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FILED
CLERK, U.S. DISTRICT COURT
AUG 1, 2000
CENTRAL DISTRICT OF CALIFORNIA
BY

6 Attorneys for Plaintiff
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

LOGGED

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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES

11 U.S. EQUAL EMPLOYMENT) CASE NO. CV 99-00987 GAF (RCx)
12 OPPORTUNITY COMMISSION,)
13 Plaintiff,)
14 v.) SETTLEMENT AGREEMENT AND
15 IAN SCHRAGER HOTELS, INC.,) ORDER
16 IAN SCHRAGER HOTEL MANAGEMENT)
17 LLC, and MONDRIAN HOLDINGS)
18 LLC d/b/a MONDRIAN HOTEL,)
Defendants.)

ENTERED
CLERK, U.S. DISTRICT COURT
AUG 3 2000
CENTRAL DISTRICT OF CALIFORNIA
BY

19 I.

20 INTRODUCTION

21 On January 29, 1999, Plaintiff U.S. Equal Employment
22 Opportunity Commission (the "EEOC" or "Commission") brought this
23 action under Title VII of the Civil Rights Act of 1964, as
24 amended, 42 U.S.C. § 2000e et seq. ("Title VII"), alleging that
25 on or about December 5, 1996, the Mondrian Hotel, operated by Ian
26 Schrager Hotel Management LLC as successor to Ian Schrager
27 Hotels, Inc., and owned by Mondrian Holdings LLC ("Defendants")

3 Docketed
4 Copies / NTC Sent
5 JS - 5 / JS - 6
6 JS - 2 / JS - 3
7 CLSD

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1 of their race and national origin and one White valet/bellman due
2 to his association with his non-white co-workers. The nine
3 former employees are Bernardino Ison, Simorn Moeun, Randy Mey,
4 Alvin Naguiat, Gerard Quintos, Geoffrey Gonzalez, Jose Sandoval,
5 Rolf Desire, and Alvin R. Brand (hereinafter, the "Charging
6 Parties"). Defendants have denied and continue to deny that they
7 have violated any law.

8 II.

9 PURPOSES AND SCOPE OF THE SETTLEMENT AGREEMENT

10 The parties have entered into this Settlement Agreement
11 ("Agreement") for the following purposes:

- 12 1. To provide appropriate relief to the Charging Parties;
- 13 2. To ensure Defendants' employment practices comply with
14 federal law;
- 15 3. To avoid expensive and protracted costs incident to
16 this litigation; and
- 17 4. To provide a final and binding settlement upon the
18 parties as to all Title VII claims alleged by the
19 Commission in the Complaint filed in this action.
- 20 5. The scope of this Agreement, including the Release, is
21 the Mondrian Hotel in West Hollywood, California.

22
23
24 III.

25 RELEASE OF CLAIMS

- 26 A. This Agreement fully and completely resolves all
27 issues, claims and allegations which were raised in the
28 Charges of discrimination filed by the Charging

1 Parties, the Commission's investigation of those
2 Charges, and the Complaint (as amended) filed in this
3 action in the United States District Court, Central
4 District of California on January 29, 1999, captioned
5 U.S. Equal Employment Opportunity Commission v. Ian
6 Schragger Hotels, Inc. d/b/a Mondrian Hotel, et al.,
7 Case Number 99-00987 GAF (RCx), as amended (the
8 "Complaint").

9 B. The Commission shall dismiss the Complaint with
10 prejudice and shall not initiate any further action
11 against Defendants, or any of them, based upon events
12 and conduct which were, or could have been, alleged in
13 the Charges, the investigation into said events and
14 conduct, or the allegations of said events and conduct
15 contained in the Complaint, for the time period of
16 March 1995 through the Effective Date. Nothing in this
17 Agreement shall be construed to preclude the
18 Commission, any aggrieved person, or Defendants from
19 bringing suit to enforce this Agreement in the event
20 that any party hereto fails to perform the promises and
21 representations contained herein.

