recruits.
20 Some of his players would call him during the dead of night seeking help with athletic or even
21 purely personal crises. Mr. Sarkisian had responsibility for the athletic performance, academic
22 performance, and overall welfare for each of his players, and managed approximately fifty staff.
23 He spent each day under the microscope of a highly engaged alumni network and press.

24 25. Steve Sarkisian embraced this workload and stress because he recognized it came
25 with the job that he loved and at which he excelled.

26 26. However, in early 2015, Steve Sarkisian's wife of 17 years made the decision to
27 seek a divorce. The accumulated stress of his job and crumbling family life greatly aggravated
28 Mr. Sarkisian's anxiety, led to depression, and ultimately furthered his alcohol dependency.

1 27. Notwithstanding these personal issues, Steve Sarkisian continued to perform at a
2 high level as the Head Coach for USC in 2015. In the spring of 2015, Steve Sarkisian assembled
3 a recruiting class ranked number one in the nation by Scout.com.

4 SALUTE TO TROY INCIDENT

5 28. Every year in August, shortly before the start of the football season, USC holds a
6 pep rally called Salute to Troy. The event is attended by coaches, team members, team dancers,
7 band members, administration members, family members, fans, and donors. It is always a loud
8 and raucous event. USC serves free alcohol for all adults. Traditionally, head coaches and
9 assistant coaches speak to fire up the team and the fans.

10 29. The 2015 Salute to Troy event was held on Saturday, August 22, 2015. This was
11 the ninth Salute to Troy that Steve Sarkisian had attended and participated in. Earlier that day,
12 Steve Sarkisian, Mark Jackson (USC's then Assistant Athletic Director), and Clay Helton
13 ("Helton") (the then offensive coordinator) were in Helton's office to celebrate Jackson's new job
14 as Villanova's Athletic Director. Each coach was given two beers, and Steve Sarkisian drank his
15 two. Also that afternoon, Mr. Sarkisian felt anxious and took two different medications that had
16 been prescribed to him for anxiety. Mr. Sarkisian also took a few sips of one light beer that was
17 on the table where he was sitting. As he rose to speak, Mr. Sarkisian did not realize that the
18 combined effect of the two beers he had consumed hours before and the prescription medications
19 for anxiety would interact to cause him to slur his words and appear inebriated, but in fact, they
20 did. Mr. Sarkisian spoke to the crowd. His words were slurred and at one point, caught up in the
21 moment, he repeated the uncensored version of a popular phrase at USC, which includes a single
22 expletive. The use of that expletive had been repeated by many coaches, including Steve
23 Sarkisian, at prior Salute to Troy pep rallies without criticism.

24 30. Following Steve Sarkisian's remarks to the crowd, Haden told him he could not go
25 back on stage. Haden then met privately with Mr. Sarkisian and threatened that he could fire him
26 on the spot, even though such an action would have breached the Head Coach Contract.

27 31. Then, within days of the event, Haden demanded that Steve Sarkisian sign a letter
28 requiring, among other things, that he apologize to the team and the media (which only made the

1 incident higher profile) and attend weekly counseling sessions with a USC therapist. The letter
2 referenced avoiding future incidents that embarrassed USC, specifically including ones caused by
3 alcohol. This letter thus firmly establishes USC's and Haden's knowledge of Steve Sarkisian's
4 alcohol dependency as early as August 22, 2015. USC was also aware that Mr. Sarkisian
5 frequently used an Uber service for rides in the evening because Mr. Sarkisian sought and
6 received reimbursement from USC for those charges.

7 EVENTS BEFORE THE WASHINGTON GAME

8 32. Between the Salute to Troy event in August 2015 and mid-October 2015, again,
9 notwithstanding the professional and personal pressures he faced, Steve Sarkisian performed all
10 his job duties and performed them well, leading the team to a 3-1 record. One of those wins was
11 a 42-14 victory against Arizona State University ("ASU"). Sean Frye, writing for the *Bleacher*
12 *Report* who issues grades after every USC game, graded Steve Sarkisian an A+ for his work
13 coaching the Trojans to that victory against ASU in September 2015. This is the same game
14 where it was later asserted that Mr. Sarkisian was inebriated during the game -- an allegation that
15 is categorically false.

16 33. During this time period, USC closely monitored Steve Sarkisian's performance
17 and never once complained or raised concerns with Mr. Sarkisian about his performance. There
18 were no incidents where alcohol affected Mr. Sarkisian's performance of his job duties, nor did
19 Haden raise any concerns with Mr. Sarkisian.

20 EVENTS FOLLOWING THE LOSS TO WASHINGTON

21 34. On October 8, 2015, USC lost a Thursday night game to Washington, a longtime
22 rival and Steve Sarkisian's former team. This was a game that USC was favored to win by 17
23 points. Everyone, including Haden, the trustees, and Steve Sarkisian was devastated.

24 35. In fact, Haden took all losses hard. Haden was the athletic director and had to
25 answer to the trustees of the University, who were constantly pressuring Haden to achieve wins.
26 Days before the Washington game, Haden expressed that he was under pressure from some
27 trustees to fire Steve Sarkisian even though he had led the team to a 3-1 record, because the team
28 had not played to the dominating level that was expected.

1 36. Winning is not just a tradition at USC, it is big business. In 2013, Forbes
2 *Magazine* reported that USC's athletic program had an estimated value of over \$70 million. In
3 2015, the Los Angeles Daily News listed Haden, USC's athletic director, as the 14th most
4 powerful person among owners, executives, athletes, agents and institutions in the "Los Angeles
5 sports scene." USC's athletics website carries advertisements by corporate sponsors including,
6 but not limited to, Chevron, JetBlue, State Farm, Banc of California, Office Depot, Powerade,
7 Muscle Milk, United Healthcare, Coca Cola, and AT&T.

8 37. After the loss to Washington, members of the media began calling for Steve
9 Sarkisian to be fired. It was well-known that Haden paid close attention to how the media
10 portrayed USC, and took to heart any negative publicity about the USC football program in
11 particular.

