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JS-6

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

15 U.S. EQUAL EMPLOYMENT
16 OPPORTUNITY COMMISSION,
17
18 Plaintiff,

19 Case No.: CV 06-06109 FMC (PLAx)
20 ~~CONFIDENTIAL~~ **CONSENT DECREE;**
21 **ORDER**

22 v.

23 SPECIALTY RESTAURANTS
24 CORPORATION, et al,
25
26 Defendant.

27 Hon. Florence-Marie Cooper
28 U.S. District Court Judge

29 Plaintiff U.S. Equal Employment Opportunity Commission (the "EEOC" or
30 "Commission") and Defendant Specialty Restaurants Corporation (hereafter
31 "Defendant" or "SRC") hereby stipulate and agree to entry of this Consent Decree
32 to resolve the Commission's complaint filed in case number CV 06-06109 FMC
33 (PLAx), filed under Title VII of the Civil Rights Act of 1964, as amended, 42
34 U.S.C. § 2000e et seq. ("Title VII"), alleging that Defendant and Does 1 - 10
35 subjected Charging Party Julia Santoscoy and other similarly situated individuals to

1 sexual harassment on the basis of sex, female, resulting in a hostile work
2 environment. The Commission also alleges that Defendants retaliated against Julia
3 Santoscoy and other similarly situated individuals for participating in protected
4 activities of complaining about, opposing or participating in the investigation of
5 sexual harassment. The Commission further alleges that Defendants subjected a
6 claimant to harassment based on her national origin, Middle Eastern.

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8 **I. PURPOSES AND SCOPE OF THE CONSENT DECREE**

9 A. The parties to this Consent Decree (“Decree”) are the EEOC and SRC. The
10 scope of this Decree includes all of SRC’s restaurants. This Decree shall be binding
11 on and enforceable against SRC and its parents, subsidiaries, partners, officers,
12 directors, agents, successors, and assigns.

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

- 14 1. To avoid expensive and protracted costs incident to litigation;
- 15 2. To provide monetary and injunctive relief;
- 16 3. To ensure that Defendant’s employment practices comply with federal
17 law;
- 18 4. To ensure a work environment free from hostility and retaliation;
- 19 5. To ensure training for Defendant’s managers and employees with
20 respect to their obligations under Title VII;
- 21 6. To provide an appropriate and effective mechanism for handling
22 discrimination complaints in the workplace; and
- 23 7. To provide a final and binding settlement upon the Parties as to all
24 claims alleged in the Complaint.

25 C. This Decree resolves all claims the EEOC has brought or could have brought
26 against Specialty arising out of this Complaint. This Decree does not constitute an
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1 adjudication on the merits of the allegations of the Complaint and does not
2 constitute an admission of wrongdoing by anyone.

3 D. There is no determination implied or expressed in this Decree regarding
4 whether the current policies, practices, and/or procedures of Specialty comply with
5 Title VII.

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7 **II. RELEASE OF CLAIMS**

8 A. This Decree fully and completely resolves all issues, claims and allegations
9 by the EEOC against SRC that are raised, or could have been raised in the
10 Complaint filed in this action in the United States District Court, Central District of
11 California on September 25, 2006, captioned *U.S. Equal Employment Opportunity*
12 *Commission v. Specialty Restaurants Corporation and Does 1-10*; Case No. CV 06-
13 06109 FMC (PLAx) (the "Complaint").

14 B. Nothing in this Decree shall be construed to preclude any party from bringing
15 suit to enforce this Decree in the event that any party hereto fails to perform the
16 promises and representations contained herein.

17 C. Nothing in this Decree shall be construed to limit or reduce SRC's obligation
18 to comply fully with Title VII or any other federal employment statute.

19 D. This Decree in no way affects the EEOC's right to bring, process, investigate
20 or litigate other charges that may be in existence or may later arise against SRC in
21 accordance with standard EEOC procedures.

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23 **III. JURISDICTION**

24 A. The Court has jurisdiction over the parties and the subject matter of this
25 lawsuit. The Complaint asserts claims that, if proven, would authorize the Court to
26 grant the equitable relief set forth in this Decree. The terms and provisions of this
27 Decree are fair, reasonable and just. This Decree conforms with the Federal Rules
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1 of Civil Procedure and Title VII and is not in derogation of the rights or privileges
2 of any person.

