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IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

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U.S. DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION,

Plaintiff,

CIVIL ACTION NO. 99-1000-CIV-T-  
23A

DENNY'S INC.,

Defendant.

ORDER

1. This Order (the "Order") is entered into by and between Plaintiff, the Equal Employment Opportunity Commission ("EEOC" or the "Commission"), and Defendant Denny's, Inc. ("Denny's"), the Commission and Denny's are collectively referred to herein as the "Parties".

2. On or about April 27, 1999, the EEOC initiated this action by filing its Complaint against Denny's. The EEOC's Complaint alleged that in 1996 Denny's violated Title VII of the Civil Rights Act of 1964, as amended, including, but not limited to, amendments authorized by the Civil Rights Act of 1991, 42 U.S.C. Section 2000e *et seq.* ("Title VII"). The Commission's Complaint alleged that a female food server, Audrey Jackson, and other similarly situated employees, at the Denny's restaurant, located in Davenport, Florida, were subjected to sexual harassment in the form of a hostile work environment by its former manager Bill Mencke and Denny's failed to take

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MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

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effective remedial action with respect to Ms. Jackson's complaint of sexual harassment.

3. On or about November 17, 1999, Denny's filed its Amended Answer and Affirmative Defenses to the Commission's Complaint, denying allegations contained in EEOC's Complaint.

4. In the interest of resolving this matter and as a result of having engaged in comprehensive settlement negotiations, the Parties have agreed that this action should be finally resolved by the entry of this Order. This Order is final and binding upon the Parties, their successors and assigns.

5. The Parties agree that this Order resolves all claims arising out of EEOC Charge Number 151970241, and the Complaint filed in this action. This Order in no way relates to or has any impact on any other charges or court actions that may be pending before the Commission involving Denny's, its agents, affiliates, franchises and or subsidiary organizations.

6. This Order constitutes the complete agreement between the EEOC and Denny's with respect to the matters referred to herein. No representations or inducement to compromise this action have been made, other than those recited or referenced in this Order. No waiver, modification or amendment of any provision of this Order shall be effective unless made in writing, approved by all parties to this Order and approved by the Court or ordered by the Court.

NOW, THEREFORE, the Court having carefully examined the terms and provisions of this Order, and based on the pleadings filed by the parties, it is

**ORDERED, ADJUDGED AND DECREED THAT:**

This Court has jurisdiction of the subject matter of this action and over the parties for the purposes of entering and enforcing this Order.

**GENERAL INJUNCTIVE PROVISIONS**

7. Denny's, its officers and employees<sup>1</sup>, are enjoined from engaging in conduct which violates the prohibitions against sexual harassment contained in Title VII of the Civil Rights Act of 1964, as amended, by adversely affecting the terms and conditions of any individual's employment on the basis of that individual's sex.

8. Denny's, its officers and employees, are enjoined from discriminating against any employee on the basis of that employee's opposition to any of Denny's employment practices which the employee believes to be a violation of Title VII.

**TRAINING**

9. Denny's has established a written policy of compliance with Title VII which is attached as Exhibit A. Denny's agrees that all its employees will have been provided with a complete copy of its policy within 30 days of the entry of this Order. In order to further ensure the effective implementation of Denny's anti-discrimination policies, Denny's will conduct training for all of its in-unit managers, supervisory personnel and employees on its anti-harassment policy and the sexual harassment and retaliation provisions of Title VII.

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<sup>1</sup> For the purposes of this Order, "Denny's" shall mean the company-owned and company-operated stores located in Central Florida, specifically, store nos. 1439, 1522, 1557, 1592, 1773, 2047, 2213. The terms and conditions of this Order are applicable only to these seven restaurants.

Such training will be conducted in two-hour sessions to be held once annually for in-unit managerial and supervisory personnel, and approximately a one hour session to be held once annually for in-unit non-managerial and non-supervisory employees, until the expiration of this Order. Denny's agrees to provide the EEOC by the end of the first week of the month after it conducts each training session, with the date(s) and location of the training, copies of all training materials that were used at the training sessions, the name of the individual(s) who provided the training and a list of the names and titles of each employee who was in attendance at the training.

#### **POSTING**

10. Denny's will post within seven (7) days from the Court's execution of this Order an "8 ½ x 11" size copy of the Notice attached hereto as Exhibit B. Said Notice shall be posted at the seven Denny's restaurants encompassed by this Order, for the duration of this Order in conspicuous locations accessible to all employees. Specifically, the Notice will be posted on an employee bulletin board in or around the employee lounge or lunch area at each facility.

