

THE HONORABLE JOHN C. COUGHENOUR

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 CLERK U.S. DISTRICT COURT
 WESTERN DISTRICT OF WASHINGTON

UNITED STATES DISTRICT COURT
 FOR THE WESTERN DISTRICT OF WASHINGTON
 AT SEATTLE

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION,

Plaintiff,

v.

DENNY'S INC.,

Defendant.

CASE NO. 99-1548C

SETTLEMENT AGREEMENT AND (PROPOSED) ORDER OF DISMISSAL

APRIL McCREADY, MONIQUE WALDENSTROM, KIM KIRCHER, HEIDE CULLEN, SHELBY SWEARINGER, KELLI IRISH, and SABRINA PRICE,

Applicants for Intervention,

v.

DENNY'S INC., A California Corporation, JERRY ALVAREZ, TREMAINE BATTLE, EDWIN MITTLEIDER, and DOES 1-10, inclusive,

Defendants

JM
 JCC
 CTC

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
 Seattle District Office
 Federal Office Building
 909 First Avenue, Suite 400
 Seattle, Washington 98104-1061
 Telephone (206) 220-6883
 Fax (206) 220-6911
 TDD (206) 220-6882

I. INTRODUCTION

1
2 1. This action originated with charges of discrimination filed by April McCready,
3 Monique Waldenstrom, Kim Kircher, and Heidi Cullen with the Equal Employment Opportunity
4 Commission ("EEOC"), alleging violations of Title VII of the Civil Rights Act of 1964, as amended,
5 42 U.S.C. Section 2000e et seq. ("Title VII"). The Commission issued a Determination finding that
6 the Charging Parties and other similarly situated females had been subjected to a hostile work
7 environment, sexual harassment, and retaliation by Defendant Denny's Inc. ("Denny's").

8 2. The EEOC filed a lawsuit in the District Court for the Western District of Washington
9 on September 28, 1999. Plaintiff alleged that Denny's violated Title VII by subjecting April
10 McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, and a group of similarly situated
11 females, to unlawful discriminatory practices.

12 3. April McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, Shelby
13 Swearinger, Kelli Irish, and Sabrina Price filed a motion to intervene in the matter on September 29,
14 1999. In their Complaint, the Applicants in Intervention alleged that the sexual harassment, sex
15 discrimination and retaliation to which they were subjected by Defendant violated Title VII, the
16 Violence Against Women Act, 42 U.S.C. Section 1981, and Washington's RCW 49.60, and that
17 Defendant is liable for Negligent Supervision and Retention of Employees, Assault and Battery and
18 Malicious Harassment.

19 4. The Commission, Applicants in Intervention and the Defendant want to fully and
20 finally conclude all claims arising out of the above charges without the expenditure of further
21 resources and expenses in contested litigation. They agree that entry of this Settlement Agreement
22 will be in the interest of the parties and will further the objectives of equal employment opportunity
23 as set forth in Title VII.

24 **II. JURISDICTION AND VENUE**

25 5. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §§451, 1331, 1337, 1343
26 and 1345. Plaintiff EEOC's action is authorized pursuant to Sections 705(g)(6), 706(f)(1) and (3)
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1 and Section 707 of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§2000e-
2 4(f)(6), 2000e-5(f)(1) and (3) and 2000e-6 ("Title VII") and Section 102 of the Civil Rights Act of
3 1991, 42 U.S.C. §1981a. The employment practices alleged to be unlawful in the EEOC's and
4 Intervenor's Complaints filed herein occurred within the jurisdiction of the United States District
5 Court for the Western District of Washington.

6 **III. NONADMISSION OF LIABILITY**

7 6. This Settlement Agreement is not an adjudication or finding on the merits of this case
8 and shall not be construed as an admission by the Defendant of a violation of Title VII or any other
9 law. Denny's denies all wrongdoing alleged.

10 **IV. PURPOSE OF THE AGREEMENT**

11 7. The parties had entered into this Settlement Agreement in order to achieve the
12 following purposes:

13 a. To assure the implementation of policies and procedures which prohibit
14 Denny's from discriminating or retaliating against employees on the basis of sex, and from
15 retaliating against employees who complain about sex discrimination or participate in the
16 investigation of a complaint.

17 b. To assure that Denny's implements a policy and enforcement program to
18 effectively prevent discrimination and sex harassment and to address and correct situations in which
19 such discrimination or harassment is alleged.