12 38. Following the loss to Washington, Steve Sarkisian's depression and anxiety
13 worsened and his consumption of alcohol when he was not working increased. Mr. Sarkisian
14 began to think over the next several days about his personal situation. For some time, like many
15 who suffer from alcoholism, Mr. Sarkisian had not consciously admitted to himself he suffered
16 from an alcohol disorder that he could not control. That weekend, however, Steve Sarkisian
17 began to finally come to grips with the fact that he had a problem with alcohol, needed serious
18 help, and needed it now. Steve Sarkisian was also inspired by the courage of C.C. Sabathia, the
19 Yankees' star pitcher, who announced publicly earlier that week, and the day before the baseball
20 playoffs began, that he needed help for his alcoholism and was going into rehab.

21 39. Steve Sarkisian was scheduled to lead a team meeting on Sunday morning,
22 October 11, 2015, and a team practice that afternoon. He arrived on time for the team meeting
23 and conducted the meeting, but did not feel right after drinking the night before, not sleeping (a
24 chronic problem Steve Sarkisian had had for over 20 years), and suffering from the anxiety and
25 depression now spiraling out of control in his mind. Mr. Sarkisian was not inebriated at the team
26 meeting. He had been drinking the night before and had taken medication shortly before the team
27 meeting that morning prescribed for him by USC's doctor. The combination of these events led
28 Mr. Sarkisian to not appear to be normal at the team meeting. Steve Sarkisian knew something

1 was very wrong, and that he was not well enough to conduct the team practice that afternoon. For
2 this reason, he asked his assistant coach, Helton, to run the practice and asked his assistant, Jared
3 Blank, to take him home. While there were media reports that USC officials asked Mr. Sarkisian
4 to leave and that he had to be escorted off the USC premises, the truth is that Mr. Sarkisian made
5 his own decision to leave and left of his own accord, driven home by his assistant. Mr. Sarkisian
6 had never missed a single practice during his entire 15 year coaching career. However, on that
7 day, Steve Sarkisian had finally decided that he needed some time away from sports to seek the
8 professional help he so badly needed now.

9 40. Steve Sarkisian was required after the Salute to Troy to see a USC psychiatrist
10 who had told him that if his treatment plan was not working, he should change it. The “treatment
11 plan” mandated by USC, such as it was, had not been working and Mr. Sarkisian realized it
12 needed to be changed.

13 41. Steve Sarkisian’s brother Andrew and his sister Eileen met Mr. Sarkisian and their
14 father at Mr. Sarkisian’s home following the team meeting. Other family members were also
15 present. Steve Sarkisian was upset, teary, and nearly hyperventilating. Haden called Mr.
16 Sarkisian’s assistant, Jared Blank, on the telephone and demanded to speak to Mr. Sarkisian,
17 threatening to fire them both if Mr. Sarkisian did not get on the telephone right away. Steve
18 Sarkisian, surrounded by his family, called Haden back and told him on a speaker phone, “I’m not
19 right, I need time off to get well.” Rather than engage Mr. Sarkisian in an interactive process to
20 determine how much time off he required and whether such leave could reasonably be
21 accommodated, or even express any concern about his ailing employee, Haden derisively yelled,
22 “Unbelievable! Can’t you even go back to the office to finish the day?” Steve Sarkisian replied
23 “No, I need to get help. I’m not right.” Haden then asked to speak with Mr. Sarkisian’s sister,
24 who told Haden that Mr. Sarkisian was not at all well and that the family was very concerned for
25 him. Even Haden later acknowledged at the press conference he called to publicly announce Mr.
26 Sarkisian’s firing that he had talked with Steve Sarkisian that Sunday and determined “he was not
27 healthy”. Haden’s only response at the time was to say that a sports psychologist named Robin
28 Scholefield (“Scholefield”), who works at USC and had previously provided counseling to Mr.

1 Sarkisian at Haden's direction, would contact Mr. Sarkisian shortly and that he must take her call.
2 Scholefield is not a medical doctor, nor is she an expert in addiction.

3 42. Haden later called Steve Sarkisian back and told him that he was being placed on
4 an indefinite leave of absence and that Helton was now the interim Head Coach. Haden never
5 contacted Steve Sarkisian again that day or night either to discuss the issues further or even to ask
6 how he was doing.

7 43. Scholefield, the USC sports psychologist, spoke on the telephone later that day
8 with Steve Sarkisian. Her only suggestions were more of the same: doubling the dosage of Mr.
9 Sarkisian's medications, having him consult more often with USC's clinical psychologist, and
10 maybe take a few days off. Steve Sarkisian was already taking medications prescribed by a USC
11 doctor and consulting on an outpatient basis with a USC psychologist. The medications were
12 making him feel and act abnormally and were not stopping his drinking. The outpatient visits
13 consisted of only a one hour weekly visit to Mr. Sarkisian's office and an occasional visit with the
14 USC psychiatrist to have medicines prescribed. These measures were not working. Steve
15 Sarkisian knew he needed inpatient therapy to get well, and that he needed it now.

16 44. Experts agree. The benefit of inpatient treatment is that the person can focus on
17 his or her recovery without the distractions of everyday life under the direct supervision of
18 experts in the field, with no access to alcohol. Managed properly, the chances of relapse are
19 extremely low. Outpatient treatment, on the other hand, has a higher risk of relapse for many
20 reasons, including that access to alcohol is not limited during the treatment. The only comment
21 Scholefield made about "inpatient" treatment was to suggest that might be an option months later
22 in January after the conclusion of the football season. Steve Sarkisian needed help now, not in
23 January.

24 45. At some point that afternoon, Scholefield arrived in person and reiterated her prior
25 suggestions, none of which included Mr. Sarkisian getting inpatient treatment at that point in
26 time.