22 IV.

23 JURISDICTION

24 The Court has jurisdiction over the parties and the subject
25 matter of this lawsuit. The Complaint asserts claims that, if
26 proven, would authorize the Court to grant the monetary and
27 equitable relief set forth in this Agreement. The terms and
28 provisions of this Agreement are fair, reasonable and just. This

1 Agreement conforms with the Federal Rules of Civil Procedure and
2 Title VII and is not in derogation of the rights and privileges
3 of any person. The Court shall retain jurisdiction of this
4 action during the duration of the Agreement, as defined in
5 Section V, below, unless the Court orders otherwise, for the
6 purposes of entering all orders, judgments and decrees which may
7 be necessary to implement the relief provided herein.

8 V.

9 EFFECTIVE DATE AND DURATION OF AGREEMENT

10 A. The provisions and agreements contained herein are
11 effective September 1, 2000, provided that the Court has approved
12 the Agreement on or before September 1, 2000 ("the Effective
13 Date").

14 B. Except as otherwise provided herein, the Agreement shall
15 remain in effect for two (2) years from the Effective Date,
16 provided that all provisions of the Agreement have been carried
17 out and all reports are timely submitted. In the event the
18 provisions of the Agreement have not been carried out or that the
19 final reports are not timely submitted, the Agreement will
20 automatically be extended for a period of ninety (90) days.

21 VI.

22 MODIFICATION AND SEVERABILITY

23 A. This Agreement constitutes the complete understanding of
24 the parties with respect to the matters contained herein. No
25 waiver, modification or amendment of any provision of this
26 Agreement will be effective unless made in writing and signed by
27 an authorized representative of each of the parties.

28 B. If one or more provisions of the Agreement are rendered

1 unlawful or unenforceable, the parties shall make good faith
2 efforts to agree upon appropriate amendments to this Agreement in
3 order to effectuate the purposes of the Agreement. In any event,
4 the remaining provisions will remain in full force and effect
5 unless the purposes of the Agreement cannot be achieved.

6 C. By mutual agreement of the parties, this Agreement may
7 be amended or modified in the interests of justice and fairness
8 in order to effectuate the provisions of this Agreement.

9 VII.

10 DISPUTE RESOLUTION

11 A. It is expressly agreed that if the Commission has reason
12 to believe that the Agreement has been breached, the Commission
13 may bring an action before this Court to enforce the Agreement.
14 Prior to initiating such action, the Commission will notify
15 Defendants, in writing, of the nature of the dispute. This
16 notice shall specify the particular provision(s) that the
17 Commission believes has been breached, and a concise factual
18 statement of the issues in dispute. A forty-five (45) day
19 dispute resolution period will be provided from the date of
20 notice prior to the institution of any legal proceeding.

21 B. After the expiration of the forty-five (45) day dispute
22 resolution period, the Commission may initiate an enforcement
23 action in this Court.

24 C. Notwithstanding the above, in no event shall the
25 Commission initiate any enforcement action unless it first has
26 thoroughly investigated the alleged violation and, in the case of
27 any alleged violation of the provisions of Section X, determined
28 that cause exists to find that a violation has occurred.

1 Defendants agree to cooperate with any such investigation. In
2 addition, the Commission shall not initiate an enforcement action
3 for alleged violation of Section X based on isolated or sporadic
4 complaints. Isolated shall mean alleged conduct pertaining to a
5 single charging party.

6 VIII.

7 NON-ADMISSION OF LIABILITY

8 This Agreement represents the compromise of disputed claims
9 which the parties recognize would require protracted and costly
10 litigation. Defendants' entry into this Agreement is not, and
11 may not be used by any person as, an admission or evidence that
12 Defendants have engaged in discriminatory employment practices,
13 which Defendants expressly deny.