#### **MONITORING**

11. Denny's will retain all employment records relating in any way to any complaint, allegation and investigation of sexual harassment at any of Denny's facilities for the duration of this Order and as required by federal law. Denny's will certify to the EEOC every six (6) months throughout the duration of this Order that it is in compliance

with all aspects of this Order. The first such certification will be due no later than six months after the Court enters this Order. The last such certification shall be due within two months of the expiration of the Order. With each such certification, Denny's will provide the EEOC with the name, address and phone number of any person who alleges they have been subjected to sexual harassment while working at any of Denny's facilities during the preceding six (6) months. Denny's will also state its actions taken in response to each such allegation. Denny's will provide, upon request by the Commission any and all documentation associated with each such complaint.

#### MONETARY RELIEF

12. Denny's will pay Audrey Jackson a sum in the amount of \$60,350.00 (sixty thousand dollars three hundred and fifty dollars and no cents) within fifteen (15) calendar days from the Court's execution of this Order. The payment(s) to Ms. Jackson shall be made by certified check(s) made payable to "Audrey Jackson," and forwarded to Ms. Jackson at her home address, by certified mail with a return receipt requested.

13. Denny's agrees to simultaneously provide the EEOC with copies of the <sup>12</sup> payment(s) set forth in paragraph ~~14~~ above. Said copies shall be forwarded to the attention of Pauline Terrelonge, Trial Attorney, at the Tampa Area Office of the EEOC, located at 501 E. Polk Street, Rm. 1020, Tampa, Florida. 33602.

14. If Denny's fails to tender the above-mentioned payment(s) within the fifteen-day period agreed upon, Denny's shall pay interest on the defaulted payment at

the rate calculated pursuant to 26 U.S.C. Section 662 1 (b) until the same is paid, and bear any additional costs incurred by the EEOC caused by the non-compliance or delay of Denny's.

**NOTICE OF NON-COMPLIANCE**

15. In the event that EEOC believes that Denny's has failed to comply with any of the provision(s) of this Order, the EEOC may apply to the Court for appropriate relief. The parties agree that Denny's shall not be considered to be in violation of paragraph seven (7) of this Order because employees of Denny's make complaints or file charges of sex discrimination or sexual harassment, unless the EEOC determines that Denny's failed to promptly and effectively investigate those complaints or charges.

**ENFORCEMENT OF THE ORDER**

16. The Commission shall have independent authority to seek the judicial enforcement of any aspect or term or provision of this Order.

17. The Court will take whatever measures it deems appropriate to effectuate the enforcement of the terms of this Order.

**COSTS**


18. Each Party shall bear its own costs and attorney's fees associated with the litigation.

**DURATION OF ORDER**


19. This Order shall remain in effect for two (2) years from the date of the Court's execution of the Order. During that time, this Court shall retain

jurisdiction over this matter and the Parties for purposes of enforcing compliance with the Order, including such orders as may be required to effectuate its purposes.

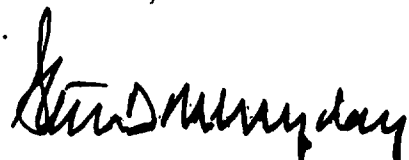
AGREED TO:  
FOR THE PLAINTIFF:  
UNITED STATES EMPLOYMENT OPPORTUNITY COMMISSION

by:  Date: May 31, 2000  
Delner Franklin-Thomas, Esquire  
Regional Attorney  
Miami District Office  
United States Equal Employment Opportunity Commission  
One Biscayne Tower, Suite 2700  
2 South Biscayne Boulevard  
Miami, Florida 33131

AGREED TO:  
FOR THE DEFENDANT, DENNY'S, INC.

by:  Date: May 15, 2000  
Robert M. Barrett  
Vice-President and Assistant General Counsel  
Denny's, Inc.

SO ORDERED, ADJUDGED AND DECREED, this 9<sup>th</sup> day of June,  
2000.

