

The U.S. Equal Employment Opportunity Commission

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\$27.5 MILLION CONSENT DECREE RESOLVES EEOC AGE BIAS SUIT AGAINST SIDLEY AUSTIN

Law Firm Partners Brought Within Protection of Federal Law Against Employment Discrimination

CHICAGO – The international law firm of Sidley Austin LLP will pay \$27.5 million to 32 former partners who the U.S. Equal Employment Opportunity Commission alleged were forced out of the partnership because of their age, under a consent decree approved by a federal judge. (EEOC v. Sidley Austin LLP, N.D. Illinois No. 05 C 0208.)

The EEOC brought the suit in 2005 under the federal Age Discrimination in Employment Act (ADEA). A major issue in the case was whether partners in the law firm were protected as employees under the ADEA. The decree was signed by Federal District Judge James B. Zagel of the Northern District of Illinois yesterday afternoon, October 4, 2007, and entered on the court's docket this morning. The decree provides that "Sidley agrees that each person for whom EEOC has sought relief in this matter was an employee with the meaning of the ADEA."

The consent decree also includes an injunction that bars the law firm from "terminating, expelling, retiring, reducing the compensation of or otherwise adversely changing the partnership status of a partner because of age" or "maintaining any formal or informal policy or practice requiring retirement as a partner or requiring permission to continue as a partner once the partner has reached a certain age."

Ronald S. Cooper, General Counsel of the EEOC, said, "This case has been closely followed by the legal community as well as by professional services providers generally. It shows that EEOC will not shrink from pursuing meritorious claims of employment discrimination wherever they are found. Neither the relative status of the protected group members nor the resources and sophistication of the employer were dispositive here."

Cooper added, "The demographic changes in America assure that we will see more opportunities for age discrimination to occur. Therefore, it is increasingly important that all employers understand the impact of the Age Discrimination in Employment Act on their operations and that we re-emphasize its important protections for older workers."

The \$27.5 million will be paid by Sidley Austin to 32 former partners of the firm for whom the EEOC sought relief because they either were expelled from the partnership in connection with an October 1999 reorganization or retired under the firm's age-based retirement policy.

The amounts of the individual payments to the former partners were submitted under seal and approved by the court. The average of all the payments to partners under the decree will be \$859,375. The highest payment to any former partner will be \$1,835,510, and the lowest payment \$122,169. The median payment (the value in the middle of all payments) is \$875,572.

During the term of the decree, which expires Dec. 31, 2009, Abner Mikva, retired Federal Court of Appeals Judge and former Member of Congress and White House Counsel, will deal with any complaints received from Sidley partners and report to the EEOC.

The EEOC litigation team has been headed by John Hendrickson, Regional Attorney for the Chicago District, and includes Supervisory Trial Attorney Gregory Gochanour and Trial Attorneys Deborah Hamilton, Laurie Elkin, and Justin Mulaire. Proceedings in the U.S. Court of Appeals for the Seventh Circuit were handled by Carolyn Wheeler and Jennifer Goldstein of the EEOC Office of General Counsel's Appellate Services.

Hendrickson said, "The EEOC v. Sidley Austin litigation has always been a high priority for both our agency and the law firm, and the litigation has reflected that—tough, determined, professional. The litigation has yielded a number of important legal decisions, ensuring the protection of professionals from discriminatory employment actions and ratifying the authority of EEOC to investigate and obtain relief for victims of age discrimination on its own initiative."

Hendrickson added, "The public has benefited because the EEOC and Sidley were able to sit down and talk with each other and craft a workable resolution in a complex lawsuit. That doesn't always happen. Not all employers are resolved to deal with tough issues and to get on with business. Sidley was so resolved, and today's decree reflects its determination to get this case behind it and to address a situation which the EEOC believed required its attention."

George Galland, Jr. of the Chicago law firm of Miner Barnhill & Galland acted as a mediator in the case and facilitated the parties' negotiations.

The EEOC enforces federal laws prohibiting discrimination in employment. Further information about the Commission is available on its web site at www.eeoc.gov

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