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Trader Joe's Hit With Age Discrimination Class Action

By **Jonathan Randles**

Law360, New York (March 19, 2015, 3:50 PM ET) -- Grocery chain [Trader Joe's Co.](#) was hit with a proposed class action on Wednesday in California, alleging that a 2014 restructuring of its workforce violated state and federal law because it resulted in the systematic demotion of employees over the age of 45.

The lawsuit, brought by employee Keith Garlough, alleges that Trader Joe's targeted its older workers for demotion and replaced them with younger, less experienced associates. The overhaul resulted in a loss of pay, hours and health and vacation benefits for workers over 45 years old and precluded them from receiving bonuses.

The restructuring occurred in March and April of 2014, according to the complaint. In general, older workers who held the position of “merchant” — a position just below assistant store manager — were demoted to entry level “crew” positions, the lawsuit said.

Garlough has worked at a California Trader Joe's for eight years, and held the merchant title for four years. In May 2014, his supervisor informed him that he would be transferred to a different location or face being demoted to crew and put on a probationary period that “he was not likely to pass,” the lawsuit said.

“The demotions carried out as part of the 2014 restructuring had a significant negative impact on the income and benefits earned by employees over the age of 40,” the lawsuit said. “For example, merchant employees who were over the age of 40 and demoted to crew suffered a substantial reduction in hours and were no longer eligible for overtime pay. They also incurred greater health insurance costs and received reduced health benefits, less vacation and leave pay and diminished retirement contributions. Persons demoted from merchant to crew, including plaintiff Garlough, also found themselves ineligible for bonuses.”

Garlough, who was 49 years old at the time, saw his wages reduced by \$8.50 an hour as a result of the demotion. Prior to the demotion, Garlough says that he received generally high marks for his professionalism, customer service and work performance.

The lawsuit seeks to represent current and former employees 45 years old or older who were employed by Trader Joe's at the time of the restructuring. The complaint alleges that companywide policy at Trader Joe's violated the federal Age Discrimination in Employment Act, the California Fair Employment and Housing Act and state competition law.

A representative for Trader Joe's could not immediately be reached for comment on Thursday.

Garlough is represented by Stanley Saltzman, Marcus Bradley, Kiley Grombacher and Leslie Joyner of [Marlin & Saltzman LLP](#) and William Kershaw and Ian Barlow of [Kershaw Cutter & Ratinoff LLP](#).

Counsel information for Trader Joe's was not immediately available on Thursday.

The case is Keith Garlough v. Trader Joe's Co., case number [3:15-cv-01278](#), in the U.S. District Court for the Northern District of California.

--Editing by Stephen Berg.

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Case Number

[3:15-cv-01278](#)

Court

California Northern

Nature of Suit

Civil Rights: Jobs

Judge

[Jacqueline Scott Corley](#)

Date Filed

March 18, 2015

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