

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOCKETED

JUL 31 2002

EQUAL EMPLOYMENT OPPORTUNITY)
COMMISSION,)
)
Plaintiff,)
)
and)
)
SILVIA PICAZO AND ROSA GOMEZ,)
)
Plaintiff-Intervenors,)
)
v.)
)
REGIS CORPORATION,)
)
Defendant.)
_____)

CIVIL ACTION NO. 99 C 8270

Judge Gottschall
Magistrate Judge Mason

CONSENT DECREE

THE LITIGATION

1. Plaintiff Equal Employment Opportunity Commission (the "EEOC") filed this action alleging that Defendant Regis Corporation ("Regis") violated Section 703(a) of Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), 42 U.S.C. § 2000e-2(a), by fostering or tolerating a working environment that was hostile to Hispanic employees by enforcing an English-only policy along with other discriminatory actions, and by discharging Hispanic employees on the basis of their national origin. Regis denies these allegations and denies that it engaged in any unlawful conduct. The EEOC seeks relief for Aurora Rodriguez and Isabel C. Gomez, who filed charges of discrimination ("Charging Parties"). The EEOC also seeks relief for Silvia Picazo, Rosa Gomez, Angelina Flores, and Miguel Garcia ("Class Members"). Silvia Picazo and Rosa Gomez

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("Intervenors") have intervened in this action, by filing an intervening complaint and are represented by the Legal Assistance Foundation of Metropolitan Chicago.

2. In the interest of resolving this matter, and as a result of having engaged in comprehensive settlement negotiations, the parties have agreed that this action should be finally resolved by entry of this Consent Decree (hereafter "Decree"). This Decree fully and finally resolves any and all issues and claims arising out of the Complaint filed by the EEOC and the Complaint filed by the Intervenors in this action. This Decree is not an admission by any party of the claims or defenses of the others.

FINDINGS

3. Having carefully examined the terms and provisions of this Decree, and based on the pleadings, record, and stipulations of the parties, the Court finds the following:

a. This Court has jurisdiction of the subject matter of this action and of the parties.

b. The terms of this Decree are adequate, fair, reasonable, equitable, and just. The rights of EEOC, Regis, the Intervenors, the charging parties, class members and the public interest are adequately protected by this Decree.

c. This Decree conforms with the Federal Rules of Civil Procedure and Title VII 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, the claimants, and the public.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:

INJUNCTION AGAINST NATIONAL ORIGIN DISCRIMINATION

4. Regis and its officers, agents, management (including supervisory employees), successors and assigns, and all those in active concert or participation with them such as but not limited to employment agencies, or any of them, are hereby enjoined from: (i) discriminating against employees on the basis of their national origin, including but not limited to preventing employees from speaking Spanish during lunch and breaks and during work hours without a business necessity as defined by case law under Title VII; and/or (ii) creating, facilitating or permitting, including through a policy or practice, the existence of a work environment that is hostile to employees on the basis of their national origin.

NON-RETALIATION

5. Regis, its officers, agents, employees, successors, assigns and all persons acting in concert with it shall not engage in any form of retaliation against any person because such person has opposed any practice made unlawful under Title VII, filed a Charge of Discrimination under Title VII, testified or participated in any manner in any investigation, proceeding, or hearing under Title VII, or asserted any rights under this Decree.

MONETARY RELIEF

6. Regis shall pay an aggregate of \$240,000 to the Charging Parties and Class Members to be distributed among them as follows:

Name	Amount
Aurora Rodriguez	\$60,000
Isabel C. Gomez	\$52,000
Silvia Picazo	\$50,000
Rosa Gomez.	\$40,000

Angelina Flores	\$32,000
Michael Garcia	\$6,000

Of the amount paid to Aurora Rodriguez, \$2,022 shall be treated as backpay. Of the amount paid to Isabel Gomez, \$2,300.18 shall be treated as backpay. Of the amount paid to Rosa Gomez, \$693.94 shall be treated as backpay. The amounts treated as backpay shall be paid less applicable withholding to cover all wage and benefit claims. "Applicable withholding to cover all wage and benefit claims" includes and is limited to federal income tax withholdings, state income tax withholdings, and the payee's share of federal social security and medicare withholdings (i.e., FICA and any other related tax). No portion of the remaining amounts paid to Aurora Rodriguez, Isabel Gomez and Rosa Gomez or any of the funds paid to Silvia Picazo, Angelina Flores or Michael Garcia shall be considered compensation for lost wages, so no withholdings shall be made from those funds. Regis will issue IRS Form 1099s with respect to those payments.

7. Within five (5) business days after entry of this Decree, the EEOC will mail to the Charging Parties and Class Members a copy of the Release Agreement attached as Exhibit A. Within five (5) business days after receipt by the EEOC of a signed Release Agreement, the EEOC shall mail the Release Agreement to Regis. Within five (5) business days after receipt by Defendant of a signed Release Agreement, Regis shall issue and mail by certified mail to the Charging Party or Class Member who signed the Agreement a check in the amount set forth above. The EEOC shall provide Defendant with current addresses for all Charging Parties and Class Members.

