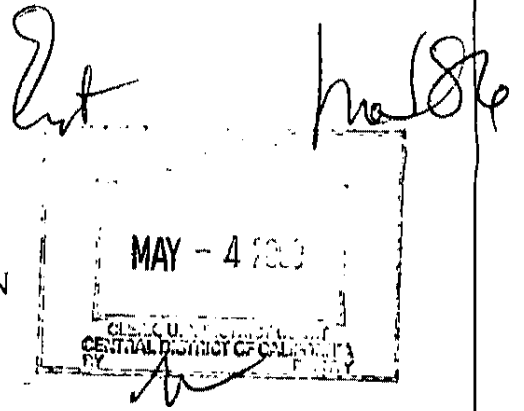


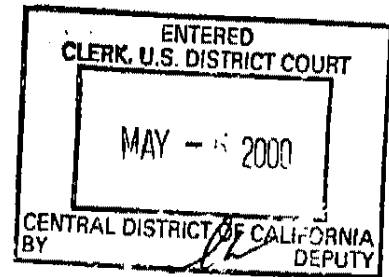
1 DAVID INGRAM (PA State Bar No. 14955)
 ANAT EHRLICH (State Bar No. 151836)
 2 KATHLEEN MULLIGAN (State Bar No. 204985)
 DANA CEPHAS (State Bar No. 181847)
 3 DANA C. JOHNSON (State Bar No. 187341)
 EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
 4 255 East Temple Street, 4th Floor
 Los Angeles, California 90012
 5 Telephone: (213) 894-1081
 Facsimile: (213) 894-1118



6 Attorneys for Plaintiff
 7 U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

8 FRANK ROTHMAN (State Bar No. 22890)
 KAREN L. CORMAN (State Bar No. 134001)
 9 RHONDA M. BETHEA (State Bar No. 185361)
 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
 10 300 S. Grand Avenue, Ste. 3400
 Los Angeles, CA 90071-3144
 11 Telephone: (213) 687-5000
 Facsimile: (213) 687-5600

12 JAY S. BERKE
 13 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
 4 Times Square
 14 New York, New York 10036
 Telephone: (212) 735-3000
 15 Facsimile: (212) 735-2000



16 Attorneys for Defendants
 IAN SCHRAGER HOTEL MANAGEMENT LLC
 17 a/b/a MONDRIAN HOTEL, IAN SCHRAGER
 HOTELS, INC., and MONDRIAN HOLDINGS LLC

UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

18 U.S. EQUAL EMPLOYMENT
 22 OPPORTUNITY COMMISSION,

23 Plaintiff,

24 v.

25 IAN SCHRAGER HOTELS, INC. ET AL.,

26 Defendants.

CASE NO. CV 99-00987 GAF (RCx)

**STIPULATION RE DISMISSAL
 WITH PREJUDICE OF PLAINTIFF
 EEOC'S DISPARATE IMPACT
 CLAIM AGAINST DEFENDANTS**

Trial Date: June 20, 2000
 Judge: Hon. Gary A. Feess

LODGED

FILED
 MAY 3 2000
 U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

27
 ✓ Docketed
 ✓ Copies / NTC Sent
 NO JS - 5 / JS - 6
 JS - 2 / JS - 3
 CLSD

MAY 05 2000

79.

1 **IT IS HEREBY STIPULATED AND AGREED** by and between U. S. Equal
2 Employment Opportunity Commission ("Plaintiff" or "EEOC") and Ian Schrager Hotels, Inc.,
3 Ian Schrager Hotels Management LLC d/b/a Mondrian Hotel and Mondrian Holdings LLC
4 ("Defendants") (collectively, the "Parties"), by and through their respective attorneys of record,
5 as follows:

6 **WHEREAS**, the EEOC filed a Second Amended Complaint on January 20, 2000
7 (the "Complaint") alleging that since at least October of 1996 Defendants have engaged in and
8 continue to engage in recruitment practices which discriminate against potential Hispanic, Black
9 and Asian applicants for employment; and that, as a result of these alleged practices, an
10 unidentified class of chilled Hispanics, Blacks and Asians have been denied equal employment
11 opportunities in violation of Title VII of the Civil Rights Act of 1964, as amended (the
12 "Disparate Impact Claim").

13 **WHEREAS**, the EEOC's Disparate Impact Claim also alleged that a currently
14 unidentified class of chilled Hispanic, Black and Asian applicants for employment have suffered
15 a loss of earnings, including back wages and benefits together with interest.

16 **WHEREAS**, the EEOC's Complaint requested relief for its Disparate Impact
17 Claim in the form of an order for Defendants to institute and carry out policies, practices and
18 programs which provide equal employment opportunities for all employees, and which eradicate
19 the effects of Defendants' alleged past and present unlawful employment practices and to provide
20 appropriate damages allegedly suffered by Hispanic, Black and Asian potential applicants.

21 **WHEREAS**, the Parties have completed their discovery with regard to the
22 EEOC's Disparate Impact Claim, including the exchange of expert reports and Defendants'
23 deposition of Plaintiff EEOC's labor economist expert, Dr. Michael P. Ward.