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

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7 **IV. EFFECTIVE DATE AND DURATION OF DECREE**

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

10 B. Except as otherwise provided herein, this Decree shall remain in effect for
11 two and one half (2 ½) years after the Effective Date. The Decree will be shortened
12 to two years if SRC demonstrates that it has appropriately handled complaints
13 during the two year period. It shall be at the EEOC’s discretion to determine
14 whether SRC appropriately handled complaints during the two-year period. The
15 Decree will expire on its own terms unless the EEOC moves the Court for an
16 extension.

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18 **V. MODIFICATION AND SEVERABILITY**

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

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

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

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5 **VI. COMPLIANCE AND DISPUTE RESOLUTION**

6 A. The parties expressly agree that the Commission may bring a motion before
7 the Court to enforce the Decree if it has reason to believe that SRC has failed to
8 comply with any provision of this Decree. Prior to initiating such action, the
9 Commission will notify SRC and its legal counsel of record, in writing, of the nature
10 of the dispute. This notice shall specify the particular provision(s) that the
11 Commission believes SRC has breached.

12 B. Absent a showing that a delay will cause irreparable harm, the parties shall
13 attempt to negotiate a resolution over the thirty (30) day period following receipt of
14 written notice of the alleged breach. The parties agree to cooperate with each other
15 and use their best efforts to resolve any dispute referenced in the notice.

16 C. If the thirty (30) day period has passed with no resolution or agreement to
17 extend the time further, the Commission may petition this Court for resolution of the
18 dispute, seeking all available relief, including an extension of the term of the
19 Decree and/or any other relief the Court deems appropriate.

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21 **VII. MONETARY RELIEF**

22 **A. Charging Party and Presently Identified Class Members**

23 1. SRC shall pay a total of \$625,000 in settlement of this lawsuit.
24 Specifically, \$425,000 will be designated to pay Julia Santoscoy and the other
25 "presently identified class members." The designation of monetary relief to the
26 Charging Party and any presently identified class members shall be made at the sole
27 discretion of the EEOC.

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1 2. As soon as reasonably possible, the EEOC will send to SRC a
2 distribution list setting forth the names and monetary allocations from the \$425,000
3 for the Charging Party and the presently identified class members. Once SRC
4 receives this distribution list, it will send to each of the Charging Party and presently
5 identified class members a Release of Claims for harassment, discrimination, and
6 retaliation through the Effective Date (“Individual Release”). The EEOC will not be
7 a party to the Individual Releases. The Charging Party and presently identified class
8 members will then be provided an opportunity to seek the advice of an attorney
9 (designated by the parties) to assist them with the decision regarding whether to sign
10 the Individual Release. SRC shall pay up to a maximum of \$250 for an attorney
11 consultation on behalf of the Charging Party and/or any presently identified class
12 member who wishes to consult with the designated attorney for this purpose.

13 3. Upon receipt of a fully-executed Individual Release from the Charging
14 Party and/or any of the presently-identified class members, SRC shall have twenty
15 (20) business days to forward, via certified mail, an individual check to that
16 particular individual. All amounts are to be designated as compensatory damages
17 and no withholding will be made. SRC shall prepare and distribute 1099 tax
18 reporting forms to the Charging Party and/or any presently identified class members
19 to whom monetary payment is made, and shall make appropriate reports to the
20 Internal Revenue Service.

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22 **B. Unidentified Class Members/Class Fund**

23 The remaining \$200,000 shall be designated as the “Class Fund” for
24 unidentified class members. Within ten (10) business days from the Effective Date
25 of this Decree, SRC shall allocate \$200,000 in order to fund/create the Class Fund.
26 Within twenty (20) business days from the Effective Date of this Decree, SRC shall
27 provide the EEOC with written verification of the funding/creation of this account.
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1 SRC shall be solely responsible for all costs and fees connected with the creation
2 and maintenance of the Class Fund account. The Class Fund shall be used solely to
3 make payments to unidentified class members who timely submit claims (“Potential
4 Class Members”) and whom the EEOC determines to be eligible to receive
5 monetary relief in this lawsuit (“Eligible Class Members”).
6

7 1. Notification of Settlement/Claims Process

8 Within twenty (20) business days following the entry of this Decree,
9 SRC shall forward to the EEOC the names and last known addresses of all
10 employees (“Potential Class Member List”) who were employed by SRC and/or one
11 of its subsidiaries anytime during the time period from May 22, 2003 to the
12 Effective Date (“Class Period”). If SRC determines that any of these employees’
13 addresses are not current, SRC shall attempt to obtain the employee’s current
14 address (through a computer or other search using the employee’s Social Security
15 number), at SRC’s own cost, and immediately notify the EEOC’s Los Angeles
16 District Office, Attn: Anna Park, Regional Attorney, 255 East Temple Street, 4th
17 Floor, Los Angeles, CA 90012, of such current addresses.

