

Morgan Stanley faces lawsuit

THE ASSOCIATED PRESS

NEW YORK — Morgan Stanley and Co. is facing a \$30 million lawsuit from two black employees who say that white workers traded a "vile, racist E-mail" over the Wall Street firm's in-house computer message system, The Daily News said Monday.

Yolanda Owens and Edward Hutton, both analysts at the company, also charge that the firm's hiring and promotion

practices discriminate against minorities, who they claim make up only 1 percent of company employees.

Morgan Stanley denies any wrongdoing, company lawyer Stephen Feingold told the newspaper. The white employees who distributed the racist message in the company's computers were suspended without pay, even though all have returned to work, and some have been promoted.

The author of the racist message was not an employee of the firm, Feingold said. The message, titled "News from the Orient," was sent Oct. 4, 1995.

The note consisted of a list of jokes focusing on an "easy homework assignment" for "an 18-year-old ninth grader who is becoming increasingly disillusioned with the public school system," the report said.

The student, portrayed as an

African American, completes the assignment by using common words improperly.

A white analyst used a black employee's password to enter and distribute the jokes to other whites, the suit alleges. But a black employee received a message by mistake and notified other black employees at the firm, the report said.

Owens and Hutton filed the suit in Manhattan Federal Court on Dec. 27.

Plaintiffs seek an average of \$63,000 from Texaco suit

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WHITE PLAINS, N.Y. — The 1,377 minority employees who settled their race discrimination lawsuit with Texaco would each get an average of \$63,000 under a distribution plan they've proposed in federal court.

The employees sued Texaco in 1994, claiming the company reserved the best promotions and biggest raises for whites and subjected blacks to harassment.

Texaco settled the case in November for \$176 million after several executives were caught on tape belittling black employees and suggesting the destruction of papers relevant to the lawsuit.

Of the \$176 million, \$26 million will go to pay raises for current minority employees and \$35 million will go to a task force on sensitivity and training.

Attorneys for the workers, in papers filed Friday, proposed splitting the remaining \$115 million three ways, including nearly \$29 million for their fees and expenses.

More than \$60 million would be divided based on seniority, and close to \$3 million would be distributed to every black person who worked for the company between March 1991 and November 1996, with no one getting less than \$2,000.

The remaining \$23 million would be divided based on expert testimony on what each employee would have been paid if Texaco had not discriminated.

Court approval of the civil settlement is expected by next month.

Members of the class-action lawsuit have until Feb. 20 to opt out of the settlement. They then would get no money from the settlement but would be free to pursue their own lawsuits.

Ad puts Denny's in better light

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include minorities in its commercials.

Relman said the provision was included "to make it clear African Americans are desired customers at Denny's."

In the early 1990s, Denny's was the target of widespread complaints from black and Hispanic customers who said they were not served as promptly as whites or were discriminated against in other ways.

Among those who sued was a group of black Secret Service agents who said they were denied service at a Denny's in Annapolis, Md., in April 1993.

The chain's parent, Flagstar

Cos. Inc. of Spartanburg, S.C., agreed to the settlement of racial discrimination charges. It also agreed to offer more business opportunities and training for minorities.

The first graduate of a new program to enable minorities to own Denny's franchises took control of his own store last summer.

The campaign developed by the agency Lowe & Partners/SMS is a marked change from the Denny's campaign from a different agency earlier in the decade featuring the elderly Corlick sisters. The running gag was that one sister habitually confused the chain's name.

More recently, Denny's had

been running ads that pitched its prices or specific menu items but focused on products not customers.

In one of the new ads, the dry-witted Denny's emissary finds a pair of well-dressed investors who have spent nearly \$15 for breakfast at a posh restaurant. He takes them to Denny's where they could have gotten more for about \$3 each.

"Question: Do you actually make money on your investments," the Denny's man asks the businessmen but gets no reply.

In another commercial, the Denny's man shows two cable TV installers that Denny's also caters to their schedules.

In the third ad, he takes two clothing saleswomen to Denny's where the food is always in fashion.

Denny's isn't saying what it plans to spend on the campaign, although industry sources expect it could reach \$30 million to \$40 million.

While those who sued Denny's will be monitoring its compliance with the settlement for several more years, Relman said the chain has aggressively responded "by admitting essentially they messed up and taking steps to make the place better."