14 IX.

15 COSTS AND ATTORNEYS' FEES

16 Each party shall bear its own costs and attorneys' fees.

17 X.

18 REMEDIAL RELIEF

19 A. It is Defendants' policy not to discriminate and
20 Defendants, their officers, agents and managers or supervisory
21 employees shall not discriminate against any employee or
22 applicant for employment on the basis of race or national origin.
23 Defendants, their officers, agents and managers or supervisory
24 employees shall afford Black, Hispanic and Asian employees the
25 same employment opportunities and terms and conditions of
26 employment, including but not limited to, assignment to jobs,
27 performance appraisals, promotions and layoffs as Defendants
28 afford similarly situated, equally qualified, White employees.

1 B. It is Defendants' policy not to discriminate and
2 Defendants, their officers, agents and managers or supervisory
3 employees shall not discriminate against any employee or
4 applicant for employment on the basis of his or her association
5 with minority employees.

6 C. It is Defendants' policy and Defendants, their officers,
7 agents, managers and supervisory employees shall not take any
8 adverse action or retaliate against any person because that
9 person has exercised his or her rights under Title VII.

10 XI.

11 GENERAL RELIEF

12 A. Equal Employment Opportunity Manager

13 Within thirty (30) days of the Effective Date and for the
14 duration of the Agreement, Defendants shall designate an Equal
15 Employment Opportunity Manager ("EEO Manager") to implement and
16 monitor defendants' compliance with Title VII and with the
17 provisions of this Agreement. The EEO Manager's responsibilities
18 shall include insuring that all reports and submissions required
19 by this Agreement are accurately compiled and timely submitted.
20 Any changes in the designation of the EEO Manager shall be
21 communicated, in writing to the Commission, within thirty (30)
22 days of such designation.

23 B. Anti-Discrimination Policy

24 1. Within thirty (30) days of the Effective Date,
25 Defendants agree to distribute a written policy prohibiting
26 unlawful discrimination pursuant to Federal and State equal
27 employment opportunity laws, including but not limited to Title
28 VII, the Age Discrimination in Employment Act, the Americans with

1 Disabilities Act and the Equal Pay Act. At a minimum, the policy
2 shall make clear that Defendants will not tolerate discrimination
3 based on race, sex, religion, national origin, age or disability.
4 The policy shall set out a procedure for making complaints and
5 reporting discrimination, and shall advise employees of their
6 rights to file complaints with the Mondrian Hotel, as well as
7 with the EEOC and the California Department of Fair Employment
8 and Housing. The policy shall also state that Defendants will
9 not tolerate retaliation against anyone who complains of
10 discrimination or who participates in an investigation.

11 2. Copies of the policy shall be distributed to each
12 employee of the Mondrian Hotel within forty-five (45) days of the
13 Effective Date. Thereafter, during the term of this Agreement, a
14 copy of the policy shall be distributed to each new employee of
15 the Mondrian Hotel at the time of hire. Each employee shall be
16 required to sign an acknowledgment of receipt. Acknowledgment
17 forms shall be retained by the Mondrian Hotel in employee
18 personnel files.

19 C. Complaint Procedure

20 Within thirty (30) days of the Effective Date of this
21 Agreement, Defendants agree to institute an internal complaint
22 procedure by which employees may register complaints of
23 discrimination. At a minimum, the complaint procedure will
24 provide for the investigation of employee claims of
25 discrimination and for timely and effective complaint resolution.

26 D. Training

27 1. Within ninety (90) days of the Effective Date,
28 Defendants shall provide training to all supervisors and managers

