

**IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF NEW JERSEY**

**CAROL BELL, on behalf of herself and
those similarly situated**

Plaintiff,

v.

**LOCKHEED MARTIN
CORPORATION, and its wholly owned
or controlled subsidiaries**

**6801 Rockledge Drive
Bethesda, MD 20818**

Defendant.

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: CIVIL ACTION NO.
: 08-6292
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: CLASS ACTION
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: JURY TRIAL DEMANDED
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: (Assigned to Honorable
: Judge N. Hillman)**

FIRST AMENDED COMPLAINT

INTRODUCTION

1. Plaintiff, Carol Bell, by and through her undersigned attorneys, brings this First Amended Complaint against her employer Lockheed Martin Corporation and its wholly owned or controlled subsidiaries (hereinafter referred to as "Lockheed Martin" or "Defendant") or "the company" on behalf of herself and all other similarly situated present and former female employees of Defendant who held either leadership ("L") or exempt ("E") positions designated 3, 4, 5 or 6. Plaintiff brings this "glass ceiling" and pay disparity Class Action to redress Defendant's unlawful and continuing company-wide policies and practices of gender discrimination. Plaintiff and the class she seeks to

represent charge that Lockheed Martin discriminates against its salaried female employees by advancing male employees more quickly than equally or more qualified female employees through middle management and into upper management level positions, and discriminates in compensation to these female employees, including with respect to pay grade, annual and promotional increases, merit pay increases and bonuses. Director level positions are the entry level positions within Lockheed Martin for which stock options and other enhanced compensation is available. Upon information and belief, less than twenty percent of the director level and above positions are held by women and women at all salaried grades are paid less than men with substantially similar performance and responsibilities. These disparities cannot be explained by any justified business policies. Rather, they are the result of policies and practices that purposefully discriminate against women. These practices include failure to post open positions at the director level as well as at lower levels for positions that are designated stepping stones to the director level positions.

2. This action seeks to end Lockheed Martin's discriminatory practices and to make Plaintiff and the class members whole for their losses, and for punitive damages.

PARTIES

3. Plaintiff Carol Bell is an individual, who at all relevant times, including the present, resides in Mount Laurel, New Jersey. Plaintiff is currently employed by Lockheed Martin.

4. Plaintiff is a female.

5. Defendant, Lockheed Martin Corporation is a global security and

advanced technology company. It is a Maryland corporation, headquartered in Bethesda, Maryland. According to its website, www.lockheedmartin.com, Defendant employs about 140,000 people worldwide and operates in 500 cities and 46 states throughout the United States. Lockheed Martin is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The majority of its business is with the U.S. Department of Defense and the U.S. federal government agencies. It is the largest provider of information technology services, systems integration, and training to the U.S. Government. Lockheed Martin reported 2008 revenues of \$42.7 billion.

6. Defendant is engaged in an industry affecting interstate commerce and regularly conducts business in the State of New Jersey.

7. At all times material to this action, Defendant was an employer within the meaning of the state and federal laws which form the basis of this action, and employed more than five hundred (500) employees at any one time.

8. At all times material to this action, Defendant acted by and through authorized agents, servants, contractors and/or employees acting within the course and scope of their employment with Defendant or authorized by Defendant and in furtherance of Defendant's business.

JURISDICTION AND VENUE

9. Plaintiff re-alleges and incorporates by reference all preceding paragraphs.

10. The causes of action set forth in this Complaint arise under Title VII of the Civil Rights Act of 1964 and 1991 as amended, 42 U.S.C. §2000e *et seq.* ("Title VII")

and The New Jersey Law Against Discrimination, as amended, N.J.S.A. 10:5-1, *et seq.* (“NJLAD”).

11. This Court has federal question jurisdiction over the Title VII claims (Counts I and II) pursuant to 42 U.S.C. §2000e-5 and 28 U.S.C. §1331 and 1343(a) and supplemental jurisdiction over Plaintiff’s New Jersey claims (Count III and IV) pursuant to 28 U.S.C. §1367 because the amount in controversy exceeds five million dollars.