27 46. Later that day, Steve Sarkisian called his assistant coaches, Helton and Johnny
28 Nansen, and invited them to his house. When they arrived, Mr. Sarkisian told them he was going

1 to get help and that Haden had agreed to a leave of absence. Mr. Sarkisian told Helton that he
2 would be the interim Head Coach and that Mr. Sarkisian would be back and in great shape when
3 he returned. The assistant coaches responded “we got you, we love you” and “you’re going to be
4 great when you come back.”

5 47. Later that evening, the family hired a specialist to facilitate Steve Sarkisian’s
6 admission into inpatient therapy. Arrangements were made that evening for Mr. Sarkisian to
7 travel the next day to an inpatient rehabilitation facility.

8 48. Steve Sarkisian and his family went to bed that night believing that USC would
9 accommodate his request for time off to seek the intensive inpatient treatment necessary to equip
10 him to successfully battle a disease which the current once per week outpatient therapy and
11 medication were not successfully treating, and, in fact, may have been making worse. They were
12 not alone. A writer for Fox Sports, Ryan Phillips, wrote at 11:37 p.m. that night that “Steve
13 Sarkisian is not being fired by USC, for now the focus will be on his recovery and straightening
14 out his personal life....The bottom line here is that a coach at one of the top FBS programs has
15 been going through hell in his personal life and turned to substances to help cope with it. This is
16 an incredibly sad story and not one that should be ridiculed or laughed at. Right now all anyone
17 should be doing is sending positive thought[s] in Sarkisian’s direction and hoping he gets healthy.
18 The positive spin on this is that now Sarkisian has the chance to write an all-time great comeback
19 story with his life and be a shining example to others. Here’s hoping he does just that.” The next
20 day, Steve Sarkisian learned USC was not going to give him that chance.

21 49. Haden and USC now had a Head Coach whom many were clamoring to be fired
22 because USC was not winning most of its conference games, and who was now requesting to go
23 seek treatment in the middle of the season, which was not acceptable to USC. In retaliation for
24 his expressed need to seek immediate inpatient treatment away from the team, because he had a
25 disability that was unacceptable to USC, and because he was no longer satisfying the win-loss
26 expectations of USC and its trustees, Haden and USC made the decision to fire Steve Sarkisian
27 and not pay him the remaining monies due under his Contracts.

28 50. The following day, on Monday, October 12, 2015, Steve Sarkisian went to the

1 airport for a noon flight to the inpatient treatment facility. Believing that he was still on leave and
2 that his job was safe, Steve Sarkisian left on that plane to get immediate help. However,
3 unbeknownst to Mr. Sarkisian, even though Haden had told him less than twenty-four hours
4 earlier that he was being placed on leave, Haden and USC had since made the decision to fire Mr.
5 Sarkisian as Head Coach at USC. Mr. Sarkisian did not learn about his firing until his plane
6 landed and he saw an email attaching a letter of termination.

7 51. Not once did Haden ask Steve Sarkisian what happened at the team meeting, nor
8 even whether he had been drinking shortly before the meeting. That is because Haden did not
9 care what had happened or what the facts were. Haden jumped at what he would later claim was
10 “cause” to fire Mr. Sarkisian and not pay him his rightful salary.

11 USC LACKED CAUSE TO FIRE STEVE SARKISIAN UNDER HIS CONTRACT

12 52. The Head Coach Contract that Steve Sarkisian signed with USC allowed the
13 University to terminate him “for cause” only under certain circumstances, which, if present,
14 would then relieve USC of its obligation to pay Mr. Sarkisian the rest of the money owed to him
15 under his contract. USC also agreed in that contract that if it was going to claim a basis to
16 terminate Mr. Sarkisian “for cause,” it would be required to provide Mr. Sarkisian ten business
17 days’ notice and an opportunity to cure any problems it identified.

18 53. USC and Haden attempted to seize on the events of Sunday, October 11, 2015, to
19 try and create an argument that Mr. Sarkisian was being fired “for cause.” In fact, nothing Steve
20 Sarkisian did or did not do on October 11, 2015, constituted a basis under his contract to
21 terminate him for cause. Further, Mr. Sarkisian was not provided the required ten business days’
22 notice and an opportunity to cure any alleged conduct constituting “cause” for termination.
23 Indeed, the very day that Mr. Sarkisian did not attend the one practice, he was told he would be
24 put on indefinite leave, and then less than twenty-four hours later was fired by email.

25 54. USC and Haden have issued after-the-fact justifications for Steve Sarkisian’s
26 abrupt termination, claiming that there were prior incidents involving alcohol causing Mr.
27 Sarkisian to not perform his job as required. These statements are untrue and belied by Haden’s
28 own statements at the press conference after he fired Mr. Sarkisian that “Steve has been at USC

1 now for a year and a half before the Salute to Troy without incident.”

2 DUTY TO ACCOMMODATE STEVE SARKISIAN’S DISABILITIES

3 55. California law imposes a duty on USC to make reasonable accommodations for a
4 disability, such as alcoholism, unless USC could demonstrate that doing so would have imposed
5 an undue hardship. Furthermore, California law imposes a duty on USC to engage in a timely,
6 good-faith, interactive process with Steve Sarkisian to determine effective and reasonable
7 accommodations for his disability. This is particularly true since Mr. Sarkisian requested an
8 accommodation. USC also was required under California law to seek input from Mr. Sarkisian as
9 to what accommodations may be needed.

10 56. Given the circumstances, it would not have placed an undue hardship on USC had
11 it accommodated Steve Sarkisian’s request for leave. Regardless of whether Mr. Sarkisian had
12 remained on leave for the next thirty days or been fired, Helton, the former assistant coach under
13 Mr. Sarkisian, would have been and was appointed interim Head Coach. Moreover, Helton had
14 already been calling all the plays for the team the entire season, even before Mr. Sarkisian was
15 fired. And during the time that Helton acted as interim Head Coach after Steve Sarkisian was
16 fired, USC was successful enough to be named PAC-12 South Champion and is headed to a bowl
17 game.

18 57. USC also cannot credibly argue that Helton was incompetent to handle the team’s
19 head coaching duties while Steve Sarkisian was on leave given that USC has now hired Helton to
20 be the permanent Head Coach for at least the next five years.

