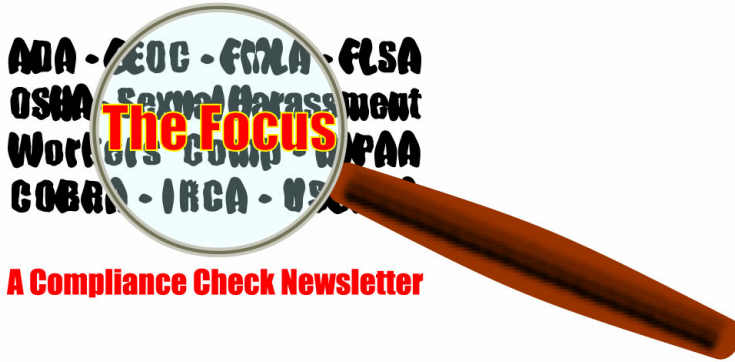




Date: December, 2004



A Compliance Check Newsletter

EEOC Agrees to Landmark Resolution of Discrimination Case Against Abercrombie & Fitch

The U.S. Equal Employment Opportunity Commission (EEOC) and private plaintiffs recently announced their mutual resolution of the lawsuit entitled *EEOC v. Abercrombie & Fitch Stores, Inc.* The lawsuit alleged that Abercrombie & Fitch, which operates a nationwide chain of retail stores, violated Title VII of the Civil Rights Act of 1964 by maintaining recruiting and hiring practices that excluded minorities and women and adopting a restrictive marketing image, and other policies, which limited minority and female employment.

The lawsuit was amicably resolved by entry of a Consent Decree in the U.S. District Court, which provides that Abercrombie & Fitch will pay \$50 million to resolve the EEOC lawsuit along with two private class actions filed against Abercrombie & Fitch. The Consent Decree enjoins Abercrombie & Fitch from:

- a. discriminating against applicants based upon race, color, national origin which includes African Americans, Asian Americans, and Latinos;
- b. discriminating against women due to their sex; and,
- c. denying promotional opportunities to women and minorities.

Abercrombie & Fitch has also agreed to develop and implement hiring and recruiting procedures to ensure compliance under the Decree. Abercrombie & Fitch agreed to ensure that minorities and women are promoted into manager-in-training and manager positions without discrimination. A Monitor will be hired to ensure Abercrombie's compliance with the terms of the Consent Decree, including reporting. Abercrombie & Fitch will hire a Vice President of Diversity and employ up to 25 diversity recruiters. Abercrombie & Fitch will devise new protocols for each of these areas. Abercrombie & Fitch will post a Notice on an internal web site and at all stores which will be periodically distributed to employees. Additionally, Abercrombie & Fitch will provide training to all of its managers. Most importantly, Abercrombie & Fitch also agreed to ensure that its marketing materials will reflect diversity.

EEOC's General Counsel Eric Dreiband stated, "The retail industry and other industries need to know that businesses cannot discriminate against individuals under the auspice of a marketing strategy or a particular 'look.' Race and sex discrimination in employment are unlawful, and the EEOC will continue to aggressively pursue employers who choose to engage in such practices."

EEOC's Los Angeles Regional Attorney, Anna Park, stated, "The most harmed group of individuals in this case were young minorities and young women. The Commission will ensure that these young workers, who may be entering the workforce for the first time, are actually afforded equal opportunities to compete for jobs."

Olophius Perry, Director of the EEOC's Los Angeles District Office, added, "By agreeing to resolve this case, Abercrombie & Fitch is expressing a commitment to the principles of equal employment opportunity. We commend Abercrombie & Fitch for its willingness to address our concerns head-on. We encourage employers to take a proactive approach in ensuring their workplaces are free of discrimination."

Gregory Gochanour, Supervisory Trial Attorney for the EEOC's Chicago District Office, stated, "This case should serve as a message to other employers that if they choose to make their employees part of their marketing they still need to abide by the federal anti-discrimination laws."

The Focus

Honeywell International to Pay \$2.15 Million for Age Discrimination, in EEOC Settlement.

Government Suit Charged Diversified Technology Giant with Firing and Demoting Class of Employees due to Ageism

The U.S. Equal Employment Opportunity Commission (EEOC) has resolved a class action employment discrimination lawsuit against Morristown, N.J.-based Honeywell International, a global diversified technology company with over 100,000 employees in 95 countries. EEOC's litigation alleged violations of the Age Discrimination in Employment Act of 1967 (ADEA) at the company's headquarters and various regions nationwide by representatives of the former AlliedSignal Automotive Aftermarket (the makers of consumer car care items such as Prestone and Fram products), which Honeywell, Inc. acquired during a 1999 merger.

According to EEOC's suit, a class of sales managers and representatives were either terminated or demoted in 1997 because of their age during a companywide reorganization. Assertedly, in many instances, younger workers with less experience were retained and/or offered those positions.

In the Consent Decree resolving the lawsuit, Honeywell denies any wrongdoing. Honeywell and EEOC entered into the agreement in order to avoid the time, expense and uncertainty of further litigation. Honeywell agrees to provide a total of \$2,150,000 to resolve the lawsuit. In addition, it agrees to post a notice concerning the lawsuit at appropriate facilities and to provide training in the provisions of the ADEA to all the managers and supervisors in the Consumer Products Group (CPG) and Frictions Materials (FM) businesses. The term of the decree is approximately two years.

"We hail the willingness of all the parties to work together to craft a thorough and effective resolution to this lawsuit," said Jacqueline McNair, Regional Attorney of EEOC's Philadelphia office, who is overseeing the case. "While a substantial amount of money will flow to those who stepped forward and filed charges with the Commission as well as to others affected by the pattern of alleged age discrimination, the training required by the Consent Decree is also noteworthy as it will benefit all Honeywell employees in the CPG and FM businesses."

"The path to the resolution of this lawsuit is one EEOC would welcome other defendants to follow," said Acting Supervisory Trial Attorney Mary Tiernan. "Early in the litigation process, defendant expressed a willingness to discuss settlement of this complex case. Thereafter, the parties engaged in mediation and worked diligently to arrive at a resolution."

The ADEA makes it illegal to deny a person any employment opportunity because of that person's age (provided they are 40 or older).

In addition to enforcing the ADEA, which protects workers 40 years of age and older from discrimination based on age, the EEOC enforces Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex or national origin; the Equal Pay Act; Title I of the Americans with Disabilities Act, which prohibits employment discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal government; and sections of the Civil Rights Act of 1991. Further information about the Commission is available on the agency's web site at www.eeoc.gov.