

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

EQUAL EMPLOYMENT OPPORTUNITY)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
MANAGEMENT HOSPITALITY OF)
RACINE, INC., d/b/a INTERNATIONAL)
HOUSE OF PANCAKES,)
FLIPMEASTACK, INC., and)
SALAUDDIN JANMOHAMMED,)
)
Defendants.)
_____)

Civil Action No. 06C0715

CONSENT DECREE AND ORDER

This action was filed by the Equal Employment Opportunity Commission (“Commission” or “EEOC”) against defendants Management Hospitality of Racine, Inc., d/b/a International House of Pancakes (“Management Hospitality”), Flipmeastack, Inc. (“Flipmeastack”), and Salauddin Janmohammed (“defendants”), pursuant to Title VII of the Civil Rights Act of 1964, as amended, to correct unlawful employment practices on the basis of sex and retaliation, and to provide appropriate relief to Katrina Shaw Shisler (“Shisler”) and a class of similarly situated female employees of defendants Management Hospitality and Flipmeastack who were adversely affected by such practices. EEOC alleged that Shisler and a class of similarly situated female employees were adversely affected by such practices when an assistant manager at defendants’ IHOP restaurant in Racine, Wisconsin subjected them to a sexually hostile working environment based on their gender. In addition, EEOC alleged that Shisler was discharged in retaliation for her refusal to submit to the harassment and her

opposition to such unlawful employment practices. Defendants denied the EEOC's allegations.

The Commission and defendants tried the case to a jury in the District Court in November 2009, resulting in a verdict in favor of EEOC in regard to the sexual harassment of Shisler and Michelle Powell ("Powell"), and in favor of defendants in regard to retaliation. The jury awarded a total of \$5,000 in compensatory damages and \$100,000 in punitive damages. The Court entered judgment on the verdict against all defendants and ordered injunctive relief against defendant Flipmeastack on August 31, 2010. Defendants appealed to the 7th Circuit Court of Appeals, arguing in part that Flipmeastack did not exercise sufficient control over the employees of its client restaurants to make it liable as an employer under Title VII. The Court of Appeals affirmed the jury's verdict but reversed the judgment against Flipmeastack and remanded to the District Court for further proceedings on the issue of whether Flipmeastack had sufficient control over the employees of its client restaurants to make it liable.

After the Court of Appeals' remand to the District Court and a settlement conference with the Court, the Commission and defendants Flipmeastack, Inc., Management Hospitality, and Salauddin Janmohammed have agreed to resolve this matter pursuant to this Consent Decree and Order, without continuing to a trial or other determination on the issue of Flipmeastack's liability under Title VII.

NOW, THEREFORE, the Court having carefully examined the terms and provisions of this Consent Decree, and based on the pleadings, record and stipulations of the parties, it is **ORDERED, ADJUDGED, AND DECREED THAT:**

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

2. The terms of this Decree are adequate, fair, reasonable, equitable and just.
3. This Decree conforms with the Federal Rules of Civil Procedure and is not in derogation of the rights or privileges of any person. The entry of this Decree will further the objectives of Title VII, and will be in the best interests of the parties, those for whom EEOC seeks relief, and the public.
4. This Decree resolves all claims the EEOC brought or could have brought arising out of the Charge of Discrimination filed by Shisler against Management Hospitality, EEOC Charge No. 260-2005-06821C, including EEOC's claims herein on behalf of Shisler and Powell. The parties further agree that this Decree does not resolve any other claims.

INJUNCTIVE RELIEF

Defendant Flipmeastack agrees to comply with the following substantive provisions of affirmative relief, as adapted from the injunction that was issued by the Court on August 31, 2010 and supplemented by the Court on May 31, 2011:

1. Flipmeastack shall not allow a sexually hostile work environment to exist at any restaurant at which it provides restaurant management consulting services. For the purposes of this Consent Decree, the term "restaurant management consulting services" is specifically defined and limited to sexual harassment, diversity and discrimination training, prevention, compliance, and investigation services. Restaurants which currently receive such services are listed on attached Exhibit B, and Flipmeastack shall advise EEOC in writing if any restaurants are added or deleted from that list during the term of this Consent Decree.

2. Flipmeastack shall continue to conduct sexual harassment training for all employees at any restaurant at which it provides restaurant management consulting

services that emphasizes the responsibility of supervisors to prevent and correct promptly any sexually harassing behavior. Further, Flipmeastack will post, at all restaurants where it provides management consulting services , a toll-free number for harassment and discrimination complaints by the restaurants' employees and a written anti-harassment and anti-discrimination policy.

* * *

4. Flipmeastack shall post the attached Notice informing employees of all restaurants where it provides management consulting services of this Consent Decree and Order in a conspicuous location where such Notice can be easily seen by all employees, pursuant to paragraph 7 below.

5. Flipmeastack shall report to the EEOC within thirty (30) days of any complaint of sexual harassment at any restaurant where it provides management consulting services and will provide the EEOC with a written description of the complaint, the investigation that was conducted, and the result of the complaint. All documents and electronic information regarding such complaint and investigation shall be made available for inspection and copying by the EEOC pursuant to paragraph 6 below.

6. Flipmeastack shall maintain records of its compliance with the foregoing and shall allow the EEOC access thereto on forty eight (48) hours' written notice to Flipmeastack.

