

NOVEMBER 18, 2011, 4:31 P.M. ET

African-American Bias Suit Against Merrill Lynch Gets Revived

--Seventh Circuit Court of Appeals will conduct a hearing on the case by early next year

--The case has been repeatedly denied of class certification status

--Court's move sparks hope of eventual reversal of class action certification denial

By Evelyn Juan
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TORONTO (Dow Jones)--The Seventh Circuit Court of Appeals agreed to hear an appeal on class certification rulings over a race-discrimination suit filed by African-American adviser George McReynolds against Merrill Lynch, now part of Bank of America Corp. (BAC).

The U.S. court's decision, which came out Wednesday, sparked hope among the African-American Merrill advisers who joined the race-bias suit, which has been denied class certification status five times in a row.

"Our camel was able to go through the eye of the needle," said Linda Friedman, who represents lead plaintiff McReynolds and 16 others who joined the suit filed in 2005. "Our feeling has always been the facts of this case are extremely compelling."

The hearing is expected sometime early next year. A spokesman at Merrill declined to comment.

The suit, filed at a time when Merrill's chief executive was Stanley O'Neal, himself an African-American, alleges the brokerage firm discriminated against black brokers in promotion, compensation, and distribution of client accounts and resources.

U.S. District Judge Robert Gettleman in Chicago threw out the case three times but, in his most-recent ruling, said he would support a right to appeal on his decision. In April, the Seventh Circuit Court of Appeals refused to hear the case; the U.S. Supreme Court declined to hear the case in October 2011.

A denial of a class certification status means advisers who wish to pursue their case against Merrill will have to do it individually instead of being part of a class.

Roughly 700 advisers will be covered by the suit if it gets approved as a class.

"We may see a resolution to this thing in our lifetime," said Rocky Howard, one of the named plaintiffs in the case. "Finally, we're being heard," added Frankie Ross, also one of the plaintiffs.

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