

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

FILED

AUG 23 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

-----X
 EQUAL EMPLOYMENT OPPORTUNITY :
 COMMISSION, :
 :
 Plaintiff, :
 :
 v. :
 :
 JOSEPHTHAL & CO. INC., :
 :
 Defendant. :
 -----X

Civil Action No.
98-CV-02342
(ESH)

CONSENT DECREE

The parties to this Consent Decree are the Equal Employment Opportunity Commission (hereinafter the "EEOC") and Josephthal & Co., Inc. (hereinafter "Josephthal").

This action was initiated on September 20, 1998 by the EEOC, an agency of the United States Government, based upon an administrative charge filed by Donald Han ("Han"), alleging that Josephthal violated Title VII of the Civil Rights Act of 1964, as amended. The EEOC's Complaint alleges that Han, Steven Williams ("Williams"), Ivan Pizarro ("Pizarro"), Harolyn Duerr ("Duerr"), John Blalock ("Blalock"), and Robert Shapiro ("Shapiro") were subjected to a hostile work environment on the bases of race, sex, religion, and national origin.

The parties agree that it is in their mutual interest to fully resolve this matter without further litigation and, as a result of having engaged in comprehensive settlement

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negotiations and mediation, the parties have agreed that this action should be finally resolved by entry of this Consent Decree (the "Decree").

The parties acknowledge that this Decree shall not constitute, or be construed as, an admission by Josephthal or a disavowal by the EEOC of any contention contained in the EEOC's Complaint.

The parties do hereby stipulate and consent to the entry of this Decree as final and binding between the parties signatory hereto.

The parties have agreed that this Decree may be entered without Findings of Fact and Conclusions of Law having been made and entered by the Court.

In consideration of the mutual promises of each party to this Decree, the sufficiency of which is hereby acknowledged, and it appearing that this Decree conforms in all respects with the Federal Rules of Civil Procedure, it is agreed and IT IS ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1. This Decree resolves all matters relating to, and all claims and issues that were raised in (i) the Complaint filed in this litigation numbered Civil Action No. 98-CV-02342; (ii) EEOC Charge No. 100-97-0615 (and the EEOC agrees that it will take no further action with respect to this charge); and (iii) the arbitration proceedings filed by Josephthal with the National Association of Security Dealers ("NASD") bearing case numbers NASD Case No. 99-00001; NASD Case No. 99-00002; and NASD Case No. 99-05031; and this Decree resolves all claims

for back pay, compensatory and punitive damages, interest, injunctive relief, attorneys' fees, and any other form of relief sought, or that could have been sought, by either party.

2. The parties agree that this Court has jurisdiction of the subject matter of this action and over the parties for purposes of entering and enforcing this Decree, that venue is proper, and that all administrative prerequisites have been met.

3. No party shall contest the jurisdiction of this Court to enforce this Decree and its terms or the right of any party to bring an enforcement suit upon breach of any of the terms of this Decree by any other party. The parties agree that this Decree does not constitute an adjudication and/or finding on the merits of the case and/or any defenses thereto.

4. In settlement of this dispute, Josephthal agrees to pay a total of Three Hundred Thousand Dollars (\$300,000.00), to be distributed as apportioned by the EEOC among Williams, Pizarro, Duerr, Blalock, Shapiro and Han as other damages as follows: Williams to receive \$55,000, Pizarro to receive \$55,000, Duerr to receive \$55,000, Blalock to receive \$40,000, Shapiro to receive \$35,000, and Han to receive \$60,000. Josephthal shall issue Forms 1099 to each named individual in connection with the foregoing payments. In addition, Josephthal agrees to pay a total of Thirty Thousand Dollars (\$30,000.00), less applicable withholdings and deductions, to be distributed as apportioned by the EEOC among Duerr and Blalock as back pay damages as follows: Duerr to receive \$19,338 and Blalock to receive \$10,662. Josephthal shall issue Forms W-2 to each named individual in connection with these back pay damages payments.

