

Record Punitive Damages set in *Juarez v. AutoZone Stores, Inc.* Verdict By Philip Wiseman, J.D. Candidate 2017 | November 25, 2014

On November 18, the U.S. District Court for the Southern District of California upheld a jury verdict awarding Rosario Juarez, a former San Diego AutoZone store manager, almost [\\$873,000 in compensatory damages](#) and a record [\\$185 million in punitive damages](#) due to [pregnancy-related harassment, discrimination, and retaliation](#).

Juarez was hired by AutoZone in 2000 as a retail sales person. In April 2001, she was promoted to Parts Sales Manager. Juarez alleges her future promotion was frustrated by a corporate “glass ceiling” for AutoZone’s female employees. It wasn’t until she complained to AutoZone’s Human Resources Division Human Resources Manager that she received a promotion in October 2004.

In September 2005, Juarez became pregnant. [Juarez alleged](#) that when her supervisor learned of the pregnancy, he began assigning Juarez a double load of assigned tasks, including ones that were unnecessary. She further alleged that she was publicly humiliated by her supervisor and subsequently demoted. Juarez was fired in 2008, after she filed a discrimination complaint with the California Department of Fair Employment and Housing. Juarez’s attorneys argued that in order to create a pretext for firing her, AutoZone falsely blamed her for a cash envelope that went missing.

According to Juarez, [AutoZone's human resources department failed to investigate when she complained about McFall's harassment](#). In addition, all evidence of her complaint was destroyed, she said, which was consistent with a division-wide effort to reduce the number of female managers.

Juarez alleges that AutoZone’s conduct violated [Govt. Code § 12940](#) and [Title 2 of the Cal. Code of Regulations § 7293.7 & 7291.5](#) by: (1) terminating Juarez’s employment because she was pregnant, (2) demoting her because she was pregnant, (3) refusing to investigate discriminatory conduct when she brought it up to management, (4) disparate application of company practices, procedures, and policies to the detriment of female employees, and (5) retaliating against Juarez for making protected complaints about discriminatory practices when she filed her complaint with the state by firing her.

Juarez’s [complaint alleges](#):

“AutoZone directed its District Managers to either stop promoting women to store manager or dramatically reduce the number of women promoted . . . On one occasion [Rick Smith, AutoZone VP of Operations] visited a store that was staffed with a woman store manager and several women PSMs and CSRs. Mr. Smith was accompanied on this visit by the District Manager, Randy Cosby. Mr. Smith took Cosby aside and berated him for having so many women in the store, asking sarcastically “what are we running here, a boutique? Get rid of those

women.” Mr. Smith also directed Cosby to not promote any more women and try to get rid of the women store managers he had in his district.”

Her attorneys cited that out of the nearly [100 AutoZone locations in the San Diego region, only 10 had women managers](#) to further support their claims of a “glass ceiling culture.”

Lawrence Bohm, one of Jaurez’s attorneys, [argued to the jury](#) that, “Specifically, it was said to this district manager, women weren’t worth a (expletive) to AutoZone. He was offered a promotion if he fired all the women at his stores.” Sean Simpson, another one of Jaurez’s attorneys, [went on the record as saying](#) “This is the third or fourth time [AutoZone’s] been hit with punitive damages for doing the same thing.” Bohm told Bloomberg BNA that the \$185 million in punitive damages is [the most ever awarded to a single employee](#).

The \$185 million amount is \$25 million more than what Jaurez's attorneys asked for. Bohm said he expects AutoZone to [“challenge every aspect of the verdict.”](#) Until the company's “motions are heard and decided the verdict stands and so does the message,” Bohm said. “Legal departments of large corporations must be held accountable for architecting and/or approving the violation of a person's civil rights.”

AutoZone says they plan to appeal the verdict.