

COURT OF APPEALS OF THE STATE OF NEW YORK

Stephenson v. Hotel Employees & Restaurant Employees Union
Local 100 of the AFL-CIO

6 N.Y.3d 265 (2006) · Decided February 16, 2006

SUMMARY

The New York Court of Appeals addressed an age-discrimination claim brought by two former union employees who alleged they were terminated because of their ages. The court held that the defendants presented legitimate, nondiscriminatory reasons for the terminations related to alleged corruption and that the plaintiffs failed to prove those reasons were pretextual. The court affirmed the Appellate Division’s order setting aside the jury verdict and dismissing the complaint.

CASE DETAILS

COURT	Court of Appeals of the State of New York
WRITING FOR THE COURT	G.B. Smith; Chief Judge Kaye; Judge Ciparick; Judge Rosenblatt; Judge Graffeo; Judge R.S. Smith
JURISDICTION	New York
DECIDED	February 16, 2006
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiffs appealed after the Appellate Division reversed Supreme Court's denial of defendants' CPLR 4404(a) motion, set aside the jury verdicts for plaintiffs, and dismissed the complaint.
STANDARD OF REVIEW	Whether the evidence was legally sufficient to support the jury's verdict; viewing the evidence in the light most favorable to plaintiffs, whether there was a valid line of reasoning and permissible inferences that could lead rational jurors to the verdict.
PRECEDENTIAL VALUE	precedential
PARTIES	Albert Stephenson, Leroy Hodge v. Hotel Employees and Restaurant Employees Union Local 100 of the AFL-CIO, Hotel Employees and Restaurant Employees International Union

TOPICS

- age discrimination
- employment discrimination
- appellate procedure
- civil procedure
- standard of review

PRACTICE AREAS

employment law

civil rights

appellate procedure

civil procedure

QUESTIONS PRESENTED

1. Whether the Appellate Division properly set aside the jury verdicts and dismissed plaintiffs' age-discrimination claims under New York Executive Law § 296.
2. Whether plaintiffs established that defendants' stated, legitimate reasons for terminating them were pretextual.
3. Whether the certified question should be answered.

HOLDINGS

1. A plaintiff alleging age discrimination must establish a prima facie case, after which the defendant must produce a legitimate, nondiscriminatory reason for the adverse action, and the plaintiff must then prove by a preponderance of the evidence that the stated reason was pretextual; the ultimate burden of persuasion remains with the plaintiff.
2. The evidence was legally insufficient to support the jury verdicts because defendants presented legitimate reasons for the terminations and plaintiffs failed to prove those reasons were pretextual.
3. The certified question should not be answered because it was unnecessary to the disposition.

KEY QUOTATIONS

“To support a prima facie case of age discrimination under the Human Rights Law, plaintiff must demonstrate (1) that he is a member of the class protected by the statute; (2) that he was actively or constructively discharged; (3) that he was qualified to hold the position from which he was terminated; and (4) that the discharge occurred under circumstances giving rise to an inference of age discrimination” (270)

“The burden that shifts to the defendant . . . is to rebut the presumption of discrimination by producing evidence that the plaintiff was rejected, or someone else was preferred, for a legitimate, nondiscriminatory reason.” (270)

“Moreover, the burden of persuasion of the ultimate issue of discrimination always remains with the plaintiffs” (271)

“Viewing the evidence in the light most favorable to the plaintiffs, there is no valid line of reasoning and permissible inferences that could have lead rational jurors to the conclusion they reached” (272)

FACTUAL BACKGROUND

Albert Stephenson, age 63, and Leroy Hodge, age 55, were terminated from positions as union organizers and business agents at Local 100 in 1992. Their terminations occurred while the union was under federal investigation for corruption, including alleged bribery, kickbacks, and organized-crime infiltration, and after the federal government initiated proceedings that resulted in a consent decree placing the local under trusteeship. Plaintiffs presented evidence of age-related remarks and argued that their terminations were age discrimination, while defendants asserted that they were terminated because of suspected involvement in corrupt union

activities. The jury found for plaintiffs, but the Appellate Division concluded that defendants' legitimate reasons were supported by uncontroverted evidence and that plaintiffs had failed to prove pretext.

PROCEDURAL HISTORY

Plaintiffs filed separate age-discrimination actions in Supreme Court, New York County. The actions were consolidated and tried to a jury, which returned verdicts and damages awards for plaintiffs. Supreme Court denied defendants' motion to set aside the verdicts, but the Appellate Division reversed and granted the motion. The Court of Appeals affirmed the Appellate Division.

DISPOSITION

affirmed

CASES CITED

- Ferrante v. American Lung Ass'n, 90 N.Y.2d 623, 629 (1997)
- Forrest v. Jewish Guild for the Blind, 3 N.Y.3d 295 (2004)
- Texas Department of Community Affairs v. Burdine, 450 U.S. 248, 252-254 (1981)
- St. Mary's Honor Center v. Hicks, 509 U.S. 502, 506-507, 511 (1993)
- McDonnell Douglas Corp. v. Green, 411 U.S. 792, 802-806 (1973)
- Reeves v. Sanderson Plumbing Products, Inc., 530 U.S. 133, 143 (2000)
- Cohen v. Hallmark Cards, 45 N.Y.2d 493 (1978)

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