

Have a good reason for acting? Stick with it!

The 5th Circuit Court of Appeals has refused to overturn a \$150,000 jury verdict against a real estate developer. A female sales associate had filed the complaint after her employer transferred her to a less lucrative development, resulting in a significant pay cut.

Recent case: Arleen teamed up with another female sales associate to sell new homes for a developer called Legend Classic Homes. Their partnership was a great success, and together, they generated high sales volume.

However, after it hired a new male sales associate, the company transferred Arleen to a development where the homes were less expensive, catering to a more “credit-challenged” clientele. She struggled in the new development.

Initially, Legend said it was a temporary transfer, but then made it permanent. It also said the move was so Arleen could train someone, and later, that it had been a promotion. Those were just some of the company’s various explanations.

Arleen sued, alleging sex discrimination.

A jury returned a verdict of \$150,000 in compensatory damages. The builder appealed, arguing that Arleen hadn’t shown that the move was motivated by sex discrimination. The appeals court disagreed, concluding that the builder’s shifting explanations for the transfer could be evidence of bias. (*Delaronde v. Legend Classic Homes*, 5th Cir., 2018)

Final note: Have a good reason for every personnel action, and stick to it. While there may have been several factors that led to a decision, don’t cite contradictory ones or state one at time of discharge and then add others later.