12. Venue is proper in this district under 28 U.S.C. 1391(b)(c) and 42 U.S.C. §2000(e)-5(f) because events giving rise to the claims occurred within this district, Plaintiff was employed within this district, Defendant transacts business and is found in this district.

EXHAUSTION OF ADMINISTRATIVE REMEDIES AND TIMELY SUIT

13. All conditions precedent to the institution of this suit have been fulfilled with regard to Plaintiff’s federal claims. On January 15, 2008, April 10, 2008 and April 25, 2008, Plaintiff timely filed charges of discrimination and retaliation with the Equal Employment Opportunity Commission (“EEOC”). The January 15, 2008 Charge was amended on April 15, 2008. True and correct copies of these four (4) Charges are attached hereto collectively as Exhibit 1. On December 22, 2008, Notices of Right to Sue were issued in connection with each of those Charges which are attached hereto collectively as Exhibit 2. There are additional charges of discrimination and retaliation on file with the EEOC.

CLASS ALLEGATIONS

14. Plaintiff brings Count I (Title VII discrimination) pursuant to Federal Rules of Civil Procedure 23, on behalf of the following Class, defined as: All persons who are

female and who were, are, or will be employed by Lockheed Martin Corporation in “E” or “L” designated positions at level 3, 4, 5 or 6 in the United States of America from March 1, 2006, through the date of the final disposition of this Action (hereinafter “the Class”).

15. Plaintiff brings Count III (NJLAD) pursuant to Federal Rules of Civil Procedures 23 on behalf of the following Subclass of the Class, defined as follows: All persons who are female and who were, are, or will be employed by Lockheed Martin Corporation in “E” or “L” designated positions at level 3, 4, 5 and 6 in the State of New Jersey from December 23, 2006, through the date of the final disposition of this Action (hereinafter “the Subclass”).

16. The Class and Subclass are so numerous that joinder of all members is impractical. Plaintiff estimates that the Class consists of well in excess of one thousand present and former female employees of Lockheed Martin. Plaintiff estimates that the Subclass consists of well in excess of one hundred present and former employees of Lockheed Martin. Given the large number of Class member and their geographical dispersion, it is impracticable for all Class members and for all Subclass members to join in the individual litigation.

17. There are questions of law and of fact common to the Class and Subclass, including but not limited to:

a) whether Defendant’s common operating policies, procedures and practices, including with regard to promotion and pay, have a disparate impact on women and whether this disparate impact is justified by any business necessity;

b) whether Defendant’s common operating policies, procedures and practices which result in the disparate treatment of women violate Title VII of the 1964

Civil Rights Act and / or The New Jersey Law Against Discrimination;

c) whether Defendant has engaged in a pattern and practice of intentional disparate treatment of its female employees in violation of Title VII of the 1964 Civil Rights Act and/or the New Jersey Law Against Discrimination; and

d) whether Plaintiff and the Class and Subclass is entitled to the relief prayed for in this Complaint.

18. Plaintiff is a member of the Class and Subclass and the claims of Plaintiff are typical of the claims of the Class and Subclass.

19. Plaintiff will fairly and adequately protect the interest of the members of the Class and Subclass. Plaintiff has no interests that are antagonistic to other members of the Class or Subclass. Additionally, Plaintiff has retained counsel who are competent and experienced in the prosecution of employment and complex class action litigation. Plaintiff will vigorously prosecute this case on behalf of the Class and Subclass.

20. Class certification is appropriate under Rules 23(b)(2) because Defendant has acted or refused to act in a manner generally applicable to the Class and Subclass, thereby making appropriate declaratory relief and/or final injunctive relief and other equitable relief on a Class and Subclass- wide basis to end Lockheed Martin's discriminatory policies , procedures and practices.

21. Class certification also would be appropriate under Rule 23(b)(3). The common issues of law and fact presented in this Amended Complaint predominate over any individual issues. A class action is superior to the other available methods for the fair and efficient adjudication of this controversy, because joinder of all members is

impracticable. Lockheed Martin's personnel policies, procedures and practices are uniform and discriminatory. The expense and burden of individual litigation makes it impractical for the members of the Class and Subclass to pursue individual litigation to vindicate their rights.

