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EMBARGOED for Release
10:00 a.m. Tuesday, April 6, 2004

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NCWO's DR. MARTHA BURK JOINS TOP CIVIL RIGHTS LAW FIRM TO INVESTIGATE SEX DISCRIMINATION AT EIGHT AUGUSTA MEMBER FIRMS

"Women on Wall Street" Initiative Launched During Master's Tournament Week in Response to Employee Reports at Top Investment Banking Firms

The day before the Augusta National Golf Club's official press conference for the Masters Golf Tournament, Dr. Martha Burk of the National Council of Women's Organizations joined Mehri & Skalet PLLC, the civil rights law firm known for high-profile employment discrimination cases against Texaco and Coca-Cola, to launch the "Women on Wall Street" initiative. This project will investigate allegations of sex discrimination at financial institutions. As part of this initiative, a new website – www.augustadiscriminates.org – will be launched to collect additional information from women at these firms about possible sex discrimination at financial institutions, beginning with companies with ties to Augusta National.

Initially, the subject of the investigation will be financial firms whose executives are members of the male only golf club, including American Express (Kenneth E. Chenault, Chairman & CEO); Bank of America (Kenneth Lewis, CEO; James H. Hance, Jr, Vice Chairman & CFO); Berkshire Hathaway (Warren E. Buffett, CEO); CitiGroup (Sanford I. Weill, Chairman); Franklin Templeton (Charles B. Johnson, CEO); JP Morgan Chase (William Harrison, Chairman & CEO); Morgan Stanley (Phillip J. Purcel III, Chairman & CEO); and Prudential (Arthur F. Ryan, Chairman & CEO).

"Over the last year, women who work on Wall Street have sent us one message loud and clear: sex discrimination in their firms does not stop at Augusta's gates. The clubhouse extends to their firms – and affects jobs from the entry-level to the executive suites. Women on Wall Street are less likely to receive promotions, equal pay packages, stock option equity or the opportunity to serve on the board of directors," said Dr. Martha Burk, Chair of the National Council of Women's Organizations.

Before beginning the investigation, Burk is calling on the firms to show they do not discriminate by disclosing the gender breakdown of the 150 top paid employees, distribution of stock options by gender and whether the interview process for board members includes a diverse candidate slate.

Cyrus Mehri, founding partner of Mehri & Skalet explained, "We would like to see women working at all levels in financial institutions, able to compete for the full panoply of positions and opportunities. The Women on Wall Street project provides a tremendous opportunity for women on Wall Street to band together and create a fair chance to compete for top positions and just compensation, including stock options." Mr. Mehri said he would like to "see women on Wall Street wearing the 'green jacket' of CEO."

Mr. Mehri explained that it typically takes six months to a year to exhaustively investigate claims of systemic gender discrimination at a major company. Mehri indicated that his firm will follow the evidence in the investigation and advise women of their options.

This investigation is the centerpiece of a larger effort. Over thirty institutional investors

managing billions of dollars of stock have written to the chair of the New York Stock Exchange and to the financial sector firms being investigated in this initiative calling on the corporate leaders to resign their Augusta memberships. These firms – including Interfaith Center on Corporate Responsibility, Trillium Asset Management, The Calvert Group and Walden Asset Management – are leaders in shareholder activism and are specifically concerned that shareholder money should not be spent directly or indirectly on a discriminatory club membership and related expenses, including dues and lavish events.

The investors' letter states: "Your membership in this organization sends a signal that it is acceptable to treat women as second-class citizens, and to exclude them from the highest ranks of power. Your board of directors would never approve of a CEO or board chair that belonged to an organization that proudly discriminated against racial minorities. The standard must be no lower for gender discrimination. We call on you to take immediate steps to publicly resign from Augusta National Golf Club. We believe this is a critical time to be promoting racial and gender diversity at corporations."

Additionally, Representative Carolyn Maloney (D-NY) has sponsored legislation that would make it illegal to get tax deductions for entertainment monies spent in race and gender discriminatory environments. As Mehri explains, "many executives appear to be charging shareholders or taxpayers with Augusta related expenses."

In a letter to Dr. Burk, Mehri indicated that a preliminary review of the evidence indicates that the financial services sector is, overall, one of the most inhospitable industries for women. Only a handful of women hold senior management positions and most of those are not in financial or decision making roles. Disparities in compensation between women and men in similar positions, entertaining clients at strip clubs and other male-only environments, hostile working environments including sexual harassment, sexual assault, obscene e-mails and "gifts" of sex toys - have all been uncovered by previous litigation.

Female employees at American Express, Smith Barney and Morgan Stanley have levied major claims of sex discrimination against those companies. American Express and Citigroup's Smith Barney each settled a major class action sex discrimination lawsuit in the past six years. Morgan Stanley was sued by the EEOC in 2001 and is currently still in litigation. Employees at Bank of America, Goldman Sachs, JP Morgan Chase and Prudential have filed sex discrimination cases each year over the past ten years.

The National Council of Women's Organizations is a nonpartisan, nonprofit umbrella organization of almost 200 groups that collectively represent over ten million women across the United States. The only national coalition of its kind, NCWO has over twenty years' experience uniting American women's groups.

Cyrus Mehri, founding partner of Mehri & Skalet, PLLC, served as Class Counsel in the two largest race discrimination class actions in history: *Roberts v. Texaco Inc.* which settled in 1997 for \$176 million and *Ingram v. The Coca-Cola Company*, which settled in 2001 for \$192.5 million. Both settlements include historic programmatic relief, featuring independent task forces with sweeping powers to reform key human resources practices such as pay, promotions and evaluations. On September 30, 2002, Mr. Mehri and Johnnie L. Cochran, Jr. released the report, [*Black Coaches in the National Football League: Superior Performance, Inferior Opportunities*](#). The report became the catalyst for the NFL's creation of a Workplace Diversity Committee and the adoption of a comprehensive diversity program. Fourteen months after the NFL adopted the diversity program, the number of African-American NFL head coaches has increased from two to a record five. More information on the firm can be found at www.findjustice.com.

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