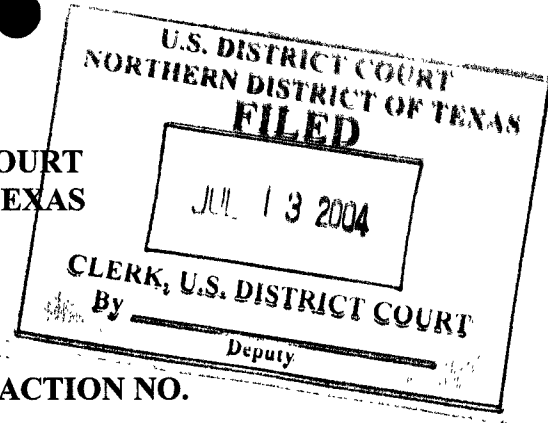


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION, }

Plaintiff, }

v. }

BLOCK'S LIGHTHOUSE SUPPER CLUB,
INC., BLOCK'S LIGHTHOUSE INC.; BLOCK
FAMILY INC.; THE LIGHTHOUSE
CLUB, INC.; AND }

Defendants. }

CIVIL ACTION NO.

3-03-CV-2229-N

CONSENT DECREE

THIS CONSENT DECREE is made and entered into by and between the Equal Employment Opportunity Commission ("EEOC"), and the Defendants in the United States District Court for the Northern District of Texas, Dallas Division, with regard to the EEOC's Complaint filed on September 29, 2003 ("EEOC Complaint"), in Civil Action No. 3-03-CV-2229-N. The Complaint was based upon Charge of Discrimination Number 310-A2-00719 filed by Allyson Bergstrom against the Defendants.

The above-referenced Complaint alleges that the Defendants violated Title VII of the Civil Rights Act of 1964 and Title I of the Civil Rights Act of 1991, by subjecting Allyson Bergstrom and similarly situated female employees to a sexually hostile work environment. The Defendants deny all of the EEOC's allegations.

The EEOC and the Defendants agree to compromise and settle the differences embodied in

the Complaint and intend that the terms and conditions of the compromise and settlement be set forth in this Consent Decree (“Consent Decree”).

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties agree as follows, the Court finds appropriate and therefore, it is ORDERED, ADJUDGED AND DECREED that:

1. This Consent Decree resolves all issues raised in EEOC Charge No. 310-A2-00719. This Decree further resolves all issues in the Complaint filed by the EEOC in this civil action. The EEOC waives further claims and/or litigation on all issues raised in the above-referenced Charge and Complaint. The EEOC does not waive processing or litigating charges other than the above-referenced Charge.

2. Pursuant to Fed.R.Civ.P. 65(d), this Consent Decree is binding on the Defendants and or any restaurant facility owned or controlled either directly or indirectly by the Defendants Block’s Lighthouse Supper Club, Inc., Block’s Lighthouse, Inc. and the Lighthouse Club, Inc., whether through ownership of the stock of a restaurant, interest in a partnership, L.L.C., Limited Partnership or other means of ownership, whether held directly, indirectly or in trust by these Defendants.

3. Defendants Block’s Lighthouse Supper Club, Inc., Block’s Lighthouse, Inc. and the Lighthouse Club, Inc., agree that during the term of this Consent Decree, they will notify the EEOC within 10 days of acquiring any ownership interest in a restaurant facility. Along with the notification required by this paragraph, these Defendants will provide the EEOC with a copy of the documents forming the entity and specify the ownership interest, whether held directly, indirectly or in trust by these Defendants and specify the title and job duties of Virgil Block at the entity.

4. The parties agree that this Consent Decree does not constitute an admission by the

Defendants of any liability or wrongdoing. The Defendants expressly deny any violation of local, state or federal law, common or statutory, including but not limited to, Title VII of the Civil Rights Act of 1964, as amended or Title I of the Civil Rights Act of 1991.

5. Nothing in this Decree shall be construed to expand, limit or reduce Defendants' obligation to comply with Title VII of the Civil Rights Act of 1964, as amended.