18 Within thirty (30) business days following the entry of this Decree,
19 SRC shall send each individual identified in the Potential Class Member List a letter
20 and questionnaire (the “Notice”), attached as “Exhibit A” hereto, notifying him/her
21 of the instant civil action, the existence of the Class Fund, class member eligibility
22 criteria, and EEOC contact information should he/she be interested in participating
23 as a class member. SRC shall concurrently send to the EEOC’s Los Angeles
24 District Office, Attn: Anna Park Regional Attorney, 255 East Temple Street, 4th
25 Floor, Los Angeles, CA 90012, an exemplar of the correspondence sent to the
26 individuals in the Potential Class Member List.
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1 2. Final Distribution List

2 Upon receiving and considering all claims from Potential Class
3 Members, the EEOC shall forward to SRC the names, social security numbers,
4 mailing addresses, and monetary allocation of the Eligible Class Members (“Final
5 Distribution List”). EEOC has the sole discretion in determining the Eligible Class
6 Members, and the allocation of monetary amount(s) from the Class Fund to each
7 Eligible Class Member. The designation of monetary relief to any Eligible Class
8 Member shall be made at the sole discretion of the EEOC. However, the maximum
9 monetary relief for any Eligible Class Member shall not exceed the amount paid to
10 any presently identified class members, except that the EEOC, in its discretion, may
11 allocate monies beyond said maximum for conduct it reasonably deems “egregious.”
12 The EEOC’s determination of these issues is final, and SRC agrees that it will
13 neither participate in, nor object to the EEOC’s determinations. However, the
14 EEOC will advise SRC of all claims made against it or its employees (including the
15 identities of any alleged wrongdoers and the nature of the claims against them), so
16 that SRC may take appropriate remedial action.

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18 3. Payment to Eligible Class Members

19 Within twenty (20) business days after receipt of the Final Distribution
20 List, SRC will send each Eligible Class Member an Individual Release. The EEOC
21 will not be a party to the Individual Releases. The Eligible Class Members will then
22 be provided an opportunity to seek the advice of an attorney (designated by the
23 parties) to assist them with the decision regarding whether to sign the Individual
24 Release. SRC shall pay up to a maximum of \$250 for an attorney consultation on
25 behalf of each Eligible Class Member who wishes to consult with the designated
26 attorney for this purpose.

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1 Upon receipt of a fully-executed Individual Release from each Eligible
2 Class Member, SRC shall have twenty (20) business days to forward, via certified
3 mail, an individual check to that particular Eligible Class Member. All amounts
4 distributed from the Class Fund constitute "compensatory damages," under the Civil
5 Rights Act of 1991, 42 U.S.C. §1981a. SRC shall prepare and distribute 1099 tax
6 reporting forms to Eligible Class Members to whom monetary payment is made, and
7 shall make appropriate reports to the Internal Revenue Service.

8 Within ten (10) business days of the mailing of each and every
9 settlement check, SRC shall submit a copy of each check and related
10 correspondence to the Regional Attorney, Anna Y. Park, U.S. Equal Employment
11 Opportunity Commission, 255 East Temple Street, 4th Floor, Los Angeles, CA
12 90012.

13 In the event that any portion of the Class Fund, including accrued
14 interest, has not been distributed as required under this Decree, the surplus shall be
15 used by Specialty for the purposes of conducting additional training above and
16 beyond what is prescribed herein. The EEOC shall be notified of any such
17 additional training conducted and the amounts spent accordingly within three (3)
18 months of the expiration of the Decree.