1 at the Mondrian Hotel regarding equal employment opportunity laws
2 and supervisory responsibilities for compliance with those laws.
3 At a minimum, the subjects to be covered by the training shall
4 include: (i) Federal and State equal employment opportunity laws,
5 including but not limited to the general provisions of these laws
6 and the bases on which discrimination is prohibited under these
7 laws; (ii) the identity, roles and responsibilities of agencies
8 established to enforce these laws, and the principles and
9 objective underlying these laws including but not limited to job-
10 relatedness; (iii) the application of equal employment
11 opportunity law to typical employment situations, including but
12 not limited to development and completion of employee performance
13 appraisals, proper interviewing techniques, making selection and
14 promotion decisions, provision of work assignments, training and
15 other career advancement opportunities, setting salaries and
16 making other compensation decisions; (iv) general supervision of
17 a racially diverse workforce; (v) review of the internal
18 complaint procedure; (vi) prevention of employment
19 discrimination; and (vii) supervisory follow-up of EEO
20 complaints, including but not limited to prohibition against
21 retaliation, working with the complainant and consideration of
22 appropriate discipline of the offender. Such program shall
23 provide an opportunity for participants to comment and ask
24 questions of the trainer(s). Refresher training shall be
25 provided at the conclusion of two (2) years from the Effective
26 Date. Supervisors and managers who are newly hired or promoted
27 during the term of this Agreement shall receive the above
28 training within six (6) months of their date of hire/promotion.

1 2. Defendants shall provide to the Commission the
2 curriculum or a description of the content of such training
3 program as part of their compliance report pursuant to Section
4 XIV.E of the Agreement.

5 3. Defendants agree that the Commission may audit any EEO
6 training program conducted pursuant to this section. Defendants
7 agree to provide the Commission with notice of all scheduled EEO
8 training programs at least ten (10) workdays prior to the
9 scheduled training.

10 E. EEO-1 Reports

11 Defendants shall submit annual EEO-1 reports for the
12 Mondrian Hotel pursuant to applicable law. Defendants shall
13 establish procedures to verify the accuracy of the EEO-1 data and
14 shall maintain supporting documentation (i.e. names, positions
15 and race) for at least 5 years.

16 XII.

17 MONETARY RELIEF

18 Defendants agree to pay each of the Charging Parties the
19 total sum of \$120,000.00 as compensatory damages in three equal
20 installments on: September 1, 2000; September 1, 2001; and
21 September 1, 2002 in full and complete resolution of all issues
22 raised in the Charges, the investigation by the Commission and
23 the Complaint. This payment is subject to the terms and
24 conditions memorialized in a written settlement agreement and
25 release entered into by Defendants with each of the Charging
26 Parties individually, which requires, among other things, that
27 each Charging Party release any and all claims arising under
28 Title VII against the Defendants. The Defendants shall deliver

1 payment to the counsel for all of the Charging Parties, except
2 the payment for Rolf Desire, which shall be paid directly to Rolf
3 Desire with a copy delivered to the EEOC, within ten (10)
4 business days after the Effective Date of this Agreement and each
5 of the individual settlement agreements has been signed without
6 revocation.

7 The refusal or failure by any of the Charging Parties to
8 accept or receive payments contemplated by this Agreement shall
9 not in any way affect the terms of this Agreement.

10 XIII.

11 RECORD KEEPING AND REPORTING

12 A. For the duration of the Agreement, Defendants agree to
13 maintain for the Mondrian Hotel all pre-employment applications.

14 B. For the duration of the Agreement, Defendants agree to
15 maintain an Applicant Log for all bellstaff positions. The
16 Applicant Log shall include:

- 17 1. name, race/national origin of applicant;
- 18 2. recruitment source;
- 19 3. date of application;
- 20 4. position(s) for which applicant applied;
- 21 5. position(s) for which applicant was considered;
- 22 6. final action with respect to application:
 - 23 a. if a position was offered, title, salary; and
 - 24 whether position was accepted;
 - 25 b. if the applicant was rejected, state the
 - 26 reason;
- 27 7. date of final action; and
- 28 8. name, race/national origin and title of all

1 recommending and selecting official(s).

2 C. For the duration of the Agreement, Defendants agree to
3 maintain a Termination Log of all terminated bellstaff employees.

4 The Termination Log shall include:

- 5 1. name, race/national origin and title of terminated
6 employee;
- 7 2. date of termination;
- 8 3. reason for termination;
- 9 4. whether termination was voluntary or involuntary;
- 10 and
- 11 5. name, race/national origin and title of all
12 recommending and approving official(s).