20 c. To assure that the Applicants in Intervention are fully compensated for lost
21 wages and damages suffered in connection with their employment by Denny's.

22 d. To avoid the time, expense and uncertainty of further litigation.

23 **V. GENERAL PROVISIONS**

24 8. This Settlement Agreement is intended to and does effectuate the full, final, and
25 complete resolution of all allegations of unlawful employment practices and discrimination
26 encompassed by the original discrimination charges and the Complaints filed in EEOC v. Denny's,
27

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1 Civil No. 99-1548C.

2 9. This Settlement Agreement constitutes the complete understanding between the
3 EEOC and Denny's with respect to matters herein. No waiver, modification or amendment to any
4 provisions of this Settlement Agreement will be effective unless it is agreed to in accordance with
5 provisions of Section X, Settlement Agreement Amendment Procedures.

6 10. This Settlement Agreement in no way affects EEOC's right to process, in accordance
7 with standard Commission procedures, charges filed by individuals against Denny's alleging
8 violations of Title VII. Charges include those pending as of the effective date of the Agreement and
9 filed in the future. Processing includes the administrative investigation and conciliation and
10 commencement of civil actions on the basis of such charges.

11 11. It is expressly agreed that if EEOC concludes that Denny's has failed to comply with
12 this Settlement Agreement, the Commission may bring an action in the United States District Court
13 for the Western District of Washington to enforce the Agreement after compliance with the terms in
14 Section IX, Dispute Resolution Procedures.

15 12. The Denny's restaurant units subject to the terms of this Settlement Agreement are
16 those in Arca 6, which includes Restaurant #'s 1700, 1458, 1052, 1054, and 1702.

17 **VI. DEFINITION OF TERMS**

18 For the purposes of this Settlement Agreement, the following definitions shall apply:

19 13. "The Effective Date of the Settlement Agreement" is the date the United States
20 District Court for the Western District of Washington enters the Settlement Agreement and
21 (Proposed) Order of Dismissal.

22 14. Unless otherwise indicated, the word "days" refers to calendar days.

23 15. "Formal or Informal Complaints" includes any complaint, whether written or oral,
24 made to a supervisory employee of Denny's.

25 **VII. MONETARY RELIEF**

26 16. In settlement of the EEOC's Complaint under Title VII, and the Applicants in
27

1 Interventions' Complaint under Title VII, the Violence Against Women Act, 42 U.S.C. Section
2 1981, and Washington's RCW 49.60, along with claims alleging that Defendant is liable for
3 Negligent Supervision and Retention of Employees, Assault and Battery and Malicious Harassment,
4 attorneys fees, costs and all other claims alleged in Intervenors' Complaint or related to this lawsuit,
5 Denny's agrees to pay April McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, Sabrina
6 Price, Mandee Rutledge Garcia, Shelby Swearinger, and Kelli Irish a total of Four hundred and
7 twenty five thousand dollars (\$425,000.00). Of this amount, the eight individual women will share
8 Two hundred and fifty-two thousand, nine hundred and two dollars and ninety-nine cents
9 (\$252,902.99), while One hundred and seventy-one thousand, ninety-seven dollars and one cent
10 (\$171,097.01) is allocated for attorneys fees and costs. Distribution of settlement funds will be
11 handled by the Applicants in Intervention's private counsel. In addition, Denny's agrees to make a
12 charitable contribution in the amount of Fifty thousand dollars (\$50,000.00) to the Seattle chapter of
13 the Young Women's Christian Association ("YWCA"). The contribution will be made no later than
14 March 1, 2000, and evidence that the contribution was made will be provided to the EEOC within
15 ten (10) days of such contribution.

16 **VIII. INJUNCTIVE RELIEF**

17 **A. COMPLIANCE WITH TITLE VII**

18 17. Defendant reaffirms its commitment to comply with Title VII and other federal anti-
19 discrimination statutes. In furtherance of this commitment, Denny's will monitor the affirmative
20 obligations of this Settlement Agreement. Denny's specifically agrees that it will not discriminate
21 against employees on the basis of sex in any employment decisions, including decisions regarding
22 the terms and conditions of employment.

23 18. Defendant will not retaliate against any employee for making a charge of
24 discrimination or for testifying, assisting, or participating in any investigation, proceeding, or
25 hearing associated with this lawsuit.

