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OPPORTUNITY COMMISSION

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

11 U.S. EQUAL EMPLOYMENT
12 OPPORTUNITY COMMISSION,

13 Plaintiff,

14 CANDII ANDERSON, and
LATASHA SCOTT,

15 Plaintiffs in Intervention,

16 vs.

17 CHEAP TICKETS, INC., et al.,

18 Defendants.

CASE NO. CV-02-7117-WJR (VBKx)

SETTLEMENT AGREEMENT

Honorable Judge William J. Rea

19 This Settlement Agreement ("Agreement") is entered into by and among the
20 Equal Employment Opportunity Commission ("EEOC" or "Commission"), Cheap
21 Tickets, Inc. ("Cheap Tickets" or "Defendant"), Candii Anderson ("Anderson"),
22 and Latasha Scott ("Scott") (Anderson and Scott are collectively referred to as
23 "Intervenors"). The "Effective Date" of this Agreement shall be the day upon
24 which the Court approves it.

THE LITIGATION

25
26 *Whereas*, the EEOC instituted this lawsuit on September 12, 2002, alleging
27 that Cheap Tickets and Cendant Corporation ("Cendant") violated Title VII of the
28

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1 Civil Rights Act of 1964 (“Title VII”), by subjecting Candii Anderson, Angel
2 Cooke, Latasha Daniels, Tynisha Hicks, Mina Howard, Theresa Martinez, Latasha
3 Scott, Nancy Webb, and a class of female employees at Cheap Tickets’ Los
4 Angeles facility to a sexually hostile work environment and that Defendant
5 unlawfully retaliated against Latasha Scott after she complained about and/or
6 rejected the sexual harassment;

7 *Whereas*, on October 7, 2002 Candii Anderson and Latasha Scott filed
8 complaints in intervention in this action alleging that Cheap Tickets’ and Cendant’s
9 unlawful conduct violated the California Fair Employment and Housing Act, Cal.
10 Gov’t Code Section 12940 et seq. (“FEHA”), and Title VII;

11 *Whereas*, Cheap Tickets and Cendant denied the allegations in the
12 complaints filed by the EEOC, Anderson, and Scott;

13 *Whereas*, Cheap Tickets announced in September 2001 that it would close
14 the Los Angeles facility on November 5, 2001, no longer operates the Los Angeles
15 facility (or any successor facility) and no longer employs the individuals alleged to
16 have engaged in sexual harassment or retaliation, obviating the need for a consent
17 decree or injunctive relief;

18 *Whereas*, because Cendant acquired Cheap Tickets’ stock effective
19 October 9, 2001, one month after Cheap Tickets had announced the closure of its
20 Los Angeles facility, and because Cendant never employed the Intervenors, the
21 individuals alleged to have engaged in sexual harassment and retaliation, or any
22 other employees at Cheap Tickets’ Los Angeles facility, Cendant has been
23 dismissed with prejudice from this action; and

24 *Whereas*, in the interest of resolving this matter without further litigation and
25 following comprehensive settlement negotiations, the EEOC, the Intervenors, and
26 Cheap Tickets agree that this action shall be fully and finally resolved by this
27 Agreement.

1 **Whereas**, to effectuate the distribution of the monetary payments hereunder,
2 Paul, Hastings, Janofsky & Walker LLP shall act as Escrow Agent pursuant to the
3 terms hereof and the Escrow Agreement attached hereto and incorporated herein by
4 this reference as Exhibit "A."

5 NOW, THEREFORE, THE EEOC, INTERVENORS, AND CHEAP
6 TICKETS AGREE AS FOLLOWS:

7
8 **NO ADMISSION OF LIABILITY**

9 1. The Parties are entering into this Agreement to avoid the time and expense of
10 protracted litigation. Neither this Agreement nor the payment of any money is or
11 shall be construed as an admission by any party as to the claims or defenses of any
12 other party.

13
14 **RESOLUTION OF CLAIMS**

15 2. The Parties agree that this Agreement resolves all claims arising out of
16 EEOC Charge No. 340A12741 and the complaints filed in this action, and
17 constitutes a complete resolution of all claims under Title VII relating to
18 Defendant's Los Angeles facility that were or could have been made by the
19 Commission, and that were made or could have been made by Plaintiffs-Intervenors
20 in this action. The released parties are Cheap Tickets, all of its past, present, and
21 future officers, employees, representatives, agents, insurers, employee benefit
22 programs (and the trustees, administrators, fiduciaries, and insurers of such
23 programs), and any other persons acting by, through, under, or in concert with any
24 of them, and their successors and assigns. This Agreement, however, does not
25 resolve any future charges that may be filed with the Commission.

