

U. C. Regents Have Constitutional Immunity from Plaintiff's Attorney Fee Motion

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n *Goldbaum v. The Regents of the University of California*, 2011 DJDAR 339 (2011), the <u>Fourth District California Court of Appeal</u> decided a novel issue arising under the <u>California Constitution</u> and <u>Labor Code § 218.5</u>. Labor Code § 218.5 provides that a prevailing plaintiff is eligible to recover reasonable and necessary attorney fees on unpaid wage claims.

Michael Goldbaum (Goldbaum) was a professor at the <u>University of California, San Diego</u> (UCSD). He was granted tenure by the University in 1979. In 2008, Goldbaum filed a complaint against the Regents of the University of California (Regents) for breach of contract. The complaint alleged that UCSD failed to report to the U. C. Retirement Plan (UCRP) that he had been an employee between 1977 and 1992. Goldbaum sought a determination that he was eligible for pension benefits for the complete period of his employment.

In response, U.C. Regents disputed Goldbaum's eligibility and filed a Motion for Summary Judgment. While that motion was pending, the litigation was settled. Goldbaum then moved for his reasonable attorney fees under Labor Code § 218.5 characterizing the claim as one for unpaid wages and other benefits. The trial court denied the motion on the ground that the Regents had constitutional immunity to a claim for attorney fees.

The court of appeal affirmed the decision. The court noted that the California Constitution establishes the Regents as a public trust. As a public trust, they have powers of organization and government and are immune from legislative regulation subject to exceptions. The immunity includes areas involving general police power regulations governing private persons and corporations.

In response, Goldbaum argued that Labor Code § 218.5 was applicable to the Regents as a general police power regulation. The court of appeal rejected this argument. The court held that issues relating to wages and benefits were internal university affairs not subject to any exceptions relating to the Regents's constitutional immunity.