7. A copy of the notice described in paragraph 4 shall be posted in a conspicuous location at each of the restaurants serviced by Flipmeastack. For purposes of monitoring compliance, Flipmeastack shall provide the EEOC with a list identifying the name,

address and phone number of each of the restaurants serviced by Flipmeastack, and shall also provide the EEOC with sworn certifications stating that the notices are posted at all restaurants, and it shall attach to each certification dated digital photos depicting the notices and their locations at each restaurant. The first certification is due on August 15, 2012, and subsequent certifications are due by the 15th of each third month thereafter in which the injunction is in effect. Finally, the EEOC shall be allowed to conduct random inspections of the restaurants during business hours to ensure that the notices have been posted in accordance with the injunction and this order. Flipmeastack is responsible for making sure that the managers at each restaurant are aware of the EEOC's right to conduct these inspections, and the EEOC shall ensure that its representatives carry appropriate identification.

8. The training described in paragraph 2 shall be provided to all new employees at the restaurants serviced by Flipmeastack as part of the hiring process and to all employees once per year in 2012, 2013, and 2014. Flipmeastack shall annually provide the EEOC's Milwaukee District Office with a list of those trained and the date and description of the training provided.

MONETARY RELIEF

Defendants agree, within 15 days of entry of this Consent Decree and Order, to pay: \$11,000 as damages to Ms. Katrina Shisler; and \$4,000 as damages to Ms. Michelle Powell. Payment of the \$15,000 by the defendants shall relieve Salauddin Janmohammed, in his individual capacity only, from any and all past and future liability or obligations under the monetary terms of this consent decree, subject to the default provisions set forth herein.

Defendants further agree, on or before March 1, 2013, to pay \$50,000 as damages to Ms. Michelle Powell. Defendants shall mail the payments to the above persons at the addresses provided by the Commission, and shall simultaneously provide copies of the payment checks to the undersigned counsel for the Commission. In the event of any default of the foregoing monetary relief provisions, this Consent Decree shall be null and void, and the case shall be placed on the Court calendar for further proceedings in accordance with the 7th Circuit Court of Appeals' Final Judgment dated January 9, 2012.

TERM AND CONTINUING JURISDICTION

This Consent Decree and Order shall continue in effect through August 31, 2014. The Court shall maintain jurisdiction over this Consent Decree and Order and in the event of any dispute or non-compliance with its terms shall conduct such further proceedings as are necessary to its enforcement, pursuant to the record herein.

SO ORDERED, ADJUDGED AND DECREED this ____ day of _____, 2012.

Lynn Adelman
United States District Court Judge

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Date: 8/14/12

s/Jean P. Kamp
JEAN P. KAMP
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Date: 8/14/12

s/Brian C. Tyndall
BRIAN C. TYNDALL
Senior Trial Attorney

Date: 8/14/12

MANAGEMENT HOSPITALITY OF RACINE, INC.

By: s:/Salauddin Janmohammed

Date 8/6/2012

President

FLIPMEASTACK, INC.

By: s:/Victoria Janmohammed

Date 8/6/2012

President

SALAUDDIN JANMOHAMMED

s:/Salauddin Janmohammed
Salauddin Janmohammed

Date 8/6/2012

**Notice to all employees of IHOP restaurants where Flipmeastack, Inc.
provides management consulting services**

Flipmeastack, Inc. (“Flipmeastack”), a company that provides restaurant management consulting services to IHOP restaurants, in a lawsuit brought by the United States Equal Employment Opportunity Commission (EEOC) against Flipmeastack, Management Hospitality of Racine, Inc., and Salauddin Janmohammed, has agreed to post this Notice pursuant to a Consent Decree and Order. In the lawsuit, one of the restaurants where Flipmeastack provided management consulting services was found by a federal jury to have violated Title VII of the United States Civil Rights Act of 1964 by allowing a sexually hostile work environment. The jury awarded compensatory damages to two victims and punitive damages to one of them. Also in the lawsuit, the United States District Court for the Eastern District of Wisconsin had placed Flipmeastack under an injunction for four years, requiring that it not allow a sexually hostile work environment at its clients’ restaurants. On appeal to the 7th Circuit Court of Appeals, the judgement against Flipmeastack was reversed, the injunction against Flipmeastack was vacated, and the case was remanded for further proceedings. The parties then resolved the case pursuant to the Consent Decree and Order, without a determination on the issue of Flipmeastack’s liability.

This notice is a reminder that employees have a right to be protected from sexual harassment in the workplace, and may complain of such unlawful discrimination both internally and to the EEOC.

The EEOC enforces the federal laws against discrimination in employment on the basis of race, color, religion, national origin, sex, age or disability. If you believe you have been

discriminated against, you may contact the EEOC at (312) 353-8195. The EEOC charges no fees and has a TDD number.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE

This Notice must remain posted until August 31, 2014 and must not be altered, defaced or covered by any other material. Any questions about this Notice, compliance with its terms, or the Consent Decree and Order (a copy of which is available on request to the EEOC) may be directed to: EEOC, 500 West Madison Street, Suite 2800, Chicago, IL 60661.

Dated: _____

Lynn Adelman
United States District Court Judge