26 3. In return for the monetary payments described below, the Parties agree that
27 upon the Court's review and approval of this Agreement, this action shall be
28 dismissed in its entirety with prejudice, subject to the Court's retaining jurisdiction

1 to enforce the terms of this Agreement. The Commission, Cheap Tickets, and each
2 of the Intervenors shall bear her or its own attorneys' fees and costs.

3

4 **MONETARY RELIEF**

5 4. Cheap Tickets agrees to pay an aggregate sum of One Million One Hundred
6 Thousand Dollars (\$1,100,000.00) to resolve and settle this lawsuit (and all other
7 claims as described in the Individual General Release and Settlement Agreements
8 described below), such amount to be distributed as outlined below. Upon entry and
9 approval of this Settlement Agreement by the Court, Cheap Tickets shall, within
10 three (3) business days, deposit with Paul, Hastings, Janofsky & Walker LLP
11 ("Escrow Agent") the sum of One Million One Hundred Thousand Dollars
12 (\$1,100,000.00) (the "Escrowed Funds") by wire transfer to the Account described
13 in the Escrow Agreement. The Escrow Agent shall distribute the Escrowed Funds
14 in accordance with this Settlement Agreement and the Escrow Agreement.

15 a. Named Claimants

16 Within twenty (20) days of: (1) the effective date of this Agreement, and (2)
17 its receipt of an Individual General Release and Settlement Agreement ("Release
18 Agreement") prepared by Defendant and executed by the following claimants (the
19 "Named Claimants"), whichever is later, Escrow Agent shall deliver to such Named
20 Claimants for alleged emotional distress, payments in the amounts of One Hundred
21 Twenty-Five Thousand Dollars (\$125,000.00) payable to Latasha R. Scott and the
22 Law Offices of Hence & Associates, Two Hundred Seventy-Five Thousand Dollars
23 (\$275,000.00) to Candii Anderson and her attorney, Audre Delahoussaye-Turner,
24 and Four Hundred Thousand Dollars (\$400,000.00) to be allocated and distributed
25 among the remaining Named Claimants, Mina Howard, Tynisha Hicks, Angel
26 Cooke, Latasha Daniels, Theresa Martinez, and Nancy Webb, as determined by the
27 Commission.

28

1 Within fifteen (15) days after the Effective Date, the Commission shall mail
2 to each of Mina Howard, Tynisha Hicks, Angel Cooke, Latasha Daniels, Theresa
3 Martinez, and Nancy Webb a letter containing the following information: (1) that
4 she has been designated as a Named Claimant in this Agreement; (2) the amount of
5 monetary relief to which she will be entitled; (3) a copy of the Release Agreement
6 that she must sign in order to obtain monetary relief under this Agreement; (4) a
7 statement that the EEOC is not advising her in any way regarding the separate
8 Release Agreement she signs with Cheap Tickets to the extent that it requires the
9 release of claims not brought in this lawsuit; (5) a statement that she should seek
10 advice of an attorney regarding the Release Agreement; (6) a statement that she
11 may seek up to two (2) hours of advice regarding the Release Agreement from
12 attorneys Anthony Turner and/or Audre Delahoussaye-Turner at no cost to her; and
13 (7) notification that to be eligible to obtain relief under this Agreement the executed
14 Release Agreement must be returned to the EEOC within thirty (30) days. The
15 letter will also inform her that any monetary payments received pursuant to this
16 Agreement may be subject to mandatory federal, state and local income tax, and
17 that she should consult a tax advisor with any questions. The Commission will
18 forward the original executed Release Agreements to Defendant and copies of the
19 executed Release Agreements to the Escrow Agent.

20 Within three (3) business days of the issuance, Escrow Agent shall submit a
21 copy of each check and related correspondence to the Regional Attorney, United
22 States Equal Employment Opportunity Commission, 255 East Temple Street,
23 Fourth Floor, Los Angeles, CA 90012. Escrow Agent shall prepare and distribute
24 1099 tax reporting forms for the calendar year of payment to each Named Claimant
25 in the normal course of business and shall make appropriate reports to the Internal
26 Revenue Service and other tax authorities.

1 b. Unidentified Claimants

2 In addition to the amounts to be paid to the Named Claimants above;
3 Defendant agrees to pay the sum of Three Hundred Thousand Dollars
4 (\$300,000.00) (the "Unidentified Claimants Fund") to be distributed to all "Eligible
5 Claimants" in accordance with the following procedures and guidelines.

6 i) Procedures to Identify Eligible Claimants

7 Within ten (10) business days of the Effective Date, Defendant shall deliver
8 to the Commission a list of all female employees (including full-time, part-time and
9 temporary) who were employed by Defendant at its Los Angeles facility at any time
10 on or after October 6, 2000, along with their last known address, telephone number
11 and social security number. Upon receipt of the list of female employees, the
12 Commission will send to each female employee, other than the Named Claimants, a
13 letter notifying the addressee of this lawsuit and settlement and providing a Claim
14 Form (hereinafter referred to as "Notification Packet"), copies of which are
15 attached as Exhibit "B," and requesting a response within thirty (30) days.