6. Defendants, Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc., agree that if they acquire any ownership interest in a restaurant during the term of this Consent Decree, Defendants, Block's Lighthouse Supper Club, Inc, Block's Lighthouse, Inc. and the Lighthouse Club, Inc., agree that all duty assignments, disciplinary actions and other terms and conditions of employment shall be maintained and conducted in a manner which does not discriminate on the basis of sex in violation of Title VII of the Civil Rights Act of 1964, as amended, and Title I of the Civil Rights Act of 1991. These Defendants will maintain a workplace environment free from sexual harassment.

7. Defendants, Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc., agree that if they acquire any ownership interest in a restaurant facility during the terms of this Consent Decree, these Defendants agree to post the Notice appended hereto as Attachment "A" in conspicuous places upon the premises of the effected restaurant facility where notices to employees, applicants for employment, members and trainees are customarily posted within ten (10) days after the entry of this Consent Decree. Defendants Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc., will report to the EEOC that they have complied with this requirement within (fourteen) 14 days after posting the notice(s). The posting of the notice(s) is to inform applicants and employees about sexual harassment. New

employees will be given a copy of the notice, Attachment "A." The notice(s) will remain posted during the two-year term of this Consent Decree.

8. Defendants Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc. agree that if they acquire any ownership interest in a restaurant facility during the term of this Consent Decree, these Defendants shall implement Equal Employment Opportunity training for all personnel at the effected facility, including management and supervisory personnel, regarding policies and procedures related to sexual harassment in the workplace. In addition, all officers of these Defendants' corporations shall receive such training. The training will advise employees of the requirements and prohibitions of Title VII of the Civil Rights Act of 1964. The training will inform the employees of the complaint procedure for individuals who believe they have experienced sexual harassment. The training will advise employees, including supervisors and managers, of the consequences of violating Title VII. The training will also include a specific discussion or instruction relating to the issue of sexual harassment and gender discrimination. The training shall be at least two hours in duration. Within ten (10) days after the training is conducted, these Defendants agree to give written notice to the EEOC as to the date and location of the training, the name of the person providing the training and the substance of the training.

8. Defendants agree that, to the extent they are subject to Title VII, there shall be no discrimination of any kind against any person because of opposition to any practice declared unlawful under Title VII or because of the filing of a charge, giving testimony or assistance or participating in any manner in any investigation, proceeding or hearing under Title VII.

10. Defendants Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc. agree to pay Allyson Bergstrom the amount of \$87,500 to resolve all claims

for damages arising out of the underlying charge of discrimination made the subject of this action. Said payment shall be in one lump sum. Allyson Bergstrom will assume full responsibility to all state and federal taxing authorities for any tax consequences including interest, sanctions or penalties regarding income or other taxes, arising out of the payment, and further agrees to hold the Defendants harmless for any such tax consequences.

Defendants, Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc., agree to pay Stacy Murphy the amount of \$5,000 to resolve all claims for damages arising out of the underlying charge of discrimination made the subject of this action. Said payment shall be in one lump sum. Stacy Murphy will assume full responsibility to all state and federal taxing authorities for any tax consequences including interest, sanctions or penalties regarding income or other taxes, arising out of the payment, and further agrees to hold the Defendants harmless for any such tax consequences.

Defendants, Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc., agree to pay Jodi Brannon the amount of \$2,500 to resolve all claims for damages arising out of the underlying charge of discrimination made the subject of this action. Said payment shall be in one lump sum. Jodi Brannon will assume full responsibility to all state and federal taxing authorities for any tax consequences including interest, sanctions or penalties regarding income or other taxes, arising out of the payment, and further agrees to hold the Defendants harmless for any such tax consequences.

Defendants, Block's Lighthouse Supper Club, Inc., Block's Lighthouse, Inc. and the Lighthouse Club, Inc., agree to pay Emily Owen the amount of \$3,000 to resolve all claims for damages arising out of the underlying charge of discrimination made the subject of this action. Said

payment shall be in one lump sum. Emily Owen will assume full responsibility to all state and federal taxing authorities for any tax consequences including interest, sanctions or penalties regarding income or other taxes, arising out of the payment, and further agrees to hold the Defendants harmless for any such tax consequences.