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20 **VIII. GENERAL INJUNCTIVE RELIEF**

21 **A. Non-Discrimination**

22 1. **Harassment Based on Sex and National Origin**

23 SRC, its officers, agents, management (including all supervisory
24 employees), successors, and assigns, are hereby enjoined from: (a) discriminating
25 against persons on the basis of sex or national origin in the terms and conditions of
26 employment; (b) engaging in or being a party to any action, policy or practice that is
27 intended or is known to them to have the effect of harassing or intimidating any
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1 employee on the basis of sex or national origin; and (c) creating, facilitating or
2 permitting the existence of a work environment that is hostile to female employees
3 or persons of Middle Eastern origin.

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5 2. Retaliation

6 SRC, its officers, agents, management (including all supervisory
7 employees), successors, and assigns, are hereby enjoined from engaging in,
8 implementing or permitting any action, policy or practice with the purpose of
9 retaliating against any current or former employee or applicant of SRC, or either of
10 them, because he or she has in the past, or during the term of this Decree: (a)
11 opposed any practice made unlawful under Title VII; (b) filed a charge of
12 discrimination alleging such practice; (c) testified or participated in any manner in
13 any investigation (including without limitation, any internal investigation
14 undertaken by SRC) or proceeding in connection with this case and/or relating to
15 any claim of a Title VII violation; (d) was identified as a possible witness or
16 claimant in this action; (e) asserted any rights under this Decree; or (f) sought and/or
17 received any relief in accordance with this Decree. This provision does not prohibit
18 SRC from reporting, or instituting a civil action against, any individual(s) who
19 breached, or may have breached, a fiduciary or other duty to SRC by engaging in
20 conduct described in this paragraph.

21
22 B. Posting

23 Within ten (10) business days after the Effective Date and throughout
24 the term of this Decree, SRC shall post a notice (attached as Exhibit "B") of the
25 terms of this Decree, in English and in Spanish, in at least three clearly visible
26 locations frequented by employees at each of its facilities.

1 C. **Designation of Equal Employment Opportunity Compliance Officer,**
2 **Consultant, and Trainer**

3 Within thirty (30) business days after the Effective Date, SRC shall
4 designate an in-house Equal Employment Opportunity Compliance Officer (“CO”).
5 Within that same 30-day period, SRC shall retain a third-party Equal Employment
6 Opportunity Trainer (“Trainer”) and an Equal Employment Opportunity Consultant
7 (“Consultant”) with demonstrated experience in the area of employment
8 discrimination, as well as both sexual and national origin harassment issues. The
9 Trainer and Consultant may be the same person, and shall be subject to the
10 Commission’s approval, which shall not be unreasonably withheld. If the
11 Commission does not approve SRC’s proposed Trainer and/or Consultant, it shall
12 provide SRC with a list of at least three acceptable candidates. SRC shall bear all
13 costs associated with the selection and retention of the Trainer and Consultant,
14 including the performance of each’s duties.

15
16 **Compliance Officer**

17 The CO will monitor SRC’s compliance with Title VII and the
18 provisions of this Decree. The CO’s responsibilities shall include:

- 19 1. Ensuring SRC has procedures in place to handle complaints of
20 discrimination, harassment, and retaliation, and advising the EEOC of such for its
21 review and comment;
- 22 2. Ensuring SRC maintains an effective anti-harassment policy and
23 reporting procedure that complies with this Decree;
- 24 3. Ensuring SRC trains managerial and staff/hourly employees on their
25 rights and responsibilities under Title VII, including but not limited to the
26 responsibilities to provide a workplace free of discrimination;

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1 4. Ensuring SRC trains all employees on policies and procedures relating
2 to sexual and national origin discrimination/harassment and retaliation;

3 5. Ensuring SRC monitors and adequately investigates all complaints of
4 sexual and national origin discrimination/ harassment and retaliation;

5 6. Ensuring SRC properly communicates with complainants regarding the
6 complaint procedure, status of the complaint/investigation, results of the
7 investigation, and any remedial action taken;

8 7. Ensuring SRC submits reports required by this Decree accurately and
9 timely;

10 8. Ensuring SRC creates appropriate and consistent disciplinary policies
11 to hold employees and managers accountable for failing to take appropriate action
12 and/or for engaging in conduct prohibited under this Decree;

13 9. Ensuring SRC creates a centralized system of tracking discrimination,
14 harassment, and retaliation complaints; and

15 10. Ensuring SRC creates a system by which managers' work performance
16 is evaluated based on their compliance with equal employment opportunity laws
17 and/or how they handle discrimination allegations and/or discriminatory conduct.

