

In new lawsuit, One Kings Lane employees claim parent company CSC Generation used pandemic to deny maternity benefits and unjustly furlough employees — a practice experts worry could become more common

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- Two employees at the home decor company One Kings Lane filed a complaint on Thursday accusing its new parent company CSC Generation of pregnancy and gender discrimination.
- In a complaint filed with the Equal Employment Opportunity Commission in New York, Katherine Marinaro and Whitney van der Does claim they were furloughed without warning and withheld maternity benefits because of their pregnancy status.
- The lawsuit comes just two weeks after a former SoulCycle executive filed a similar complaint with the EEOC stating that the boutique fitness brand discriminated against her for being pregnant.
- In both the One Kings Lane and SoulCycle cases, the firing and furloughs were said to be connected to financial concerns related to the coronavirus pandemic.
- "As COVID-19 has led to unprecedented demands on parents balancing work and child care, some employers will use the pandemic as cover to act on these biases," Emily Martin, vice president of education and workplace justice at the National Women's Law Center, told Business Insider.

Two employees at the corporate offices of One Kings Lane — the trendy home decor company previously owned by Bed Bath & Beyond — filed a lawsuit on Thursday alleging they were discriminated against for being pregnant after the company was acquired by the private equity firm CSC Generation in April.

In the complaint, filed with the Equal Employment Opportunity Commission in New York, Katherine Marinaro and Whitney van der Does — who hold the roles of director of integrated marketing and interior designer, respectively — said they were furloughed without warning and without a return date shortly after the acquisition. Both employees, who were in their third trimester at the time, allege they have been discriminated against for their pregnancy status.

Though Marinaro and van der Does were not the only employees who were furloughed amid the coronavirus outbreak, they were the sole individuals selected from their respective teams, a decision they claim was not coincidence. According to the complaint, they were chosen "instead of their lower-performing and lower-earning counterparts."

"Their selection and the manner with which they were furloughed makes clear that CSC Generation's decision to end their employment was motivated by unlawful discriminatory animus and did not constitute a legitimate business reason," the complaint reads.

In a joint statement provided to Business Insider by Preetam Shingavi and Mo Afzal — CSG Generation's general counsel and One King Lane's president, respectively — the executives wrote that 30 total employees were furloughed due to the coronavirus "which included several of its executives."

In regards to specific allegations made in the complaint, the company wrote in its statement that it "categorically denies it discriminated against Ms. Marinaro and Ms. van der Does."

"When COVID-19 hit, it presented an unprecedented situation for every retail business," Shingavi and Afzal wrote in the joint statement. "One Kings Lane, headquartered in what was the U.S.-epicenter of COVID-19, New York City, was no exception to this, as COVID-19 severely disrupted everything from our day-to-day in-office operations, the white glove shipping that we offer our customers, our store operations, and our interior design services."

The lawsuit also comes just two weeks after former [SoulCycle executive Jordan Kafenbaum](#) filed a [similar complaint](#) with the EEOC stating that the company discriminated against her for being pregnant. Kafenbaum alleged that she was demoted after disclosing her pregnancy and was subsequently fired 32 days after giving birth.

In both the One Kings Lane and SoulCycle cases, company executives and human resources representatives attributed the firing and furloughs to financial concerns related to the coronavirus pandemic — a rationale that legal experts anticipate companies may continue to use against expectant mothers as the outbreak continues.

One Kings Lane employees say they were 'laughed at' when asking to protect their maternity benefits

According to Emily Martin — vice president of education and workplace justice at the National Women's Law Center — the pandemic is likely to exacerbate ongoing discrimination against pregnant women in the workplace, an issue the NWLC works closely on including recently [leading a settlement for pregnant workers at Walmart](#).

"More than 40 years after the United States outlawed pregnancy discrimination, pregnant workers are still too often pushed out of work based on stereotypes that becoming a mother renders them less competent and capable," Martin wrote in an email statement to Business Insider. "As COVID-19 has led to unprecedented demands on parents balancing work and child care, some employers will use the pandemic as cover to act on these biases."

Paris Filippatos and Hilary Orzick — attorneys at Wigdor LLP, the law firm representing the two women — echoed Martin in a statement to Business Insider, writing that CSC Generation's actions "is emblematic of the outdated and discriminatory belief that women who choose to raise a family are somehow less dedicated to their careers."

"It should go without saying that terminating two highly productive female employees in the middle of a pandemic because they are just weeks away from giving birth is both legally and morally wrong. Period," the attorneys wrote in a statement.

Under Bed Bath & Beyond ownership, One Kings Lane previously offered paid maternity leave for up to 14 weeks. However, according to the complaint, workplace policies swiftly began to change after the CSC Generation acquisition in April.

