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FILED
CLERK U S DISTRICT COURT
JUN 18 2003
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION BY DEPUTY

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13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA

15 EQUAL EMPLOYMENT
16 OPPORTUNITY COMMISSION,
17

18 Plaintiff,

19 v

20 PIZZA HUT OF AMERICA, INC ,

21 Defendant
22

) CASE NO EDCV 00-774 RT (Ex)

) ~~PROPOSED~~ CONSENT
DECREE; ORDER

) Hon Robert J Timlin

ENTER ON ICMS
JUN 19 2003

23 I.

24 INTRODUCTION

25 Plaintiff U S Equal Employment Opportunity Commission (the "EEOC" or
26 "Commission") and Defendant Pizza Hut, Inc (hereafter, "Pizza Hut") hereby
27 stipulate and agree to entry of this Consent Decree to resolve the Commission's
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LOCEP \$m
JUN 17 2003
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION

1 complaint, filed under Title VII of the Civil Rights Act of 1964, as amended,
2 42 U S C § 2000e et seq ("Title VII"), alleging that Deborah Carter, Arliss
3 Valcarcel and other similarly situated female employees were discriminated
4 against when they were sexually harassed and subjected to a hostile work
5 environment on the basis of their sex, during their employment with Pizza Hut
6 The Commission also alleges that Pizza Hut was responsible for the constructive
7 discharge of the aforementioned employees Pizza Hut denies these allegations
8 and does not intend its execution of this Consent Decree as an admission of any
9 wrongdoing on the part of it or its employees or agents

10 **II.**

11 **PURPOSES AND SCOPE OF THE CONSENT DECREE**

12 A The parties to this Consent Decree ("Decree") are EEOC and Pizza
13 Hut The scope of this Decree includes Pizza Hut's traditional restaurants and
14 delivery units in the Inland-Los Angeles Region in the State of California This
15 Decree shall be binding on and enforceable against Pizza Hut and its officers,
16 directors, agents, successors and assigns.

17 B The parties have entered into this Decree for the following purposes

18 1 To provide appropriate relief to the Charging Party and
19 claimants,

20 2 To ensure that Pizza Hut's employment practices comply with
21 federal law,

22 3 To avoid expensive and protracted costs incident to this
23 litigation, and

24 4 To provide a final and binding settlement upon the parties as
25 to all Title VII claims alleged by the Commission in the Complaint filed in this
26 action

27 C This Decree is neither intended as an admission of liability or
28 wrongdoing on the part of Pizza Hut nor as an admission of any inadequacy,

1 defect or failure to meet applicable legal requirements with respect to its policies,
2 procedures, training, hiring practices or written employment forms or
3 informational materials

4 **III.**

5 **RELEASE OF CLAIMS**

6 A This Decree fully and completely resolves all issues, claims and
7 allegations by the EEOC against Pizza Hut that are raised in the Complaint filed
8 in this action in the United States District Court, Central District of California on
9 September 28, 2000, captioned U S Equal Employment Opportunity
10 Commission v Pizza Hut of America, Inc., Case No EDCV 00-774 RT (Ex) (the
11 "Complaint")

12 B Nothing in this Decree shall be construed to preclude the
13 Commission or Pizza Hut from bringing suit to enforce this Decree in the event
14 that any party hereto fails to perform the promises and representations contained
15 herein

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

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

22 E The parties upon whose behalf this action was brought by the EEOC
23 (i e , Deborah Carter, Arliss Valcarcel, Rosanne Sanchez and Stephanie Burkhart)
24 shall also sign releases of the defendants in a form acceptable to Pizza Hut
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IV.

JURISDICTION

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

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

V.

EFFECTIVE DATE AND DURATION OF DECREE

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

B Except as otherwise provided herein, the Decree shall remain in effect for two years after the Effective Date.

VI.

MODIFICATION AND SEVERABILITY

A This Decree and the releases described in paragraph III(E) constitute the complete understanding of the parties with respect to the matters contained herein. No waiver, modification or amendment of any provision of this Decree will be effective unless made in writing and signed by an authorized representative of each of the parties.

