

Hechinger Settles Employee Claims Of Age, Race Bias

The Washington Post

August 15, 1995, Tuesday, Final Edition

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Section: FINANCIAL; Pg. C01

Length: 371 words

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Body

Hechinger Co., the do-it-yourself home products retailer based in Landover, has settled various age and race discrimination suits filed against the company earlier this year.

Settlement terms were not released, but in a statement late Friday Hechinger said the agreement "expressly recognizes that Hechinger and the individual executives named in the lawsuits specifically deny any wrongdoing."

The settlement prohibits the parties from talking about the case.

John W. Hechinger Jr., the chain's president, and Gary Mercer, director of store operations, were named individually in the suits filed by 92 employees. The employees alleged Hechinger, in hiring and promotions, favored young, white managers at its new Home Project Center Stores and that older workers were displaced by younger workers who could be paid less.

John Hermina, a lawyer in Laurel who represented the employees in the suit, said he and his clients are "very pleased," but that he could not discuss the case further.

"We're glad to have this behind us; we're glad to be able to get back to running our business," said Richard S. Gross, Hechinger's vice president and controller. "We're going to continue to maintain our policy of equal employment opportunities and our policy against discrimination."

Hechinger executives in earlier interviews called the complaints "a sad situation" resulting from changes made in response to market pressures. The arrival of competitors such as Home Depot Inc. and Lowe's Cos. into Hechinger's core Washington area market has prompted the chain to close stores, reduce its work force and make other changes.

Yet those changes have done little to improve Hechinger's overall performance. Sales at stores open at least a year, considered the best measure of a retailer's performance, have fallen for four straight months. Company executives blamed competition, bad weather and weak housing sales. Tomorrow, the company will release its earnings for the second quarter ended in July.

Hechinger said the settlement, announced after the stock market closed Friday, will not materially affect earnings. Yesterday, Hechinger's common stock closed at \$ 6.875, unchanged, on the Nasdaq stock market.

Graphic

Photo, JOHN W. HECHINGER JR.

Load-Date: August 15, 1995

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