5. The sums set forth in Paragraph 4 shall be paid by Josephthal within fifteen calendar (15) days following the later of (a) the entry by the Court of the Consent Decree or (b) the last of the effective dates of the release of claims executed by Williams, Pizarro, Duerr, Blalock, Shapiro and Han; each of the foregoing individuals shall execute such release of claims as a condition of receiving the relief identified in paragraph 4. A copy of the release that Williams, Pizarro, Duerr, Blalock, Shapiro and Han shall sign is appended as Attachment A to this Decree. Josephthal shall deliver the checks in the amounts set forth above made payable to Williams, Pizarro, Duerr, Blalock, Shapiro and Han directly to each individual and shall provide the EEOC with proof of payment thereof within five (5) days of delivering the checks. The EEOC will provide Josephthal with home addresses for all individuals.

6. Within five (5) business days following the entry by this Court of this Decree, Josephthal shall file with this Court a Stipulation and Order of Dismissal with Prejudice in the form attached to this Decree as Attachment B.

7. Within five (5) business days following the last of the effective dates of the releases, executed by Han, Blalock and Shapiro, Josephthal shall take appropriate action to cause to be withdrawn with prejudice the NASD arbitrations it initiated against Han, Blalock and Shapiro (NASD Case No. 99-00001; NASD Case No. 99-00002; and NASD Case No. 99-05031).

8. Within thirty (30) days of the entry of this Decree, Josephthal agrees to provide to the EEOC for its review Josephthal's current anti-discrimination and anti-harassment

policies and that Josephthal will consider in good faith any recommended changes offered by the EEOC.

9. During the effective period of this Decree, Josephthal agrees that the EEOC may attend one of Josephthal's training programs for preventing discrimination and harassment in the workplace and that Josephthal will consider in good faith any recommended changes offered by the EEOC.

10. Within twenty (20) days of the entry by the Court of this Decree, Josephthal shall issue to all of its employees a memorandum from Anthony Guzzi, Director of Human Resources, a copy of which is appended hereto at Attachment C. Upon issuing this memorandum, Josephthal shall send written confirmation to the EEOC that it has complied with this provision of the Decree.

11. Within 180 days of the entry of this Decree and at the conclusion of this Decree, Josephthal shall report to the EEOC the number of workplace discrimination or harassment administrative charges, formal internal complaints or grievances (whether made orally or in writing), arbitrations, and lawsuits brought against Josephthal during the applicable period, and briefly describe the nature of each claim, the manner in which it was handled, and the resolution of the claim, if any. Josephthal shall not be required to identify the persons making such claim; provided that, the EEOC shall retain the right to request additional relevant information regarding any such claim and Josephthal will provide the requested information within a reasonable amount of time not to exceed thirty (30) days. If the parties are in dispute as

to the reasonableness of a request for information, and can not in good faith resolve such dispute on their own, either party may petition the Court under this Decree for redress.

12. Josephthal reaffirms that it has not and will not discriminate against any individual because of national origin, race, sex or religion.

13. Each party shall bear its own attorney fees and costs incurred in this action.

14. This Decree shall remain in effect for twelve (12) months from date of entry by the Court(the “effective period”). The Court shall retain jurisdiction during this period solely for the purpose of enforcement of any provisions of the Decree.

15. Upon entry of this Decree, the EEOC will publicly issue the joint press release attached hereto at Attachment D.

16. This Decree (and the attachments hereto) constitutes the complete understanding among the parties hereto. No other promises or agreements shall be binding unless agreed to in writing and signed by these parties. No waiver, modification or amendment of any provision of this Decree shall be effective unless made in writing, approved by all parties to this Decree and approved by the Court or ordered by the Court.

17. All parties hereto have participated, through their respective counsel, in the drafting of this Decree, and the Decree shall not be construed more strictly against any party.