POSTING OF NOTICE

8. Within ten (10) business days after entry of this Decree, Regis shall post copies of the Notice attached as Exhibit B to this Decree on the bulletin boards usually used by Regis for

communicating with employees at all of the facilities in the area supervised by area supervisor Colleen Miller prior to the entry of this Decree, including Salon Nos. 1474, 1446, 1430, 1411, 1408, 1419, 1452, 1459, 1420, 1464, 1416, 1490, 1480, 1439, 1450, 1472 (Salon Addresses are included as Exhibit C to this Decree). Copies in both English and Spanish shall be posted. The Notice shall remain posted for two (2) years from the date of entry of this Decree, even if Colleen Miller ceases to supervise the area before the end of the two (2) year period. Regis shall take all reasonable steps to ensure that the posting is not altered, defaced or covered by any other material. Regis shall certify to the EEOC in writing within ten (10) business days after entry of the Decree that the Notice has been properly posted. Regis shall permit a representative of the EEOC to enter Regis' premises for purposes of verifying compliance with this Paragraph at any time during normal business hours without prior notice. If EEOC enters Regis' premises to verify compliance, it shall request permission of the salon manager to see the Notice or, if the manager is not present, ask a stylist to call the salon manager or area supervisor to advise one of them of EEOC's request to see the Notice.

RECORD KEEPING

9. For all the salons in the area supervised by area supervisor, Colleen Miller, prior to the entry of this Decree, including Salon Nos. 1474, 1446, 1430, 1411, 1408, 1419, 1452, 1459, 1420, 1464, 1416, 1490, 1480, 1439, 1450, 1472 (Salon Addresses are included as Exhibit C to this Decree) and for a period of two (2) years following entry of this Decree (even if Colleen Miller does not supervise the area for the entire two (2) years), Regis shall maintain and make available for inspection and copying by the EEOC records (including names, social security numbers, addresses, telephone numbers and national origin, if known): 1) of each employee who complains of national origin discrimination, and 2) of each Regis employee who is terminated or suspended. With respect

to complaints of national origin, such report shall indicate the date the complaint was made, who made it, what was alleged, and what actions the Defendant took to resolve the matter. With respect to terminations and suspensions, the report shall indicate the name of the manager who made the decision to terminate or suspend the employee and the reason(s) for the termination or suspension.

10. Regis shall make all documents or records referred to in Paragraph 9 above, available for inspection and copying within ten (10) business days after the EEOC so requests. In addition, Regis shall require supervisory personnel within its employ whom the EEOC reasonably requests for purposes of verifying compliance with this Decree to come to EEOC Chicago District Office to be interviewed and shall encourage non-supervisory employees within its employ whom the EEOC reasonably requests for purposes of verifying compliance with this Decree to come to EEOC Chicago District Office to be interviewed. In the event the EEOC is unable to contact a non-supervisory employee for purposes of verifying compliance with this Decree, it shall so notify Regis and Regis shall, within five (5) business days, provide the EEOC with the non-supervisory employee's scheduled hours of work over the next fourteen (14) day period so that EEOC can conduct these interviews at these employee's breaks, at the end of the day, or at some other time convenient to the employee and EEOC. Regis agrees that it will not discourage employees from participating in the interviews.

REPORTING

11. Regis shall furnish to the EEOC the following written reports semi-annually for a period of two (2) years following entry of this Decree. The first report shall be due six (6) months after entry of the Decree. The final report shall be due twenty-four (24) months after entry of the Decree. Each such report shall contain:

- a. A summary of the information recorded by Regis pursuant to Paragraph 10;
- b. A certification by Regis that the Notice required to be posted in 8, above, remained posted during the entire six (6) month period preceding the report.

ADOPTION AND DISTRIBUTION OF REVISED POLICY
AGAINST NATIONAL ORIGIN DISCRIMINATION

12. In the salons in the area supervised by area supervisor, Colleen Miller, prior to the entry of this Decree, including Salon Nos. 1474, 1446, 1430, 1411, 1408, 1419, 1452, 1459, 1420, 1464, 1416, 1490, 1480, 1439, 1450, 1472 (Salon Addresses are included as Exhibit C to this Decree) Regis shall adopt a revised policy against national origin discrimination within fourteen (14) days after the entry of this Consent Decree. Within twenty-one (21) days after the entry of this Consent Decree Regis shall distribute a copy of said Policy in English and Spanish to each employee of Regis employed in the salons in the area supervised by area supervisor, Colleen Miller, prior to the entry of this Decree, including Salon Nos. 1474, 1446, 1430, 1411, 1408, 1419, 1452, 1459, 1420, 1464, 1416, 1490, 1480, 1439, 1450, 1472 (Salon Addresses are included as Exhibit C to this Decree) .

