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Suit Says Sojitz Discriminates Against Non-Asians

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The former chief internal auditor of Japan-based **Sojitz** Corp. of America filed a proposed class action lawsuit against the company Thursday alleging he was discriminated against because he is not Asian.

The suit, which was filed in the U.S. District Court for the Southern District of New York, alleged that the company terminated Arnold Schanfield – who is white – when he voiced opposition to the discriminatory favoritism toward the company's Japanese employees. The discrimination, the suit alleged, is systematic at Sojitz Corp. of America, which is a subsidiary of Japan-based Sojitz Corp.

The suit is seeking declaratory, injunctive and equitable relief, as well as monetary damages. The proposed class would include former non-Asian employees who worked at the company between Oct. 1, 2004 and the present.

The suit said that global-trade company Sojitz reserves its top management positions for the male Japanese executives transferred from Tokyo, without consideration of skill or experience. The employees are usually “rotational” staff brought to work in the U.S. for three to five years.

That means that even the most experienced and successful American executives at Sojitz are barred from moving above certain level because of their race or national origin, the suit said.

The suit also alleged that Sojitz grants its Japanese staff higher compensation and subjects them to less stringent disciplinary standards.

“Sojitz has a policy and practice of giving its management employees – who are predominately Japanese/Asian – subjective decision-making authority over the promotion, compensation and disciplinary decisions for national staff – who are predominately non-Japanese and non-Asian,” the suit said. “The lack of standard, objective criteria for personnel-related decisions regarding national staff allows for the incorporation of the subjective stereotypes and biases of the overwhelmingly Japanese/Asian management into the company's personnel decisions.”

Schanfield alleged that while he was allowed to head the company's internal audit section, he

was barred from the "inner management realm reserved for the Japanese."

He was excluded from significant management meetings, which were held entirely in Japanese. Schanfield said that many of the important company documents were also maintained in Japanese, which deprived any non-Japanese managers from performing well.

Schanfield complained about the treatment to top executives in April 2007, naming specific examples. He said he was told by the CEO of the company, "This is a Japanese company and we will do what we please."

He was fired less than a month later. Schanfield started with the company in July 2006.

"Foreign companies are not above the law. When you profit from hard working Americans, you must follow the U.S. anti-discrimination laws," said Douglas H. Wigdor, Schanfield's attorney and a partner at Thompson Wigdor & Gilly LLP.

Sojitz did not immediately respond to a request for comment Friday.

Schanfield is represented in this matter by Thompson Wigdor & Gilly LLP. Counsel for Sojitz was not immediately available Friday.

The case is Schanfield v. Sojitz, et al., case number 07-cv-9716 in the U.S. District Court for the Southern District of New York.

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