

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Shawn Katz, David Kirkpatrick, Camuel Buzan, and Victoria Xavier-Freyer v. Tata Consultancy Services Ltd.

Case No. 2:22-cv-07069 (BRM) (JRA) · No. 2:22-cv-07069 (BRM) (JRA) · Decided January 7, 2026

SUMMARY

The United States District Court for the District of New Jersey grants Tata Consultancy Services Ltd.’s motion to dismiss the plaintiffs’ disparate-impact claims under Title VII. The court holds that the alleged preference for visa workers and related employment practices are allegations of intentional disparate treatment rather than facially neutral policies supporting a disparate-impact claim, but dismisses the claims without prejudice because amendment is not futile. The court also dismisses as moot the request concerning hiring and placement allegations and denies sanctions.

CASE DETAILS

COURT	United States District Court for the District of New Jersey
WRITING FOR THE COURT	Brian R. Martinotti
JURISDICTION	United States District Court for the District of New Jersey
DECIDED	January 7, 2026
DOCKET	2:22-cv-07069 (BRM) (JRA)
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the plaintiffs' Third Amended Complaint and sought sanctions under 28 U.S.C. § 1927. The court granted dismissal of the disparate-impact claim without prejudice, dismissed as moot the request concerning alleged hiring and placement claims, and denied sanctions.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, draws reasonable inferences in the plaintiff's favor, and determines whether the complaint states a facially plausible claim. The court may consider documents integral to or explicitly relied upon in the complaint without converting the motion into one for summary judgment. For sanctions under 28 U.S.C. § 1927, the moving party must show that proceedings were multiplied unreasonably and vexatiously, increasing costs, with bad faith or intentional misconduct.
PRECEDENTIAL VALUE	unpublished, nonprecedential district court opinion

TOPICS

employment discrimination

title vii

motions to dismiss

civil procedure

sanctions

PRACTICE AREAS

employment law

civil rights

civil procedure

QUESTIONS PRESENTED

1. Whether the Third Amended Complaint identified a facially neutral employment policy and plausibly stated a disparate-impact discrimination claim under Title VII.
2. Whether the disparate-impact claim should be dismissed with prejudice because plaintiffs had repeatedly failed to cure prior pleading deficiencies.
3. Whether TCS's request to dismiss portions of the complaint concerning alleged discrimination in hiring and placement was moot because plaintiffs asserted no such independent claims.
4. Whether plaintiffs or their counsel should be sanctioned under 28 U.S.C. § 1927 for pursuing the amended disparate-impact claim.

HOLDINGS

1. The plaintiffs failed to state a disparate-impact claim because they did not identify a facially neutral policy; the alleged preferential treatment of visa employees constituted intentional discrimination and sounded in disparate treatment. Even purportedly universal policies were alleged to have been implemented to favor visa employees.
2. The disparate-impact claim was dismissed without prejudice because plaintiffs had not repeatedly failed to cure the deficiency, and amendment was not shown to be futile.
3. TCS's request to dismiss claims concerning discrimination in hiring and placement was dismissed as moot because the complaint contained no independent claims based on failure to hire or place employees.
4. Sanctions were unwarranted because TCS did not establish that plaintiffs or their counsel multiplied proceedings unreasonably and vexatiously, increased costs, and acted in bad faith or with intentional misconduct.

KEY QUOTATIONS

“Disparate impact claims redress employment policies that are “fair in form, but discriminatory in operation,” and typically “focus on statistical disparities.””

“The mere fact a claim is dismissed does not mean it rises to the level of “patently unmeritorious or frivolous,” where sanctions are justifiable.”

FACTUAL BACKGROUND

Tata Consultancy Services operates a project-based information-technology consulting business and assigns employees to client projects. Employees removed from projects are placed on an unallocated status known as the bench and may be terminated if they remain there too long. The plaintiffs alleged that TCS favored visa employees, who were predominantly South Asian and of Indian national origin, in staffing, promotions, appraisals, retention, and termination decisions, disadvantaging non-South Asians, non-Indians, and U.S. citizens. They characterized these practices as facially neutral policies producing disparate impacts, while TCS argued that the allegations described intentional disparate treatment.