22. Plaintiffs are not aware of any problems that would militate against the maintenance of this action as a class action.

FACTUAL ALLEGATIONS.

23. Plaintiff re-alleges and incorporates by reference all preceding paragraphs.

24. Lockheed Martin employs more than 140,000 people. It is the largest information technology services supplier to the United States government. Lockheed Martin is organizationally divided into four "business areas" and a corporate function: Aeronautics, Electronic Systems, Information Systems and Global Services ("IS & GS"), Space Systems, and Corporate (also referred to as Enterprise Operations). Each business area includes multiple business units employing thousands of employees in multiple locations throughout the United States. Defendant's employees are eligible for and routinely apply for transfers and promotions across business areas, business units and geographic locations. The human resources functions for all of Lockheed Martin are controlled by the Corporate Human Resources department. The policies, practices and procedures referenced herein are common to all business areas, units and locations of Lockheed Martin.

25. Two of Lockheed Martin's salaries position job code ladders are "L" and "E". The "L" level designates a leadership position. L3 is the entry level leadership

position. The "E" level designates an exempt position. The Class consists of women designated E 3, 4, 5 or 6 and L 3, 4, 5 or 6. These are all salaried positions.

26. Any position specified as L7 or above or E7 or above (i.e., L7, L8, L9, E7, E8 or E9) is considered a Director-level position or above. Compensation for Director-level positions and above includes higher base salary, bonuses, stock options and/or significantly enhanced employee benefits that are not available in lower level positions designated 3 through 6.

27. Upon information and belief, there are well in excess of several thousand female employees of Lockheed Martin in L or E level positions, L3 through L6 and E3 through E6.

28. Upon information and belief, based on available information concerning the gender identity of attendees of the Lockheed Management Incentive Compensation Program (generally L7 and above), 17.5% or a total of 317 of Defendant's employees designated L7 or E7 or above are female. Further, upon information and belief, Plaintiff estimates that fewer than half of these 317 women in positions 7 or above are outside of the Human Resources, Ethics and Communication departments, the three traditionally female departments.

29. Lockheed Martin employs uniform employment and personnel policies throughout the United States. Lockheed Martin's Corporate (Enterprise Operations) business area includes the human resource functions common to the entire corporation. That Corporate function maintains the company wide personnel policies and procedures, including the corporate-wide salary grade ranges by job code, various electronic data bases and the human resources intranet content. Regardless of

business area, the policies relating to pay, assignment and promotion are uniform. Lockheed Martin regularly audits for compliance with their uniform company policies and procedures.

30. Defendant maintains a corporate intranet which makes available to all human resources employees of Defendant (as well as certain other employees), a uniform set of human resources procedures. In addition, since September 24, 2007, Defendant has had an on-line tool called HR Metrics (visible in the HR Professionals section of the LM People intranet) which enables human resources employees throughout the company to produce a variety of reports “either business specific or enterprise wide to analyze attrition statistics, female and minority representation, compensation data and more.”

31. The personnel patterns and practices of Defendant that result in the gender based discrimination alleged herein, including pay discrimination and discrimination in promotion are systemic and reflected in and caused by Corporate policies and practices which are uniform throughout the various business areas and units of Defendant’s United States operations.

32. FOCUS is the Lockheed Martin People Compensation Planning System maintained by Defendant’s Corporate (“Enterprise Operations”) business area. Defendant maintains uniform human resources procedures relating to compensation as evidenced by the FOCUS program which charges the Corporate compensation group with maintaining uniform salary grade ranges for each job code.

33. All information concerning compensation is stored in Defendant’s “Lockheed Martin People,” designated “LMP”, database which includes electronically

loaded and maintained records for all employees. The FOCUS system is used to generate reports and analysis by salary grade level and to monitor conformity with Lockheed Martin policies. Salary planning data by salary grade level is generated for the entire Lockheed Martin population. Salary grade ranges by job code are decided at the Corporate level; their use is mandatory throughout Defendant; however, there is substantial discretion in setting salary within the salary ranges. The Corporate compensation function monitors compliance.