16 With respect to each Notification Packet that is returned undeliverable, the
17 Commission will trace through search databases to find a more recent address for
18 the employees. The Commission shall send a second Notification Packet to the
19 new addresses requesting a response within thirty (30) days.

20 ii) The Commission's Determination of Eligibility and
21 Computation of Claims

22 Eligible Claimants shall include only those Claimants who satisfy each and
23 all of the following criteria:

- 24 a. Claimant provided a timely Claim Form to the Commission, in
25 accordance with the procedures set forth in this Agreement;
- 26 b. The Claim Form provides, or the Commission otherwise
27 obtains, credible evidence that the Claimant was subjected to
28

1 sexual harassment or was retaliated against for complaining of
2 sexual harassment; and

3 c. The Claimant has not previously signed a release which would
4 cover the actions complained of by the Claimant.
5

6 Acting in its discretion, the Commission shall exclusively determine the
7 eligibility of Claimants for relief under this Agreement. In determining eligibility,
8 the Commission shall consider the following factors: (a) severity of the alleged
9 harassment or retaliation; (b) duration of the alleged harassment or retaliation; and
10 (c) nature of the alleged harassment suffered as a result (*e.g.*, whether the Claimant
11 was subjected to physical touching of a sexual nature or to sexually charged
12 comments).

13 Acting in its discretion, the Commission shall exclusively determine the
14 portion of the Unidentified Claimants Fund that will be allocated to each of the
15 Eligible Claimants. The amounts allocated to each Eligible Claimant shall reflect
16 the factors enumerated above. This Agreement contemplates that there may be
17 significant differences in awards to Eligible Claimants, but the maximum award for
18 any individual Eligible Claimant shall not exceed the maximum monetary amount
19 provided for compensatory and/or punitive damages in 42 U.S.C. § 1981 a (b) (3).
20

21 Within ninety (90) days after the deadline for receipt by the Commission of
22 all returned Claim Forms (including Claim Forms sent to new addressees), the
23 Commission shall make its determination as to the eligibility of each Claimant who
24 has timely submitted a Claim Form to the Commission. The Commission shall then
25 make its final determinations as to Claimant eligibility and the amount of monetary
26 relief, if any, to be awarded to Eligible Claimants from the Unidentified Claimants
27 Fund. The Commission will notify the Defendant and Escrow Agent of its
28 determinations.

1 iii) Notification of Eligibility

2 Within thirty (30) days after the Commission's final determination on the
3 Unidentified Claimants Fund distribution described above, the Commission shall
4 mail to each Eligible Claimant, a letter containing the following information:
5 (1) that she has been designated as an Eligible Claimant to be awarded relief;
6 (2) the amount of monetary relief to which such person will be entitled; (3) a copy
7 of the Release Agreement the Eligible Claimant must sign in order to obtain
8 monetary relief under this Agreement; (4) a statement that the EEOC is not advising
9 her in any way regarding the separate Release Agreement she signs with Cheap
10 Tickets to the extent that it requires the release of claims not brought in this lawsuit;
11 (5) a statement that the Eligible Claimant should seek advice of an attorney
12 regarding the Release Agreement; (6) a statement that the Eligible Claimant may
13 seek up to two (2) hours of advice regarding the Release Agreement from attorneys
14 Anthony Turner and/or Audre Delahoussaye-Turner at no cost to the Eligible
15 Claimant; and (7) notification that to be eligible to obtain relief under this
16 Agreement the executed Release Agreement must be returned to the EEOC within
17 thirty (30) days. The letter will also inform each Eligible Claimant that any
18 monetary payments received pursuant to this Agreement may be subject to
19 mandatory federal, state and local income tax and that she should consult a tax
20 advisor with any questions. The EEOC will also notify individuals who filed Claim
21 Forms and were not deemed Eligible Claimants by the Commission.

22 iv) Notification of Ineligibility

23 Within thirty (30) days after the Commission's final determination, the
24 Commission shall provide to Defendant, for each individual whom the Commission
25 determined not to be an Eligible Claimant, the following information: the name of
26 the individual, the date the Commission received the individual's Claim Form, a
27 copy of the individual's Claim Form, any additional documents provided by the
28 individual, the fact that the Commission determined that the individual was not an