13 D. For the duration of the Agreement, Defendants agree to
14 maintain such records as are necessary to demonstrate their
15 compliance with this Agreement and to verify that the reports
16 submitted are accurate. Upon fifteen (15) days written notice
17 from the Commission, Defendants shall make such records available
18 to the Commission for inspection and copying.

19 E. Every six (6) months from the Effective Date through the
20 date on which the Agreement is set to expire, Defendants shall
21 submit a written report describing their compliance with the
22 terms of this Agreement to the Los Angeles District Office of the
23 U.S. Equal Employment Opportunity Commission at 255 E. Temple
24 Street, 4th Floor, Los Angeles, California 90012, Attention: Dana
25 Johnson, Trial Attorney (or other person subsequently
26 designated). The first report shall also contain the following
27 information:

- 28 1. the name, business address, telephone number and

1 qualifications of the EEO Manager designated by
2 Defendants;

- 3 2. a copy of Mondrian's anti-discrimination policy;
4 3. Confirmation that the anti-discrimination policy
5 has been distributed to all employees; and
6 4. a written description of Mondrian's internal
7 complaint procedure.

8 XIV.

9 PUBLIC ANNOUNCEMENTS/DISCLOSURES

10 The parties have agreed that public announcements or
11 disclosures relating to this lawsuit and Agreement shall consist
12 of the joint press release attached hereto as Appendix A. The
13 parties agree that any responses to media inquiries regarding
14 this matter shall not be inconsistent with the statements in
15 Appendix A. Further, nothing herein shall affect or limit the

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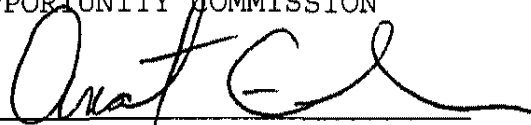
1 Commission's ability to communicate with Congress in response to
2 a request for information from Congress.

3 DONNA L. HARPER
4 Assistant General Counsel
(Acting)

5 ANAT EHRLICH
6 PETER F. LAURA
7 DANA JOHNSON

8 U.S. EQUAL EMPLOYMENT
9 OPPORTUNITY COMMISSION

7/28/00
Date

By: 
ANAT EHRLICH
Attorneys for Plaintiff

11 LAW OFFICES OF PATRICK
12 MORTIMER

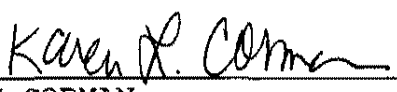
13
14 Date

By: _____
PATRICK MORTIMER
Attorney for Plaintiff-
Intervenors

16 RAOUL KENNEDY
17 KAREN CORMAN
18 RHONDA BETHEA

19 SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

7/31/00
Date

By: 
KAREN CORMAN
Attorneys for Defendants
Ian Schrager Hotels, Inc.
Ian Schrager Hotels Management
LLC, Mondrian Holdings LLC

1 Commission's ability to communicate with Congress in response to
2 a request for information from Congress.

3 DONNA L. HARPER
4 Assistant General Counsel
(Acting)

5 ANAT EHRLICH
6 PETER F. LAURA
7 DANA JOHNSON

8 U.S. EQUAL EMPLOYMENT
9 OPPORTUNITY COMMISSION

10 7/28/00
Date

By: Anat Ehrlich
ANAT EHRLICH
Attorneys for Plaintiff

11 LAW OFFICES OF PATRICK
12 MORTIMER

13 7/31/00
Date

By: Patrick Mortimer
PATRICK MORTIMER
Attorney for Plaintiff-
Intervenors

16 RAOUL KENNEDY
17 KAREN CORMAN
18 RHONDA BETHEA

19 SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

20 7/31/00
Date

By: Karen D. Corman
KAREN CORMAN
Attorneys for Defendants
Ian Schrager Hotels, Inc.
Ian Schrager Hotels Management
LLC, Mondrian Holdings LLC