In the four years since it was founded by CEO Justin Yoshimura, CSC Generation has developed a reputation for buying up distressed furniture and home goods companies, including DirectBuy and Z Gallerie, as well as the intellectual property for the department store Bon-Ton. Earlier this month, the company entered a joint venture with Marquee Brands to purchase the bankrupt Sur La Table for \$90 million.

Marinero and van der Does allege in the complaint that CSC Generation immediately "began making unlawful changes to the Company's policies and practices" including stating that eligibility for maternity leave, as well as protection under the Family Medical Leave Act, was "cut off by the change in corporate structure."

According to the documents, when Marinero asked human resources if maternity benefits would still be honored, an HR representative was "laughed at" and "told that the company would not pay for maternity leave period" upon consulting the CSC Generation executive board on Marinero's behalf.

Included among members of CSG Generation's executive board is Yoshimura, who is also addressed directly in the complaint, including a reference of a line on his LinkedIn profile: "If you are easily offended (ie, by 'Trader Jose' or by the fact that I do not have my 'gender pronoun' in my title), it is probably best that we refrain from connecting." When directly contacted for comment by Business Insider, Yoshimura referred Business Insider to the joint statement from CSC's Shingavi and One King Lane's Afzal.

His flippant remarks mirror those cited in the SoulCycle complaint, including claims that former CEO Melanie Whelan told a male executive in August 2019 that "paternity leave is for pussies." Other employees have since spoken out against the company's lack of providing a "safe and inclusive" environment for its staffers.

"Unfortunately, Mr. Yoshimura's intolerance does not stop there," the complaint reads. "Based on the allegations herein, upon information and belief, Mr. Yoshimura and his corporations also 'refrain from connecting' with pregnant employees, in that they do

everything in their control to avoid employing women who become pregnant."

A history of gender discrimination at One Kings Lane

According to both Marinaro and van der Does, the discrimination against them spanned well beyond this spring.

In the complaint, Marinaro — who joined the company in 2017 after working as the US marketing director at Vestiare Collective — details her high-performing history at the company, including drastically increasing revenue through paid marketing campaigns, which led to a \$1.8 million funding allocation to her department in 2018.

Marinaro said she believed she was on track to ascend to the role of senior marketing director given her performance record. However, when the role opened in December 2019 a few months after she discovered she was pregnant with her second child, she learned "that another woman who had significantly less relevant experience, but no children, was selected for the promotion instead."

According to the complaint, when Marinaro inquired about why she was passed over she was told that company leaders "thought it made more sense for [the other female employee] than for [Marinaro] because work-life balance is not as much of a priority [the other female employee]."

"The Company's decision to deny her the promotion because of its biased perception that she needed to focus on her family instead of her career simply because she had given birth or was pregnant with her second child clearly demonstrates unlawful discriminatory animus based on gender," the complaint reads.

Likewise, for van der Does — who worked in various roles for several years at Barneys New York before she said she was recruited directly by One Kings Lane founder Alexander Reid in 2015 — the furlough proved to be the culmination of years of frustration for what she claims was unfair compensation.

In the complaint, van der Does's alleges her boss told her she was "grossly underpaid for her work and the value she brought to the company" and despite eventually receiving a promotion, she claims her pay "was barely increased over the course of five years of employment."

An uncertain reinstatement

Just a few weeks after her baby was born and while still furloughed from One Kings Lane without pay or benefits, van der Does received an email from CSC Generation on June 27 reinstating her position. The catch was that she was required to return to the office two days later, on June 29, even though she was still caring for her infant newborn.

On July 7, Marinaro — who had also recently given birth and was no longer receiving a salary or benefits — received a similar email requesting her return, only this time she was asked to come into the office the next day. Both women were offered "substantially inferior" maternity benefits, including significantly reduced pay and weeks off, as part of their reinstatement, the complaint states.

"As the situation improved in New York City, and due to the hard work of the entire team, One Kings Lane was able to gradually bring back workers off furlough and even re-hired some employees that it had initially laid off," Shingavi and Afzal wrote in their statement in response to the circumstances surrounding their reinstatement.

In the complaint, the employees allege this was "a transparent effort to cover [CSC's] tracks" and the offer was only given because CSC was aware of the possible lawsuit and "wanted to reduce the amount of economic damages they could be entitled to in court."

"The company has unlawfully left Mr. Marinaro and Ms. van der Does to care for their family and their newborn children without any employment income, which has resulted in lost earnings during this crucial and vulnerable part of their lives," the complaint states, adding that both women are seeking payment for their damages.