26 19. In recognition of its obligations under Title VII, Denny's will institute the policies
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1 and practices set forth below.

2 20. Denny's will collect and share with the EEOC data concerning the impact of the new
3 policy and procedures as set forth in Section VIII.E, Reporting, Record Keeping and Compliance
4 Review.

5 **B. POLICY AGAINST SEXUAL HARASSMENT**

6 21. Denny's has in place written equal employment opportunity policies which set forth
7 the requirements of federal laws against employment discrimination and specifically those
8 provisions which make sexual harassment unlawful and which make it unlawful to retaliate against
9 any current or former employee for opposing any practice made unlawful by Title VII. A copy of
10 Denny's Anti-Harassment Policy is attached as Attachment 1, and includes the following:

11 a. A statement of Denny's commitment to insuring that the practices and the
12 conduct of its employees will comply with the requirements of federal laws against employment
13 discrimination, including a provision stating that those who violate the policy will be subject to
14 appropriate discipline, up to and including termination, and that all employees are protected from
15 retaliation should they complain about discrimination or participate in an investigation of a
16 complaint.

17 b. A clear and easily understood explanation of the kind of conduct which
18 constitutes illegal sex harassment.

19 c. An internal complaint procedure for employees to report suspected incidents
20 of discrimination and retaliation so that the Defendant can investigate and take appropriate action if
21 there is a complaint that any employee has violated its EEO policy. The internal complaint
22 procedure will include the following provisions:

23 (1) A list of the appropriate persons to whom an individual should report
24 allegations of discrimination in the workplace, including allegations of sex
25 harassment. The list shall not be limited to an employee's immediate
26 supervisor or management in the employee's own chain of authority. A toll-
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free number which an employee may call to report discrimination shall also be included.

(2) An explanation of how to make a complaint and what an investigation will involve, including informing the affected individuals of the outcome of the investigation. Employees making such complaints will be given written assurance that their confidentiality will be protected to the extent possible.

22. Within thirty (30) days of the date of the effective date of this Settlement Agreement, Defendant will distribute a copy of the policy to all employees, both management and non-management, within Area 6 of Denny's Washington based operations.

C. EXPUNGING RECORDS

23. Defendant will not disclose any information or make references to any charge of discrimination or this lawsuit in responding to employment reference requests for information about April McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, Shelby Swearinger, Kelli Irish, Mandee Rutledge Garcia, or Sabrina Price.

24. Defendant will expunge from the personnel files of April McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, Shelby Swearinger, Kelli Irish, Mandee Rutledge Garcia, and Sabrina Price, and any other records where such information is kept by Denny's, any references to a charge of discrimination against Denny's and this lawsuit. If April McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, Shelby Swearinger, Kelli Irish, Mandee Rutledge Garcia, or Sabrina Price wish to do so, Denny's will permit each woman to review her personnel file within thirty (30) days after the entry of this Settlement Agreement to insure that all such references have been expunged. Denny's will not add any information or references to the personnel files of April McCready, Monique Waldenstrom, Kim Kircher, Heidi Cullen, Shelby Swearinger, Kelli Irish, or Sabrina Price, or records regarding their charges of discrimination and this lawsuit after such references have been expunged.

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D. TRAINING AND AWARENESS PROGRAM

25. To further the purposes and requirements of this Settlement Agreement, Denny's will provide training to all managers, supervisory employees, and hourly employees of the restaurant units covered by this Settlement Agreement, as defined in Paragraph 12, on Denny's policies and procedures regarding sexual harassment and retaliation.

26. The objectives of this training will be to (1) convey to employees Denny's commitment to its policy prohibiting sexual harassment and Denny's commitment to non-retaliation, and (2) provide clear direction on how to utilize the complaint procedure set forth in the policy. In addition, managers and/or supervisors employed at restaurant units covered by this Settlement Agreement, as defined in Paragraph 12, will be given information and guidance on how to carry out the policy.

27. For the duration of this Agreement, the training will be conducted (1) within six (6) months of the date of execution of this Settlement Agreement for all current employees; (2) at the orientation program for all new hires thereafter; and (3) training shall be conducted at least annually thereafter, starting in July, 2001.

28. The parties hereby acknowledge that a copy of the materials to be used in the training have been submitted to and accepted by the Commission.