21 58. USC also failed to engage in a timely, good-faith interactive process with Steve
22 Sarkisian to determine an effective and reasonable accommodation. Instead, USC fired Steve
23 Sarkisian by email less than 24 hours after placing him on leave. Had USC not withdrawn its
24 decision, less than 24 hours after announcing it, to place Mr. Sarkisian on leave, he would have
25 been able to obtain the treatment he needed and then return to successfully perform his essential
26 job functions as Head Coach.

27 STEVE SARKISIAN FINALLY GETS THE HELP HE NEEDED AND REQUESTED

28 59. The day he was fired, Steve Sarkisian entered an intensive inpatient rehabilitation

1 program. Mr. Sarkisian completed a detoxification program. He was almost immediately taken
2 off all of the medications that a USC doctor had recommended and prescribed. Mr. Sarkisian
3 then spent over 30 days in rehabilitation and successfully completed the program, after which he
4 was discharged. He left the rehab program clean and sober, free of any prescription medications,
5 and for the first time in over 20 years able to sleep restfully and consistently. Steve Sarkisian was
6 now ready and equipped to move forward with his life, understanding his disability and how to
7 treat and control it. Steve Sarkisian was ready to return to work, both physically and emotionally
8 and in time to coach USC's remaining two games of the regular season and any games beyond
9 that. Unfortunately, there was no job waiting for him. Steve Sarkisian took responsibility for
10 getting help for his disability. USC refuses to honor its responsibilities.

11 DAMAGES SUFFERED BY STEVE SARKISIAN AND SARK ENTERPRISES

12 60. Plaintiffs are owed at least \$12.6 million under the Head Coach Contract and the
13 Marketing Agreement, which USC has wrongfully refused to pay them. Additionally, Steve
14 Sarkisian has suffered in the past and will likely continue to suffer extreme mental anguish as a
15 result of not only his wrongful termination, but also the manner in which he was terminated and
16 the statements made about that termination by USC. Mr. Sarkisian is entitled to be compensated
17 for that mental anguish, along with all other damages he has suffered.

18 THIS DISPUTE MUST BE HEARD BY A COURT

19 61. In disputes with other employees, USC has attempted to prevent the disputes from
20 being decided by courts and juries by forcing the disputes into arbitration. If USC were to
21 attempt to deny Steve Sarkisian his day in court, and his right to have his case heard by a jury of
22 his peers under public scrutiny, by claiming that the contracts at issue in this dispute require that
23 this dispute be arbitrated, it would fail because any provision in those contracts providing for
24 arbitration would be both procedurally and substantively unconscionable and thus unenforceable.

25 FIRST CAUSE OF ACTION

26 **BREACH OF WRITTEN CONTRACT (HEAD COACH CONTRACT)**

27 62. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
28 1 through 61, inclusive, as if fully set forth herein.

1 63. The Head Coach Contract provides for a five year term, subject to termination by
2 either party in accordance with the terms of the Head Coach Contract. Article 1 provides: “The
3 term of employment shall be five (5) years, commencing on December 2, 2013, and ending on
4 December 1, 2018 (the “Expiration Date”), unless sooner terminated as hereinafter provided in
5 this Agreement.”

6 64. Article IV addresses termination. Section 4.01, entitled “Termination by Either
7 Party With or Without Cause,” provides in pertinent part: “Employee acknowledges that this
8 Agreement and the employment relationship may be terminated at any time, with or without
9 ‘cause,’ as defined below, at the option of either the University or Employee, in accordance with
10 the terms of this Agreement.”

11 65. Mr. Sarkisian never exercised his option to terminate the Head Coach Contract.

12 66. USC never terminated the Head Coach Contract in accordance with its terms. For
13 USC to have lawfully exercised an option to terminate the Head Coach Contract, it was required
14 to either: (a) establish that Mr. Sarkisian was terminated “with cause” and provide proper notice
15 and an opportunity to cure, or (b) “deliver to Employee [Sarkisian] written notice of the
16 University’s intent to terminate this Agreement without cause” pursuant to paragraph 4.04 of the
17 Head Coach Contract. USC complied with neither provision.

18 67. USC lacked cause to terminate the Head Coach Contract for “cause,” and
19 moreover failed to provide the notice and an opportunity to cure as required by Paragraph 4.02 of
20 the contract. Nothing Steve Sarkisian did, or failed to do, constitutes “cause” under this
21 paragraph of the Head Coach Contract.

22 68. Pleading in the alternative, Defendant USC breached the Head Coach Contract on
23 or about October 12, 2015 by failing to provide notice and at least ten business days to cure the
24 ground(s) allegedly constituting cause. Sections 4.02(L) and 4.03 each provide that if USC seeks
25 to terminate the contract for cause, a “Notice and Cure period will be 10 business days.”

26 69. USC also failed to properly terminate the contract without cause because it never
27 provided Mr. Sarkisian notice that it was terminating the contract on this basis. Section 4.04,
28 entitled “Termination by University Without Cause,” provides in pertinent part that:

1 As set forth above, the University also shall have the right to terminate this
2 Agreement prior to its normal expiration on the Expiration Date, without cause. . .
3 . Termination by the University without cause shall be effectuated by delivering to
4 Employee written notice of the University's intent to terminate this Agreement
without cause, which notice shall be effective upon the earlier of the date set forth
for termination in such notice or three (3) days after the date of such notice if
delivered to Employee via regular mail.

5 70. Steve Sarkisian has complied with all of the material terms of the Head Coach
6 Contract except for those excused by Defendant USC's breach.

7 71. Because USC never terminated the Head Coach Contract in the manner required
8 by the Contract, it remains liable for dollar values of the base salary, annual incentives, and fringe
9 benefits provided for under the Contract.
10

11 a) Section 3.01 provides for the following base salary:

12 The base salary paid by the University to Employee for services and
13 satisfactory performance of the terms and conditions of this
Agreement shall be at the annual rate of:

14 . . .