11. The payments referenced in paragraph 10, above, shall be made within twenty (20) days after the date of entry of this Consent Decree by check made payable to Allyson Bergstrom, Jodi Brannon, Stacy Murphy and Emily Owen as agreed by EEOC and the Defendants. The payment to Allyson Bergstrom shall be sent to Jon A. Haslett, Legal Arts Center, 304 S. Record Street, Suite 200, Dallas, Texas 75202. The three additional checks shall be sent by certified mail, return receipt requested, to the EEOC, Attn: Keri L. Mallon, Sr. Trial Attorney, 207 S. Houston, third floor, Dallas, Texas 75202.

12. All reports to the EEOC required by this Decree shall be sent to Keri L. Mallon, Sr. Trial Attorney, EEOC, third floor, 207 S. Houston, Dallas, Texas 75202.

13. If Defendants fail to tender payment or otherwise fail to timely comply with the terms of paragraphs 11-12, above, Defendants shall:

- a. Pay interest at the rate calculated pursuant to 26 U.S.C. Section 6621(b) on any untimely or unpaid amounts; and
- b. Bear any additional costs incurred by the EEOC caused by the non-compliance or delay of the Defendants.

14. Neither the EEOC, Allyson Bergstrom, Stacy Murphy, Jodi Brannon, Emily Owen nor Defendants shall contest the validity of this Consent Decree nor the jurisdiction of the federal district court to enforce this Consent Decree and its terms or the right of any party to the Consent Decree to bring an enforcement action upon breach of any term of this Consent Decree by any such

party. Nothing in this Decree shall be construed to preclude the EEOC from enforcing this Decree in the event that Defendants fail to perform the promises and representations contained herein. The EEOC shall determine whether Defendants have complied with the terms of this Consent Decree and shall be authorized to seek compliance with the Consent Decree through civil action in the United States District Court. The EEOC also reserves the right to seek contempt sanctions for non-payment and non-compliance with this Court Order.

15. The EEOC shall not bring further suit or intervene in any suit against Defendants based upon the above-referenced discrimination charge, any of the allegations contained therein, the EEOC's investigation of the charge or the underlying facts.

16. The parties to this Consent Decree agree to bear their own costs and attorney's fees associated with the above-referenced Complaint.

17. The term of this Decree shall be for two (2) years.

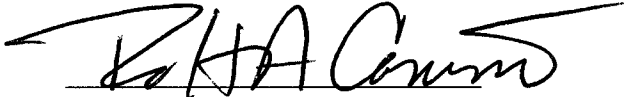
SO ORDERED, ADJUDGED AND DECREED this 13 day of

July, 2004.


U.S. DISTRICT COURT JUDGE

AGREED AS TO FORM AND SUBSTANCE:

**ATTORNEYS FOR THE PLAINTIFF
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:**

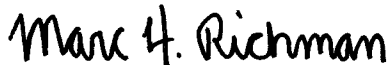


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Texas Bar No. 14009470

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Tel. No. 214-655-3328; Fax No. 214-655-3328

ATTORNEYS FOR ALLYSON BERGSTROM:

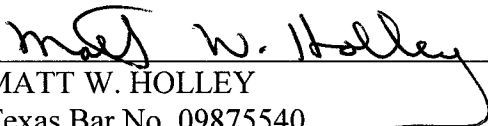


MARC H. RICHMAN
Texas Bar No. 16878000

*by permission
C. a. Haslett
6-30-04*

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ATTORNEYS FOR DEFENDANTS:


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2502 N. Plano Road, Suite 4000
Richardson, Texas 75082-41-1
(972) 739-6900



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Dallas District Office

207 S. Houston Street, 3rd Floor
Dallas, TX 75202-4726
(214) 253-2700
TTY (214) 253-2710
FAX (214) 253-2720
EEOC Website. www.eeoc.gov

NOTICE TO ALL EMPLOYEES

This NOTICE is being posted pursuant to a Consent Decree with the U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC). This NOTICE will be conspicuously posted for a period of two (2) years at this facility and in all places where employment notices are posted. It must not be altered, defaced, or covered by any other material.