34. There are more than 4,000 leaders and functional representatives with employee relations and compensation responsibilities. The rules and procedures for internal recruiting and selection are uniform throughout Defendant and are enforced throughout the Corporate human resources and audit functions. As described below, these policies permit, indeed, require excessive subjectivity in their implementation.

35. Lockheed Martin imposes company-wide subjective criteria for determining education and experience requirements for promotion. Published Lockheed Martin Corporation criteria called "Exempt Bench Mark Level Criteria" describe minimum education and experience for positions at all levels. Typically, the descriptions of minimum education and experience required for levels 4 through 7 are identical, effectively eliminating all but subjective criteria with regard to education and experience. For instance, for Program Managers and Subcontract Program managers (L304/L749), a large job grouping within the company, "Typical Minimum Education and Experience" is identically described at levels 4 through 7: "Appropriate degree from an accredited college or equivalent experience/ combined education, with professional experience and specialized training commensurate with assignment." Thus, Lockheed

Martin provides no meaningful distinctions among the levels 4 through 7, rather it maintains a company-wide policy of excessive subjectivity in determining minimum requirements for selection for levels 4 through 7. This excessive subjectivity results in discrimination based on gender in advancement, pay grade and compensation.

PROMOTION DISPARITIES BASED ON GENDER

36. It is the expressed, company-wide policy of Lockheed Martin that open positions at the L7 and E7 level and above are not posted. This policy of not posting open positions that are above level 6 is documented in Defendant's corporate wide policy, CPS-521 §§ 5.15 through 6.2.

37. Most open positions at the lower levels, L3, L4, L5, L6, E3, E4, E5 and E6, are posted for open application on Defendant's internal intranet, "Career Network, LM Careers," a company wide on-line system used, *inter alia*, for posting and processing job applications. There is an icon "Apply for a Job" for positions below level 7. With respect to these L-6 and below positions (in contrast to its policy for L7 positions and above), Lockheed Corporate recognizes the extent to which posting open positions provides employees with a measure of uniform and transparent treatment: "The minimum posting period for any job is seven calendar days. During this time, any employee who bids for the position must be considered for it. The hiring element must either interview the employee for the position, or provide the employee with the basis for the decision not to interview." (CPS-521 § 6.3, "Recruitment and Hiring Practices-corporate headquarters/corporate policy statement CPS-521/revision No 7/effective December 18, 2006/copyright 2006 Lockheed Martin Corporation/current policies and procedures" as posted on Defendant's Intranet).

38. Throughout Defendant, the classification “Executive Position “is uniformly set at level 7 or above with a base salary of \$100,000 or more. Recruitment is controlled through the Corporate-wide “Executive Recruiting” office in the Staffing Services department Corporate Human Resources, which assigns one of its staff members to perform the search (CPS-521 Section 5.15). As described hereinafter, even below the level 7 designation, there is selectivity in posting positions which is sanctioned by the Corporate company-wide policy that excludes “growth promotions” from the requirement to post. (CPS-521 section 5.15- 6.2); Defendant’s policy CPS - 521 excludes from posting requirements, *inter alia*, Executive Positions (level 7 or above and base salary of \$100,000) and “growth promotion” positions as well as Leadership Development Program position rotations and other corporate sponsored rotational programs or initial placements following Leadership Development Programs (“LDPs”). These policies are enforced by the Corporate business area on a company-wide basis throughout the US. “Any deviation from this [the foregoing] policy requires the prior approval of the corporate Senior Vice President Human Resources or designee.”(CPS-521 section 8.5).

39. As a result of Lockheed Martin’s uniform policies limiting posting, and in contrast to level 3-6 positions, there is no way for an employee to learn of a level 7 opening or a level 6 growth and advancement track position, other than through word of mouth. Further, there is no process by which employees can assert their interest in applying for vacancies at the L-7 level and above or promotion track level 6 positions exempted from the posting requirements. Historically and continuing through the present, selection for these positions is made overwhelmingly by male directors and