15 Two Million Six Hundred Twenty Five Thousand Dollars
16 (\$2,625,000.00) for the period from December 2, 2014 through
December 1, 2015;

17 Two Million Seven Hundred Fifty Thousand Dollars
18 (\$2,750,000.00) for the period from December 2, 2015 through
December 1, 2016;

19 Two Million Eight Hundred Seventy Five Thousand Dollars
20 (\$2,875,000.00) for the period from December 2, 2016 through
December 1, 2017; and

21 Three Million Dollars (\$3,000,000.00) for the period from
22 December 2, 2017 through December 1, 2018; and

23 Such amounts to be payable in monthly installments by the
24 University to Employee during the term of this Agreement.

25 b) Section 3.02 provides for the following annual incentives:

26 The University shall provide Employee with an Academic Progress
27 Rate (as defined from time to time by the NCAA, the "APR")
incentive bonus as follows: For each year of the Agreement in
28 which the 4-year APR score for the men's football program meets
or exceeds the 4-year APR score of 950, Employee shall receive a
bonus of \$50,000 payable within thirty (30) days of publication of

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the final score for each year. Official APR scores are released each Spring.

The University shall also provide Employee with a bonus in the amount of \$50,000 for each year of the Agreement in which the graduation rate for senior scholarship football players on the Team meets or exceeds eighty five percent (80%) (sic), which bonus shall be payable within thirty (30) days of the end of each contract year. The calculation of the graduate rate shall be made by the Athletic Director of the University, in his reasonable discretion.

The University shall provide Employee with a bonus in the amount of \$100,000 for a Pac-12 Championship, \$200,000 for a victory in the four-team College Football Playoff, and a \$200,000 bonus for a victory in the final game of the College Football Playoff (National Champion). Bonuses will be paid within 30 days of any one of these incentives is earned under the direction of the Employee.

- c) Section 3.04 provides for fringe benefits, including:
 - a. Standard University Fringe Benefits. Employee shall be entitled to the standard University fringe benefits appropriate to Employee's classification and based upon Employee's salary as set forth in paragraph 3.01
 - b. Automobile. The University, as additional compensation to Employee, shall make arrangements for and provide to Employee on a loan basis two (2) automobiles for Employee's use during the term of this Agreement, such automobiles to be selected by the University. University shall be responsible for gasoline expenses (by means of a gasoline card issued to Employee), repairs and maintenance, and appropriate liability and comprehensive automobile insurance to cover Employee in the use and operation of said vehicles during the term of this Agreement.

72. Defendant USC has failed to pay any compensation or benefits due under the Contract since terminating Mr. Sarkisian.

73. USC has also anticipatorily breached the Head Coach Contract, repudiating its obligations under that contract before performance of those obligations came due.

74. Pleading in the alternative, USC terminated the Head Coach Contract without cause but breached the contract by failing to pay liquidated damages. Section 4.04 states, in pertinent part, that "[i]f the University exercises its right under this Section 4.04 to terminate this Agreement without cause, Employee shall be entitled to damages only as provided for in Section 4.04a below." Section 4.04(a) in turn provides, in relevant part, that if the University terminates

1 this Agreement without cause prior to its Expiration Date, the University shall pay to Employee,
2 as liquidated damages, pursuant to the following schedule:

3 If the University terminates this Agreement without cause on or after
4 December 2, 2014 but prior to December 1, 2015, the University shall pay
5 Employee, as liquidated damages, the sum of Eleven Million Two Hundred
6 Fifty Thousand Dollars (\$11,250,000.00)[.]

7 75. As a direct and proximate result of Defendant USC's breach and anticipatory
8 breach of the Head Coach Contract, Steve Sarkisian has suffered special damages in the form of
9 lost wages, benefits, and other out of pocket expenses and damages in an amount according to
10 proof at trial.

11 SECOND CAUSE OF ACTION

12 **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**

13 76. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
14 1 through 75, inclusive, as if fully set forth herein.

15 77. In wrongly claiming that it was exercising its rights and using its "sole judgment"
16 under the Head Coach Contract to terminate Steve Sarkisian "for cause" and by its other actions
17 stated above, USC unfairly interfered with Steve Sarkisian's right to receive the benefit of the
18 contract.

19 78. As a direct and proximate result of Defendant USC's breach of the Head Coach
20 Contract, Steve Sarkisian has suffered special damages in the form of lost wages, benefits, and
21 other out of pocket expenses in an amount according to proof at trial.

22 THIRD CAUSE OF ACTION

23 **FAILURE TO ENGAGE IN THE INTERACTIVE PROCESS**

24 **(Cal. Gov't. Code § 12940(n))**

25 79. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
26 1 through 78, inclusive, as if fully set forth herein.

27 80. Defendant USC is, and at all relevant times was, a covered employer under the
28 FEHA.

81. Between December 2, 2013 and October 12, 2015, Defendant USC employed

1 Steve Sarkisian as its head football coach.

2 82. While employed by USC, Steve Sarkisian had a disability within the meaning of
3 FEHA, and/or was perceived by USC to have a disability within the meaning of FEHA.

4 83. At all relevant times, Defendant USC knew of Steve Sarkisian's alcoholism and
5 that it limited one or more of his major life activities.

6 84. As more particularly stated above, USC also knew that Steve Sarkisian had a need
7 for accommodation.

8 85. On October 11, 2015, Steve Sarkisian requested that Defendant USC make
9 reasonable accommodation for his alcoholism so that he would be able to perform his essential
10 job requirements.

11 86. Steve Sarkisian was willing to participate in an interactive process to determine
12 whether reasonable accommodation could be made so that he would be able to perform the
13 essential requirements of his job.

14 87. Defendant USC failed to participate in timely good-faith interactive process with
15 Steve Sarkisian to determine whether reasonable accommodation could be made.

16 88. As a direct and proximate result of Defendant USC's unlawful conduct, Steve
17 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
18 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
19 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
20 and compensatory damages in an amount according to proof at trial.

21 89. Defendant USC's failure to engage in a good-faith interactive process was a
22 substantial factor in causing Steve Sarkisian's harm.