Taxpayer protection is a reality

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Interest charges

For any IRS notice issued after Dec. 31, 1996, the IRS will give taxpayers who fail to pay their full tax bill a slight reprieve from interest charges. From the time the notice is issued, the taxpayer will have 21 calendar days — up from 10 calendar days — to pay off the bill without incurring interest charges, provided the tax liability is under \$100,000. In addition, IRS authority to abate interest is expanded to apply to interest resulting from "unreasonable" errors or delays caused by IRS employees performing "managerial" or "ministerial" duties.

Litigation, associated costs

The new bill will give taxpayers a better chance of recovering attorneys fees in the event of a tax controversy. That's because the burden of proof is shifted to the government. It's now

required that the government prove its position was substantially justified before taxpayers would be precluded from recovering such fees. Be aware that for tax purposes, "attorney fees" also refers to the fees of any individuals authorized to practice before the IRS, such as CPAs and enrolled agents. If you win a case against the IRS, you may now recoup additional restitution. That's because the new law increased from \$100,000 to \$1 million the "actual, direct economic" damages recoverable by taxpayers victimized by "reckless" IRS collection action.

Spousal rules

Don't know why your spouse is being questioned by the IRS? Under the new rules, if you've filed a joint return with your spouse and are now separated or divorced, you can contact the IRS to find out why the IRS is trying to collect taxes from your former spouse. The rule went into effect July 30, 1996. Also, Congress made it

easier for married individuals to switch their filing status as of July 31 of last year. They can now switch from filing separately to filing jointly, even if they cannot pay the joint liability in full.

Mail procedures

Another beneficial tax law change is the recognition of private mailing services to meet the "timely-mailing-as-timely-filing rule." In the past, only the U.S. Postal Service was recognized. New rules now recognize other private mail carriers, as long as they meet certain criteria. The IRS will designate the private services that qualify for purposes of this rule.

Taxpayer advocate

Taxpayers who need help in resolving problems with the IRS can do so through the Taxpayer Advocate. The Taxpayer Advocate reports directly to the IRS Commissioner and has expanded authority to assist taxpayers who may be suffering

significant hardship because of IRS actions.

Money Management is a weekly column on personal finance prepared and distributed by the N.C. Association of Certified Public Accountants.

King had economic philosophy

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Full employment

Should the federal government help secure full employment? King's economic agenda included issues where he thought the government could help. There were three areas he felt the government should address, politics, full employment and the guaranteed income.

When it came to politics Dr. King was most concerned with educating blacks about what could be done through the political process. He encouraged blacks to vote, run for public office and to use political power to pass anti-discrimination legislation. He also thought it was government's role to create full

employment. King felt that new forms of work which enhance the social good would have to be devised for those for whom traditional jobs were not available. But the most radical part of his economic agenda dealt with the guaranteed income.

The guaranteed income

Although he perfected the policy of nonviolent protest, Martin Luther King, Jr. was always considered to have radical ideas that changed society. His economic agenda was no different. Dr. King embraced a guaranteed income policy. He believed that people should be made consumers by one method or another: give them a job or give them

some money. He felt that a person's income should not be allowed to fall below a certain level.

Obviously, this was radical thinking 25 years ago. But back then it was thought that a guaranteed income for all Americans could have been accomplished for \$20 billion, about what it cost to place a man on the moon and well below the \$35 billion price tag for the Vietnam War. Martin Luther King Jr. was a man of peace and a man of vision.

Charles Ross is the host of the nationally syndicated radio program, "Your Personal Finance" and author of Your CommonSense Guide to Personal Financial Planning.

Business Briefs

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five-year growth plans for each of those markets.

• Valerie Woodard has been named to the N.C. State Board of Barber Examiners by Gov. Jim Hunt.

The board adopts and enforces sanitary regulations at barber schools and shops and certifies all applicants as registered barbers. The governor appoints all five members for three-year terms.

Woodward is the public member of the board and the deputy chief investigator for the Public Defender's Office in Charlotte. She is a member of the National Defender Investigator Association and the Onyx Optimist Club.



Woodard

SCORE

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located at 200 N. College St.

SCORE is sponsored by the U.S. Small Business Administration. Its members are volunteers who provide small business assistance in the form of one-on-one, team and workshop counseling. Score has 13,000 members nationwide.

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