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MetLife Gets Approval For \$32.5M Race Bias Settlement

By **Braden Campbell**

Law360, New York (July 3, 2017, 5:54 PM EDT) -- A New York federal judge has approved a \$32.5 million settlement ending a proposed class action alleging MetLife Securities Inc. gives black financial services representatives few chances to team up with their colleagues, keeps them from getting good accounts and restricts their training opportunities.

U.S. District Judge William Pauley III signed off on the settlement, which pays \$7.15 million to class counsel Stowell & Friedman Ltd. and \$25.35 million to about 690 class members, on June 27.

Lead plaintiff Marcus Creighton, who worked for MetLife in Illinois from 2001 until October 2014, filed suit in May 2015 alleging the company violates federal civil rights law by discriminating against black brokers.

Creighton alleged the company is headed by a "nearly all-white" management team and maintains "a racially biased corporate culture and stereotypical views about the skills, abilities and potential of African-Americans that infect personnel decisions" and inform its policies.

Creighton claimed the company lets brokers, which it calls financial services representatives, form teams with colleagues and combine their client accounts, but "almost entirely exclude[s]" black FSRs from favorable teaming relationships. He also alleged the company steers the most lucrative business opportunities away from black FSRs and denies them equal access to its "Delivering the Promise" training program. This systematic discrimination leads the company to pay black FSRs less than their nonblack peers, he alleged.

The parties engaged in mediation while settlement was ongoing, and in March moved the court to approve a \$32.5 million settlement agreement, arguing it was the product of fair negotiations and adequately compensates the class members given the risks of continuing litigation.

In addition to splitting up the settlement fund based on traditional, objective factors such as weeks of employment, the agreement allows workers to receive a share of the award based on their "individual experiences" and the recommendation of independent neutral parties chosen by class counsel. The settlement pays \$75,000 to Creighton and \$50,000 to six other workers who joined the case as named plaintiffs in an April 2016 amended complaint.

The agreement covers all black, U.S.-based FSRs employed by or affiliated with MetLife or New England Life Insurance Co. between May 15, 2011 and July 1, 2016.

Stowell & Friedman will be paid half, or \$3.575 million, of its fee award after judgment is entered and will be paid the remainder in installments as awards are paid out to class members. The firm will also be reimbursed about \$80,000 in fees and costs.

An attorney for the class and attorneys for MetLife did not immediately respond to requests for comment Monday.

The workers are represented by Linda D. Friedman, Suzanne E. Bish, George S. Robot and Shona B. Glink of Stowell & Friedman Ltd.

The company is represented by Steven J. Pearlman, Keisha-Ann G. Gray and Latoya S. Moore of Proskauer Rose LLP.

The case is Creighton et al. v. MetLife Securities Inc., case number 1:15-cv-08321, in the U.S. District Court for the Southern District of New York.

--Editing by Aaron Pelc.

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