

# Corporate Acquisition Amounts to Constructive Dismissal of Target's Employee



Having acquired GE Transportation from General Electric Canada, Wabtec was eager to retain the target company's talented electrical engineer. But, alas, the engineer rejected Wabtec's offer to keep his job with the same pay and benefits, choosing to become unemployed. He then sued General Electric Canada for wrongful dismissal and payment of a retention bonus. The company claimed he resigned and moved to dismiss the lawsuit without a trial. The Manitoba court said no, finding that Wabtec's acquisition of GE Transportation amounted to constructive dismissal of the engineer and awarded him 24 months' termination. And since dismissal was wrongful, the engineer was entitled to the retention bonus. However, the court also ruled that in declining Wabtec's job offer, the engineer failed to mitigate his damages. Result: It slashed \$62,000 from the damage award leaving him a total of \$896,640 [[Brown v. General Electric Canada et al.](#), 2024 MBKB 95 (CanLII), June 26, 2024].

**Action Point:** Find out about the [13 constructive dismissal pitfalls](#) you should avoid