

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

EQUAL EMPLOYMENT OPPORTUNITY)	
COMMISSION,)	
)	
Plaintiff,)	CIV-03-991 JC/WDS (ACE)
)	
v.)	
)	
PVNF, L.L.C., d/b/a Chuck Daggett Motors and)	
Big Valley Auto,)	
)	
Defendant.)	

SETTLEMENT AGREEMENT

This agreement is entered into by the Plaintiff United States Equal Employment Opportunity Commission, (“EEOC”), and Defendant PVNF, L.L.C., d/b/a Big Valley Auto, formerly doing business as Chuck Daggett Motors (“PVNF”).

The EEOC filed this action against Defendant under Title VII of the Civil Rights Act of 1964 and Title I of the Civil Rights Act of 1991 in October, 2003 on behalf of a “pregnancy discrimination class” and a “sex discrimination class.” In order to settle the claim of the one individual remaining in the “pregnancy discrimination class,” Michelle Reid, the parties entered into a Consent Decree in April, 2004 and the Consent Decree expired on April 26, 2007, with compliance reported by PVNF. Thereafter, EEOC dismissed the hostile work environment claim of one of the two “sex discrimination class” claimants, Joanne Richmond (“Richmond”), and her remaining claim of disparate treatment was dismissed on summary judgment. Subsequently, the

Exhibit A

parties tried the claims of the only remaining individual in the “sex discrimination class,” Marla Segovia (“Segovia”) before the U.S. District Court for the District of New Mexico in May, 2005. At the close of EEOC’s case in chief at trial, the Court granted PVNF’s Motion for Judgment as a matter of law pursuant to Fed.R.Civ.P. 50, and later concluded that certain claims brought by EEOC were “frivolous, unreasonable or without foundation,” entitling PVNF to recover its attorney’s fees in connection with that portion of Richmond’s claim related to disparate treatment and all of Segovia claims. Subsequently, the EEOC appealed the Court’s rulings to the Tenth Circuit Court of Appeals, which reversed the District Court’s grant of judgment as a matter of law and remanded the case to the District Court for a trial on the merits on Segovia’s claim of hostile work environment. The Tenth Circuit Court of Appeals also determined that the case was not “meritless, groundless or without foundation,” and reversed the District Court’s decision to award PVNF attorney’s fees in connection with Segovia’s claims. EEOC did not challenge that portion of the District Court’s ruling related to EEOC’s obligation to pay attorney’s fees related to Richmond’s disparate treatment claim.

Rather than relitigate Segovia’s hostile work environment claim or the issue of how much in attorney’s fees PVNF is entitled to receive as a result of EEOC’s pursuit of the Richmond disparate treatment claim, the parties and Segovia now wish to settle and compromise their respective claims according to the following terms.

1. Within 30 (thirty) days of the entry of the Court’s Order of Dismissal or sooner if practicable, the EEOC shall pay PVNF the sum of \$2,500.00 in full and complete satisfaction of any claims by PVNF for attorney’s fees, costs or expenses relating to the Richmond disparate treatment claim. The parties agree that this sum represents a

complete settlement of any claims for attorney's fees, costs or expenses that PVNF could claim or has claimed.

2. Within 10 (ten) business days of PVNF's receipt of a check from the EEOC pursuant to Paragraph 1 above, PVNF shall pay Marla Segovia the sum of \$2,500.00. PVNF shall pay this settlement amount to Marla Segovia via wire transmission or a check from the Trust Account of Linda G. Hemphill, P.C. that shall be mailed to Marla Segovia at the address to be provided to PVNF's counsel by the EEOC. PVNF shall also issue Marla Segovia an IRS form 1099 in January, 2008, to report this payment. Within 10 (ten) business days of issuance of the check to Marla Segovia, Defendant shall submit a copy of the check and any related correspondence to the Regional Attorney, Equal Employment Opportunity Commission, Legal Unit, Albuquerque Area Office, 505 Marquette, NW, Suite 900, Albuquerque, New Mexico, 87102.
3. The parties have agreed to fully and finally resolve this litigation through entry of this Agreement. The parties do not object to the jurisdiction of the Court over this action and waive their rights to a hearing and the entry of Findings of Facts and Conclusions of Law. This agreement does not constitute an admission of liability by PVNF and PVNF expressly denies liability to EEOC or Segovia. Nor does this agreement constitute any admission by EEOC as to the propriety or amount of PVNF's claims for fees, costs or expenses relating to the Richmond claim.

Respectfully submitted,

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