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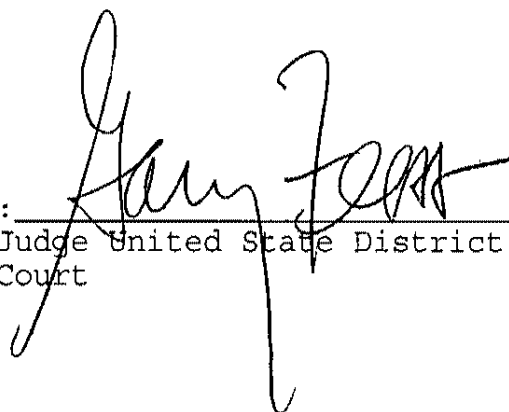
ORDER

The provisions of the foregoing Settlement Agreement having been reviewed and approved by the Court, the Court shall retain jurisdiction until September 1, 2002 or, in the event that the provisions of the Agreement have not been carried out or that the final reports are not timely submitted, until November 30, 2002, unless the Court orders otherwise, and the Complaint shall be **DISMISSED WITH PREJUDICE** at the expiration of the term of the Agreement.

Dated:

8/2/2000

By:


Judge United State District Court

APPENDIX A

FOR IMMEDIATE RELEASE

Date: _____, 2000

CONTACT:

Peter Laura (EEOC)–(213) 894-1076

Patrick Mortimer–(858) 793-6773

Howard Rubenstein (for Mondrian)–(212) 843-8080

EEOC AND MONDRIAN HOTEL SETTLE TITLE VII LAWSUIT

Los Angeles – The United States Equal Employment Opportunity Commission (EEOC) and the Mondrian Hotel have settled a lawsuit filed by the EEOC on behalf a group of former valet/bellmen terminated from the Hotel in late 1996. Pursuant to the settlement, Mondrian will pay \$120,000 to each valet/bellman.

The lawsuit arose when the current owner bought the Mondrian Hotel in 1995 after it had been in bankruptcy for several years. A decision was made to overhaul the Mondrian. During that overhaul, Mondrian discharged the existing valet/bell staff and hired an all new bell staff for the reopening.

Hotel management described the settlement as a "win/win" result. General Manager David Weidlich stated, "We are pleased we were able to reach an accord with the EEOC. We have no desire to invest legal fees, time and effort in fighting when we share the agency's goals. We feel badly that these former employees were lost in the chaos of the reopening and that their discharge may not have been handled as sensitively as it could have been. However, the hotel manager from that time period is gone and we've taken steps to ensure this type of thing cannot happen again. We have appointed a human resources director whose job it will be to help us comply with our obligation to oversee and report on hiring and firing and fair employment programs, including disseminating the appropriate policies and employee training. We are glad to have the litigation behind us and will continue in our longstanding commitment to fair job treatment."

EEOC Chairwoman Ida L. Castro said, "The Commission will continue to protect our nation's workforce from unfair job actions. I am pleased that in addition to compensating these nine workers, this employer is taking steps to create an environment that will insure equality of job opportunities."

EEOC's Acting District Director, Olophius Perry, said, "The Mondrian worked cooperatively with the Commission to reach a fair and equitable resolution of this case. All the parties are to be commended, as the Mondrian is implementing policies and procedures that will promote EEO objectives at the Hotel."

The EEOC was joined in the suit by The Law Office of Patrick Mortimer of San Diego. Mr. Mortimer represented eight of the nine workers as plaintiff-intervenors, who also alleged a claim under the California Fair Employment and Housing Act, which was settled as well. Mr. Mortimer stated, "The terms of the settlement adequately address my clients' claims."

In addition to enforcing Title VII of the Civil Rights Act of 1964, which mandates equal employment opportunity regardless of race, color, religion, sex or national origin, EEOC enforces federal statutes barring unequal treatment based on age and disability as well as sections of the Civil Rights Act of 1991. Further information about the Commission is available on the agency's web site at www.eeoc.gov.