1 Eligible Claimant, and the date the individual was notified of the Commission's
2 determination.

3 v) Distribution of Final Settlement Amounts

4 Within twenty one (21) days of the date upon which all executed Release
5 Agreements must be returned to the Commission, the Commission will send the
6 original executed Release Agreements to the Defendant, and copies of the Release
7 Agreements to the Escrow Agent. Within twenty (20) days of its receipt of the
8 Release Agreements, Escrow Agent shall deliver payment to each Eligible Claimant
9 who signed a Release Agreement. Payment shall be mailed directly to each such
10 Eligible Claimant to an address supplied by the Commission. Within three (3)
11 business days of the issuance, Escrow Agent shall submit a copy of each check and
12 related correspondence to the Regional Attorney, United States Equal Employment
13 Opportunity Commission, 255 East Temple Street, 4th Floor, Los Angeles, CA
14 90012. In addition, Escrow Agent shall prepare and distribute 1099 tax reporting
15 forms for the calendar year of payment to each Eligible Claimant in the normal
16 course of business and shall make appropriate reports to the Internal Revenue
17 Service and other tax authorities.

18 Escrow Agent shall notify the Commission in writing of any checks that are
19 returned. The Commission may take further steps to track those Eligible Claimants
20 who did not receive their settlement checks provided that the award to any Eligible
21 Claimant who cannot be found will expire six (6) months after the initial attempt at
22 distribution of the settlement check and any amount not paid to such Claimant shall
23 be added to any funds to be distributed to the California Women's Law Center.

24 vi) Allocation to Charitable, Non-Profit or Not-For-Profit
25 Organization

26 If the Unidentified Claimants Fund is not completely depleted after the
27 procedures outlined in the above paragraphs, the remainder of the Unidentified
28 Claimants Fund will be given to the California Women's Law Center.

1 vii) Notice of Rejection of Settlement

2 The Commission shall provide to Defendant, within sixty (60) days of the
3 date upon which all Release Agreements must be returned to the Commission, the
4 following information regarding each individual whom the Commission determines
5 to be an Eligible Claimant, but who refuses to participate in this settlement: the
6 name of the individual, the date the Commission received the individual's Claim
7 Form, a copy of the individual's Claim Form, any additional documents provided
8 by the individual, the amount of the Unidentified Claimants Fund to be allocated to
9 the individual, the date the individual notified the Commission that she would not
10 participate in the settlement, and copies of correspondence from the individual
11 regarding her reasons for refusing to participate in the settlement, or her rejection of
12 the settlement amount. In the event the individual does not provide such
13 documentation, the Commission shall provide a copy of a letter confirming the
14 individual's refusal to participate or rejection of the settlement amount.

15 5. Costs Associated with the Unidentified Claimants Fund

16 Each party shall bear the costs associated with carrying out its obligations
17 under this Agreement. For example, Defendant shall bear all costs associated with
18 the distribution of monies to Eligible Claimants as described in Sections A and B(v)
19 and (vi) (*i.e.*, issuance and delivery of the settlement checks from the Unidentified
20 Claimants Fund, 1099 forms, and any costs and fees associated with escrow on the
21 Unidentified Claimants Fund), and the EEOC shall bear all costs associated with
22 the mailing of notices, Notification Packets, and Release Agreements to, and
23 determining the whereabouts and eligibility of, potential and/or actual claimants, as
24 described in Sections B(i)-(iv) and (vii).

25
26 **PUBLIC ANNOUNCEMENT OF SETTLEMENT**

27 6. The Parties have agreed that, following the Court's approval of this
28 Agreement, the EEOC will issue a press release in the form attached as Exhibit "C"

1 announcing the settlement of this action. No press release or any other public
2 announcement regarding settlement shall be made until after the Court's approval
3 of this Agreement. The EEOC will notify counsel for Cheap Tickets prior to the
4 issuance of the press release.

5 **MISCELLANEOUS**

6 7. This Agreement and the Escrow Agreement constitute the complete
7 understanding of the Parties with respect to the matters contained within them. No
8 waiver, modification or amendment of any provision of this Agreement will be
9 effective unless made in writing, signed by an authorized representative of each of
10 the Parties, and approved by the Court.

11 8. If one or more provisions of the Agreement are rendered unlawful or
12 unenforceable, the Parties shall make good faith efforts to agree upon appropriate
13 amendments to this Agreement in order to effectuate the purposes of the
14 Agreement. If the Parties are unable to reach an agreement, the Court shall order
15 appropriate alternative provisions in order to effectuate the purposes of the
16 Agreement. Should one or more provisions of this Agreement be deemed unlawful,
17 all other lawful and enforceable provisions will remain in full force and effect.

18 9. The terms of this Agreement are and shall be binding upon the present and
19 future representatives, agents, directors, officers, assigns, and successors of
20 Defendant.

21 10. When this Agreement requires the submission by Defendant of information
22 or correspondence to the EEOC, they shall be mailed to: Regional Attorney, United
23 States Equal Employment Opportunity Commission, 255 East Temple Street, 4th
24 Floor, Los Angeles, CA 90012. When this Agreement requires submission by the
25 EEOC of information or correspondence to Defendant, they shall be mailed to:
26 James Zapp, Paul, Hastings, Janofsky & Walker LLP, 515 South Flower Street,
27 25th Floor, Los Angeles, CA 90071.