PROCEDURAL HISTORY

The case began with a complaint filed by Shawn Katz asserting disparate-treatment and disparate-impact employment discrimination claims. After a voluntary withdrawal and several amendments, the court previously dismissed the disparate-impact allegations as insufficient but allowed amendment; the Second Amended Complaint added three plaintiffs, and the court later permitted a Third Amended Complaint. Tata Consultancy Services moved to dismiss the renewed disparate-impact claim, sought dismissal of supposed hiring and placement claims, and requested sanctions. The court dismissed the disparate-impact claim without prejudice, found the hiring and placement request moot, and denied sanctions.

DISPOSITION

other

CASES CITED

- Phillips v. County of Allegheny, 515 F.3d 224 (3d Cir. 2008)
- In re Burlington Coat Factory Securities Litigation, 114 F.3d 1410 (3d Cir. 1997)
- Shaw v. Digital Equipment Corp., 82 F.3d 1194 (1st Cir. 1996)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544 (2007)
- Papasan v. Allain, 478 U.S. 265 (1986)
- Ashcroft v. Iqbal, 556 U.S. 662 (2009)
- Baraka v. McGreevey, 481 F.3d 187 (3d Cir. 2007)
- Schuylkill Energy Resources, Inc. v. Pennsylvania Power & Light Co., 113 F.3d 405 (3d Cir. 1997)
- In re Rockefeller Center Properties Securities Litigation, 184 F.3d 280 (3d Cir. 1999)
- Green v. City of Philadelphia, Civ. A. No. 21-1034, 2022 WL 1165644 (3d Cir. Apr. 20, 2022)
- N.A.A.C.P. v. North Hudson Regional Fire & Rescue, 665 F.3d 464 (3d Cir. 2011)
- Karlo v. Pittsburgh Glass Works, LLC, 849 F.3d 61 (3d Cir. 2017)
- Watson v. Fort Worth Bank & Trust, 487 U.S. 977 (1988)
- MacLean v. Wipro Ltd., Civ. A. No. 20-3414, 2022 WL 4550629 (D.N.J. Sept. 29, 2022)
- MacLean v. Wipro Ltd., No. CV 20-03414, 2025 WL 1806644 (D.N.J. June 30, 2025)
- Smith v. City of Jackson, 544 U.S. 228 (2005)
- Ricci v. DeStefano, 557 U.S. 557 (2009)

- *Community Services, Inc. v. Wind Gap Municipal Authority*, 421 F.3d 170 (3d Cir. 2005)
- *International Union, United Automobile, Aerospace & Agricultural Implement Workers v. Johnson Controls, Inc.*, 499 U.S. 187 (1991)
- *Horizon House Developmental Services, Inc. v. Township of Upper Southampton*, 804 F. Supp. 683 (E.D. Pa. 1992), *aff'd*, 995 F.2d 217 (3d Cir. 1993)
- *Dothard v. Rawlinson*, 433 U.S. 321 (1977)
- *Foman v. Davis*, 371 U.S. 178 (1962)
- *Scalercio-Isenberg v. Select Portfolio Servicing, Inc.*, Civ. A. No. 22-2705, 2024 WL 658263 (D.N.J. Feb. 16, 2024)
- *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 401 U.S. 321 (1971)
- *Harrison Beverage Co. v. Dribeck Importers, Inc.*, 133 F.R.D. 463 (D.N.J. 1990)
- *Bayer Healthcare Pharmaceuticals Inc. v. RJ Health Systems International LLC*, Civ. A. No. 15-6952, 2017 WL 253954 (D.N.J. Jan. 20, 2017)
- *Fisher v. Schott*, Civ. A. No. 13-5549, 2014 WL 6474216 (D.N.J. Nov. 19, 2014)
- *In re Beers*, 399 F. App'x 748 (3d Cir. 2010)
- *LaSalle National Bank v. First Connecticut Holding Group, LLC*, 287 F.3d 279 (3d Cir. 2002)
- *Ario v. Underwriting Members of Syndicate 53 at Lloyds for 1998 Year of Account*, 618 F.3d 277 (3d Cir. 2010)
- *In re Prudential Insurance Co. America Sales Practice Litigation Actions*, 278 F.3d 175 (3d Cir. 2002)
- *Smith v. Detroit Federation of Teachers, Local 231*, 829 F.2d 1370 (6th Cir. 1987)
- *Scott v. Vantage Corp.*, 64 F.4th 462 (3d Cir. 2023)