

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Watts v. Gateway Public Schools

Watts · No. 24-cv-09417-LB · Decided July 2, 2025

SUMMARY

The United States District Court for the Northern District of California granted Gateway Public Schools’ motion to dismiss the plaintiff’s claim for wrongful termination in violation of public policy and request for punitive damages. The court held that Gateway, a public charter school and nonprofit public-benefit corporation, is a public entity under California law and therefore is not subject to a Tameny claim or punitive damages. The dismissal was with prejudice because the legal theory was not cognizable.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Laurel Beeler
JURISDICTION	United States District Court for the Northern District of California
DECIDED	July 2, 2025
DOCKET	24-cv-09417-LB
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the wrongful-termination-in-violation-of-public-policy claim and the request for punitive damages. The court granted the motion as to those claims and dismissed them with prejudice.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, a complaint must provide a short and plain statement giving fair notice of the claims and grounds for relief. A complaint may be dismissed when it lacks either a cognizable legal theory or sufficient facts under a cognizable theory. When dismissal rests on a legally noncognizable theory, leave to amend should not be granted.
PRECEDENTIAL VALUE	unpublished district-court opinion; persuasive only
PARTIES	Ashli Watts v. Gateway Public Schools

TOPICS

employment law

wrongful termination

damages

motions to dismiss

civil procedure

PRACTICE AREAS

employment law

civil procedure

California public-entity liability

remedies

QUESTIONS PRESENTED

1. Whether Gateway Public Schools is a public entity under California law for purposes of California Government Code sections 811.2 and 818.
2. Whether Gateway's public-entity status bars Watts's California Tameny claim for wrongful termination in violation of public policy.
3. Whether Gateway's public-entity status bars Watts's request for punitive damages.

HOLDINGS

1. Gateway, a California public-charter school and nonprofit public-benefit corporation, is a public entity for purposes of the California Government Claims Act and the statutory limits on liability applicable to public entities.
2. A public entity is not liable for a Tameny claim alleging wrongful termination in violation of public policy; Watts's Tameny claim against Gateway is therefore not legally cognizable.
3. California Government Code section 818 bars punitive or exemplary damages against a public entity. Watts's punitive-damages request was therefore dismissed with prejudice.

KEY QUOTATIONS

“Because Gateway is a public entity under California law, the court grants the motion to dismiss.”

(Introduction)

“Public entities — such as the state, counties, cities, public authorities, political subdivisions, and public corporations — are not liable for Tameny claims of wrongful termination in violation of public policy.”

(Analysis)

“Because the legal theory is not cognizable, the dismissal is with prejudice.” (Conclusion)

FACTUAL BACKGROUND

Ashli Watts sued Gateway Public Schools, a public-charter school and nonprofit public-benefit corporation, alleging retaliation and termination connected to pregnancy leave and complaints about race and pregnancy discrimination. She sought punitive damages and asserted a California Tameny claim for wrongful termination in violation of public policy. Gateway argued that its status as a public entity barred both forms of relief, and the court relied on California's statutory treatment of charter schools as part of the public-school system, subject to public-school jurisdiction and control and entitled to public funding.

PROCEDURAL HISTORY

Watts sued her former employer, Gateway Public Schools, alleging pregnancy-related retaliation and termination, race and pregnancy discrimination, and related state and federal claims. Gateway argued that it was a public entity and therefore could not be liable for a California Tameny wrongful-termination claim or punitive damages. The court granted the motion to dismiss the Tameny claim and punitive-damages request with prejudice, while indicating that other punitive-damages pleading issues were moot because the request was dismissed on public-entity grounds.

DISPOSITION

dismissed

CASES CITED

- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Woods v. U.S. Bank N.A., 831 F.3d 1159, 1162 (9th Cir. 2016)
- United States v. United Healthcare Ins. Co., 848 F.3d 1161, 1184 (9th Cir. 2017)
- Miklosy v. Regents of the University of California, 44 Cal. 4th 876, 898–900 (2008)
- Tameny v. Atlantic Richfield Co., 27 Cal. 3d 167 (1980)
- Lozada v. City & County of San Francisco, 145 Cal. App. 4th 1139, 1160 n.10 (2006)
- Thomas v. Excelsior Education Center, No. EDCV 10213 PSG (OPx), 2010 WL 11596137, at *3–4 (C.D. Cal. Nov. 9, 2010)
- United National Maintenance, Inc. v. San Diego Convention Center, Inc., 766 F.3d 1002, 1005, 1012 (2014)
- Hagman v. Meher Mount Corp., 215 Cal. App. 4th 82, 87–88 (2013)
- L.A. Leadership Acad., Inc. v. Prang, 146 Cal. App. 5th 270, 291 (2020)
- Dubose v. Excelsior Education Center, No. EDCV 10-0214 GAF (OPx), 2010 WL 11556752, at *11–12, *14 (C.D. Cal. Sept. 22, 2010)
- Wells v. One2One Learning Foundation, 39 Cal. 4th 1164, 1178–79, 1213–14 (2006)
- Doe ex rel. Kristen D. v. Willits Unified School District, No. C 09-03655, 2010 WL 890158, at *3, *6–7 (N.D. Cal. Mar. 8, 2010)
- Mitchell v. L.A. Community College District, 861 F.2d 198, 201 (9th Cir. 1988)
- Kohn v. State Bar of California, 87 F.4th 1021, 1031–32 (9th Cir. 2023) (en banc)
- Belanger v. Madera Unified School District, 963 F.2d 248, 251 (9th Cir. 1992)
- A/. Marc & Eva Stern Math & Sci. High Sch. v. Pub. Emp. Rels. Bd., 107 Cal. App. 5th 930, 941–42, 955–57 (2024)
- Dubose v. Excelsior Education Center, 2010 WL 11556752, at *14 (C.D. Cal. Sept. 22, 2010), distinguishing Wells v. One2One Learning Foundation, 39 Cal. 4th 1164, 1214 (2006)