B If one or more provisions of the Decree are rendered unlawful or unenforceable, the parties shall make good faith efforts to agree upon appropriate amendments to this Decree in order to effectuate the purposes of the Decree. In

1 any event, the remaining provisions will remain in full force and effect unless the
2 purposes of the Decree cannot, despite the parties' best efforts, be achieved

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

6 VII.

7 COMPLIANCE AND DISPUTE RESOLUTION

8 A The parties expressly agree that if the Commission has reason to
9 believe that Pizza Hut has failed to comply with any provision of this Consent
10 Decree, the Commission may bring an action before this Court to enforce the
11 Decree Absent a showing by the Commission that delay will cause irreparable
12 harm, at least forty-five (45) days prior to initiating such action, the Commission
13 will notify Pizza Hut and its legal counsel of record, in writing, of the nature of
14 the dispute This notice shall specify the particular provision(s) that the
15 Commission believes has/have been breached Pizza Hut shall have forty-five
16 (45) days from the date of notice to attempt to resolve or cure the breach

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

19 C After forty-five (45) days have passed with no resolution or
20 agreement to extend the time further, the Commission may petition this Court for
21 resolution of the dispute, seeking all available relief, including an extension of
22 the term of the Decree for such period of time as Pizza Hut is shown to be in
23 breach of the Decree and the Commission's costs (other than attorney's fees)
24 incurred in securing compliance with the Decree

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VIII.

MONETARY RELIEF

Pizza Hut shall pay to Deborah Carter, Arliss Valcarcel, Rosanne Sanchez and Stephanie Burkhart backpay and compensatory damages as provided herein The total amount of money paid out as damages is \$359,999 50

A Within twenty days after the Effective Date, Pizza Hut shall mail, via certified mail, checks payable to them in the following principal amounts which shall constitute backpay

1	Deborah Carter	\$21,962 50
2	Arliss Valcarcel	\$1,545 00
3	Rosanne Sanchez	\$7,637 00
4	Stephanie Burkhart	\$4,064 58

B FICA and federal and state withholding taxes shall be deducted from the principal amount of backpay Pizza Hut shall pay the employer's share of FUTA and FICA on the principal amount of backpay and shall not deduct it from the settlement amount

C In settlement of this dispute, Pizza Hut shall also pay compensatory damages to claimants Carter, Valcarcel, Sanchez, and Burkhart in the following amounts

1	Deborah Carter	\$98,037 50
2	Arliss Valcarcel	\$78,455 00
3	Rosanne Sanchez	\$72,363 00
4	Stephanie Burkhart	\$75,935 42

Pizza Hut shall distribute checks in these amounts via certified mail to each of these persons in the apportioned amounts designated by the Commission within twenty days after the Effective Date

D As the parties agree that the \$324,790 92 total payment represents damages for compensatory damages under Title VII, Pizza Hut is not required to

1 make any employer contributions, except that it must issue 1099 forms or the
2 equivalent as required by law for the payment made to each claimant

3 F Pizza Hut shall send copies of the checks, 1099 or equivalent forms,
4 and return receipts to the EEOC simultaneously with its delivery of the originals
5 to the Charging Party and claimants

6 IX.

7 GENERAL INJUNCTIVE RELIEF

8 A. Pizza Hut's Representations

9 Pizza Hut agrees that it shall continue to undertake reasonable precautions
10 and steps not to

11 1 Discriminate against any individual because of the individual's
12 sex,

13 2 Subject women to differential treatment regarding the terms
14 and conditions of employment,

15 3 Engage in sexual harassment toward any employee, or engage
16 in retaliation against any individual for asserting her or his rights under Title VII,

17 4 Retaliate against any individual who has participated in this
18 matter in any way, given testimony in this matter or asserted her or his rights
19 under Title VII

20 Pizza Hut shall be entitled to take remedial action to correct alleged
21 unlawful discrimination without violating this provision

22 B. Posting

23 Within thirty business days after the Effective Date and throughout the
24 term of this Decree, Pizza Hut shall post notice (attached as Appendix A) of the
25 terms of this Decree, in English and in Spanish, in at least one clearly visible
26 location frequented by employees at each of its locations covered by this Decree

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1 **C. Equal Employment Opportunity Consultant**

2 Within sixty (60) days after the Effective Date, Pizza Hut shall retain an
3 Equal Employment Opportunity Consultant (“Consultant”) with demonstrated
4 experience in the area of employment discrimination and sexual harassment
5 issues, to review Pizza Hut’s compliance with Title VII and the provisions of this
6 Decree. The Consultant shall be subject to the Commission’s approval, which
7 shall not be unreasonably withheld. If the Commission does not approve Pizza
8 Hut’s proposed Consultant, the Commission shall provide Pizza Hut with a list of
9 at least three suggested candidates acceptable to the Commission. If Pizza Hut is
10 not in agreement with those suggested candidates, Pizza Hut and the EEOC shall
11 attempt for 15 days to reach agreement on the identity of a consultant. If they are
12 not able to do so in that time frame, a consultant will be appointed by the Court
13 from the respective lists (of not more than two candidates each) submitted by
14 each party. Pizza Hut shall bear all costs associated with the selection and
15 retention of the Consultant and the performance of his/her/its duties. The
16 Consultant’s responsibilities shall include