  
The Honorable Steven D. Merryday  
United States District Judge

**EXHIBIT "A"**  
**DENNY'S TITLE VII COMPLIANCE POLICY**



**Denny's  
Human Resources  
Policies and Procedures**

<b>SUBJECT:</b>	<b>ORIGINATING DEPT:</b>	<b>NUMBER:</b>
<b>ANTI-HARASSMENT POLICY</b>	<b>HUMAN RESOURCES</b>	<b>6.2</b>

**I. POLICY/PURPOSE**

The Company is committed to providing a workplace which is free from all verbal, physical and visual forms of harassment so that everyone can work in a productive, respectful and professional environment. Sexual harassment, and harassment for any discriminatory reason such as race, sex, color, religion, national origin, disability, age or any other characteristic protected by local, state or federal law is strictly prohibited. In addition, this policy prohibits any other workplace harassment, whether or not it is specifically covered by law. Conduct by supervisors, associates and non-employees such as vendors or customers is covered by this policy. Employees who violate this policy are subject to discipline, up to and including termination.

**II. EMPLOYEES COVERED BY THE POLICY**

All employees of the Company are covered by this policy.

**III. EXAMPLES OF HARASSMENT**

**A. Sexual Harassment:** Sexual harassment is generally defined as unwelcome sexual advances, requests for sexual favors, or other visual, verbal or physical conduct of a sexual nature when:

- The conduct interferes with an employee's work or creates an intimidating, hostile or offensive work environment;
- Submission to the conduct is made either an express or implied term or condition of employment; *or*
- Submission to or rejection of the conduct is used as the basis for employment decisions affecting the individual.

Sexual harassment includes harassment based on another person's gender or harassment based upon pregnancy, childbirth, or related medical conditions. It also includes harassment of another employee of the same gender as the harasser.

Examples of sexual harassment include, but are not limited to, the following types of behavior:

- Unwelcome sexual advances, like propositions for sexual favors;
- Excessive, one-sided, romantic attention in the form of love letters, telephone calls, e-mails or gifts;

<b>DATE ISSUED:</b> March 3, 2000	<b>SUPERSEDES:</b> 7/10/99	<b>PAGE:</b> 1 of 4
<b>INITIATED BY:</b> STEPHEN W. WOOD	<b>APPROVED BY:</b> PHYLLIS CALVERT	

**Denny's**  
**Human Resources**  
**Policies and Procedures**

<b>SUBJECT:</b>	<b>ORIGINATING DEPT:</b>	<b>NUMBER:</b>
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- Offering or conditioning an employment benefit, like a raise, a promotion or a preferred work schedule, in exchange for sexual favors;
- Making or threatening reprisals, or changing performance expectations after an employee has turned down a sexual advance;
- Visual conduct, such as leering, making indecent gestures, or displaying sexual objects, pictures, cartoons, calendars or posters in the workplace;
- Verbal conduct, such as making sexual comments, using demeaning terms such as "Babe," using crude and offensive language, and telling off-color jokes;
- Verbal or written comments about an individual's sex life or body, and suggestive or obscene letters, e-mails, notes, graffiti or invitations;
- Unwelcome or unnecessary physical contact, including pats, hugs, kisses, brushes, touches, shoulder rubs, assaults, bumping or blocking movements; and
- Sexually charged or crude behavior, banter, teasing or horseplay with other employees, even if consensual.

This policy is also violated if an employee is fired, denied a job, or denied some other employment benefit because the employee refused to grant sexual favors, complained about harassment, or participated in an investigation or complaint proceeding.

**B. Other Workplace Harassment:** Examples of harassment based on race, sex, color, religion, national origin, age, disability or other protected characteristic can include, but are not limited to:

- Cartoons, calendars, posters or other visual displays of objects, text, pictures or graphics that depict any protected group or individual in a derogatory way;
- Physical or verbal conduct, including making or using derogatory comments, gestures, epithets, slurs and jokes towards such groups or individuals.

The Company also expects all employees to exercise good judgment and avoid any action which could arguably be construed as harassment. Employees must conduct themselves in a professional and courteous manner towards others at all times regardless of sex, race or other protected status. Examples of prohibited conduct include but are not limited to:

- Physical aggression, threatening gestures or other hostile behavior;

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**Denny's  
Human Resources  
Policies and Procedures**

<b>SUBJECT:</b>	<b>ORIGINATING DEPT:</b>	<b>NUMBER:</b>
<b>ANTI-HARASSMENT POLICY</b>	<b>HUMAN RESOURCES</b>	<b>6.2</b>

- Any behavior that is cruel, vindictive or intended to humiliate and/or degrade;
- Openly insulting, berating or yelling at other persons; or
- Other boorish, rude, childish or discourteous behavior.

#### **IV. PROCEDURES IF HARASSMENT OCCURS**

The Company is committed to taking reasonable steps to prevent harassment from occurring and will take immediate and appropriate action when we have determined that harassment has occurred. To do this, however, we need the cooperation of all employees at all levels. Each employee is responsible for supporting and adhering to this policy.

