

L.A. Jury Delivers Mother of All Verdicts – \$464 Million to Two Employees!

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As we have previously reported, jury verdicts in employment cases have continued to skyrocket in recent months, and there is no sign they are leveling off. Late last week, a Los Angeles Superior Court jury awarded a total of over \$464 million (\$440 million of which was in punitive damages) in a two-plaintiff retaliation case. This verdict is more than double any previous amount ever awarded and clearly qualifies as the largest verdict of its kind since the Fall of the Roman Empire.

The plaintiffs alleged they were retaliated against for making complaints about sexual and racial harassment in the workplace, directed at them and other coworkers, leading to their being pushed out of the company.

One plaintiff brought complaints to management about the alleged sexual harassment of two female employees, and claimed he was constructively discharged after being subjected to retaliatory complaints and investigations from other supervisors. The other plaintiff made anonymous complaints to the internal ethics hotline about the racial and sexual harassment of both himself and other coworkers.

After a two-month trial, the jury awarded one plaintiff \$22.4 million in compensatory damages and \$400 million in punitive damages and awarded the other plaintiff \$2 million in compensatory damages and \$40 million in punitive damages.

This latest verdict comes on the heels of a judge reducing another huge December 2021 verdict from a Los Angeles Superior Court jury (which we wrote about here) that awarded \$5.4 million in compensatory damages and \$150 million in punitive damages to a fired insurance company executive who alleged discrimination and retaliation. The judge ordered a reduction in the verdict to \$18.95 million in punitive damages (or, in the alternative, a new damages trial) on the grounds that the prior verdict involved an impermissible double recovery (\$75 million each from two Farmers Insurance entities) and a presumably unconstitutional ratio of punitive damages to compensatory damages (a ratio exceeding 9 or 10-to-1 is presumed to be excessive and unconstitutional, and the ratio in that case was 28-to-1).

Only time will tell if this \$464 million verdict stands, but we will continue to monitor the case and provide updates as developments occur. In the meantime, our advice to employers worried about these gargantuan verdicts remains the same: ARBITRATE!

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