1 11. Cheap Tickets represents and warrants as follows as of the date of this
2 Settlement Agreement:

3 a. Cheap Tickets is a corporation duly organized, validly existing and in
4 good standing under the laws of the state of its incorporation, and has the
5 corporate power and authority to enter into and perform its obligations under
6 this Settlement Agreement.

7 b. The execution and delivery of this Settlement Agreement, and the
8 performance of the obligations of Cheap Tickets hereunder, have been duly
9 authorized by all necessary corporate action on the part of Cheap Tickets.

10 c. This Settlement Agreement constitutes the legal, valid and binding
11 obligation of Cheap Tickets, and is enforceable against Cheap Tickets in
12 accordance with its terms.

13 12. This Agreement may be executed in two or more counterparts, some of
14 which may be signed by fewer than all the parties or may contain facsimile copies

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1 of pages signed by some of the parties. Each of those counterparts will be deemed
2 to be an original copy of this Agreement, but all of them together will constitute
3 one and the same agreement.

4
5 For Plaintiff EEOC:
6 U.S. EQUAL EMPLOYMENT
7 OPPORTUNITY COMMISSION

8 Anna Y. Park
9 Sue J. Noh
10 Gregory L. McClinton
11 Elizabeth Esparza-Cervantes

12 By: *Sue Noh for*
13 Anna Y. Park
14 Date: *August 4, 2003*

15 For Defendants CHEAP TICKETS,
16 INC.:

17 James A. Zapp
18 Carolyn Alifragis

19 By: _____
20 James A. Zapp
21 Date: _____

22 For Escrow Agent PAUL, HASTINGS,
23 JANOFSKY, & WALKER LLP:

24 James A. Zapp
25 Carolyn Alifragis

26 By: _____
27 James A. Zapp
28 Date: _____

IT IS SO ORDERED.

Dated: August *5*, 2003

For Plaintiff in Intervention CANDII
ANDERSON:
DELAHOUSSAYE-TURNER &
TURNER

Audre Delahoussaye-Turner
Anthony Turner

By: *Audre Delahoussaye-Turner*
Audre Delahoussaye-Turner
Date: _____

For Plaintiff in Intervention LATASHA
SCOTT:
HENCE & ASSOCIATES

Bill Hence

By: *Bill Hence*
Bill Hence
Date: *August 4, 2003*

William J. Rea
Hon. William J. Rea
United States District Judge

1 of pages signed by some of the parties. Each of those counterparts will be deemed
2 to be an original copy of this Agreement, but all of them together will constitute
3 one and the same agreement.

4 For Plaintiff EEOC:
5 U.S. EQUAL EMPLOYMENT
6 OPPORTUNITY COMMISSION

7 Anna Y. Park
8 Sue J. Noh
9 Gregory L. McClinton
10 Elizabeth Esparza-Cervantes

11 By: Sue Noh for
12 Anna Y. Park
13 Date: August 4, 2003

For Plaintiff in Intervention CANDII
ANDERSON:
DELAHOUSSAYE-TURNER &
TURNER

Audre Delahoussaye-Turner
Anthony Turner

By: Audre Delahoussaye-Turner
Date: _____

14 For Defendants CHEAP TICKETS,
15 INC.:

16 James A. Zapp
17 Carolyn Alifragis

18 By: James Zapp / CA
19 James A. Zapp
20 Date: August 4, 2003

For Plaintiff in Intervention LATASHA
SCOTT:

HENCE & ASSOCIATES
Bill Hence

By: Bill Hence
Date: August 4, 2003

21 For Escrow Agent PAUL, HASTINGS,
22 JANOFSKY, & WALKER LLP:

23 James A. Zapp
24 Carolyn Alifragis

25 By: James Zapp / CA
26 James A. Zapp
27 Date: August 4, 2003

28 IT IS SO ORDERED.

Dated: August _____, 2003

Hon. William J. Rea
United States District Judge

ESCROW AGREEMENT

This Escrow Agreement dated August 1, 2003 ("Escrow Agreement"), is by and among the United States Equal Employment Opportunity Commission ("EEOC"), Cheap Tickets, Inc. ("Cheap Tickets"), Candii Anderson ("Anderson"), Latasha Scott ("Scott"), and Paul, Hastings, Janofsky & Walker LLP, as escrow agent (the "Escrow Agent").

RECITALS

A. The EEOC, Cheap Tickets, Anderson, and Scott have entered into that certain Settlement Agreement (the "Settlement Agreement"), resolving Case No. 02-7117-WJR (VBKx) filed in the U.S. District Court for the Central District of California.

