Chelsea v. AI Tech (AIT) and Dean

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MCLE Credit: 1.0 hour General Credit

Program Overview

This interactive MCLE program uses a realistic employment dispute, inspired by true events — *Chelsea v. AI Tech (AIT) and Dean* — to explore the dynamics of mediation in a high-stakes workplace harassment and retaliation case. Through live role play, participants will gain practical insights into how counsel and mediators navigate complex facts, emotional intensity, reputational risk, and competing client interests.

Case Background

Plaintiff: *Chelsea* – early 30s, MBA, high-performing software engineer recruited into a fast-moving AI startup, AIT. One of five women among fifty employees.

Defendants:

- *AI Tech (AIT)* – a well-funded AI firm with sophisticated General Counsel. Prides itself on being a flat organization with no hierarchies that would slow down innovation and growth.

- *Dean* – programmer and company "star," socially influential, charismatic, and rumored to have prior unaddressed misconduct.

Claims: Sexual harassment, retaliation, and constructive discharge.

Key Facts

After a company event, Chelsea and Dean exchanged friendly texts. Dean then sent a live photo of his genitals, followed by messages suggesting it was a mistake meant for his wife. Chelsea promptly reported the incident.

AIT retained an external investigator (under the direction of its General Counsel) who deemed Dean's explanation credible. Dean was verbally warned and reminded of company policy.

Afterward, Chelsea was removed from key projects, left off critical communications, and placed on unpaid leave. The company claims these adjustments reflected her own withdrawal and missed deadlines; Chelsea views them as retaliation.

At mediation, two **declarations** surfaced:

- *Sarah* – a former employee who received similar inappropriate texts from Dean.

- *"John Doe"* – anonymous coworker who witnessed Dean's behavior and believed leadership tolerated it.

Plaintiff's Mediation Brief (Chelsea)

Facts

 Chelsea, early 30s, was heavily recruited into a top AI company with a $250K base, 25% bonus ($62.5K), and $300K equity grant. She excelled, was well-liked, and delivered results in a male-dominated, frat-like culture. After a drunken night out, Dean (star programmer) sent her

flirtatious texts. When she rebuffed him, he sent an explicit photo. Chelsea immediately reported it. Dean admitted the flirty texts but claimed the photo was meant for his wife. The company's investigation was cursory, gave Dean the benefit of the doubt, and failed to interview key witnesses. After reporting, Chelsea was excluded from projects, communications, and meetings, undermining her career trajectory. She went on unpaid LOA and remains sidelined.

Plaintiff's Case Strengths

1. **Credibility & Courage** – Chelsea promptly reported harassment, text records corroborate her rejection of Dean's advances, and she has consistently maintained her account.

2. **Retaliation Evidence** – Clear decline in assignments, exclusion from meetings, and sidelining immediately after complaint. Retaliation narrative is compelling for a jury.

3. **Reputational & Career Harm** – In the AI world, 9–12 months out is career-derailing. Loss of momentum, stigmatization, and high-value equity forfeiture magnify damages.

Plaintiff's Case Weaknesses

1. **Supervisor Status Dispute** – Defense will argue Dean was not Chelsea's supervisor; reduces liability exposure.

2. **Alternative Explanations for Retaliation** – Company claims Chelsea's performance slipped; could muddy jury sympathy.

3. **Limited Duration of Harassment** – Single major incident plus retaliatory sidelining, not a years-long pattern.

Defense's Mediation Brief (AIT)

Facts

Chelsea was a rising AI professional recruited with a competitive comp package. Dean, a top performer, exchanged flirtatious texts one night after drinking. He admits the texts were inappropriate but insists the explicit photo was intended for his wife, not Chelsea. The company promptly hired an outside investigator who conducted a thorough investigation and concluded the misconduct was limited, unintentional, and not repeated. Dean is not Chelsea's supervisor and had no power to hire, fire, or promote. Chelsea's performance deteriorated before she took

LOA, explaining her removal from major projects. She remains employed and is welcome to return to work.

Defense Case Strengths

1. **No Supervisor Liability** – Dean had no managerial authority; company not strictly liable.

2. **Prompt, Independent Investigation** – Company retained outside investigator; took swift corrective action; no ratification of misconduct.

3. **Performance Issues / Mitigation** – Chelsea was missing meetings and underperforming; had been saying that she was overworked and overwhelmed, removing her from projects and meetings was at her request; legitimate reasons for reduced assignments; she remains employed and has not been terminated.

Defense Case Weaknesses

1. **Dean's Star Status** – Jury may believe company protected him; optics are bad given his influence and prior rumblings.

2. **Retaliation Optics** – Exclusion from projects and sidelining after complaint looks retaliatory regardless of company's stated reasons.

3. **Declarations Risk** – Witnesses will testify to Dean's past misconduct and leadership team knowing about misconduct; liability and reputational exposure increase dramatically.