



Employer Held Responsible For Unclear Offer Letter

In *Alexander v. Codemasters Group Limited*, a California Court of Appeal ruled that an employee may proceed with a claim for stock options even though the offer letter agreement was ambiguous. Codemasters acquired a computer game company and retained Craig Alexander as a manager. Alexander's offer letter contained a stock option provision that promised him stock options but did not specify the terms of the option grant. In particular, the stock option provision did not specify the vesting schedule for the option. Both prior to and during employment, the parties continued to negotiate the specifics of the stock options commitment without, according to the employer, reaching agreement. The employer asserted that Alexander was therefore not entitled to any stock. Rejecting this argument, the Court ruled the ambiguous offer letter was the employer's fault, and remanded the case for trial. To avoid such claims, employers should explicitly outline the terms and conditions of stock options in the offer letter (or other agreement) before the start of employment.

Bankruptcy Anti-Discrimination Law Does Not Protect Persons Prior To Filing

The Ninth Circuit Court of Appeals that covers California recently held that the anti-discrimination provision of the Bankruptcy Code does not protect an employee from termination if the employee has not yet filed for bankruptcy. In *In re Majewski*, an employee incurred large medical expenses at the hospital where he worked. Unable to pay the debt, he informed the hospital that he intended to file for bankruptcy. The hospital immediately terminated his employment. The Court ruled his termination did not violate the bankruptcy law because the provision only protected individuals who had already filed for bankruptcy. Although this was a favorable decision for the employer, companies should also consider other discrimination and wage laws before terminating an employee unable to pay a debt to the employer.

University of California Must Pay \$2 Million For Retaliation

An Alameda County Superior Court judge recently awarded a plaintiff's attorney over \$1 million in attorney's fees in *Kotla v. Regents of University of California*, in addition to a \$1 million jury verdict, on a claim of retaliation. The plaintiff alleged she was fired shortly after she testified in a sexual harassment suit against her employer. Soon after, the University terminated her for unauthorized personal use of her telephone and computer. The jury concluded the employer retaliated against plaintiff for testifying. These hefty jury verdict and attorney's fee awards demonstrate the danger of terminating an employee based upon what a jury may view as a disingenuous or flimsy reason.

Large Jury Verdict Against Union For Instigating Violence

A jury in an Ohio federal court recently returned a \$4.3 million verdict against a union for instigating violence during a labor dispute. AK Steel Company locked out members of the United Steelworkers of America because of work slowdowns and violence, and brought suit against the union for instigating the violence. The union urged that the threats were the unauthorized acts of individuals and not the union. Rejecting the argument, the jury held the union responsible for causing the violence. This case demonstrates the increasing intolerance of juries towards violence in the workplace.