B. This Escrow Agreement is an Exhibit to and is incorporated by reference into the Settlement Agreement.

C. The parties to the Settlement Agreement desire to have the Escrow Agent hold the monies to be distributed pursuant to the Settlement Agreement until such monies are fully distributed in accordance with the terms of the Settlement Agreement.

D. Unless otherwise specified, capitalized terms used herein and not defined will have the same meanings ascribed to such terms in the Settlement Agreement.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ESCROW ARRANGEMENT

1. The parties hereto create an escrow arrangement for the benefit of the parties to the Settlement Agreement for the purpose of providing a mechanism to facilitate the distribution of the payments to be made to the Named and Eligible Claimants.

2. Within five (5) calendar days following approval and entry of the Settlement Agreement by the Court, Cheap Tickets shall deposit with the Escrow Agent the sum of One Million One Hundred Thousand Dollars (\$1,100,000.00) (the "Escrowed Funds") by wire transfer to Escrow Agent's account at Bank of America, ABA No. 121000358, 525 South Flower Street, Los Angeles, CA 90071, Account No. 14599-04796, Account Name: Paul, Hastings,

1 Janofsky & Walker LLP, (the "Account"). The Account is a so-called "attorneys' trust account"
2 or "attorneys' clients' funds account" which is a segregated account in which funds which are not
3 the property of the Escrow Agent are deposited. Other than the distributions set forth below,
4 Escrow Agent shall maintain the Escrowed Funds in the Account and shall not transfer them to
5 any other account or investment. Under no circumstances shall any of the Escrowed Funds be
6 returned to Cheap Tickets or any parent, subsidiary or affiliate thereof. The account shall be non-
7 interest bearing.

8 PAYMENTS FROM ESCROW ACCOUNT

9 3. The Escrow Agent shall make payments from the Escrow Account at the written
10 direction of the EEOC, as follows:

11 A. Within twenty (20) days of its receipt of each of the Individual General
12 Release and Settlement Agreements ("Release Agreement"), executed by each of the Named
13 Claimants below, Escrow Agent shall deliver to each such Named Claimant a check in the
14 amounts of: One Hundred Twenty-Five Thousand Dollars (\$125,000.00) payable to Latasha R.
15 Scott and the Law Offices of Hence & Associates; Two Hundred Seventy-Five Thousand Dollars
16 (\$275,000.00) payable to Candii Anderson and her attorney, Audre Delahoussaye-Turner; and
17 Four Hundred Thousand Dollars (\$400,000.00) to be allocated and distributed among the
18 remaining Named Claimants, Mina Howard, Tynisha Hicks, Angel Cooke, Latasha Daniels,
19 Theresa Martinez, and Nancy Webb, in such amounts as determined by the EEOC and
20 communicated in writing by the EEOC to the Escrow Agent.

21 B. Within twenty-one (21) days of its receipt from the EEOC of Release
22 Agreements signed by the Eligible Claimants, Escrow Agent shall deliver to each such Eligible
23 Claimant a check in the amount specified in writing to the Escrow Agent by the EEOC, provided,
24 however, Escrow Agent shall have no obligation to deliver any check which in the aggregate
25 with other checks paid under this paragraph B., would exceed \$300,000.00. Escrow Agent shall
26 deliver the checks to such Eligible Claimants by mailing them directly to the Eligible Claimants
27 at the address provided in writing by the EEOC. Escrow Agent shall mail to the EEOC and
28 Cheap Tickets a copy of all checks (and any other correspondence) distributed to the Eligible

1 Claimants pursuant to this Escrow Agreement.

2 C. Escrow Agent shall prepare and distribute to all Named and Eligible
3 Claimants to whom a check is sent hereunder, 1099 tax reporting forms for the calendar year of
4 payment and shall make appropriate reports to the Internal Revenue Service and other tax
5 authorities in the normal course of business.

6 D. Escrow Agent shall notify the EEOC in writing of any checks that are
7 returned. The EEOC may take further steps to track those Eligible Claimants whose settlement
8 checks were returned, provided that the award to any Eligible Claimant who cannot be found will
9 expire six (6) months after the initial attempt at distribution. Any amount not paid to such
10 Claimant shall be added to any funds to be distributed to the California Women's Law Center as
11 set forth below.

12 E. If any amounts remain in the Account after the completion of the procedures
13 outlined above for distribution to the Named and Eligible Claimants, all such remaining amounts
14 shall, upon written direction from the EEOC, be distributed to the California Women's Law
15 Center, 3460 Wilshire Boulevard, Suite 1102, Los Angeles, CA 90010. Upon payment of such
16 remaining amounts to the California Women's Law Center, or the depletion of the Escrowed
17 Funds through distribution to all Named and Eligible Claimants, whichever occurs first, the
18 Escrow Account created hereunder shall terminate.

19 F. The duties of the Escrow Agent hereunder shall be entirely ministerial and
20 administrative and not discretionary. Escrow Agent shall be obligated to act only in accordance
21 with written instructions received by it as provided in this Escrow Agreement and consistent with
22 the Settlement Agreement.

23 G. The Escrow Agent may rely absolutely upon the genuineness and
24 authorization of the signature and purported signature of any party upon any instruction, notice,
25 release, receipt or other document delivered to it pursuant to this Escrow Agreement.

26 **ESCROW AGENT**


27 4. Paul, Hastings, Janofsky & Walker LLP represents and warrants as follows as of the
28 date of this Escrow Agreement:

1 For Plaintiff EEOC:
2 U.S. EQUAL EMPLOYMENT
3 OPPORTUNITY COMMISSION
4 Anna Y. Park
5 Gregory Gochanour
6 Sue J. Noh
7 Gregory L. McClinton
8 Elizabeth Esparza-Cervantes

9 By: 
10 Gregory Gochanour

11 Date: 8/1/03

For Plaintiff in Intervention
CANDII ANDERSON:
DELAHOUSSAYE-TURNER & TURNER
Audre Delahoussaye-Turner
Anthony Turner

By: 
Audre Delahoussaye-Turner

Date: 8-1-2003

For Defendants CHEAP TICKETS, INC. &
CENDANT CORPORATION:
PAUL, HASTINGS, JANOFSKY &
WALKER LLP
James A. Zapp
Carolyn Alifragis

By: _____
James A. Zapp

Date: _____

For Plaintiff in Intervention LATASHA
SCOTT:
HENCE & ASSOCIATES
Bill Hence

By: 
Bill Hence

Date: August 1, 2003

For Escrow Agent PAUL, HASTINGS,
JANOFSKY & WALKER LLP:
PAUL, HASTINGS, JANOFSKY &
WALKER LLP
James A. Zapp
Carolyn Alifragis

By: _____
James A. Zapp

Date: _____

RE: *EEOC v. Cheap Tickets, Inc.*
Sexual Harassment Claim Form

Dear Sir or Madam:

The United States Equal Employment Opportunity Commission (also known as the EEOC) has settled a lawsuit against Cheap Tickets, Inc. involving allegations of sexual harassment at its Los Angeles, California facility.

You were identified by Cheap Tickets as one of its former employees who worked at the Los Angeles office. If you believe you were subjected to sexual harassment while employed at Cheap Tickets, please complete the enclosed "Sexual Harassment Claim Form" and return it to the EEOC's Los Angeles Office located at 255 East Temple St., 4th Floor, Los Angeles, California 90012 with a post-mark no later than _____. Sexual harassment consists of unwanted verbal comments, jokes, or statements, physical conduct or written or visual material of a sexual nature which creates an intimidating, hostile or offensive work environment. Sexual harassment also includes unwanted requests for sexual favors or dates in exchange for job related advantages.

The EEOC will evaluate the information you provide in your form to determine whether you are eligible to receive a portion of the proceeds of the settlement money in this case. Your claim will not be considered if it is not post-mark by _____. Upon the EEOC's review of all timely claim forms, the EEOC will notify you of its determination on your claim.

If you have any questions, you may call _____.

Very Truly Yours,

Sue J. Noh
Trial Attorney

**THIS CLAIM FORM MUST BE POSTMARKED NO LATER THAN
_____ IN ORDER FOR YOUR CLAIM TO BE CONSIDERED.**

EEOC v. Cheap Tickets, Inc.
Case Number: CV-02-7117 WJR (VBKx)
in the United States District Court
for the Central District of California

Sexual Harassment Claim Form

1. Name: _____
2. Current Address: _____

3. Home Telephone Number _____
Work Telephone Number _____
4. Social Security Number: _____
5. Date of Birth: _____
6. Dates of Employment with Cheap Tickets: _____
7. List each job title you held while employed at Cheap Tickets and the dates you held each position.

8. Do you believe that you were subjected to sexual harassment while employed at Cheap Tickets? (Circle one) Yes No

11. Describe how the incident(s) of sexual harassment made you feel and/or otherwise affected your emotional and/or physical well-being. If you experienced any negative feelings and/or physical conditions as a result of the sexual harassment, describe how long you experienced the negative feelings and/or physical conditions.

12. Did you seek any medical treatment (including any form of counseling) because of the sexual harassment you experienced at Cheap Tickets? If so, describe the treatment you received, when you received the treatment, with whom you received the treatment, how long you received the treatment, and whether you are currently receiving any treatment as a result of the sexual harassment.

13. If you are no longer working for Cheap Tickets, state (a) the reason(s) why you believe your employment with them ended, and (b) the reason(s) you were given by the company for your employment ending.

14. Identify your next employer after Cheap Tickets, including your job title, your dates of employment, and your rate of pay.

15. Describe all of the damages, such as monetary losses and/or expenses, you believe resulted from the sexual harassment you described above.

16. Do you have any documents supporting your claims against Cheap Tickets? (Circle one)

Yes No

If yes, submit copies of all such documents to the EEOC with this form.

17. Identify each person who will support your claim against Cheap Tickets by providing the person's name and telephone number and a brief summary of what you would expect the person to say.

I, _____ [PRINT YOUR NAME], declare under penalty of perjury that all of the information I have written on this form is true and correct.

Dated: _____

[SIGNATURE]

[PRINTED NAME]

EXHIBIT C



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Los Angeles District Office**

255 E. Temple Street, 4th Floor
Los Angeles, CA 90012
(213) 894-1000
TTY (213) 894-1121
FAX (213) 894-1118

FOR IMMEDIATE RELEASE
August __, 2003

CONTACT:
For EEOC Los Angeles District Office
Sue Noh
Trial Attorney
(213) 894-1082

Olophius E. Perry
Director
(213) 894-1112

TTY: (213) 894-1121

For Defendants Cheap Tickets:
Kate Sullivan
Director, Corporate Communications
Cheap Tickets
(973) 496-4540

**EEOC AND CHEAP TICKETS REACH \$1.1 MILLION SETTLEMENT IN SEXUAL
HARASSMENT SUIT**

LOS ANGELES – The U.S. Equal Employment Opportunity Commission (EEOC) and Cheap Tickets, a leading retailer of discounted leisure travel products, announced a \$1.1 million settlement of the EEOC class action sexual harassment lawsuit under Title VII of the Civil Rights Act of 1964 against Cheap Tickets, Inc. The suit, *EEOC v. Cheap Tickets, et al.*, Case Number CV-02-7117-WJR (VBKx) filed in the United States District Court for the Central District of California, alleges that, dating back to 2000, female agents working at Cheap Tickets' Los Angeles call center, which closed in September, 2001, were subjected to a sexually hostile work environment by their supervisors and that the woman who filed the initial discrimination charge with the EEOC was subjected to retaliation. The settlement includes a provision for monetary relief to any unidentified victims.

"The EEOC will continue to vigorously uphold the requirements of Title VII which entitles all female employees to a workplace free of harassment and particularly those women subjected to retaliation for standing up to harassers," said Olophius E. Perry, Director of the EEOC's Los Angeles District Office.

Gregory Gochanour, the Acting Regional Attorney for the EEOC's Los Angeles District Office, said: "The Commission recognizes that many employees may feel that they are taking considerable risks with their jobs in complaining about discrimination so I am particularly pleased that through this settlement the Commission was able to obtain significant relief for victims who previously may have been afraid to come forward."

"Cheap Tickets maintains a zero-tolerance policy for discrimination in any form and remains committed to providing a positive work environment, through strict policies and ongoing training, that values diversity and provides equal employment opportunity for all employees," said Kris Kentera, Vice President, overseeing Cheap Tickets' contact center operations. "We have entered into this amicable agreement because we believe it is in the best interest of our company and our former employees to put this matter to rest, and emphasize that this settlement does not in any way concede wrong doing on behalf of our company."

Further information about the Commission is available on its web site at www.eeoc.gov.

In addition to enforcing Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, sex, religion, or national origin, the EEOC enforces the Age Discrimination in Employment Act; the Equal Pay Act; Title I of the Americans with Disabilities Act, which prohibits employment discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal government; and sections of the Civil Rights Act of 1991.

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PROOF OF SERVICE

I am, and was at the time the herein mentioned mailing took place, a citizen of the United States, over the age of eighteen (18) years and not a party to the above-entitled cause.

I am employed in the Legal Unit of the Los Angeles District Office of the United States Equal Employment Opportunity Commission.

My business address is Equal Employment Opportunity Commission, Los Angeles District Office, 255 E. Temple Street, Fourth Floor, Los Angeles, CA 90012.

On the date that this declaration was executed, as shown below, I caused to be served the foregoing **SETTLEMENT AGREEMENT** by regular mail, first class postage prepaid, in the City of Los Angeles, County of Los Angeles, State of California to:


Ellen Baca
Carolyn Alifragis
PAUL, HASTINGS, JANOFSKY & WALKER LLP
515 South Flower Street, 25th Floor
Los Angeles, CA 90071-2228

Anthony J. Turner
Audre Delahoussaye-Turner
DELAHOUSSAYE-TURNER
10801 National Boulevard, Suite 545
Los Angeles, CA 90064-4134

Bill Hence, Jr.
HENCE & ASSOCIATES
3255 Wilshire Boulevard, Suite 1520
Los Angeles, CA 90010-1414

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 4, 2003 at Los Angeles, California.



Brian A. Woodard