E. REPORTING, RECORD KEEPING AND COMPLIANCE REVIEW

29. The reports to be submitted by Denny's on a periodic basis as provided in this Section will be forwarded so as to arrive at the Commission within thirty (30) days after the close of the reporting period.

30. Within one hundred fifty (150) days after the Effective Date of this Settlement Agreement, Denny's will provide the Commission with a report confirming the date of the distribution of copies of the Denny's Anti-Harassment Policy to all employees at restaurant units covered by this Settlement Agreement, as defined in Paragraph 12. (Report A)

31. On a semi-annual basis beginning within one hundred fifty (150) days of the

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1 Effective Date of this Settlement Agreement, for a period of three (3) years, Denny's will prepare
2 and submit the reports described below:

3 a. A report on internal and external complaints of sexual harassment and/or
4 retaliation made at any restaurant unit covered by this Settlement Agreement, as defined in
5 Paragraph 12. This report will provide for each such formal or informal complaint filed and/or
6 resolved during the period, the name and sex of the person making the complaint, the date the
7 complaint was made, a description of the complaint, and resolution or status of each complaint.
8 Copies of any complaint made during the reporting period will be provided along with the report.
9 (Report B)

10 b. A report of all training activities conducted pursuant to Paragraphs 25-28,
11 held during the period. (Report C)

12 32. All records required by this Settlement Agreement will be retained by Denny's for the
13 duration of this Settlement Agreement. Denny's will also maintain records necessary to demonstrate
14 compliance with the provisions of this Settlement Agreement and to verify reports submitted, which
15 records shall include, but are not limited to:

16 a. Records concerning sexual harassment and/or retaliation incidents or
17 complaints, including documentary evidence and summaries of interviews conducted during the
18 investigations, and the findings, resolutions and/or conclusions reached;

19 b. Documents relating to any disciplinary action taken by Denny's against any
20 employee resulting from inappropriate conduct which could be construed as harassment of another
21 employee on the basis of sex.

22 c. Documentation on individual and group training materials used during the
23 training sessions outlined in Paragraphs 25-28.

24 It is understood that Denny's will provide a description of any documents withheld from the
25 EEOC under these provisions where such documents are asserted to be covered by the attorney/client
26 or work product privilege, or which are deemed confidential pursuant to court order. If there is any
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1 dispute as to whether a particular document is subject to being withheld under a privilege or court
2 order, the parties shall resort to the Alternative Dispute Resolution Procedures outlined in Section
3 IX.

4 33. For the duration of this Settlement Agreement, the Commission shall have the right to
5 conduct two (2) on-site reviews within any twelve (12) month period, including conducting
6 interviews, attending training held pursuant to the Settlement Agreement, and examining documents
7 and data maintained by Denny's pursuant to this Settlement Agreement and Commission regulations
8 for the purpose of confirming compliance with this Settlement Agreement Order. The Commission
9 agrees that it will provide reasonable notice to Denny's attorney prior to conducting any review.

10 34. After the expiration of this Settlement Agreement, records will be maintained by
11 Denny's as required by law and Commission regulations.

12 **F. SETTLEMENT NOTICE**

13 35. Within one hundred twenty (120) days after the Effective Date of this Settlement
14 Agreement, Denny's will place a copy of the Notice of Settlement (Attachment 2) at the restaurant
15 units covered by this Settlement Agreement, as defined in Paragraph 12, in all areas where the
16 Company posts information on Company Policies and other pertinent Company information, and
17 will maintain this posting for the life of the Settlement Agreement.

18 36. Denny's, in any employment advertisements that it may run with regards to a position
19 available at any restaurant unit covered by this Settlement Agreement, as defined in Paragraph 12,
20 shall include information that it is an equal opportunity employer.

21 **IX. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES**

22 37. Either party shall have the right to initiate an action pursuant to the Court's
23 continuing jurisdiction for an unresolved dispute or for non-compliance with any provision of the
24 Settlement Agreement, as follows:

25 a. If one party believes that there is an issue to resolve, it shall promptly give
26 notice, in writing, to the other party regarding (1) the specific provision, which it believes has not
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1 been met, and (2) a complete factual statement of the issue.

2 b. The parties shall promptly undertake efforts to resolve the areas of dispute or
3 alleged non-compliance, through meetings, mediation or other appropriate means.