Employees should never tolerate inappropriate behavior, but should tell anyone harassing them that the conduct is unwelcome. In addition, employees must promptly report (as set forth below) any offending behavior, whether such behavior is directed towards them personally or to other employees of the Company. **Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation.**

##### **A. Reporting Harassment:**

- ① **Associate Response Hotline.** If an employee believes he or she is being harassed or observes a possible violation of this policy, he or she must immediately report the conduct by calling the "Associate Response Hotline" at:

**1-888-662-5027**

Employees are encouraged to call this Hotline before the conduct becomes severe or pervasive. The employee is not required to first tell his or her supervisor. However, in addition to, but not instead of calling the Hotline, the employee may also report the incident to his or her supervisor.

- ② **Human Resources or Higher Level Management.** The Hotline is designed to enable the employee to report a harassing situation directly to the Company. The Company believes the Hotline best ensures that it knows about the conduct so it can immediately investigate the complaint and take appropriate corrective action. If, however, for any reason an employee is not satisfied with the response he or she got from using the Hotline, he or she may also directly contact Human Resources, the Area Manager or any higher level manager.

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**Denny's  
Human Resources  
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<b>SUBJECT:</b>	<b>ORIGINATING DEPT:</b>	<b>NUMBER:</b>
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**B. Supervisor's Responsibilities:** Each supervisor is responsible for maintaining a workplace free of harassment. Any supervisor who is notified of a complaint of harassment, or observes or is notified of a possible violation of this policy must:

- ① **Report** the incident to the Guest Assurance and Employee Response Department by leaving a voice mail on the "Manager's Reporting Line," at:  
**1-877-888-9362**
- ② **Record** the specifics of the complaint on an "AGA/ER Incident Report Form" and fax it to **864-597-8089**.

The supervisor must also take appropriate steps to protect the employee from continued harassment or retaliation. The supervisor should also remind the complainant to immediately call the Associate Response Hotline at **1-888-662-5027**. No supervisor shall threaten or insinuate, either explicitly or implicitly, that an employee's complaint will adversely affect the employee's terms and conditions of employment in any way.

**C. Investigating/Corrective Action:** In response to every complaint, the Company will take prompt and impartial investigatory action, and take appropriate corrective and/or preventive action where necessary. Confidentiality will be maintained to the extent possible; however information about the allegations of harassment will be shared with those who have a need to know about it.

If harassment is found to have occurred, the Company will make every effort to ensure that no further harassment occurs and to correct its effects on the employee. Any employee who is found to have engaged in any form of harassment or otherwise violated this policy will be subject to appropriate disciplinary action up to and including termination. If an individual outside the employ of the Company has harassed an employee, the Company will take appropriate action to address the situation and to prevent its recurrence.

**D. Reporting Retaliation:** All employees will be protected against retaliation should they complain about harassment, participate in an investigation or complaint proceeding, or engage in other protected activity. Employees who believe they have been retaliated against should immediately call the "Associate Response Hotline" at **1-888-662-5027** so that their concerns can be investigated. Appropriate remedial action will be taken if retaliation is found to have occurred.

Reorder No 5417

<b>DATE ISSUED:</b> March 3, 2000	<b>SUPERSEDES:</b> 7/10/99	<b>PAGE:</b> 4 of 4
<b>INITIATED BY:</b> STEPHEN W. WOOD	<b>APPROVED BY:</b> PHYLLIS CALVERT	

## NOTICE TO ALL EMPLOYEES


This notice is being posted pursuant to an Order by the Court in Equal Employment Opportunity Commission v. Denny's, Inc. Denny's, Inc. will not discriminate against employees in violation of Title VII of the Civil Rights Act of 1964 ("Title VII"). Title VII protects individuals from employment discrimination because of their race, religion, color, sex (including sexual harassment and pregnancy) and/or national origin. Title VII also protect individuals from retaliation for having complained of an unlawful employment practice. Denny's, Inc. will not condone discrimination of any kind as set forth in federal laws, including, but not limited to, sexual harassment

Furthermore, Denny's, Inc. assures its employees that it supports Title VII and will not take any action against an individual because he/she has exercised his/her rights under the law to oppose discriminatory acts or to file charges with the EEOC.

Appropriate corrective action, up to and including termination, shall be taken against any employee (including management personnel) found to violate anti-employment discrimination laws.

This notice shall remain posted for two (2) years from the date signed

Dated: May 15, 2000

  
Vice President  
Denny's, Inc