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For Release On:  
Tuesday, November 16, 2004 at 11 AM PST

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## **\$40 Million Payment, Detailed Plan for Diversity in Employment Discrimination Suit Against Retail Giant Abercrombie & Fitch**

(LOS ANGELES, November 16, 2004) Civil rights attorneys today announced the settlement of a class action lawsuit, *Gonzalez v. Abercrombie & Fitch*, requiring the retail clothing giant to pay \$40 million dollars to Latino, African American, Asian American and women applicants and employees who charged the company with discrimination. The settlement, approved this morning by U.S. District Court Judge Susan Illston, also requires the company to institute a range of policies and programs to promote diversity among its workforce and to prevent discrimination based on race or gender.

The lawsuit was originally filed in U.S. District Court in San Francisco in June 2003 by the Mexican American Legal Defense and Educational Fund (MALDEF), the NAACP Legal Defense and Educational Fund (LDF), the Asian Pacific American Legal Center (APALC) and the law firm of Lieff, Cabraser, Heimann, & Bernstein, LLP, on behalf of nine young adults of color, including students and graduates of the University of California and Stanford, who were refused sales jobs or terminated based on their race or ethnicity.

“This agreement promises to transform this company, whose distinctiveness will no longer stem from an all-white image and workforce,” stated Thomas A. Saenz, Vice President of Litigation

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at MALDEF. “This welcome change results from the courageous actions of the plaintiffs who, beginning five years ago, stepped forward to challenge prevalent discrimination at Abercrombie & Fitch.” Saenz explained that the case began with the 1999 filing of a charge of discrimination by Juancarlos Gomez-Montejano.

The original plaintiffs were later joined by others across the country. During the course of the negotiations, the plaintiffs were also represented by the federal Equal Employment Opportunity Commission (EEOC), who validated their claims, as well as Minami, Lew & Tamaki LLP, and a team of eastern law firms led by Kohn, Swift & Graf, P.C. in Philadelphia.

Attorney Bill Lann Lee of Lieff, Cabraser, Heimann & Bernstein explained the breadth of the Consent Decree, which covers recruitment, hiring, job assignment, promotion and training of employees: “This comprehensive package of reforms will ensure that minority and women employees feel welcome. The company should get credit for agreeing to changes that will transform how Abercrombie does business,” said Lee, who is the former Assistant Attorney General for Civil Rights at the U.S. Department of Justice.

The settlement requires the store to pursue “benchmarks” for the hiring and promotion of Latinos, African Americans, Asian Americans and women; the company must report on its progress toward these goals at regular intervals to the plaintiffs’ attorneys and to a Special Master named by the court.

In addition, the company must hire 25 recruiters who will seek out minority employees. The company is barred from targeting particular fraternities or sororities for recruitment purposes, a practice that previously helped to ensure a predominantly white sales staff.

To ensure compliance with the provisions of the Consent Decree, the company will name a Vice President for Diversity, and provide diversity training for all employees with hiring authority. A new internal complaint procedure will provide employees with a mechanism to report any problems they face.

Abercrombie has more than 700 stores and a workforce of 22,000. The retail chain uses visual media to promote the “A&F Look” and image to employees, customers, and potential applicants. The settlement requires that marketing materials – including the posters, shopping bags and catalogue – include members of minority racial and ethnic groups.

“Abercrombie now realizes diversity makes good business sense,” said Kimberly West-Faulcon, Director and Western Regional Counsel for the NAACP Legal Defense and Educational Fund. “We hope the rest of corporate America gets the message.”

The settlement provides very detailed guidance and mechanisms for compliance. In addition, an appointed monitor will regularly evaluate and report on Abercrombie’s compliance with the Decree. The Consent Decree will be in effect a minimum of four-and-a-half years; its duration will depend on the progress of the company.

If the settlement is properly implemented, the stories of the named plaintiffs will be a thing of the past, according to the attorneys.

Eduardo Gonzalez, a Stanford student from Hayward, California, was pleased with the settlement. “I remember how discouraged I felt when I applied for a job at the Santa Clara store and the manager suggested that I work in the stock room or on the late night crew in a non-sales position. I felt it was because I was a Latino – but there was no one I could report this to at the time.”

Plaintiff Anthony Ocampo, a recent Stanford graduate, who was told he couldn’t be hired because “there’s already too many Filipinos,” agreed with Gonzalez. “It is important that Abercrombie seek out employees of color and provide them training and opportunities for promotion.”

Jennifer Lu worked at the Crystal Court Mall store in Costa Mesa, California for three years while she was a student at U.C. Irvine. She and five other Asian American employees were terminated after a visit from senior management and replaced with white sales staff. “I was very distressed after I was terminated for being an Asian American woman. I am now very excited about the policies and programs Abercrombie must implement that came about as a result of this lawsuit. I am looking forward to seeing a more diverse Abercrombie; one that actually reflects the look of America,” said Lu.

Carla Grubb, an African American student at California State Bakersfield, was constructively discharged from the Abercrombie store in the Bakersfield Valley Plaza Mall after being assigned cleaning and other menial jobs. “I felt demoralized being the only African American employee and being specifically assigned to dust the store, wash the windows and clean the floors. With this settlement, I now know that Abercrombie cannot treat other employees of color in such a manner.” Minah Park, staff attorney with the Asian Pacific American Legal Center applauded the courage of the plaintiffs. “This case is an example of a handful of individuals making an impact in the struggle

to end racial discrimination. Thanks to these plaintiffs who stepped forward to take action, we are going to see real change in Abercrombie stores nationwide,” Park said.

Attorney Martin J. D’Urso of Kohn, Swift & Graf, P.C. explained that the monetary awards to the class members will be based on the number of claimants who come forward and the kind of discrimination they faced: “The true value of this settlement goes far beyond the money being paid to class members. The changes that are being made, pursuant to the consent decree, will help to transform Abercrombie into the type of company that, I believe, its customers want and the law demands.”

Notices will be placed on the Internet and in major magazines to alert class members from around the country. People who feel they are part of the class should call 1-866-854-4175 or go to **[www.Abercrombieclaims.com](http://www.Abercrombieclaims.com)** where they can submit information.

In addition, Abercrombie & Fitch will pay all the costs to monitor the compliance as well as attorneys’ fees. Attorneys estimated that would be approximately an additional \$10 million.

**Editors’ Note:** People who feel they are part of the class should call 1-866-854-4175 or go to **[www.Abercrombieclaims.com](http://www.Abercrombieclaims.com)** where they can submit information. A copy of the Consent Decree and this press release are posted at **<http://AFjustice.com/media.htm>**.

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