4 c. If one party determines that efforts to resolve the matter have failed, the party
5 so finding shall notify the other party in writing of such failure to resolve the matter and provide a
6 description of the facts and circumstances surrounding the matter.

7 d. The parties shall request that the Court appoint a mediator within thirty (30)
8 days of receipt in writing of the notice of impasse. Discussions will be engaged in with the
9 assistance of the Court appointed mediator until the mediator determines that discussions are no
10 longer productive.

11 **X. AGREEMENT AMENDMENT PROCEDURES**

12 38. This Settlement Agreement may be modified by mutual written agreement
13 between the Commission and Denny's, or by motion to the Court.

14 39. Any modification to the Settlement Agreement is subject to approval by the
15 Court.

16 **XI. DURATION OF THE AGREEMENT**

17 40. This Agreement will be in effect for three (3) years commencing with the date
18 the Agreement is approved by the Court. The United States District Court Western District of
19 Washington will have jurisdiction to enforce the Settlement Agreement. If either party petitions the
20 Court for breach of the Agreement, and the Court finds a violation of the terms of the Agreement,
21 the Court may extend the duration of the Agreement and award the petitioning party its costs in
22 bringing an enforcement action.
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DATED this 13th day of January, 2000.

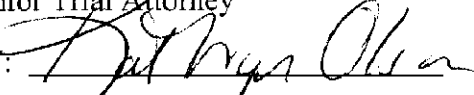
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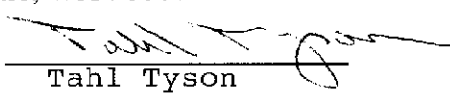
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Attorneys for Defendant

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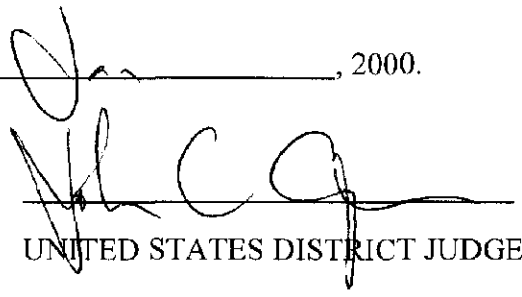
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ORDER APPROVING SETTLEMENT AGREEMENT AND DISMISSING ACTION

The Court having considered the foregoing stipulated agreement of the parties, HEREBY ORDERS THAT the foregoing Settlement Agreement is approved and this lawsuit is hereby dismissed with prejudice and without costs or attorneys' fees to either the EEOC or Defendant Denny's Inc. The Court retains jurisdiction of this matter solely for purposes of enforcing the Settlement Agreement as provided by the parties.

DATED this 21 day of Jan, 2000.


UNITED STATES DISTRICT JUDGE

Denny's
Human Resources
Policies and Procedures

| | | |
|-------------------------------|--------------------------|----------------|
| SUBJECT: | ORIGINATING DEPT: | NUMBER: |
| ANTI-HARASSMENT POLICY | HUMAN RESOURCES | 6.2 |

I. POLICY/PURPOSE

Denny's is committed to providing a workplace which is free from 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. Associates who violate this policy are subject to discipline, up to and including termination.

II. EMPLOYEES COVERED BY THE POLICY

All hourly and salaried associates of Denny's, Inc. 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 such conduct is made either an express or implied term or condition of employment; *or*
- Submission to or rejection of such conduct affects employment opportunities.

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 associate 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 requests for dates or propositions for sexual favors;
- *Excessive*, one-sided, romantic attention in the form of love letters, telephone calls, e-mails or gifts;

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Denny's
Human Resources
Policies and Procedures

| | | |
|-------------------------------|--------------------------|----------------|
| SUBJECT: | ORIGINATING DEPT: | NUMBER: |
| ANTI-HARASSMENT POLICY | HUMAN RESOURCES | 6.2 |

- 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 associate has turned down a sexual advance;
- Visual conduct, such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, calendars or posters in the workplace;
- Verbal conduct, such as making or using derogatory comments, epithets, slurs, teasing and jokes of a sexual nature;
- Graphic verbal or written comments about an individual's sex life or body, sexually degrading words used to describe an individual, or suggestive or obscene letters, e-mails, notes or invitations;
- *Unwelcome* physical contact, including pats, hugs, brushes, touches, shoulder rubs, assaults, or impeding or blocking movements; and
- Sexually charged behavior or horseplay with other associates, even if consensual.

