

WASHINGTON -- The jobs-search CEO and raunchy blogger who is getting set to challenge Sen. Kirsten Gillibrand (D-N.Y.) was once sued for back pay and commissions by his own workers, who also accused him of threatening to punish them for seeking redress, according to court records obtained by The Huffington Post.

The case against TheLadders.com and its founder, Marc Cenedella, was resolved in a confidential settlement in June 2009, and the company apparently has since changed its compensation practices for "account executives" -- the workers whose job it is to sign up paying clients for TheLadders' \$100,000-plus-per-year job referral service.

But according to the workers, matters got heated along the way, with their attorney, Brian Schaffer, appealing to the judge on the case at one to point to demand that Cenedella be barred from talking to workers who were or might become part of the suit. He alleged Cenedella had launched "a campaign of unlawful intimidation."

"The account executives were informed by Mark [sic] Cenedella, Founder and Chief Executive Officer of TheLadders, that the instant lawsuit was damaging the company's reputation and that 'we will punish those who chose to sue us,' and 'we will get you, we will not let this slide,'" Schaffer wrote in a letter to U.S. District Judge Louis Stanton on Feb. 18, 2009.

That day, Cenedella had called all the account workers into a meeting and offered to pay them back overtime if they signed a release. TheLadders had previously classified the account executives as "exempt" employees who were not eligible for overtime, prompting the suit. At least one worker alleged he also had not been paid \$15,000 in commissions.

Schaffer told the judge that his clients felt threatened. "Since this morning, our office has received numerous calls from the opt-in plaintiffs who are intimidated and feel that they must sign the release under imminent threat of losing their jobs," Schaffer wrote.

Cenedella's lawyer, Lawrence Sandak, vehemently denied the charges in in a letter the next day, acknowledging that the offer was made, but saying it was entirely proper and that Cenedella made no threats of any kind. "Nor did he, or any other company representative, say anything that could remotely be construed as approximating such threats," Sandak wrote.

He said that Cenedella explicitly told workers that none were required to sign a release, that no one's employment would be affected, that the company could not offer legal advice and workers should "feel free" to talk to an attorney, and that any of them was free to start or join a suit.

Arguing that "plaintiffs have failed to submit any admissible evidence" that workers were threatened, Sandak apparently won the argument, since the court record has no order barring Cenedella from talking to the workers.

However, when the meeting was held, only six workers were on the suit. Over the next couple of weeks, six more signed on.

A spokeswoman for the company did not directly address the suit, but argued that TheLadders is a good place to work.

"TheLadders has been named 'One of the Best Companies to Work for in New York.' We value each of our 270-plus employees and provide industry-leading benefit packages," the spokeswoman said in a statement. "The matter referenced was resolved three years ago to the mutual satisfaction of TheLadders and the parties involved."

A spokesman for Cenedella's potential Senate campaign blamed Gillibrand for a sudden spate of negative news about Cenedella, including revelations that he had a penchant for tweeting and blogging about "edgy" topics, including subjects that women's groups have called offensive.

"Isn't it striking that Sen. Gillibrand is continuing this bizarre assault against a private citizen who hasn't even declared for office yet?" said Cenedella spokesman Bill O'Reilly.

Contrary to O'Reilly's implication, The Huffington Post found the case in a review of court records and reviewed the documents independently.

"She is clearly scared of running against a jobs expert in a year when jobs are the number one issue," O'Reilly added. "Or maybe the junior senator is upset with Mr. Cenedella for pointing out that her recent PIPA legislation -- that debacle of a bill -- could have cost New York thousands more jobs," he said, referring to an unpopular Internet piracy bill recently shelved by Congress.

"Marc Cenedella is grasping at straws to change the conversation from his offensive blog posts and tweets that are unfit for any office," said Gillibrand spokesman Glen Caplin.

The workers in the case earned about \$50,000 a year, plus commissions, according to the court documents. Cenedella has become a multi-millionaire because of the success of his company, and has pledged to spend millions of his own money if he runs.