17 1 Reviewing and, if necessary, providing suggestions for
18 modification of Pizza Hut's procedures to handle and report complaints of
19 discrimination, harassment and retaliation,

20 2 Reviewing and, if necessary, suggesting modifications to
21 Pizza Hut's policies and procedures relating to sexual harassment for monitoring
22 and assuring the adequate investigation of all complaints of sexual harassment,

23 3 Reviewing and, if necessary, suggesting modifications to
24 Pizza Hut's policies and procedures for disciplining or holding accountable
25 employees and managers for failing to follow Pizza Hut's policies prohibiting
26 sexual harassment in the workplace or for engaging in conduct prohibited under
27 this Decree, and
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1 4 Reviewing and, if necessary, suggesting modifications to
2 Pizza Hut's centralized system of tracking discrimination, harassment, and
3 retaliation complaints

4 **D. Training**

5 Within ninety days after the Effective Date or sixty days after hiring the
6 Consultant, whichever is later, all of Pizza Hut's managerial employees (those
7 holding the title of restaurant general manager or above) employed in the
8 geographic area covered by this Decree shall be required to attend a training
9 program of at least two hours each year for the first 2 years of the term of this
10 Consent Decree. The training shall include

- 11 1 Coverage of the subjects of equal employment opportunity rights and
12 responsibilities, sexual harassment, gender discrimination,
13 retaliation, Pizza Hut's policies and procedures for reporting and
14 handling complaints of harassment and discrimination
- 15 2 Coverage of the subjects of how to receive and investigate
16 complaints of discrimination or harassment in a neutral manner, how
17 to take preventive and corrective measures against discrimination
18 and harassment, and how to recognize, prevent, and correct
19 retaliation. Training shall stress the importance of managers
20 addressing employee's sexual harassment complaints

21 Additionally, Pizza Hut shall continue to make efforts to assure that all new
22 employees read and execute an acknowledgment of its harassment policy upon
23 being hired and that such new employees receive Pizza Hut's new hire orientation
24 program

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X.

RECORDKEEPING AND REPORTING

A. Recordkeeping

Pizza Hut shall review with the Consultant its existing recordkeeping procedure that provides for the centralized tracking of sexual harassment complaints. The consultant and Pizza Hut shall assure that, under the system utilized by Pizza Hut, the records to be maintained shall include

1 All documents generated in connection with investigation into, or resolution of any formally filed complaint of sexual harassment or retaliation within the area covered by this Decree for the duration of the Decree and the identities of the parties involved. For purposes of this Decree, a "formally filed complaint of sexual harassment or retaliation" shall mean any complaint filed with the California Department of Fair Employment and Housing, the EEOC in a lawsuit or arbitration or through Pizza Hut's "Network" system or which is made directly to or referred for investigation to Pizza Hut's Human Resource Leader for the L A -Inland Area

2 A list of the dates of trainings required under this Decree that shows the names and positions of all attendees for each one

Pizza Hut shall make the aforementioned records available to the Commission within ten business days following a written request by the Commission

B. Reporting

In addition to the notices to the Commission specified above, Pizza Hut shall provide the following reports to the Commission in writing, by mail or facsimile

1 Within ninety days after the Effective Date, Defendants shall submit to the Commission an initial report which contains

1 (a) A statement confirming that the required notices
2 pertaining to this Decree and the revised discrimination and sexual harassment
3 policy have been posted

4 2 Pizza Hut shall also provide the following reports
5 semiannually throughout the term of this Decree

6 (a) The attendance lists of all attendees for all trainings
7 required under this Decree that took place during the previous six months,

8 (b) A description of all "formally filed complaints of sexual
9 harassment or retaliation" arising within the geographic area covered by this
10 Decree which are reported after the date of entry of this Order The report shall
11 include charge or case number, identification of the claimant (by three initials, job
12 title and main place of employment), name of counsel, the address where the
13 conduct was alleged to have occurred and resolution of the claim The
14 Commission may request further identification of a claimant by name Such
15 request shall be in writing, with a copy to Pizza Hut's counsel If Pizza Hut
16 believes that such information should not be provided for any reason, including
17 protection of the privacy rights of the claimant or others or objection is made to
18 the production of such information by the claimant, Pizza Hut shall have the
19 right, within 60 days of receiving such request, to petition this Court for an order
20 allowing it to maintain the confidentiality of such information The Commission
21 shall be granted such times as the Court allows to respond to such request

22 (c) Pizza Hut shall provide a report to the Commission
23 detailing any changes of the procedures or recordkeeping methods for centralized
24 tracking of sexual harassment complaints and the monitoring of such complaints
25 thirty days before implementing such changes

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XI.