POLICY: Discrimination of any kind can and often will detract from employees' job performance, discourage employees from remaining on the job, keep employees from advancing in their careers and lowers overall employee morale and productivity. It is the policy of this restaurant that sexual harassment, sex-based discrimination is unacceptable conduct and will not be condoned.

PURPOSE: It is the purpose of this policy to reaffirm and amplify the position of Title VII of the Civil Rights Act of 1964, as amended, and the Equal Employment Opportunity Commission's guidelines on sexual harassment, sex-based discrimination and retaliation, and to reiterate this restaurant's policy against discrimination and harassment.

SCOPE: This policy extends to all employees of this restaurant including management, non-management, temporary and/or probationary.

DEFINITION: Sexual harassment has been defined as follows: Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Sexual harassment is a form of misconduct that undermines the integrity of the employment relationship. No employee, either male or female, should be subjected to unsolicited and unwelcome sexual conduct, either verbal or physical.

Examples of behavior that may constitute sexual harassment include but are not limited to the following:

- * Hugging, grabbing or any type of unnecessary touching of another person.
- * Making unwelcome sexual advances.
- * Foul or obscene language of a sexual nature, including jokes.
- * Requests for sexual favors whether in exchange for benefits or otherwise.

RESPONSIBILITY: Each level of management is responsible for ensuring that all personnel policies, procedure, and activities are in full compliance with applicable federal, state, and local equal employment laws, statutes, rules, and regulations regarding sexual discrimination and harassment. Employees are expected to read, understand, and follow the policies that this restaurant has established to prevent discrimination and harassment.

REPORTING PROCEDURES: Any employee who believes that he or she has been subjected to sexual harassment, sex-based discrimination and/or retaliation is expected to report the alleged act as soon as possible to that person's immediate supervisor, any supervisor or manager with this restaurant, or to the Human Resources Department. The Human Resources Department may be contacted at _____ or by telephone at _____. Supervisors and managers who are informed of an alleged incident of sexual harassment, sex-based discrimination or retaliation must immediately notify the Human Resources Department.

In addition to reporting a complaint of sexual harassment, sex-based discrimination and/or retaliation to company officials, a person may also contact the U.S. Equal Employment Opportunity Commission, and file a charge of employment discrimination. The address and telephone number of the EEOC office is 207 S. Houston Street, Dallas, Texas 75202; (214) 253-2700. Information about employment rights and the procedures dealing with how to file a charge is available on the Internet at www.eeoc.gov.

INVESTIGATION OF COMPLAINTS: A complete investigation of each complaint will be undertaken immediately by the Human Resources Department. The investigation may include interview of all employees and supervisors at the facility, the inspection of documents, including personnel records, and full inspection of the premises.

PUNISHMENT FOR VIOLATION: Employees engaged in sexual harassment, sex-based discrimination or retaliation can expect serious disciplinary action. After appropriate investigation, any employee, whether management or non-management, who has been found to have engaged in sexual harassment, sex-based discrimination or retaliation against another employee will be subject to appropriate sanctions, depending on the circumstances, from a written warning in his or her personnel file up to and including termination of employment.

RETALIATION: There shall be no retaliation against any employee because that person has

opposed what they believe to be unlawful employment practices; or has filed a charge of discrimination, or has given testimony, assistance, or has participated in any manner in any investigation, proceeding or hearing under Title VII of the Civil Rights Act of 1964. Whataburger will not punish you for reporting sexual harassment or sex-based discrimination simply because you have made a complaint under the above guidelines.

PROTECTION OF PRIVACY: The question of whether a particular action or incident constitutes sexual harassment, sex-based discrimination or retaliation requires a determination based on all available facts. This restaurant will therefore make a concerted effort to protect the privacy of all personnel. Confidential information will be shared on a need-to-know basis to complete the investigation and to deal appropriately with the situation.

EXCEPTIONS: There are no exceptions to this policy.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE REMOVED OR DEFACED BY ANYONE. THIS NOTICE WILL BE POSTED FOR A PERIOD OF TWO YEARS.

Signed this 1st day of July, 2004.

7/1/04
Date

Vincent Blue

7/12/04
Date

Robert A. Canino
Robert A. Canino
Regional Attorney
Equal Employment Opportunity Commission