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STATE & REGION

Coke agrees to settle lawsuit

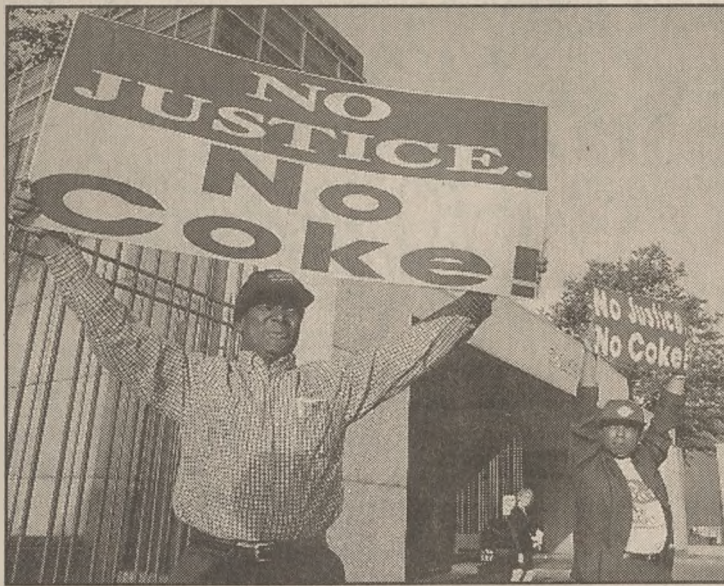
But company gets hit with another lawsuit

ATLANTA (AP) — The Coca-Cola Co. has been saddled with a \$1.5 billion racial discrimination lawsuit just as the company reached a tentative settlement of a similar suit that had dogged the soft-drink maker for more than a year.

The company's top black executive said Wednesday's suit was a "blatant and disruptive" maneuver to derail the settlement of the earlier one.

Coca-Cola agreed Wednesday to settle a racial discrimination suit by a group of current and former employees. The size of the monetary settlement was not immediately disclosed, and other details remained to be worked out.

A lawyer close to the negotiations said the settlement could cover up to 2,000 Coke employees who were part of a potential class the plaintiffs



COKE SETTLES: Karl Barnes, an employee of Coca-Cola from 1980-98, left, and Gloria Thomas, an employee from 1987-98, protest in front of the Coca-Cola company headquarters in Atlanta.

had sought to include in the suit.

Shares of Coca-Cola rose \$1.813 to \$54.813 in late morning trading Thursday on the New York Stock Exchange.

Meanwhile, a separate lawsuit was filed on behalf of four black former Coke employees not connected to the original race-bias suit, alleging nine counts of discrimination.

The suit was filed in state court by Willie Gary, a personal injury lawyer known for winning large sums for his clients, and Johnnie Cochran Jr., who defended O.J. Simpson.

The female plaintiffs in that case accuse the company of negligent hiring practices, intentional infliction of emotional distress, and a hostile environment.

"It's hard to view it as anything but blatant and disruptive legal maneuvering seeking to forestall the progress made in the other lawsuit," said Carl Ware, Coca-Cola's vice president for global public affairs.

Gary also represents four of the eight plaintiffs in the federal lawsuit.

"A number of additional plaintiffs are coming," he told The Atlanta Journal-Constitution.

U.S. District Judge Richard Story signed an order Wednesday delaying the year-old lawsuit until Oct. 30, allowing both sides to conclude details of the settlement.

Story's order said the proposed deal requires "additional

procedures" to determine the final amount of the settlement.

The judge said there would be a public hearing before he approved any settlement.

Coke chairman and chief executive Doug Daft said in a memo to employees Wednesday the agreement "will result in a meaningful and constructive resolution that both parties can embrace and serves the vital interests of all concerned."

"This resolution is neither an end nor a beginning to the important and never-ending work of making Coca-Cola the most advanced and truly diverse corporate culture in the world," Daft wrote.

Coca-Cola spokesman Ben Deutsch said the company would have no additional comment.

Story's order said the judge was advised by the lawyers that the tentative settlement would speed relief to the employees "far faster than what realistically can be accomplished through litigation."

The settlement came after several marathon days of intense negotiation sessions.

Associated Press

Friday, June 16, 2000

16A The Valdosta Daily Times

Growing With Our Community

TODAY'S VALDOSTA COMMUNITY CHAMPION

Frank Morman Jr.: Doing the right thing

Frank Morman, executive director, Valdosta Project Change is a man led to do the right thing. "Because I have been blessed in so many ways, I believe it's my inherent duty to work towards improving the quality of life for the people of this community," he said. Morman is chairperson of the American Red Cross, Valdosta Chapter; on the board of directors with United Way (Allocation Committee); board of directors for Boy Scouts of America, Alapaha Area Council and a member of 100 Black Men of Valdosta, Inc.

If you know a "Community Champion," let us know. Send your information to The Valdosta Daily Times, P.O. Box 968, Valdosta, GA 31603; fax, 244-2560; e-mail, vdt.editorial@thomnews.com; or come by our office at 201 N. Troup St.



