

- **EEOC v. Melrose Hotel Co., Inc., MHC Barbizon, L.P., and Berwind Property Group, Ltd.**
No. 04-CV-7514 (AKH) (S.D.N.Y. March 24, 2006)

The New York District Office filed this Title VII case alleging that defendants subjected two Hispanic charging parties (both managers) and other Hispanic managers and employees at The Melrose Hotel New York in Manhattan to discrimination based on their national origin (harassment, English-only rule, other terms and conditions of employment, and discharge) and to retaliation (terms and conditions and discharge). At the time of suit, defendant Melrose Hotel Company owned The Melrose NY (and luxury hotels in Dallas and Washington, DC) and Berwind Property Group (BPG) managed The Melrose NY through its local affiliate MHC Barbizon. In July 2005, The Melrose Hotel NY closed and Barbizon became defunct.

When BPG, which manages property nationwide, began managing The Melrose NY in May 2001, it brought in a new Senior Vice President of Operations, Mark Lahood. Lahood regularly made demeaning comments about Hispanic employees, mocked their accents, and told employees speaking Spanish on break in the cafeteria "this is an English country." Similarly, the new Rooms Manager made derogatory comments about Hispanics, told them not to speak Spanish (including during breaks), and said she couldn't wait until all the Hispanic employees were fired. One charging party was the General Manager of The Melrose NY. In this position she was a conduit for complaints from other Hispanic managers and employees concerning the conduct of Lahood and the Rooms Manager. Lahood also harassed the CP/General Manager. In the early summer of 2002, CP forwarded complaints about Lahood and the Rooms Manager to the Senior VP for Human Resources. Lahood then began criticizing CP's performance, and fired her on August 8, 2002, despite 7 years of positive evaluations under previous management. The second CP was promoted to Assistant Director of Housekeeping in May 2002. She resigned in October 2002, after defendant failed to address her frequent complaints about Lahood harassing her and about the Rooms Manager speaking derogatorily about Hispanic employees. Defendant retaliated against other Hispanics who complained about discrimination and harassment, including the English-only rule, either terminating them or subjecting them to abusive treatment that forced them to resign.

Under the 4-year consent decree resolving this case, the 2 CPs and 11 other claimants will share \$800,000 in backpay and compensatory damages. The affirmative relief provisions of the decree apply to BPG. BPG must maintain comprehensive policies prohibiting employment discrimination and maintain effective procedures for receiving and processing internal discrimination complaints. To implement these requirements, BPG will adopt a nondiscrimination policy, issue it to all employees within 10 days of the decree's effective date (along with a letter signed by BPG's President affirming BPG's commitment to maintaining a discrimination-free workplace), insert the policy in employee handbooks, and make it available on company websites. In addition to other training requirements, BPG must provide Mark Lahood with 3 hours of one-on-one EEO training within 30 days of entry of the decree and must document the training requirement and content in Lahood's personnel file. If BPG purchases or begins to operate or manage any hotels in New York City during the term of the decree, all of the decree's terms will apply to such hotels.