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

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 or other visual displays of objects, pictures or posters that depict such protected groups in a derogatory way;
- Verbal conduct, including making or using derogatory comments, epithets, slurs and jokes towards such groups or individuals.

The Company also expects all associates to exercise good judgment and conduct themselves in a professional and courteous manner towards others at all times irrespective 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;
- Any behavior that is cruel, vindictive or intended to humiliate and/or degrade;
- Openly insulting, berating or yelling at other persons; or

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Denny's
Human Resources
Policies and Procedures

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| SUBJECT: | ORIGINATING DEPT: | NUMBER: |
| ANTI-HARASSMENT POLICY | HUMAN RESOURCES | 6.2 |

- 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 know that unlawful harassment has occurred. To do this, however, we need the cooperation of all associates at all levels. Each associate is responsible for supporting and adhering to this policy.

Associates should never tolerate inappropriate behavior, but should tell the potential harasser the conduct is **unwelcome**. In addition, associates must promptly report (as set forth below) any offending behavior, whether such behavior is directed towards you personally or to other associates 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 associate 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. The associate is not required to complain first to his or her supervisor. However, in addition to, but not instead of calling the hotline, the associate may also report the incident to his or her supervisor.

2. Human Resources or Operations Managers. The hotline is designed to enable the associate to report a harassing situation directly to the Company. Denny's believes the hotline best ensures that the Company knows about the conduct so it can immediately investigate the complaint and take appropriate corrective action. If, however, for any reason an associate is not satisfied with the response he or she got from using the hotline, he or she may also directly contact his or her Human Resources Manager or Area Manager (or any higher level senior manager in either the Human Resources department or Operations). The specific name and phone number of these contact persons are posted in each restaurant.

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 possible violation of this policy should remind the complainant to call the "Associate Response Hotline" at 1-888-662-5027 and ensure the complainant makes the call immediately. Any supervisor who is notified of a complaint of harassment, or observes or is notified of a possible violation of this

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Denny's
Human Resources
Policies and Procedures

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| SUBJECT: | ORIGINATING DEPT: | NUMBER: |
| ANTI-HARASSMENT POLICY | HUMAN RESOURCES | 6.2 |

policy must also:

- Take appropriate steps to protect the associate from immediate harassment or retaliation;
- Report the incident by calling the "Manager Reporting Line," and
- Fax a copy of a completed "AGA/ER Incident Report" to **864-597-8089**.

No supervisor shall threaten or insinuate, either explicitly or implicitly, that an associate's complaint will adversely affect the associate's terms and conditions of employment in any way.

- C. Investigating/Corrective Action:** In response to every complaint, Denny's will take prompt investigatory actions, and corrective and preventive actions where necessary. No one accused of harassment or other wrongdoing will be permitted to have any direct or indirect control over the investigation. Confidentiality will be maintained to the fullest extent allowed by circumstances and the law. Generally this means that confidential information will be shared with those who have a **need to know so that the Company can conduct an effective investigation** and take appropriate corrective and/or preventive action.

If harassment is found to have occurred, the Company will make every effort to ensure that no further harassment occurs. Any associate 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 associate, the Company will take appropriate action to address the situation.

- D. Reporting Retaliation:** All associates are protected from retaliation should they complain about harassment or participate in an investigation of a complaint. Associates 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 corrective measures will be taken if retaliation is found to have occurred.

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NOTICE TO ALL EMPLOYEES

This notice is being posted pursuant to an agreement between Denny's, Inc. and the Equal Employment Opportunity Commission ("EEOC").

Title VII of the Civil Rights Act of 1964, as amended, is enforced by the EEOC and requires the following:

That there be no discrimination against any employee or applicant for employment because of the employee's sex, with respect to hiring, firing, compensation or other terms, conditions or privileges of employment. Sexual harassment is a form of sex discrimination that is prohibited by law.

It is also an unlawful employment practice for an employer to retaliate against any employees or applicants for employment because they have opposed an unlawful practice or because they have made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this statute.

Denny's will institute an anti-sexual harassment training program to train its managers and employees at all restaurant units in Area 6 regarding the requirements of Title VII, and will revise and distribute the Company's Anti-Harassment Policy to all employees and managers at these units.

This notice is being posted because Denny's supports and will comply in all respects with Title VII's prohibition against sexual harassment.

DATED _____

Denny's Inc. by