24 **WHEREAS**, Joseph Trotochau, a former employee and security agent of the
25 Mondrian Hotel, filed a charge of discrimination with the EEOC in February 1999 alleging that
26 since February 1997 Defendants have engaged in adverse employment actions against Hispanic,
27 Black and Asian employees in hiring and discharge on the basis of race or national origin; and
28 that Mr. Trotochau was terminated in retaliation for allegedly complaining of such race or

1 national origin discrimination to Defendants (the "Trotochau Charge").

2 **WHEREAS**, the EEOC has not completed its Investigation of the Trotochau
3 Charge.

4 **WHEREAS**, the EEOC decided to dismiss its Disparate Impact Claim and
5 withdraw all of its expert witnesses in this lawsuit, but will proceed to trial on the disparate
6 treatment theory arising from nine individual charges of discrimination.

7 **NOW, THEREFORE, THE PARTIES HEREBY STIPULATE AND**
8 **AGREE THAT:**

9 1. The time period covered by the Disparate Impact Claim and the
10 Trotochau Charge begins on March 1, 1995 and continues through April 17, 2000.

11 2. The EEOC shall dismiss with prejudice the Disparate Impact Claim in its
12 Complaint as to all Defendants for the time period set forth in paragraph 1 herein.

13 3. The EEOC will not offer any expert or lay testimony, or any work
14 product prepared by Drs. Bielby and Ward, on the expert opinions and conclusions addressed by
15 Drs. Bielby and Ward in their respective expert reports and/or depositions at trial.

16 4. The EEOC shall not issue a cause determination with respect to the
17 disparate impact allegations in the Trotochau Charge, nor shall it file any lawsuit against
18 Defendants based on the hiring, recruitment or discharge allegations in the Trotochau Charge for
19 the time period set forth in paragraph 1 herein.

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5. Defendants shall not seek reimbursement of their attorneys' fees and costs, including expert fees, expended solely in defense of the EEOC's Disparate Impact Claim.

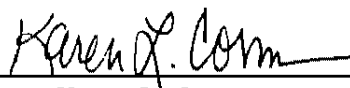
DATED: May 3, 2000

DAVID INGRAM
ANAT EHRLICH
KATHLEEN MULLIGAN
DANA CEPHAS
U. S. EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION

By: 
Anat Ehrlich
Attorneys for Plaintiff
U.S. Equal Employment Opportunity Commission

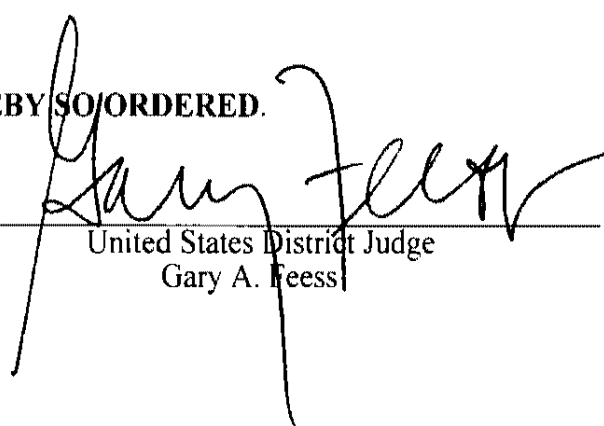
DATED: May 3, 2000

FRANK ROTHMAN
KAREN L. CORMAN
JAY S. BERKE
RHONDA M. BETHEA
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By: 
Karen L. Corman
Attorneys for Defendants
Ian Schrager Hotel Management LLC,
Ian Schrager Hotels, Inc. and Mondrian Holdings LLC

IT IS HEREBY SO ORDERED.

Dated: 5/3/2000


United States District Judge
Gary A. Feess

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California, I am over the age of 18 and not a party to this action; my business address is 300 South Grand Avenue, Suite 3400, Los Angeles, California 90071.

On May 3, 2000, I caused to be served the foregoing document(s) described as:

STIPULATION RE DISMISSAL WITH PREJUDICE OF PLAINTIFF
EEOC'S DISPARATE IMPACT CLAIM AGAINST DEFENDANTS

by serving via U.S. Mail true copies thereof to the parties identified below:

Dana Cephas
U.S. EEOC
255 E. Temple St., 4th Flr.
Los Angeles, California 90012

| | (BY MAIL) I deposited such envelope with postage thereon fully prepaid in the United States mail at a facility regularly maintained by the United States Postal Service Los Angeles, California.

| X | (BY U.S. MAIL IN THE ORDINARY COURSE OF BUSINESS) I am readily familiar with the firm's practice for the collection and processing of correspondence for mailing with the Postal Service and the fact that the correspondence would be deposited with same that same day in the ordinary course of business; on this date, the above-referenced correspondence was placed for deposit at Los Angeles, California and placed for collection and mailing following ordinary business practices.

| | (BY PERSONAL SERVICE) | | By personally causing to be delivered copies to the the person(s) served as shown above.
(STATE/FEDERAL)

| | I personally caused to be delivered copies.

| X | I declare under penalty of perjury under the laws of the State of California and the United States of America that the above is true and correct.

Executed on May 3, 2000, at Los Angeles, California.

Jean F. Clark
PRINT NAME

Jean F. Clark
SIGNATURE