23 90. Defendant USC's officers, directors, or managing agents, acting on behalf of
24 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
25 authorized such conduct; and/or knew of such conduct and approved such conduct after it
26 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
27 appropriate.

28 //s

1 **FOURTH CAUSE OF ACTION**

2 **FAILURE TO ACCOMMODATE**

3 **(Cal. Gov. Code §§ 12940(m))**

4 91. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
5 1 through 90, inclusive, as if fully set forth herein.

6 92. Defendant USC is, and at all relevant times was, a covered employer under the
7 FEHA.

8 93. Between December 2, 2013 and October 12, 2015, USC employed Steve Sarkisian
9 as its head football coach.

10 94. While employed by USC, Steve Sarkisian had a disability within the meaning of
11 FEHA, and/or was perceived by USC to have a disability within the meaning of FEHA.

12 95. At all relevant times, Defendant USC knew of Steve Sarkisian's alcoholism and
13 that it limited one or more major life activities.

14 96. At all relevant times, Steve Sarkisian was able to perform the essential duties of
15 his position as head football coach with reasonable accommodation.

16 97. Defendant USC failed to provide reasonable accommodation for Steve Sarkisian's
17 alcoholism.

18 98. As a direct and proximate result of Defendant USC's unlawful conduct, Steve
19 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
20 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
21 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
22 and compensatory damages in an amount according to proof at trial.

23 99. Defendant USC's failure to provide reasonable accommodation was a substantial
24 factor in causing Steve Sarkisian's harm.

25 100. Defendant USC's officers, directors, or managing agents, acting on behalf of
26 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
27 authorized such conduct; and/or knew of such conduct and approved such conduct after it
28 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as

1 appropriate.

2 **FIFTH CAUSE OF ACTION**

3 **DISCRIMINATION ON THE BASIS OF DISABILITY**

4 **(Cal. Gov. Code § 12940(a))**

5 101. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
6 1 through 100, inclusive, as if fully set forth herein.

7 102. Defendant USC is, and at all relevant times was, a covered employer under the
8 FEHA.

9 103. Between December 2, 2013 and October 12, 2015, USC employed Steve Sarkisian
10 as its head football coach.

11 104. While employed by USC, Steve Sarkisian had a disability within the meaning of
12 FEHA, and/or was perceived by USC to have a disability within the meaning of FEHA.

13 105. At all relevant times, Defendant USC knew of Steve Sarkisian's alcoholism and
14 that it limited one or more major life activities.

15 106. At all relevant times, Steve Sarkisian was able to perform the essential duties of
16 his position as head football coach with reasonable accommodation.

17 107. Steve Sarkisian's alcoholism or perceived alcoholism was a substantial motivating
18 reason for Defendant USC's decision to terminate him.

19 108. As a direct and proximate result of Defendant USC's unlawful conduct, Steve
20 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
21 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
22 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
23 and compensatory damages in an amount according to proof at trial.

24 109. Defendant USC's termination of Steve Sarkisian was a substantial factor in
25 causing Steve Sarkisian's harm.

26 110. Defendant USC's officers, directors, or managing agents, acting on behalf of
27 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
28 authorized such conduct; and/or knew of such conduct and approved such conduct after it

1 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
2 appropriate.

3 **SIXTH CAUSE OF ACTION**

4 **RETALIATION**

5 **(Cal. Gov. Code § 12940(h))**

6 111. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
7 1 through 110, inclusive, as if fully set forth herein.

8 112. Defendant USC is, and at all relevant times was, a covered employer under the
9 FEHA.

10 113. Between December 2, 2013 and October 12, 2015, USC employed Steve Sarkisian
11 as its head football coach.

12 114. While employed by USC, Steve Sarkisian had a disability within the meaning of
13 FEHA, and/or was perceived by USC to have a disability within the meaning of FEHA.

14 115. At all relevant times, Defendant USC knew of Steve Sarkisian's alcoholism and
15 that it limited one or more major life activities.

16 116. Steve Sarkisian engaged in conduct protected under the FEHA including, *inter*
17 *alia*, requesting reasonable accommodations and attempting to engage in the interactive process
18 with USC.

19 117. Defendant USC retaliated against Steve Sarkisian by failing to provide him
20 reasonable accommodations, failing to engage in the interactive process, and terminating his
21 employment.

22 118. Steve Sarkisian's protected activity was a substantial motivating reason for USC's
23 retaliatory conduct against him.

24 119. As a direct and proximate result of Defendant USC's unlawful conduct, Steve
25 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
26 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
27 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
28 and compensatory damages in an amount according to proof at trial.

1 120. Defendant USC's retaliatory conduct was a substantial factor in causing Steve
2 Sarkisian's harm.

3 121. Defendant USC's officers, directors, or managing agents, acting on behalf of
4 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
5 authorized such conduct; and/or knew of such conduct and approved such conduct after it
6 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
7 appropriate.

8 **SEVENTH CAUSE OF ACTION**

9 **FAILURE TO PREVENT DISCRIMINATION AND RETALIATION**

10 **(Cal. Gov. Code § 12940(k))**

11 122. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
12 1 through 121, inclusive, as if fully set forth herein.

13 123. Defendant USC is, and at all relevant times was, a covered employer under the
14 FEHA.

15 124. Between December 2, 2013 and October 12, 2015, USC employed Steve Sarkisian
16 as its head football coach.

17 125. While employed by USC, Steve Sarkisian had a disability within the meaning of
18 FEHA, and/or was perceived by USC to have a disability within the meaning of FEHA.

19 126. At all relevant times, Defendant USC knew of Steve Sarkisian's alcoholism and
20 that it limited one or more major life activities.