Monday, June 19, 2000

6A The Valdosta Daily Times

Growing With Our Community

Affirmative action beyond race

When Proposition 209 was passed in California — ending racial preference in state college admissions — the media, very much including The New York Times, declared that the entire higher education system in that state would become practically all-white. The same prediction of doom was sent around the country when the Hopwood federal court decision eliminated racial preference in Texas public colleges.

Now, in a May 20 editorial, The New York Times concedes that in California, “minority enrollment has rebounded at the second-tier colleges.” But not yet at the elite Berkeley and UCLA campuses. The New York Times ignores the fact that, because of Proposition 209, all the colleges and universities in that state have finally begun to look closely at the life history of each applicant, including poor white applicants. Moreover, for the first time there is aggressive recruitment by col-



Nat Hentoff
Columnist

■
“minority enrollment has rebounded at the second-tier colleges.”
■

lege admissions directors at high schools in low-income areas, help from college personnel to set up teacher training and programs to enable students in the lower grades to prepare for college.

As James Traub of The New York Times reported when this form of across-the-board affirmative action was under way in California, “Academics and administrators throughout the system admit that the universities would never have shouldered this burden if it had not been for the elimination of affirmative action” in its racial-preference form (emphasis added).

In its May 20 editorial this year, The New York Times points out that in Texas, after the Hopwood court decision forced the end of racial preference in college admissions there, “black and Latino enrollment dipped precipitously in the first year, but rose again after the legislature passed a law guaranteeing college admission to all students who graduate in the top 10 percent of any public high

school class.” Texas colleges previously paid hardly any attention to those schools.

As in California, Texas colleges are now engaged in remedial work on campuses as well as creating programs to raise achievement in the lower schools. This opening of affirmative action beyond race is not only much fairer, it’s also constitutional because it provides “equal protection of the laws” — as mandated by the 14th Amendment — to all students.

But The New York Times is still ignoring the many white children and children of other races who need “a realistic chance at a decent education.” I have seen predominantly white lower schools in rural Maine, Pennsylvania and other states to which no editorial writer at The New York Times would ever send his children. And there are Asian-American children in failing schools.

Yet even now, that editorial shows concern only for the future of black and Latino youngsters. The New York Times ends its editorial with an urgent call for continuing race-based affirmative action until guarantees of a decent education are in place for minority students. To do otherwise, according to the Times, “is to court civic disaster.”

Nat Hentoff is a nationally renowned authority on the First Amendment and the rest of the Bill of Rights.

Growing With Our Community

Insurer to repay policyholders \$206 million

Company to settle allegations of racial discrimination

TALLAHASSEE, Fla. (AP) — One of the nation's biggest life insurance companies agreed Wednesday to pay \$206 million to settle allegations it overcharged millions of mostly poor, black customers for burial insurance because of their race. American General Life and Accident Insurance Co., based in Nashville, Tenn., settled after being hit with a class-action lawsuit.

In Florida, which has the most policyholders, Insurance Commissioner Bill Nelson said several insurance companies now owned by American General began discriminatory sales practices decades ago, mostly to poor, uneducated blacks in the rural South.

Burial insurance helps pay for the policyholder's funeral and burial. The American General policies were often for a thousand dollars or less.

The customers included 71-year-old Bessie Jones, who gave a door-to-door salesman a few cents a week for much of her life. She did not make much money as a domestic worker in Quincy, Fla., and wanted to leave something for her two children and her grandchildren when she died.

Jones paid more for her policy than white people with similar risks.

She bought a new policy recently; her children wouldn't have received much from the one with Independent Life, now owned by American General.

"They wouldn't have had enough money to bury me anyway," she said Wednesday.

Under the settlement, American General will pay an additional \$2 million to the NAACP and \$7.5 million in penalties to several states. Nelson said the companies owned by American General are also paying for other unfair practices, mainly collecting far more money in premiums than the policies were worth. "It's tragic this discrimination and exploitation occurred in the first place," Nelson said.

"But it's incomprehensible this practice occurred up until



Associated Press

INSURANCE CLAIMS: With 71-year-old burial policy holder Bessie Jones at his side, Florida Insurance Commissioner Bill Nelson comments at a news conference Wednesday in Tallahassee, Fla. They announced American General Life and Accident Insurance Co. will pay \$206 million to policy holders to settle claims it overcharged millions of customers because of their race.

just a few days ago." American General issued a statement saying it believes the settlement is fair. "We strongly believe that any pricing based on race is unacceptable and will not be condoned," American General chief executive Robert Devlin said. "American General moved swiftly and responsibly to correct the regrettable historical practice of differential pricing."

The company no longer charges different rates, and officials have said they weren't aware initially that the smaller insurers it acquired had continued to collect higher premiums from blacks.

In all, holders of 9.1 million policies nationwide will be eligible for some type of relief. There are more policies than customers because some people bought more than one policy.

In the most egregious cases of race-based overcharging, more than 300,000 people will be eligible for increased death benefits.