

Yikes!! AutoZone Hammered With Record \$185 Million Dollar Punitive Damages Jury Verdict

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A federal jury – not surprisingly from California – recently issued a whopping \$185M (\$185,000,000) punitive damages verdict in a single-employee gender discrimination case, believed to be a record award. The plaintiff also received over \$872k in compensatory damages for front pay, back pay and emotional distress. The case is entitled *Juarez v. AutoZone* (Case No. 3:08-cv-00417), and currently sits in the Southern District of California. Ms. Juarez, who originally filed the suit in 2008, claimed that AutoZone imposed a glass ceiling on women through an opaque and intentionally discriminatory promotion system, alleging in her complaint a great disparity in the numbers of men and women managers in the San Diego area. After beginning her employment in 2000, Ms. Juarez asserted she was finally promoted to store manager in 2004 after making discrimination complaints, and that the discrimination continued after her son was born in May 2005. She states that her continued complaints were ignored and that she was demoted in February 2006. The most egregious allegation (obviously believed by the jury) was that the company devised a scheme to bring about her termination where a customer service representative allegedly misplaced money from the cash register, leading the company to blame and later terminate Juarez. Ms. Juarez then sued AutoZone for sex discrimination and retaliation under California state law. AutoZone's chance to escape punitive damages (prior to appeal) was ended on November 18, when Judge Gallo denied the company's bid for judgment as a matter of law on the punitive damages issue, finding that AutoZone's legal arm could be found by a jury to be an officer, director, or managing agent of the company that committed, authorized, or ratified the actions taken against Ms. Juarez. Apart from the obvious takeaways in this matter related to discrimination and scheming to bring about the termination of an employee, the case is a good reminder of the potentially devastating costs at stake even in a single-employee discrimination case. Although I can't imagine this incredible verdict amount being fully upheld on appeal, you know what they say about an ounce of prevention...

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