

Wal-Mart Workers Awarded \$172 Million

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A California jury hit [Wal-Mart Stores](#) Inc. with a \$172 million verdict for denying lunch breaks to thousands of employees.

The verdict requires Wal-Mart to pay \$57.3 million in general damages and \$115 million in punitive damages. The lawsuit, which gained class-action status, was filed on behalf of 116,000 Wal-Mart employees in California.

Wal-Mart vowed to appeal the verdict, adding that it has "no bearing" on similar cases in other states. The California law mandating meal breaks went into effect in 2001. "Wal-Mart has since taken steps to ensure all associates receive their meal periods, including adopting new technology that sends alerts to cashiers when it is time for their meal breaks," spokeswoman Mona Williams said in a statement.

The case, tried in Alameda County, is one of many pending against Wal-Mart in at least 26 states, 15 in which class-action status has been denied or overturned, eight in which it has been granted and three in which it has been granted with conditions. Federal wage-and-hour laws are less strict on meal breaks than state laws, but state laws have differing requirements for such breaks.

Even so, legal experts said the verdict could bode poorly for Wal-Mart's arguments in the other cases. The Bentonville, Ark., company, the world's largest retailer, also faces a class-action lawsuit alleging it denied 1.6 million current and former female employees equal pay and promotions. And a potential verdict, or settlement, in that case could be much larger than this California verdict.

"Every time there is a big jury verdict, it increases an employer's incentive to settle" other cases, said Martin Katz, a professor at the University of Denver's Sturm College of Law. "Even though there are different laws [in different states], a lot of them are similar."

Mr. Katz considered the \$115 million in punitive damages to be reasonable, considering that it fits the common 2-to-1 ratio of punitive to general damages. "It's high, but it's probably not in the ballpark of where it is reversible based solely on the amount," he said.

California law requires employers to provide a half-hour, unpaid break for employees who work a shift of at least five hours. If the shift is longer than five hours and less than six, employees can waive that break. If it is longer than six hours, a break is mandatory. If a break is not provided and not waived, the employer must pay each California worker denied a break an additional hour of pay.

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