(a) The policy shall specifically prohibit all harassing conduct on the basis of national origin by Regis employees, shall prohibit any discrimination in the terms and conditions of employment based on national origin and shall prohibit discriminatory termination of employees based on national origin. The parties understand that discrimination on the basis of national origin includes language discrimination.

(b) It shall not require employees to complain of harassment to a person against whom they allege harassment.

(c) It shall inform employees that complaints will be investigated thoroughly and promptly and shall provide that employees who violate the policy are subject to discipline up to and including discharge.

Regis shall forward a copy of the Policy to the EEOC within three (3) business days after entry of this Decree. The inclusion of Paragraph 12 in the Decree does not mean that EEOC or the Court approves of Regis' anti-discrimination or anti-harassment policy.

13. In the salons in the area supervised by area supervisor, Colleen Miller, prior to the entry of this Decree, including Salon Nos. 1474, 1446, 1430, 1411, 1408, 1419, 1452, 1459, 1420, 1464, 1416, 1490, 1480, 1439, 1450, 1472 (Salon Addresses are included as Exhibit C to this Decree), a copy of the Policy in English and Spanish shall be given to each new employee within five days after an employee starts work and shall also be posted on the bulletin boards customarily used for posting notices from management to employees. The revised policy shall be included in the next revision and all future revisions during the term of this Decree of the new employee orientation packet and manager manuals for all Regis salons.

TRAINING

14 During each of the two (2) years covered by this Decree, Colleen Miller or any other area manager who supervises the area currently managed by Miller, and all salon managers in the area presently supervised by Miller shall participate in an annual training session by a trainer paid for by Regis and approved by the EEOC regarding national origin discrimination, including enforcement of English-only policies, and regarding the Policy implemented pursuant to Paragraph 12 above. The first training shall take place within ninety (90) days of entry of this Decree.

15. Regis shall obtain the EEOC's approval of its proposed trainer prior to the training

session. Regis shall submit the name, address, telephone number, resume and training proposal of the proposed trainer to the EEOC at least fifteen (15) days prior to the proposed date(s) of the training. The EEOC shall have five (5) calendar days from the date of receipt of the information described above to accept or reject the proposed trainer. In the event the EEOC does not approve Regis's designated trainer, Regis shall have five (5) calendar days to identify an alternate trainer. The EEOC shall have five (5) calendar days from the date of receipt of the information described above to accept or reject the alternate trainer. If the parties cannot through this process agree on a trainer, then they may seek the Court's assistance under ¶ 19.

16. Regis shall certify to the EEOC in writing within five (5) business days after the training has occurred that the training has taken place and that the required personnel have attended. Such certification shall include: (i) the date, location and duration of the training; and (ii) a copy of the registry of attendance, which shall include the name and position of each person in attendance.

17. Upon the EEOC's request, Regis agrees to provide the EEOC with any and all copies of pamphlets, brochures, outlines or other written material(s) provided to the participants of the training session(s).

18. Regis shall show to all employees and make available in all of its video libraries a training video concerning Regis' policy against discrimination and harassment against its employees. Within fourteen (14) days after the entry of this Consent Decree, Regis shall make the video available to EEOC for EEOC review and approval.

DISPUTE RESOLUTION

19. In the event that either party to this Decree believes that the other party has failed to comply with any provision(s) of the Decree, the complaining party shall notify the other party of the

alleged non-compliance and shall afford the alleged non-complying party ten (10) business days to remedy the non-compliance or to satisfy the complaining party that the alleged non-complying party has complied. If the alleged non-complying party has not remedied the alleged non-compliance or satisfied the complaining party that it has complied within ten (10) business days, the complaining party may apply to the Court for appropriate relief.

DURATION OF THE DECREE AND RETENTION OF JURISDICTION

20. All provisions of this Decree shall be in effect (and the Court will retain jurisdiction of this matter to enforce this Decree) for a period of two (2) years immediately following entry of the Decree, provided, however, that if, at the end of the two (2) years period, any disputes under Paragraph 19, above, remain unresolved, the term of the Decree shall be automatically extended (and the Court will retain jurisdiction of this matter to enforce the Decree) until such time as all such disputes have been resolved.

MISCELLANEOUS PROVISIONS

21. Each party to this Decree shall bear its own expenses and costs. The EEOC, Intervenors and Regis shall bear their own attorneys' fees.

22. The terms of this Decree are and shall be binding upon the present and future representatives, agents, directors, officers, assigns, and successors of Regis in their capacities as representatives, agents, directors and officers of Regis, and not in their individual capacities.

23. When this Decree requires the submission by Regis of reports, certifications, notices, or other materials to the EEOC, they shall be mailed to: Regis Settlement, Equal Employment Opportunity Commission, 500 West Madison Street, Suite 2800, Chicago, Illinois, 60661. When this Decree requires submission by the EEOC of materials to Regis, they shall be mailed to: Ellen

E. McLaughlin, Seyfarth Shaw, 55 East Monroe Street, Suite 4200, