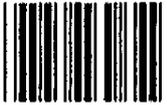


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Attorneys for Defendant
EARL SCHEIB, INC.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,

Plaintiff,

vs.

EARL SCHEIB, INC., d/b/a EARL
SCHEIB PAINT & BODY,

Defendant.

CASE NO. 03 CV 1934 BTM BLM
BTM
[PROPOSED] CONSENT DECREE;
ORDER

The Honorable Barry T. Moskowitz

15

ENTERED

9-29-04

[PROPOSED] CONSENT DECREE; ORDER

1 I.

2 **INTRODUCTION**

3 Plaintiff U.S. Equal Employment Opportunity Commission (the "EEOC" or
4 "Commission") and Defendant Earl Scheib, Inc. and Earl Scheib of California, Inc.,
5 d/b/a Earl Scheib Paint & Body (hereafter "Defendant" or "Earl Scheib") hereby
6 stipulate and agree to entry of this Consent Decree to resolve the Commission's
7 complaint, filed under Title VII of the Civil Rights Act of 1964, as amended,
8 42 U.S.C. § 2000e et seq. ("Title VII"), alleging that Charging Parties Byron
9 Richardson, Leroy Dee and other similarly situated individuals were subjected to
10 unlawful employment practices on the basis of race, Black. The Commission's
11 complaint further alleges that Charging Parties Byron Richardson, Leroy Dee and
12 other similarly situated individuals were subjected to unlawful retaliation in
13 violation of Title VII (the "Lawsuit").

14 Earl Scheib has denied, and continues to deny, any and all liability in
15 connection with the Lawsuit. The parties acknowledge that the execution of this
16 document is in no way an admission of liability.

17 II.

18 **PURPOSES AND SCOPE OF THE CONSENT**

19 **DECREE**

20 A. The parties to this Consent Decree ("Decree") are the EEOC and Earl
21 Scheib. The scope of this Decree includes Earl Scheib's stores and facilities in the
22 San Diego County area. This Decree shall be binding on and enforceable against
23 the parties and their officers, directors, agents, successors and assigns.

24 B. The parties have entered into this Decree for the following purposes:

- 25 1. To reach a good faith resolution and compromise of the Lawsuit.
26 2. To provide appropriate monetary and injunctive relief;
27 3. To ensure that Defendant's employment practices comply with federal
28 law;

1 Rules of Civil Procedure and Title VII and is not in derogation of the rights or
2 privileges of any person.

3 B. The Court shall retain jurisdiction of this action during the duration of
4 the Decree for the purposes of entering all orders, judgments and decrees that may
5 be necessary to implement the relief provided herein.

6 V.

7 **EFFECTIVE DATE AND DURATION OF DECREE**

8 A. The provisions and agreements contained herein are effective
9 immediately upon the date which this Decree is entered by the Court (“the Effective
10 Date”).

11 B. Except as otherwise provided herein, this Decree shall remain in effect
12 for three (3) years after the Effective Date.

13 VI.

14 **MODIFICATION AND SEVERABILITY**

15 A. This Decree constitutes the complete understanding of the parties with
16 respect to the matters contained herein. No waiver, modification or amendment of
17 any provision of this Decree will be effective unless made in writing and signed by
18 an authorized representative of each of the parties.

19 B. If one or more provisions of the Decree are rendered unlawful or
20 unenforceable, the parties shall make good faith efforts to agree upon appropriate
21 amendments to this Decree in order to effectuate the purposes of the Decree. In any
22 event, the remaining provisions will remain in full force and effect unless the
23 purposes of the Decree cannot, despite the parties’ best efforts, be achieved.

24 C. By mutual agreement of the parties, this Decree may be amended or
25 modified in the interests of justice and fairness in order to effectuate the provisions
26 of this Decree.

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VII.

COMPLIANCE AND DISPUTE RESOLUTION

A. The parties expressly agree that if the Commission has reason to believe that Earl Scheib has failed to comply with any provision of this Consent Decree, the Commission may bring an action before this Court to enforce the Decree. Prior to initiating such action, the Commission will notify Earl Scheib and its legal counsel of record, in writing, of the nature of the dispute. This notice shall specify the particular provision(s) that the Commission believes Earl Scheib has breached. Absent a showing by either party that the delay will cause irreparable harm, Earl Scheib shall have thirty (30) days to attempt to resolve or cure the breach.

B. The parties agree to cooperate with each other and use their best efforts to resolve any dispute referenced in the EEOC notice.

C. After thirty (30) days have passed with no resolution or agreement to extend the time further, the Commission may petition this Court for resolution of the dispute, seeking all available relief, including an extension of the term of the Decree for such period of time as Earl Scheib is shown to be in breach of the Decree and the Commission's costs and attorneys' fees incurred in securing compliance with the Decree.

VIII.

MONETARY RELIEF

A. In settlement of this lawsuit, Earl Scheib shall pay a total of \$375,000.00 (THREE HUNDRED AND SEVENTY-FIVE THOUSAND DOLLARS) of which \$295,000.00 shall be paid to Charging Parties Richardson and Dee, and three previously identified class members (Rafael Herrera, Kevin Davis and Chris Reeves) (known collectively hereafter as "Claimants"). The balance of \$80,000.00 shall be designated as the Class Fund for unidentified class members (known hereafter as "Unidentified Claimants"). The allocation of the

1 monetary relief shall be made at the sole discretion of the EEOC. The EEOC's
2 decision shall be final and binding.

3 Upon notification of the allocation of the monies to the Claimants, Earl
4 Scheib shall issue a check to the individual Claimants within fifteen (15) business
5 days of receiving notice from the EEOC Earl Scheib shall prepare and distribute
6 1099 tax reporting forms to each Claimant. Within three (3) business days of the
7 issuance of each and every settlement check, Earl Scheib shall submit a copy of
8 each check and related correspondence to the Regional Attorney, Anna Y. Park,
9 U.S. Equal Employment Opportunity Commission, 255 East Temple Street, 4th
10 Floor, Los Angeles, CA. 90012.

11 B. Class Fund

12 Within ten (10) business days from the effective date of this Decree, Earl
13 Scheib shall allocate a gross sum of \$80,000.00 (EIGHTY-THOUSAND
14 DOLLARS) ("Class Fund") in order to fund/create an account which will be used
15 to distribute monetary payments among all Unidentified Claimants. Subject to the
16 criteria set forth in Section VIII.B.2 below, the EEOC shall have the sole discretion
17 to determine the eligibility and the allocation of the monies from the Class Fund as
18 it deems appropriate to the Unidentified Claimants. The EEOC's determination
19 shall be binding and final.

20 Within fifteen (15) business days from the effective date of this Decree, Earl
21 Scheib shall provide the EEOC with written verification of the funding/creation of
22 this account. Earl Scheib shall be solely responsible for all costs and fees
23 connected with the creation and maintenance of the Class Fund.

24 1. Notification of Settlement/Claims Process

25 Within ten (10) business days following the entry of this Decree, Earl Scheib
26 shall forward to the Commission the names and last known addresses of all
27 employees ("Potential Unidentified Claimant List") who were employed by Earl
28 Scheib in the San Diego County area anytime during the time period **September 1,**

1 **2000, through December 31, 2003** (“Class Time Period”).

2 Within ten (10) business days following receipt of the Potential Unidentified
3 Claimant List, the EEOC shall send each individual identified in the Potential
4 Unidentified Claimant List a letter, notifying him/her of the instant Title VII action,
5 the existence of the Class Fund, claimant eligibility criteria, and EEOC contact
6 information should he/she be interested in participating as an Unidentified
7 Claimant.

8 If any of the letters referenced above are returned as a result of an inaccurate
9 address, Earl Scheib shall conduct one on-line search for the employee’s current
10 address at Earl Scheib’s own cost and within three (3) business days shall notify the
11 EEOC’s San Diego Area Office, Attn: Jan Magnuson, Paralegal, 401 B St., Suite
12 510 San Diego, CA. 92101, of such current address, if discovered.

13 2. Criteria for Determining Eligible Unidentified Claimants

14 Only those individuals who satisfy the following criteria will be considered
15 by the EEOC as an Unidentified Claimant:

16 a. Employed at an Earl Scheib facility in the San Diego County
17 area at any time during the Class Time Period; and

18 b. Was subjected to an unlawful employment practice by Earl
19 Scheib on the basis of race, African-American, and/or subjected to unlawful
20 retaliation by Earl Scheib during the Class Time Period. The EEOC may seek Earl
21 Scheib’s input with respect to eligibility, if necessary to make this determination.

22 3. Period for Determination and Notification of Eligibility

23 Upon receiving and considering all claims from Unidentified Claimants, the
24 EEOC shall make a determination as to the eligibility of each Unidentified
25 Claimant who presents a claim. Any person who has not contacted the EEOC as an
26 Unidentified Claimant within six (6) months after entry of this Decree (“eligibility
27 period”) shall be deemed to be ineligible and barred from receiving any payments
28 under this Decree. Unless notified otherwise, within sixty (60) days after the

1 eligibility period, EEOC shall forward to the attention of Earl Scheib's Vice-
2 President and/or General Counsel, 15206 Ventura Blvd. Suite 200, Sherman Oaks,
3 CA. 91403, the names, social security numbers, mailing addresses, and monetary
4 allocation of the eligible Unidentified Claimants ("Final Distribution List"). A
5 copy of the Final Distribution List shall be sent to Earl Scheib's legal counsel.

6 4. Payment to Eligible Unidentified Claimants

7 Within ten (10) business days after the EEOC has forwarded the Final
8 Distribution List pursuant to paragraph 3 above, Earl Scheib shall forward payment
9 from the Class Fund to each eligible Unidentified Claimant by certified mail, return
10 receipt requested as determined by the EEOC. Earl Scheib shall issue a Form 1099
11 to each eligible Unidentified Claimant for all payments disbursed from the Class
12 Fund. Within three (3) business days of the issuance of each and every check, Earl
13 Scheib shall submit a copy of each check and related correspondence to the
14 Regional Attorney, Anna Y. Park, U.S. Equal Employment Opportunity
15 Commission, 255 East Temple Street, 4th Floor, Los Angeles, CA. 90012.

16 5. Surplus in Class Fund

17 In the event that any portion of the Class Fund, including accrued interest,
18 has not been distributed as required under this Decree, and a period of one year has
19 elapsed from the date of entry of this Decree, Earl Scheib may use any remaining
20 amounts, if any, to comply with the terms set forth in this Decree. Written
21 confirmation shall be given to the EEOC that any surplus was used in furtherance
22 of the Decree.

23 **IX.**

24 **GENERAL INJUNCTIVE RELIEF**

25 **A. Non-Discrimination**

26 1. Harassment Based on Race

27 Earl Scheib, their officers, agents, management (including all supervisory
28 employees), successors, assigns, and all those in active concert or participation with

1 them, or any of them, hereby agree not to: (a) discriminate against persons on the
2 basis of race in the terms and conditions of employment; (b) engage in or be a party
3 to any action, policy or practice that is intended or is known to them to have the
4 effect of harassing or intimidating any employee on the basis of race; and (c) create,
5 facilitate or permit the existence of a work environment that is hostile to Black
6 employees.

7 2. Retaliation

8 Earl Scheib, their officers, agents, management (including all supervisory
9 employees), successors, assigns, and all those in active concert or participation with
10 them, or any of them, hereby agree not to engage in, implement or permit any
11 action, policy or practice with the purpose of retaliating against any current or
12 former employee or applicant of Earl Scheib, or either of them, because he or she
13 has in the past, or during the term of this Decree: (a) opposed any practice made
14 unlawful under Title VII; (b) filed a charge of discrimination alleging such practice;
15 (c) testified or participated in any manner in any investigation (including without
16 limitation, any internal investigation undertaken by Earl Scheib), proceeding in
17 connection with this case and/or relating to any claim of a Title VII violation; (d)
18 was identified as a possible witness or claimant in this action; (e) asserted any
19 rights under this Decree; or (f) sought and/or received any relief in accordance with
20 this Decree.

21 B. **Posting**

22 Within ten (10) business days after the Effective Date and throughout the
23 term of this Decree, Earl Scheib shall post notice (attached as **Exhibit "A"**) of the
24 terms of this Decree, in English and in Spanish, in a clearly visible location
25 frequented by employees at each of its facilities in the San Diego County area.

26 C. **Equal Employment Opportunity Consultant**

27 Within thirty (30) days after the Effective Date, Earl Scheib shall retain an
28 outside Equal Employment Opportunity Consultant ("Consultant") with

1 demonstrated experience in the area of employment discrimination and racial
2 harassment issues, to ensure the implementation and monitoring Earl Scheib's
3 compliance with Title VII and the provisions of this Decree. Earl Scheib may, but
4 is not required to, select it's counsel in the Lawsuit to act as the Consultant. If Earl
5 Scheib does not select it's counsel in the Lawsuit to act as the Consultant, the
6 Consultant shall be subject to the Commission's approval, which shall not be
7 unreasonably withheld. If the Commission does not approve Earl Scheib's
8 proposed Consultant, the Commission shall provide Earl Scheib with a list of at
9 least three suggested candidates acceptable to the Commission. Earl Scheib shall
10 bear all costs associated with the selection and retention of the Consultant and the
11 performance of his/her/its duties. The Consultant's responsibilities shall include
12 the following with respect to the San Diego County area:

13 1. Assisting Earl Scheib in reviewing or developing procedures to handle
14 complaints of discrimination, harassment and retaliation, including developing and
15 revising such procedures as necessary;

16 2. Assisting Earl Scheib in reviewing, creating, applying and
17 implementing its anti-harassment policy and reporting procedure to more
18 effectively carry out its obligations under this Decree, including creating new
19 policies as necessary;

20 3. Assisting Earl Scheib in training managerial and staff/hourly
21 employees on their rights and responsibilities under Title VII, including but not
22 limited to the responsibilities to provide a workplace free of discrimination;

23 4. Assisting Earl Scheib in training all employees on policies and
24 procedures relating to racial discrimination/harassment and retaliation;

25 5. Assisting Earl Scheib in monitoring and assuring the adequate
26 investigation of all complaints of racial discrimination/harassment and retaliation;

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1 6. Assisting Earl Scheib in ensuring proper communication with
2 complainants regarding the complaint procedure, status of the complaint
3 /investigation, results of the investigation, and any remedial action taken.

4 7. Assisting Earl Scheib in ensuring that all reports required by this
5 Decree are accurately compiled and timely submitted;

6 8. Assisting Earl Scheib in reviewing and creating appropriate and
7 consistent disciplinary policies to hold employees and managers accountable for
8 failing to take appropriate action and/or for engaging in conduct prohibited under
9 this Decree, including development of new policies as necessary;

10 9. Assisting Earl Scheib in reviewing and creating a centralized system of
11 tracking discrimination, harassment, and retaliation complaints, including creation
12 of a new system if necessary; and

13 10. Further ensuring compliance with the terms of this Decree.

14 **D. Revision of Policies Concerning Discrimination and Harassment**

15 With the assistance of the Consultant, Earl Scheib shall review and revise its
16 policy on discrimination and racial harassment, and provide a copy to the
17 Commission within sixty (60) days after the Effective Date. The revised policy
18 shall include:

19 1. A clear explanation of prohibited conduct;

20 2. Assurance that employees who make complaints of
21 harassment/discrimination or provide information related to such complaints will be
22 protected against retaliation;

23 3. A clearly described complaint process that provides accessible and
24 confidential avenues of complaint with contact information including name (if
25 applicable), address, and telephone number of persons both internal (i.e. human
26 resources) and external to Earl Scheib (i.e. Commission and outside Consultant
27 available to handle complaints concerning high level company officials of
28 Defendants' corporate hierarchy) to whom employees may report discrimination

1 and retaliation, including a written statement that the employee may report the
2 discriminatory behavior to designated persons outside their chain of management;

3 4. Assurance that the employer will protect the confidentiality of
4 harassment/discrimination complaints to the extent possible;

5 5. A complaint process that provides a prompt, thorough, and impartial
6 investigation;

7 6. A procedure for communicating with the complainant in writing
8 regarding the status of the complaint/investigation, results of the investigation, and
9 any remedial action taken; and

10 7. Assurance that Earl Scheib will take immediate and appropriate
11 corrective action when it determines that harassment/discrimination and/or
12 retaliation has occurred.

13 This revised policy shall be distributed to all of Earl Scheib's employees in
14 the San Diego County area, including management/supervisory staff, and shall be
15 included in any relevant policy or employee manuals distributed to employees in
16 the San Diego County area by Earl Scheib. Earl Scheib shall collect
17 acknowledgments from each employee in the San Diego County area who receives
18 the revised policy. Throughout the term of this Decree, Earl Scheib shall also post
19 the revised policy in a place that is conspicuous and accessible to all employees at
20 each of its locations covered by this Decree in a legible font that is a minimum of
21 15 points in size.

22 **E. Training**

23 Within ninety (90) days after the Effective Date or thirty (30) days after
24 hiring the Consultant, whichever is later, all of Earl Scheib's
25 managerial/supervisory and staff/hourly employees in San Diego County shall be
26 required to attend EEO training. The training shall include coverage of the subjects
27 of equal employment opportunity rights and responsibilities, racial discrimination/
28 harassment, gender discrimination, retaliation, and Earl Scheib's policies and

1 procedures for reporting and handling complaints of discrimination, harassment and
2 retaliation. The training shall also include training on how to properly handle and
3 investigate complaints of discrimination and/or harassment in a neutral manner,
4 how to take preventive and corrective measures against discrimination and/or
5 retaliation, and how to recognize and prevent discrimination and/or retaliation.

6 1. Managerial/Supervisory Employees. All managerial/supervisory
7 employees in San Diego County will attend a "live" training program of at least
8 four hours conducted by a live instructor on an annual basis for the duration of this
9 Decree.

10 2. For the remainder of the term of this Decree, all new supervisory
11 employees and all employees recently promoted from a staff/hourly to a managerial
12 position in the San Diego County area shall receive all appropriate training
13 materials, instruction from a supervisor on the topics outlined above and shall
14 review the videotaped training program discussed below, within thirty (30) days of
15 hire or promotion. Thereafter, each of these employees shall attend the next
16 scheduled live training session as required under this Decree.

17 3. Staff/Hourly Employees. All staff/hourly employees in San Diego
18 County will attend an actual training program of at least two (2) hours on an annual
19 basis for the duration of this Decree. This training may consist of viewing a video
20 (which tape shall be subject to the EEOC's prior written approval) on equal
21 employment opportunity topics as outlined in Section IX.E. above. At least ten
22 (10) days prior to the scheduled training session, Earl Scheib shall forward a copy
23 of the training video to the EEOC for such prior approval. Earl Scheib shall ensure
24 that the training video is updated as necessary. Earl Scheib shall also make its EEO
25 policies and training materials available for employee inspection and review at each
26 store location in San Diego County, and inform all employees of such availability.

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1 X.

2 **RECORD KEEPING AND REPORTING**

3 A. **Record Keeping**

4 Earl Scheib shall work with the Consultant to establish a record-keeping
5 procedure that provides for the centralized tracking of discrimination complaints
6 and the monitoring of such complaints to prevent retaliation. The records to be
7 maintained shall include:

8 1. All documents generated in connection with any complaint,
9 investigation into, or resolution of every complaint of discrimination or retaliation
10 in the San Diego County area for the duration of the Decree and the identities of the
11 parties involved;

12 2. All forms acknowledging employees' receipt of Earl Scheib's revised
13 discrimination and anti-retaliation policy; and

14 3. All documents verifying the occurrence of all training sessions and
15 names and positions of all attendees for each session as required under this Decree.

16 Earl Scheib shall make the aforementioned records available to the EEOC
17 within ten (10) business days following a written request by the EEOC.

18 B. **Reporting**

19 In addition to the notices to the EEOC specified above, Earl Scheib shall
20 provide the following reports to the EEOC in writing, by mail or facsimile:

21 1. Within ninety (90) days after the Effective Date, Earl Scheib shall
22 submit to the EEOC an initial report which contains:

23 a. A copy of the Earl Scheib's discrimination and anti-retaliation
24 policy, including any revisions thereto;

25 b. A summary of the procedures and record-keeping methods
26 developed with the Consultant for centralized tracking of discrimination complaints
27 and the monitoring of such complaints;

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1 c. A statement confirming that the required notices pertaining to
2 this Decree and the revised discrimination and anti-retaliation policies have been
3 posted; and

4 d. Any and all training materials, including any training video(s),
5 Earl Scheib intends to utilize or has used to fulfill the training requirements in this
6 Decree.

7 2. Earl Scheib shall also provide the following reports every nine (9)
8 months throughout the term of this Decree:

9 a. A description of all discrimination and/or retaliation complaints
10 in the San Diego County area made since the submission of the immediately
11 preceding report hereunder. This description shall include the names of the
12 individuals alleging harassment or retaliation, the nature of the harassment or
13 retaliation, the names of the alleged perpetrators of harassment or retaliation, the
14 dates of the alleged harassment or retaliation, a brief summary of how each
15 complaint was resolved, and the identity of the person(s) who investigated or
16 resolved each complaint. If no results have been reached as of the time of the
17 report, the result shall be included in the next report.

18 3. Earl Scheib shall provide a report to the EEOC detailing any changes
19 of the procedures or record-keeping methods for centralized tracking of
20 discrimination complaints and the monitoring of such complaints within thirty (30)
21 days before implementing such changes.

22 4. Earl Scheib shall provide all training materials and videos, including
23 any modifications, for review to the EEOC .

24 **XI.**

25 **COSTS OF ADMINISTRATION AND**
26 **IMPLEMENTATION OF CONSENT DECREE**

27 Earl Scheib shall bear all costs associated with its administration and
28 implementation of its obligations under this Consent Decree.

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XII.

COSTS AND ATTORNEYS' FEES

Each party shall bear its own costs of suit and attorneys' fees. Defendant shall be solely responsible for bearing all costs associated with effectuating the terms of this Decree.

XIII.

MISCELLANEOUS PROVISIONS

A. During the term of this Consent Decree, Earl Scheib shall provide any potential successor-in-interest with a copy of this Consent Decree within a reasonable time of not less than thirty (30) days prior to the execution of any agreement for acquisition or assumption of control of any or all of Earl Scheib's Southern California facilities, or any other material change in corporate structure, and shall simultaneously inform the EEOC of same.

B. During the term of this Consent Decree, Earl Scheib and its successors shall assure that each of its officers, managers and supervisors is aware of any term(s) of this Decree which may be related to his/her job duties.

C. Unless otherwise stated, all notices, reports and correspondence required under this Decree shall be delivered to the attention of the Regional Attorney, Anna Y. Park, U.S. Equal Employment Opportunity Commission, Los Angeles District Office, 255 E. Temple St., 4th Fl., Los Angeles, CA. 90012.

D. This Decree may be executed in Counterparts.

E. The parties agree to entry of this Decree and judgment subject to final approval by the Court.

All parties, through the undersigned, respectfully apply for and consent to the entry of this Consent Decree Order.

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AGREED AS TO FORM AND CONTENT:

Date: 8/27/04

U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION

By: 

Anna Y. Park
Connie Liem
Elizabeth Esparza-Cervantes
Attorneys for Plaintiff

Date: _____

MANATT, PHELPS & PHILLIPS, LLP

By: See attached

Robert H. Platt
Andrew L. Satenberg
Attorneys for Defendant

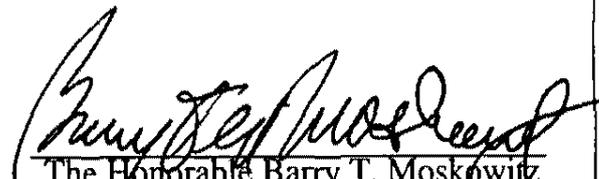
ORDER

GOOD CAUSE APPEARING:

The provisions of the foregoing Consent Decree are hereby approved and compliance with all provisions thereof is **HEREBY ORDERED.**

IT IS SO ORDERED.

Date: ^{BN}9-28-04


The Honorable Barry T. Moskowitz
United States District Court Judge

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AGREED AS TO FORM AND CONTENT:

Date: _____

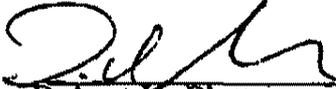
U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION

By: _____

Anna Y. Park
Connie Liem
Elizabeth Esparza-Cervantes
Attorneys for Plaintiff

Date: Aug. 30, 2004

MANATT, PHELPS & PHILLIPS, LLP

By:  _____

Robert H. Platt
Andrew L. Satenberg
Attorneys for Defendant

ORDER

GOOD CAUSE APPEARING:

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IT IS SO ORDERED.

Date: _____

The Honorable Barry T. Moskowitz
United States District Court Judge

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AGREED AS TO FORM AND CONTENT:

Date: _____

U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION

By: _____

Anna Y. Park
Connie Liem
Elizabeth Esparza-Cervantes
Attorneys for Plaintiff

Date: Aug. 30, 2004

MANATT, PHELPS & PHILLIPS, LLP

By:  _____

Robert H. Platt
Andrew L. Satenberg
Attorneys for Defendant

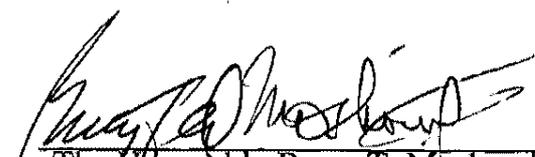
ORDER

GOOD CAUSE APPEARING:

The provisions of the foregoing Consent Decree are hereby approved and compliance with all provisions thereof is **HEREBY ORDERED.**

IT IS SO ORDERED.

Date: ~~9/28/04~~
9/28/04


The Honorable Barry T. Moskowitz
United States District Court Judge

40783827.1



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
San Diego Area Office

401 B Street, Suite 510
San Diego, CA 92101
(619) 557-7235
TTY (619) 557-7232
FAX (619) 557-7274

NOTICE OF SETTLEMENT AND CONSENT DECREE

TO: ALL EMPLOYEES OF EARL SCHEIB, INC., AND EARL SCHEIB OF CALIFORNIA, INC., IN THE SAN DIEGO COUNTY AREA

The U.S. Equal Employment Opportunity Commission ("EEOC") filed a lawsuit in the United States District Court for the Southern District of California against *Earl Scheib, Inc., d/b/a Earl Scheib Paint & Body*, Case Number 03 CV 1934 BTM (BLM). The lawsuit was brought by the EEOC on behalf of identified individuals and a class of similarly situated employees, alleging that they had been subjected to harassment, unequal terms and conditions, on the basis of race, Black, and retaliation when they opposed such discrimination. Earl Scheib, Inc., and Earl Scheib of California, Inc. ("Earl Scheib") deny any liability for the EEOC's claims and settled the case by entering into a "Consent Decree" with the EEOC and paying monetary relief in the amount of **\$375,000.00**, of which **\$80,000.00** has been set aside for a class sum to provide monetary relief for any additional claimants who were employed at Earl Scheib's San Diego County area locations, and have claims of discrimination and harassment on the basis of race, Black, and/or retaliation for opposing discriminatory practices or participation in a protected activity based upon race (Black).

As required under the Consent Decree, Earl Scheib must provide the following for store locations within the San Diego County area: posting of the terms and conditions of the Consent Decree in its place of business; revision of its race discrimination and anti-retaliation policy, including companywide dissemination; the hiring of an outside EEO consultant to revise and establish a policy to properly investigate and confidentially handle any complaints of race discrimination and retaliation against managers, supervisors, and high level company official(s); establishing a centralized tracking system for discrimination complaints; providing extensive annual EEO training for managers, supervisors, and employees; and reporting requirements of this EEO policy and training to the EEOC; and outside monitoring of its employment practices for the duration of the Consent Decree.

EEOC enforces Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex or national origin; 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. Further

information about the Commission is available on its Web site at www.eeoc.gov or contact us at (800) 669-4000.

If you believe that you have been discriminated against because of your sex, national origin, age, race, color, religion, disability, or retaliated against by a supervisor, you may seek assistance from:

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

255 East Temple Street 4th Floor
Los Angeles, CA 90505

or

401 B Street Suite 510
San Diego, CA 92101
(800) 669-4000

You may obtain a copy of the settlement document (“Consent Decree”) at your expense. To obtain a copy, you must contact the Office of the U.S. District Court Clerk at (619) 557-5600.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE

This Notice must remain posted for 3 years from _____, 2004, and must not be altered, defaced or covered by any other material. Any questions about this Notice or compliance with its terms may be directed to: EEOC Legal Unit, 255 East Temple Street, 4th Floor, Los Angeles, CA 90012.

“Exhibit A”