



Chadbournе Litigation Settles, Leaving Unanswered Questions About Equal Pay Claims

Insights

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The parties to a high-profile Equal Pay Act lawsuit have reached a multi-million dollar settlement that will be sure to capture the attention of employers across the country. Former partners of the law firm Chadbourne & Parke LLP (now part of Norton Rose Fulbright) resolved a pay equity lawsuit against their former law firm, but the settlement left unanswered the question about who is considered an “employee” under the Act.

In [August 2016](#), a class and collective action was filed against Chadbourne and certain male partners alleging that the firm discriminates against female partners with regard to compensation, in violation of Title VII, the Equal Pay Act, and related state laws. One of the key legal issues in the lawsuit was whether named plaintiffs Kerrie Campbell, Jaroslawa Johnson, and Mary Yelenick, as partners of the law firm, were considered “employees” for purposes of the Equal Pay Act and Title VII, entitling them to bring claims under these laws.

The court ordered limited discovery on this issue after denying the plaintiffs’ motion for conditional certification of an Equal Pay Act collective action. Following discovery rulings in October and November 2017, defendants were required to search the personal email accounts of Chadbourne partners for responsive communications. After the court ordered an extensive e-mail search, the parties resumed their settlement discussions and have reached an agreement.

On March 14, 2018, plaintiffs filed a consent motion for court approval of their settlement of claims under the Equal Pay Act. The settlement includes:

- \$1 million to Kerrie Campbell (including \$500,000 for emotional distress damages);
- \$750,000 to Mary Yelenick (including \$375,000 for emotional distress damages);
- \$250,000 to Jaroslawa Johnson (including \$125,000 for emotional distress damages);
- \$1,076,878.07 in attorneys’ fees and costs for plaintiffs’ attorneys, Sanford Heisler LLP;
- No admission of liability by Chadbourne; and
- A full release of claims against Chadbourne and the individual defendants.

In light of the settlement, there remains an unanswered question: are partners of a law firm considered “employees” as defined by the Equal Pay Act? Other pending lawsuits, including one

considered “employees” as defined by the Equal Pay Act. Other pending lawsuits, including one filed by an anonymous female partner at Proskauer Rose, LLP (also represented by Sanford Heisler) in federal court in D.C., may bring us closer to an answer.

One thing that is clear in the wake of this multi-million dollar settlement: equal pay litigation can be costly and disruptive. With litigation on the rise, we recommend that you consider conducting a privileged proactive pay audit to identify and address pay disparities within your ranks. Fisher Phillips Pay Equity Practice Group has a number of resources available to assist employers on our [Pay Equity Webpage](#), including the [Fisher Phillips' Pay Equity Interactive Map](#).

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