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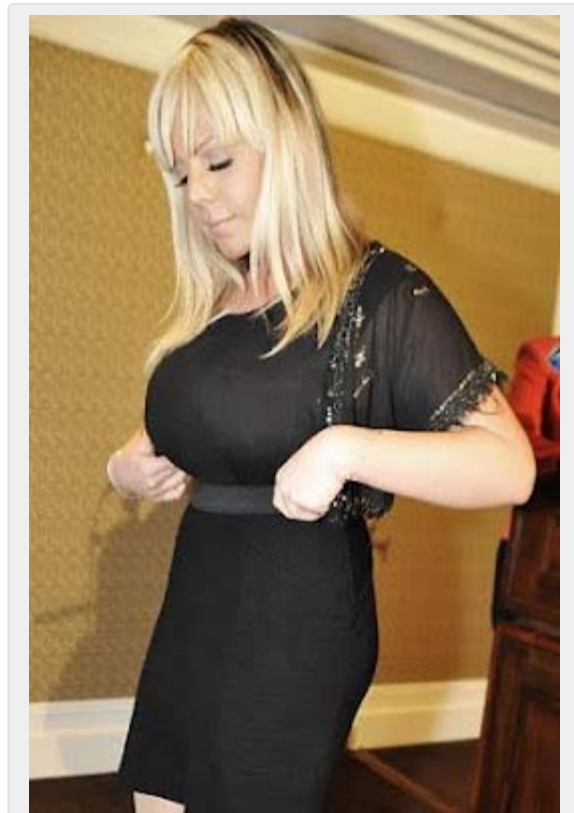
THE TAX LAWYER

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When ‘I’m Too Sexy’ Lawsuit Settles, Will IRS Win Too?

This is a great country, one of equal opportunity and more. Where else could you find the Equal Employment Opportunity Commission (EEOC) handling a complaint alleging religious and gender discrimination occurring in a lingerie warehouse?

This legal action was spawned on the New York site of “Native Intimates.” You might think it involves the status of American Indian tribes. But this mess is more natural than native, although conceivably there’s something artificial adding to nature’s bounty.



Lauren Odes (Image via bulfax.com)

Remember the song lyrics “[I’m too sexy for my ...](#)”? Well, Lauren Odes claims she was too sexy for just about everything. Yes, Busty Garment Worker (not a stage name) Lauren Odes claims she was fired from her fashion industry job “for being too hot.” Two days after being hired to do data entry at a New York Garment

District lingerie manufacturer, a supervisor told her the Orthodox Jewish owners were not happy with her attire.

Ms. Odes is represented by—you guessed it—celebrity lawyer [Gloria Allred](#) who filed the complaint with the EEOC. She may even have a case as her story involves repeated requests to tone down her attire. Each time she obeyed, but it was never enough, she says. At one point she was told to tape down her breasts, she claims.

She was even made to wear a bathrobe. But when co-workers made fun of her she went out to buy another outfit and was fired. “She was simply fired for being attractive and for not conforming to the religious strictures imposed by top management,” said Ms. Allred. “We should not be judged by the size of our breasts or the shape of our bodies,” said Ms. Odes.

My prediction? Settlement. As for Ms. Allred, she might have a legal brief on point. In 2010, Allred represented a woman who claimed Citigroup canned her for similar reasons. See [Is This Woman Too Hot To Be A Banker?](#) Debrahlee Lorenzana claimed Citibank banned her from wearing sexy outfits or heels deemed “too distracting” for male workers. That one was settled privately.

If I’m right that Ms. Odes will get some kind of payday, will the IRS take its pound of flesh? Probably. After all, damages for personal physical injuries (like an auto accident or slip and fall case) are tax-free. See [IRS Issues New Rules For Tax-Free Legal Settlements](#).

So are damages for physical sickness. See [IRS To Collect on Italian Cruise Ship Settlements](#). But only recoveries for personal **physical** injuries or **physical** sickness qualify. If your damages aren’t physical enough, they are taxed. See [Is Physical Sickness the New Emotional Distress?](#)

Still, Ms. Odes and Ms. Allred should consider these issues **before** any settlement documents are finalized, since wording can matter. See [Don’t Fail To Consider Taxes When Settling Litigation](#).

For more, see:

[Too Sexy For New York? Woman Says She Was Fired For Being Too Busty](#)

[Should Businesses Worry About Appearance-Based Discrimination In The Workplace?](#)

[Beautiful Women Face Discrimination In Certain Jobs, Study Finds](#)

[Damages Are Taxable, Even for “Political Discrimination” Says IRS](#)

[AMT Problems For Attorney Fees Remain](#)

[Will BP Oil Spill Victims Pay Tax On \\$7.8B Settlement?](#)

[Bar Is Burned Down, Condemned, Then Taxed!](#)

[Duke Lacrosse Tax Lien Highlights How Lawsuits Are Taxed](#)

[Tax Issues in Employment Mediations](#)

[Six Tax-Wise Ways To Reduce Your Legal Bills](#)

[Tax-Free Physical Sickness Recoveries in 2010 and Beyond](#)

[Watch Your Mail For 1099s](#)

[Address Taxes When You Mediate Civil Disputes](#)

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