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$103 Million “Thermonuclear” Age Discrimination Verdict Overturned In Los Angeles

California Employment Law Update on **May 20, 2026**

In a welcome reminder that eye-popping punitive damage awards still face meaningful judicial scrutiny, a Los Angeles Superior Court judge has struck down an $83 million punitive damages award that was entered against Liberty Mutual in *Slagel v. Liberty Mut. Ins. Co.* However, the court left intact a $20 million award for emotional distress damages associated with alleged age discrimination and harassment.

The case was tried before a downtown Los Angeles jury late last year, and, as is so often the case, despite the fact the employee suffered no monetary damages in the form of lost wages or benefits, the jury awarded her $20 million for alleged past and future emotional distress damages.

After the trial, Los Angeles Superior Court Judge Jon Takasugi concluded that the record simply did not support a finding of “malice, oppression, or fraud” sufficient to sustain punitive damages against the employer. In so doing, the court emphasized several points:

- The absence of physical assault or trauma to the employee;
- Evidence that Liberty promptly investigated the employee’s complaint and took steps to improve employee morale;
- The employee’s relatively quick reemployment; and
- The lack of proof that any managing agent of Liberty had engaged in “intentional malice, trickery, or deceit.”

The court questioned the alleged workplace conduct underlying the punitive damages award, observing that even if, for example, a supervisor occasionally failed to say “good morning” to the employee or gave younger employees preferential recognition of their accomplishments—a few of the allegedly “discriminatory” incidents that the employee testified about—such benign behavior was hardly “despicable,” “vile,” or “contemptible.”

Perhaps most strikingly, the court recognized the sheer excessiveness of an $83 million punitive damages award stacked atop an already substantial award for emotional distress damages; in fact, the Judge cited the *Los Angeles Times* article that described the verdict as “the largest age discrimination verdict in U.S. history.” The Judge concluded that the 4.15-to-1 ratio of punitive to compensatory damages was “grossly excessive” and struck the entire punitive damages award. The takeaway? Runaway California juries routinely award lottery-sized verdicts to individual employees—and the only protection employers can hope for comes in the form of a vigilant judge or, even better, an arbitrator available to those employers wise enough to have their employees sign arbitration agreements.

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