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

Pizza Hut shall bear all costs associated with its administration and implementation of its obligations under this Consent Decree

XII.

COSTS AND ATTORNEYS' FEES

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

XIII.

MISCELLANEOUS PROVISIONS

A During the term of this Consent Decree, Pizza Hut shall provide any potential successor-in-interest with a copy of this Consent Decree within a reasonable time of not less than thirty days prior to the execution of any agreement for acquisition or assumption of control of any or all of Pizza Hut's Southern California restaurants or delivery units within the geographic area covered by this Decree and shall simultaneously inform the EEOC of same

B During the term of this Consent Decree, Pizza Hut and its successors shall assure that each of its officers, managers and supervisors is aware of any term related to his/her job duties

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

D Any notices or reports required to be sent to the Commission shall be sent to

Peter Laura
Equal Employment Opportunity Commission
255 East Temple St , 4th Floor
Los Angeles, CA 90012

E Any notice required to be given to Pizza Hut under this Decree shall be sent to

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Tricia White
Director Human Resources
Pizza Hut, Inc
17901 Von Karman
Irvine, CA 92614

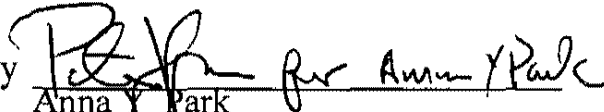
With copies to

Melanie Morgan-Adams, Esq
Pizza Hut, Inc
14841 Dallas Parkway
Dallas, TX 75254-7552

John C Wynne, Esq
Duckor Spradling & Metzger
401 W Broadway, Suite 2400
San Diego, CA 92101

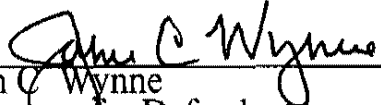
EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
Anna Y Park
Peter F Laura
Samantha E Blake

Date June 16, 2003

By 
Anna Y Park
Attorneys for Plaintiff

DUCKOR, SPRADLING &
METZGER
John C Wynne

Date 6 12.03

By 
John C Wynne
Attorneys for Defendant

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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 6/18/03

Robert J. Timlin
The Honorable Robert J. Timlin
United States District Judge



UNITED STATES GOVERNMENT
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

GOBIERNO DE LOS ESTADOS UNIDOS
COMISION DE IGUALDAD DE OPORTUNIDAD EN EL EMPLEO

255 E. TEMPLE STREET, 4TH FLOOR
LOS ANGELES, CALIFORNIA 90012
1-800-669-4000
(213) 894-1000
TDD (213) 894-1121
FAX (213) 894-1118

NOTICE TO ALL EMPLOYEES

This Notice is being posted pursuant to a Consent Decree entered by the federal court in EEOC v. Pizza Hut, Case No EDCV 00-774 RT (C D Cal), settling a lawsuit filed by the Equal Employment Opportunity Commission ("EEOC")

In its suit, the EEOC alleged that Pizza Hut subjected several women to a sexually hostile working environment in violation of Title VII of the Civil Rights Act of 1964 ("Title VII") Pizza Hut denies the allegations

To resolve this lawsuit the parties have entered into a Consent Decree which requires Pizza Hut to

- 1) provide monetary relief to the women who alleged sexual harassment,
- 2) not permit sexual harassment in the future,
- 3) provide periodic reports to the EEOC of any complaints of sexual harassment, and
- 4) provide training to its employees at Pizza Hut located in the L A /Inland Region regarding sexual harassment


The EEOC enforces the federal laws against discrimination in employment on the basis of disability, race, color, religion, national origin, sex, and age If you believe you have been discriminated against, you may contact the EEOC at 255 East Temple Street, 4th Floor, Los Angeles, CA 90012, phone (213) 894-1000, or the California Department of Fair Employment and Housing (DFEH), phone (213) 439-6799 The EEOC charges no fees and has employees who speak languages other than English

No action may be taken against you by any management official of Pizza Hut for (1) opposing discriminatory practices made unlawful by federal law, (2) filing a charge or assisting or participating in the filing of a charge of discrimination, or (3) assisting or participating in an investigation brought under Title VII Should any such retaliatory actions be taken against you, you should contact the EEOC or DFEH at the address listed above

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

This Notice must remain posted for Two (2) years from the date below 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 Pizza Hut Settlement, EEOC, 255 East Temple Street, 4th Floor, Los Angeles, CA 90012

Date May 1, 2003



Olophus Perry, District Director