

# Employers Beware: California Jury Verdicts Continue to Skyrocket!

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Very few companies doing business in California missed the [news](#) recently that a San Francisco jury ordered Tesla, the electric car manufacturer, to pay \$137 million to a Black former elevator operator who had worked at the company for less than a year before he quit his job due to alleged racial harassment in the workplace.

Sizeable verdicts like this from California juries are not that unusual these days – and, in fact, they’re becoming even more commonplace. In the past nine years, California juries have ordered employers to pay scores of multi-million dollar verdicts. One prominent employee-side lawyer boasts “half a billion in verdicts & settlements” and lists multiple favorable verdicts on behalf of employees in the tens of millions of dollars.

We have summarized [here](#) more than two dozen VERY LARGE California jury verdicts in employment cases from the past 9 years. They range between \$2.2 million to more than \$186 million (in San Diego against AutoZone) – without a doubt the highest single-plaintiff employee verdict in recorded history. Not all of these verdicts survived appeal or post-trial motions, but they do suggest a disturbing pattern that should concern any California employer.

Because of the inherent risks of litigating employment cases before California juries, many employers have tried to insulate themselves against catastrophe by requesting that employees and applicants sign arbitration agreements. The [benefits of arbitration agreements](#) are well known, but in the wake of a [recent opinion from the Ninth Circuit Court of Appeals](#), that option, too, is imperiled in California.

It’s no surprise that many employers are fleeing California altogether, finding the costs of living and doing business here outweigh the benefits. Just days after the \$137 million verdict against his company, Elon Musk announced that Tesla will be relocating its headquarters from California to Austin, Texas. And, according to a [study](#) by the Hoover Institution, 272 companies moved their headquarters to other states during the period from January 1, 2018 through June 30, 2021.

Like Tesla, these companies (some of which have been in the Golden State for decades) are relocating to the more business-friendly states of Texas, Arizona, and Nevada where the cost of living for employees is significantly lower.

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