18
19 **Trainer**

20 The Trainer shall conduct a "train the trainer" class(es), whereby it
21 educates SRC's designated trainer(s) regarding how to conduct EEOC-approved
22 training on issues relating to discrimination, harassment, and retaliation.

23
24 **Consultant**

25 The Consultant shall investigate any complaints of discrimination,
26 harassment, and/or retaliation in which the alleged wrongdoer is a member of SRC's
27 Upper Management. "Upper Management" is defined as SRC's President, CEO,
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1 CFO, corporate counsel, vice presidents, controllers, and directors. The Consultant
2 shall make findings and set forth remedies as a result of the investigation, if any. If
3 SRC does not agree with the Consultant's recommendation, the EEOC shall be
4 notified of the disagreement within twenty (20) days. The EEOC, SRC, and the
5 Consultant shall meet and confer within thirty (30) days thereafter, in an attempt to
6 reach a mutually-acceptable resolution. If no such resolution is reached, SRC may
7 file a noticed motion to the Court (no sooner than twenty-one (21) days after the
8 meet and confer conference), seeking the Court's approval to deviate from the
9 Consultant's recommended discipline.

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11 **D. Review of Policies Concerning Discrimination and Harassment**

12 Within sixty (60) days of the Effective Date of this Decree, SRC shall
13 provide to the Commission its current written policy on harassment, discrimination
14 and retaliation. Thereafter, within twenty (20) days of receipt of SRC's written
15 policy, the Commission shall notify SRC of any need to revise its policy. SRC shall
16 provide a copy of any revised policy to the Commission within thirty (30) days of
17 receipt of the Commission's notice. SRC's current (or revised, if applicable) policy
18 shall include:

- 19 1. A clear explanation of prohibited conduct;
- 20 2. An 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 for complaints, including the address and telephone number of
25 persons both internal (i.e., human resources) and external to SRC (i.e., Commission
26 and/or DFEH) to whom employees may report discrimination and retaliation,

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

3 4. An assurance that SRC 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 SRC will take immediate and appropriate corrective
11 action when it determines that harassment/discrimination and/or retaliation has
12 occurred.

13 Within thirty (30) days of the Commission's approval of SRC's policy,
14 the policy shall be distributed in English and Spanish to all of SRC's employees,
15 including management/supervisory staff, and shall be included in any relevant
16 policy or employee manuals distributed to employees by SRC. SRC shall collect
17 acknowledgments from each employee who receives the policy, in either English or
18 Spanish, depending on the language preference of each employee. Throughout the
19 term of this Decree, SRC shall also post the policy, in English and Spanish, in a
20 place that is conspicuous and accessible to all employees at each of SRC's locations
21 covered by this Decree, in a legible font that is a minimum of 12 points in size.

22
23 E. **Training**

24 Within ninety (90) days after the Effective Date or sixty (60) days after
25 the Trainer has trained SRC's designated trainer(s), whichever is later, all of SRC's
26 managerial/supervisory employees shall attend an intensive training program of at
27 least three (3) hours, and all of SRC's hourly employees shall attend a training
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1 program of at least two (2) hours, which shall be offered in both English and
2 Spanish. The training shall be mandatory, and all employees shall be required to
3 attend training once each year for the term of this Decree.

4 1. All employees' training shall include coverage of the subjects of equal
5 employment opportunity rights and responsibilities, national origin discrimination/
6 harassment, gender discrimination, retaliation, and SRC's revised policies and
7 procedures for reporting and handling complaints of discrimination, harassment and
8 retaliation.

9 2. The training of managerial employees shall additionally include
10 training on how to properly handle and investigate complaints of discrimination
11 and/or harassment in a neutral manner, how to take preventive and corrective
12 measures against discrimination and/or retaliation, and how to recognize and
13 prevent discrimination and/or retaliation.

14 3. For the remainder of the term of this Decree, all new employees shall
15 receive the staff/hourly employee training within thirty (30) days of hire, and all
16 recently-promoted supervisors and managers shall receive the managerial training
17 within thirty (30) days of being promoted.

18 4. All employees shall verify their attendance at the designated training
19 classes in writing.

20 Within forty-five (45) days after the Effective Date or fifteen (15) days
21 after the Trainer has trained SRC's designated trainer(s), whichever is later, SRC
22 shall submit to the EEOC a description of the training to be provided and an outline
23 of the curriculum developed for the trainees. SRC shall give the EEOC a minimum
24 of ten (10) business days' advance written notice of the date, time and location of
25 each training program provided pursuant to this Decree, and agrees that an EEOC
26 representative may attend any such training program.