Dated: Washington, D.C.
7/27, 2000

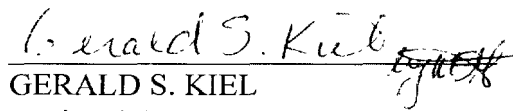
Dated: New York, New York
_____, 2000

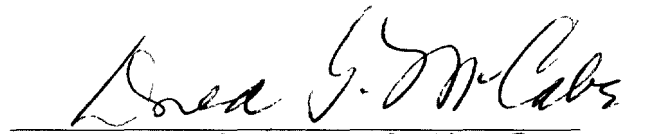
EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION

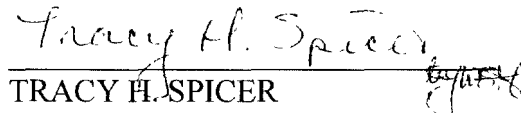
JOSEPHTHAL & CO., INC.

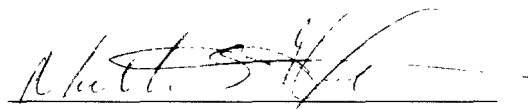
C. GREGORY STEWART
General Counsel

GWENDOLYN YOUNG REAMS
Associate General Counsel


GERALD S. KIEL
Regional Attorney


[name] DONALD G. MCCABE
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TRACY H. SPICER
Supervisory Attorney (Acting)


MARK S. GUBERMAN
Trial Attorney

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION

Washington Field Office
1400 L Street, N.W., 2nd Floor
Washington, DC 20005
(202) 275-7041

SO ORDERED:


ELLEN SEGAL HUELLE
U.S. DISTRICT JUDGE

Date: 7/28/00

ATTACHMENT A

RELEASE

Release executed this ____ day of _____, 2000 by

_____:
Name

For and in consideration of the payment to me by Josephthal & Co., Inc. (the “Company”) pursuant to the terms of the Consent Decree in *Equal Employment Opportunity Commission v. Josephthal & Co., Inc.*, No. 98-CV-02342 (D.D.C.), and for and in consideration of promises made and for other valuable consideration as set forth in the Consent Decree, I, on behalf of myself, my heirs, executors, administrators and assigns, hereby release and discharge the Company and any of its past or present parent entities, subsidiaries, divisions, affiliates or related business entities, assets, employee benefit and/or pension plans or funds, successors and assigns and any of its or their past or present directors, officers, attorneys, fiduciaries, agents, trustees, administrators, employees, successors and assigns (collectively, “Releasees”), from any and all claims, demands, causes of action, and liabilities which I may hold under Title VII of the Civil Rights Act of 1964 or Title I of the Civil Rights Act of 1991 by reason of any actual or alleged act, omission, transaction, practice, conduct, statement, occurrence, or other matter up to and including the date on which I execute this Release.

I acknowledge that I am hereby advised, and acknowledge that I have been so advised in writing, to consult independent legal counsel of my choice before signing this Release. I further acknowledge, represent and warrant that I have been afforded and have had the opportunity to consider fully the terms and conditions of this Release for a reasonable period of time and to consult independent legal counsel of my choice; that I have carefully read this

ATTACHMENT B

UNITED STATES DISTRICT COURT
DISTRICT OF DISTRICT OF COLUMBIA

-----X	:	
EQUAL EMPLOYMENT OPPORTUNITY	:	
COMMISSION	:	Civil Action No.
	:	
Plaintiff,	:	98 - CV- 02342
	:	
v.	:	STIPULATION AND ORDER
	:	OF DISMISSAL WITH
JOSEPHTHAL & CO., INC.,	:	PREJUDICE
	:	
Defendant.	:	
-----X	:	

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned counsel for the parties herein, and pursuant to the terms of the parties' Consent Decree, that the above-captioned action is dismissed in its entirety with prejudice and without attorneys' fees, costs or disbursements.

