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MINNESOTA'S FIRST NEWSPAPER

Sex-bias suit settled for \$15M

C.H. Robinson admits no liability; women alleged pay, hiring inequity

BY JOHN WELBES
Pioneer Press

Former and current female employees of C.H. Robinson Worldwide will share in a \$15 million settlement ordered by a federal judge Tuesday, ending a 4-year-old case alleging gender discrimination in pay and promotion.

A total of 231 women at the Eden Prairie-based freight-service company who were part of the class-action case are expected to receive, on average, about \$31,500 a piece.

"I'm delighted that the claimants will see some significant awards," said Steve Sprenger, the plaintiffs' lead attorney on the case. He also cited changes in company policies that are part of the settlement.

For example, the company will now prohibit client entertainment at "inappropriate venues," such as strip clubs, and won't reimburse expenses from visits to such businesses.

The settlement notes that C.H. Robinson admits no liability.

"While we were fully geared to present this case at trial on behalf of C.H. Robinson, we are very pleased with this result for our client," said Jan Evans, trial counsel at Robins, Kaplan, Miller & Ciresi.

Nearly one-half — or \$6.9 million — of the settlement will go to the plaintiffs' attorneys. That includes fees of \$5.3 million and expenses of \$1.6 million. Sprenger & Lang, the law firm representing the women, is a small firm with offices in Minneapolis and Washington, D.C., that specializes in large workplace-discrimination cases.

Gwen Carlson, the lead plaintiff and one of a handful actually named in the suit, will receive \$155,000 as part of the settlement. Tricia Porter, another plaintiff, will receive \$224,914, and plaintiff Amy Hossenlopp will receive \$139,000, according to court documents. The women couldn't be reached for comment Tuesday.

The two sides reached a preliminary settlement last April, one day before the case was set for trial in U.S. District Court in Minneapolis.

The settlement also calls for C.H. Robinson to appoint an equal opportunity director and specialists in its human resources department. The company also must do an annual employee survey on work conditions and have documented annual performance evaluations for all salaried employees.

New branch manager jobs have to be posted and the company has to continue efforts to recruit women for sales and operations positions.

A spokeswoman for C.H. Robinson said its insurance carriers have reserved the right to seek a court ruling that a portion of the settlement or fees are not covered under the company's insurance policies. C.H. Robinson will oppose those efforts.

The original 2002 lawsuit described a workplace where women were discriminated against and subjected to a hostile work environment. Another civil action against C.H. Robinson related to overtime pay is still pending, Sprenger said.

C.H. Robinson brokers space for freight on trucks, trains, boats and planes for shipping companies. The company has 190 offices worldwide

AT A GLANCE

- \$15 million goes to 231 women.
- Awards average \$31,500; one plaintiff to get \$224,914.
- Payouts could come by year's end.
- Plaintiffs' attorneys get \$6.9 million.
- Company admits no liability.
- Overtime lawsuit still pending.

and has grown steadily in recent years.

Last year, the company did \$5.7 billion in revenue and had net income of \$203 million. C.H. Robinson's stock closed at \$44.94 per share on Tuesday, up 29 cents for the day.

The class-action suit identified 1,800 potential claimants. The 231 who submitted claim forms will share the settlement. Sprenger said that the individual payouts will actually be determined based on factors such as length of time employed at Robinson, whether they sought promotions, and whether they can identify male employees who did the same job but were paid more.

A proposal on payouts using those types of criteria will be sent back to the court and Sprenger is hopeful that the 231 will be paid by the end of the year.

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