21 127. Defendant USC failed to take all reasonable steps to prevent discrimination and
22 retaliation against Steve Sarkisian by, *inter alia*, (1) failing to ensure that USC employees are
23 reasonably aware of and appropriately implement reasonable accommodation protocols for
24 alcoholic employees; (2) failing to act and failing to compel USC staff to act in a timely and
25 responsive manner when Steve Sarkisian gave notice to USC with respect to his alcoholism and
26 requested reasonable accommodation; (3) failing to provide reasonable accommodation in a
27 lawful manner; (4) failing to develop and implement policies to provide accommodations for
28 alcoholic employees and prohibit discrimination against alcoholic employees; and (5) failing to

1 prevent the discriminatory and retaliatory termination of Steve Sarkisian for exercising his legal
2 right to request and receive appropriate accommodations.

3 128. As a direct and proximate result of Defendant USC's unlawful conduct, Steve
4 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
5 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
6 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
7 and compensatory damages in an amount according to proof at trial.

8 129. Defendant USC's failure to take all reasonable steps to prevent the discrimination
9 and retaliation against Steve Sarkisian was a substantial factor in causing Steve Sarkisian's harm.

10 130. Defendant USC's officers, directors, or managing agents, acting on behalf of
11 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
12 authorized such conduct; and/or knew of such conduct and approved such conduct after it
13 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
14 appropriate.

15 **EIGHTH CAUSE OF ACTION**

16 **CONFIDENTIALITY OF MEDICAL INFORMATION ACT**

17 **(Cal. Civ. Code §§ 56 *et seq.*)**

18 131. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
19 1 through 130, inclusive, as if fully set forth herein.

20 132. The Confidential Medical Information Act, Cal. Civ. Code §§ 56 *et seq.* (CMIA),
21 prohibits a provider of health care from making an unauthorized disclosure of medical
22 information regarding her patient.

23 133. While employed at USC, Steve Sarkisian was a patient of two USC agents, Dr.
24 Scholefield and Dr. Robert Martin, within the meaning of Cal. Civ. Code § 56.05(k).

25 134. On information and belief, Scholefield disclosed Steve Sarkisian's confidential
26 medical information, as defined by Cal. Civ. Code § 56.05(j), to third parties without Steve
27 Sarkisian's written consent, in violation of section 56.10(a).

28 135. Pleading in the alternative, on information and belief, Scholefield negligently

1 released Steve Sarkisian's confidential medical information, in violation of sections 56.36(b) and
2 56.101(a), and such information was received by third parties unauthorized to receive it.

3 136. Scholefield's disclosure of Steve Sarkisian's medical information was neither
4 mandated nor permitted by any exception under Cal. Civ. Code §§ 56(b) or (c), respectively.

5 137. As a direct and proximate result of Scholefield's unlawful conduct, Steve
6 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
7 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
8 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
9 and compensatory damages in an amount according to proof at trial.

10 138. At all relevant times, Scholefield was Defendant USC's agent and/or employee.

11 139. Scholefield was acting within the scope of her agency/employment when she
12 harmed Steve Sarkisian. Consequently, USC is liable for Scholefield's unlawful acts.

13 140. Defendant USC's officers, directors, or managing agents, acting on behalf of
14 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
15 authorized such conduct; and/or knew of such conduct and approved such conduct after it
16 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
17 appropriate.

18 **NINTH CAUSE OF ACTION**

19 **INVASION OF PRIVACY**

20 **(California Constitution art. I, § 1)**

21 141. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
22 1 through 140, inclusive, as if fully set forth herein.

23 142. Steve Sarkisian had a legally protected privacy interest in his confidential personal
24 medical information.

25 143. Steve Sarkisian possessed a reasonable expectation of privacy in his confidential
26 personal medical information under the circumstances.

27 144. On information and belief, Scholefield's conduct in disclosing Steve Sarkisian's
28 personal medical information constituted a serious invasion of privacy.

1 145. As a direct and proximate result of Scholefield's unlawful conduct, Steve
2 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
3 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
4 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
5 and compensatory damages in an amount according to proof at trial.

6 146. At all relevant times, Scholefield was Defendant USC's agent and/or employee.

7 147. Scholefield was acting within the scope of her agency/employment when she
8 harmed Steve Sarkisian. Consequently, USC is liable for Scholefield's unlawful acts.

9 148. Defendant USC's officers, directors, or managing agents, acting on behalf of
10 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
11 authorized such conduct; and/or knew of such conduct and approved such conduct after it
12 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
13 appropriate.

14 **TENTH CAUSE OF ACTION**

15 **NEGLIGENT DISCLOSURE**

16 149. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
17 1 through 148, inclusive, as if fully set forth herein.

18 150. Scholefield had a preexisting relationship with Steve Sarkisian as his healthcare
19 provider. Consequently, she owed him a legal duty to exercise due care.

20 151. On information and belief, Scholefield breached her duty by disclosing Mr.
21 Sarkisian's personal medical information without privilege or his consent.

22 152. As a direct and proximate cause of Scholefield's unlawful conduct, Steve
23 Sarkisian has suffered and will continue to suffer pain and suffering; anxiety; embarrassment;
24 humiliation; loss of self-esteem; depression; severe mental anguish and emotional distress; and
25 loss of earnings and other employment benefits. Steve Sarkisian is therefore entitled to general
26 and compensatory damages in an amount according to proof at trial.

27 153. At all relevant times, Scholefield was Defendant USC's agent and/or employee.

28 154. Scholefield was acting within the scope of her agency/employment when she

1 harmed Steve Sarkisian. Consequently, USC is liable for Scholefield's unlawful acts.

2 **ELEVENTH CAUSE OF ACTION**

3 **WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY**

4 **(Cal. Labor Code § 1102.5)**

5 155. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
6 1 through 154, inclusive, as if fully set forth herein.

7 156. Defendant USC employed Steve Sarkisian as its head football coach from
8 December 2, 2013 until it unlawfully terminated him on October 12, 2015.

9 157. Defendant USC terminated Steve Sarkisian in substantial part because, *inter alia*,
10 he (1) requested leave due to a disability or perceived disability, (2) requested leave pursuant to
11 the California Family Rights Act, and (3) was a person with a disability within the meaning of the
12 FEHA.

