

Re/Max loses discrimination suit

Jury awards \$100,000 to black man denied franchise; appeal planned

By Emily Narvaes

Denver Post Business Writer

A U.S. District Court jury on Tuesday awarded at least \$100,000 in damages to a Colorado Springs man who claimed Re/Max Mountain States Inc. refused to sell him a real estate franchise because he is black.

After a six-day trial in Denver, the jury agreed Re/Max intentionally discriminated against Edward



Tyler on the basis of race and awarded Tyler \$65,226 in economic losses and \$35,000 in compensatory damages. Re/Max also will be responsible for paying attorneys

fees and other costs that could boost the award total above \$200,000, said Tyler's attorney, Todd McNamara.

Re/Max intends to appeal, said a top company official, who noted that the person who rejected Tyler's bid for a franchise also is black and called her decision "jus-

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tified."

"We are surprised and disappointed in the verdict," said Daryl "Jes" Jespersen, president of Re/Max International, based in Englewood. "We feel strongly that it doesn't reflect the evidence that was presented."

According to McNamara, U.S. District Court Judge Alan Johnson said in court Tuesday that the case may be the first judgment on race discrimination against a real estate franchising company.

McNamara made headlines last year as the attorney who negotiated a settlement on behalf of 139 former Martin Marietta Astronautics workers who brought a high-profile age discrimination case against their former employer.

In Tyler's case, McNamara said that his client repeatedly tried to purchase a Re/Max franchise be-

tween 1993 and 1995. But, McNamara claimed, the company turned Tyler down while at the same time awarding three franchises in the Colorado Springs area to Caucasians.

According to the suit, Re/Max told Tyler his application was denied in 1995 because the Colorado Springs was glutted with franchises.

McNamara argued that Jack Kreider, regional director for Re/Max, at one point said that Re/Max didn't have a franchise in the area where Tyler wanted to locate his office. But, McNamara continued, Kreider said he believed "Re/Max currently has a sufficient number of franchises to service the ... area since the new franchises awarded after Tyler's denial sufficiently service the area."

The suit also alleged that Tyler

was held to different standards than other applicants on matters such as his financial plans and credit history, according to the lawsuit. Those areas did not appear to be concerns when the Caucasian applicants were considered, McNamara argued.

McNamara also pointed to Tyler's 11 years of experience in the Colorado Springs real estate market, which the lawyer said clearly qualified his client for a franchise.

"We had six Caucasian jurors that found in favor of a black man claiming discrimination from a largely Caucasian real estate organization," McNamara said in an interview. "Re/Max is the largest real estate franchise organization in the world and we've hit them at their home base."

But Jespersen said Carolyn Bond, who was regional director for Re/Max from 1992 to 1994 and also is black, "was justified in her decision to reject the franchise application of Ed Tyler. And sufficient evidence was presented to get that fact across."

He said that because of the lawsuit he could not discuss details of Re/Max's position.