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IX. RECORD KEEPING AND REPORTING

A. Record Keeping

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

1. All documents generated in connection with any complaint of discrimination or harassment for the duration of the Decree, including documents related to the investigation into, or resolution of, each such complaint and the identities of the parties involved;
2. All forms acknowledging employees' receipt of SRC's discrimination and anti-retaliation policy; and
3. All documents verifying the occurrence of all training sessions and names and positions of all attendees for each session as required under this Decree.

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

B. Reporting

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

1. Within one hundred twenty (120) days after the Effective Date, SRC shall submit to the EEOC an initial report that contains:
 - a. A copy of SRC's discrimination and anti-retaliation policy;
 - b. A summary of the procedures and record-keeping methods for centralized tracking of discrimination complaints and the monitoring of such complaints;

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

4 d. Confirmation that all employee acknowledgment forms
5 indicating receipt of the discrimination and anti-retaliation policy were gathered.

6 2. SRC shall also provide the following reports semiannually throughout
7 the term of this Decree:

8 a. The attendance lists of all attendees for all training sessions
9 required under this Decree that took place during the previous six months;

10 b. Acknowledgments of receipt of the discrimination and
11 harassment policy for all employees hired during the previous six months; and

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

20 3. SRC shall also provide the foregoing report to the EEOC 60 days prior
21 to the end of the two-year term of the Decree (the "Final Report"), so that the EEOC
22 can determine, within its discretion, whether SRC has appropriately handled
23 discrimination, harassment and/or retaliation complaints since the Effective Date of
24 the Decree. Included in that report will be the Consultant's recommendation to the
25 EEOC as to whether SRC has properly handled complaints of discrimination and
26 retaliation during the term of the Decree. No later than 30 days after receiving the
27 Final Report, the EEOC shall provide SRC with a written decision as to whether the
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1 Decree will expire at the conclusion of the two-year term, or shall remain in place
2 for the full two and one-half year term. The written decision shall set forth the
3 reasons for the EEOC's decision.

4 4. SRC shall provide a report to the EEOC detailing any changes in the
5 procedures or record-keeping methods for centralized tracking of discrimination
6 complaints and the monitoring of such complaints within thirty (30) days before
7 implementing such changes.

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9 **X. COSTS OF ADMINISTRATION AND IMPLEMENTATION**
10 **OF CONSENT DECREE**

11 SRC shall bear all costs associated with its administration and
12 implementation of its obligations under this Consent Decree.

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14 **XI. COSTS AND ATTORNEYS' FEES**

15 Each party shall bear its own costs of suit and attorneys' fees.

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17 **XII. MISCELLANEOUS PROVISIONS**

18 A. In the event that, during the term of this Decree, SRC sells or conveys its
19 interest in any of its currently-operating restaurant facilities to another person or
20 entity ("successor"), which intends to thereafter continue to operate said facility as a
21 restaurant, SRC shall provide that successor with a copy of this Consent Decree
22 within a reasonable time of not less than ten (10) days prior to the execution of any
23 agreement for acquisition or assumption of control of said facility, and shall
24 simultaneously inform the EEOC of same.

25 B. During the term of this Consent Decree, SRC shall ensure that each of its
26 officers, managers and supervisors is aware of any term(s) of this Decree that may
27 be related to his/her job duties.

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

5 D. This Decree may be signed in counterparts. A facsimile signature shall have
6 the same force and effect of an original signature or copy thereof.

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

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

12

13 Respectfully submitted,

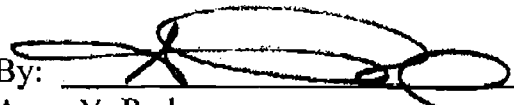
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**U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION**

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17 Date: 4/24/08

By: 

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Anna Y. Park
Elizabeth Esparza-Cervantes
Attorneys for Plaintiff

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**SPECIALTY RESTAURANTS
CORPORATION**

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24 Date: 4-21-08

By: 

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Howard Bell
Chief Executive Officer

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~~PROPOSED~~ ORDER

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

Date: May 13, 2008


The Honorable Florence-Marie Cooper
United States District Court Judge