13 158. The conduct of Defendant USC in terminating Steve Sarkisian was obnoxious to
14 the interests of the state and outrageous conduct contrary to public policy as embodied in, *inter*
15 *alia*, the following laws, statutes, and regulations: (1) the FEHA, and (2) the CFRA.

16 159. As a direct and proximate result of USC's unlawful conduct, Steve Sarkisian has
17 suffered and will continue to suffer pain and suffering; anxiety; embarrassment; humiliation; loss
18 of self-esteem; depression; severe mental anguish and emotional distress; and loss of earnings and
19 other employment benefits. Steve Sarkisian is therefore entitled to general and compensatory
20 damages in an amount according to proof at trial.

21 160. Defendant USC's officers, directors, or managing agents, acting on behalf of
22 Defendant USC, committed conduct described herein constituting malice, oppression, or fraud;
23 authorized such conduct; and/or knew of such conduct and approved such conduct after it
24 occurred. Accordingly, Steve Sarkisian is entitled to punitive damages from Defendant USC as
25 appropriate.

26 **TWELFTH CAUSE OF ACTION**

27 **BREACH OF WRITTEN CONTRACT (MARKETING AGREEMENT)**

28 161. Plaintiff Sark Enterprises realleges and incorporates herein by reference

1 paragraphs 1 through 160 inclusive as if fully set forth herein.

2 162. Section 1.1 of the Marketing Agreement provides in pertinent part that “[t]he term
3 of this Agreement will commence on the date hereof and will automatically terminate upon the
4 expiration or termination of the [Head Coach] Contract.”

5 163. Section 3.1 provides in full:

6 In consideration for the Marketing Services rendered by [Sark Enterprises] as set
7 forth herein during the term hereof, USC shall pay to [Sark Enterprises] the sum of
8 \$1,000,000 per year (the “Fee”). USC shall pay the Fee to [Sark Enterprises] in
equal monthly installments on the first business day of each month.

9 164. The Head Coach Contract has never lawfully been terminated. Accordingly, USC
10 has wrongfully refused to pay Sark Enterprises all monies due under the Marketing Agreement.

11 165. USC has also anticipatorily breached the Marketing Agreement, repudiating its
12 obligations under that contract before performance of those obligations came due.

13 166. Sark Enterprises has complied with all of the material terms of the Marketing
14 Agreement except for those excused by Defendant USC’s breach.

15 167. As a direct and proximate result of Defendant USC’s breach of the Head Coach
16 Contract and anticipatory breach of the Marketing Agreement, Sark Enterprises has suffered
17 special damages in the form of lost fees in the amount of \$3,100,000.00 or according to proof at
18 trial.

19 **THIRTEENTH CAUSE OF ACTION**

20 **BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR**

21 **DEALING (MARKETING AGREEMENT)**

22 168. Plaintiff Sark Enterprises realleges and incorporates herein by reference
23 paragraphs 1 through 167, inclusive, as if fully set forth herein.

24 169. Plaintiff Sark Enterprises entered into a written contract with USC when it
25 executed the Marketing Agreement effective as of December 3, 2013.

26 170. USC’s improper termination of the Marketing Agreement violates the implied
27 covenant of good faith and fair dealing.

28 171. USC has refused to pay Sark Enterprises all monies due under the Marketing

1 Agreement.

2 172. USC has also anticipatorily breached the Marketing Agreement, repudiating its
3 obligations under that contract before performance of those obligations came due.

4 173. Plaintiff Sark Enterprises has complied with all of the material terms of the
5 Marketing Agreement except for those excused by Defendant USC's breach.

6 174. Pleading in the alternative, if it is determined that the Head Coach Contract has
7 been terminated, Defendant USC unfairly interfered with Sark Enterprises' right to receive the
8 benefits of the Marketing Agreement by terminating Steve Sarkisian for an unlawful purpose,
9 thereby triggering the termination of the Marketing Agreement pursuant to Section 1.1.

10 175. As a direct and proximate result of Defendant USC's breach, Plaintiff Sark
11 Enterprises has suffered special damages in the form of lost fees, in the amount of \$3,200,000,
12 and other out of pocket expenses according to proof at trial.

13 **FOURTEENTH CAUSE OF ACTION**

14 **NEGLIGENT SUPERVISION, TRAINING, HIRING, AND RETENTION**

15 176. Plaintiff Steve Sarkisian realleges and incorporates herein by reference paragraphs
16 1 through 175, inclusive, as if fully set forth herein.

17 177. Defendant USC had a duty to hire, supervise, train, and retain employees and/or
18 agents, and to develop and maintain appropriate policies and procedures, so that employees
19 and/or agents refrained from the conduct and/or omissions alleged herein.

20 178. Defendant USC breached this duty, causing the acts and failures alleged herein.
21 Such breach constituted negligent hiring, supervision, training, and retention under the laws of the
22 State of California.

23 179. As a direct and proximate result of USC's unlawful conduct, Steve Sarkisian has
24 suffered and will continue to suffer pain and suffering; anxiety; embarrassment; humiliation; loss
25 of self-esteem; depression; severe mental anguish and emotional distress; and loss of earnings and
26 other employment benefits. Steve Sarkisian is therefore entitled to general and compensatory
27 damages in an amount according to proof at trial.

28 180. USC's breach was a substantial factor in causing Mr. Sarkisian's harm.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment in their favor and against Defendant, and award the following relief:

1. Compensatory damages including but not limited to economic losses, lost wages and benefits, mental and emotional distress, and other special and general damages according to proof but in excess of the jurisdictional threshold of this Court;
2. Punitive damages on all claims against USC for which such punitive damages are recoverable;
3. Reasonable attorneys' fees and costs;
4. Interest, including but not limited to pre-judgment interest, at the legal rate; and
5. Such other relief as this Court may deem just and equitable.


DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial on all issues so triable.

DATED: December 7, 2015

Respectfully submitted,

HADSELL STORMER & RENICK LLP

By 
Dan Stormer
Attorney for Plaintiffs
STEVE SARKISIAN and SARK ENTERPRISES,
INC.