

## Settlement Proposal Is Expected In Women's Suit Against Merrill

By PETER TRUETT

Merrill Lynch & Company and lawyers representing several of its female financial consultants are expected to announce today in Chicago a proposed settlement of a sexual discrimination lawsuit against the firm. The settlement would allow employees to bring future complaints of discrimination to mediation and then to Federal court, instead of going to binding industry arbitration, according to people involved in the negotiations.

The putative settlement, which was still being negotiated late yesterday, would be significant because industry arbitration panels are generally dominated by older white men from securities firms, and have been criticized for being too sympathetic to the captains of the brokerage industry, particularly in matters relating to gender and race discrimination.

The proposed settlement, which would remain subject to final court approval, is expected to be presented to Judge Ruben Castillo in Federal District Court in Chicago today. If approved by the judge, the deal would settle a suit filed in February 1997 by eight female financial consultants at Merrill Lynch who contended that there was a pattern of discrimination at the big

brokerage firm.

Spokesmen for Merrill Lynch and for the plaintiffs would not comment on the suit.

But the accord is expected to allow employees to take disputes to court, rather than requiring them, as they generally are now bound, to go to the often more inhospitable forum of arbitration panels. The expected accord would also certify a class of between 2,000 and 2,500 women who are current and former financial consultants at Merrill Lynch, and would set in motion a settlement for them that is similar to one reached last year at Smith Barney, which is now Salomon Smith Barney, a unit of the Travelers Group.

In the Smith Barney case, more than 20 women employees contended that there was widespread sexual harassment and gender discrimination at that firm. Their class action resulted in significant concessions by the company, including an agreement to use private mediation instead of the more public forum of industry arbitration, to pay lawyers' fees for the plaintiffs and to make a commitment to spend \$15 million on diversity training. Mary Stowell and Linda D. Friedman, partners at the Chicago law firm of Stowell Friedman & Vernon, who represented the Smith Barney women, are

Continued on Page 6

## Accord Proposal Seen in Suit By Women Against Merrill

Continued From First Business Page

also representing the Merrill Lynch women.

If approved, the Chicago settlement would bring Merrill Lynch, the biggest American securities firm, a step closer to standards used across American industry, employment experts say. Securities firms like Merrill Lynch, which control many of the best-paying jobs in the country, are almost entirely led by white, middle-aged men. In this respect, Wall Street lags behind other areas of corporate America in which women and minorities have begun to get better access to good jobs.

Despite these recent courtroom decisions, critics of the industry say progress for women in the securities industry is proving to be a long and slow process. "In my experience these firms are concerned only with money and have shown no commitment to diversity or civil rights, and I think few will follow voluntarily," said Cliff Palefsky, of the National Employment Lawyers Association.

In a court action separate from,

but related to, the main Merrill Lynch case, Judge Nancy Gertner ruled in Federal District Court in Boston this week that Susan Rosenberg, a former Merrill Lynch financial consultant, could take her sex discrimination case to court, finding that the firm could not force her to take the matter to a New York Stock Exchange arbitration panel. "The decision by Judge Gertner really strikes a blow in favor of people who have been discriminated against and who up to now have been forced into arbitration," said Marc Redlich, who represented Ms. Rosenberg.

Merrill Lynch criticized Judge Gertner's decision. "The Massachusetts Commission Against Discrimination found no basis for these claims after a thorough investigation and hearing," a company spokesman said yesterday. "The E.E.O.C. concurred and we agree with the finding, and believe this case has no merit," he added, referring to the Equal Employment Opportunity Commission.

Asked whether Merrill Lynch would appeal the decision, the spokesman said the firm was reviewing the matter.