Dated: Washington, D.C.
_____, 2000

Dated: New York, New York
_____, 2000

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION

PROSKAUER ROSE LLP

By: _____
Mark Guberman
Trial Attorney

By _____
Paul Salvatore

Washington Field Office
1400 L Street, N.W., Suite 200
Washington, D.C. 20005
(202) 275-7377

1585 Broadway
New York, NY 10036
(212) 969-3072
Attorneys for Defendant
Josephthal & Co., Inc.

ATTACHMENT C

[On Josephthal Letterhead]

[DATE]

To: All Employees, All Offices

From: Anthony Guzzi, Director of Human Resources

Re: Josephthal's Anti-Discrimination and Anti-Harassment Policy

As part of our semi-annual distribution process, I enclose for your re-review Josephthal's Anti-Discrimination and Anti-Harassment Policy. Josephthal periodically redistributes this Policy to remind all employees of their important rights and obligations under the Policy.

Josephthal is committed to maintaining a work environment free from illegal discrimination and/or other harassment. Employees with complaints of (or concerns about) discrimination/harassment should follow the internal complaint procedure contained in the Policy. Retaliation for bringing forth a complaint is strictly forbidden.

Josephthal also is committed to resolving complaints of discrimination/harassment internally. As discussed in the Policy, Josephthal requests that its employees attempt to resolve such matters through the complaint procedure first, before seeking redress from the federal and/or local anti-discrimination agencies. Of course, all employees have the right to proceed directly to the EEOC or local EEO agency.

If you have any questions about the Policy, please contact me.

ATTACHMENT D

FOR IMMEDIATE RELEASE
Day, July __, 2000

CONTACT: *For EEOC*
Mark S. Guberman
(202) 275-7041
TTY (202) 275-7518
Gerald S. Kiel
(410) 962-4207
TTY: (410) 962-6065

For Josephthal
Paul H. Fitzgerald
(212) 907-4477

EEOC AND JOSEPHTHAL & CO., INC. SETTLE HARASSMENT SUIT

WASHINGTON -- The U.S. Equal Employment Opportunity Commission (EEOC) and Josephthal & Co., Inc. today announced a voluntary settlement of an EEOC lawsuit filed in the U.S. District Court for the District of Columbia (Civ. Action No. 98-CV-02342), under Title VII of the Civil Rights Act of 1964. The lawsuit alleged that six former employees of the company's now-closed Washington, D.C. office were subjected to a hostile work environment because of their race, sex, religion, and national origin. As a result of the settlement, the former employees will share a total of \$330,000. Josephthal, a brokerage firm in the securities industry, denies all claims alleged in the EEOC's complaint.

“This case demonstrates that when two parties commit themselves to eliminating, rectifying, and preventing workplace discrimination it is possible to reach a satisfactory agreement,” said Gerald S. Kiel, Regional Attorney of EEOC’s Baltimore District Office. “We are pleased with the settlement and are encouraged by Josephthal's dedication to complying with the provisions of Title VII of the Civil Rights Act.”

Josephthal's Director of Human Resources, Anthony Guzzi, agreed. “Josephthal has been and remains committed to preventing workplace discrimination and harassment. We have and continue to maintain strong, effective corporate policies against such conduct and support such policies through regular training of all our employees.”

In addition to the monetary benefits, Josephthal and the EEOC will jointly review and, if necessary, strengthen Josephthal's EEO policies, procedures, and training program. While the

agreement is in effect, Josephthal will also submit reports to the EEOC regarding internal harassment complaints and their resolution. While the Washington, D.C. office is no longer open, Josephthal continues to maintain global operations and is headquartered in New York.

In addition to enforcing Title VII, which prohibits discrimination on the basis of race, sex, color, national origin, and religion, the EEOC also enforces the Age Discrimination in Employment Act; the Equal Pay Act; Title I of the Americans with Disabilities Act; and 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.

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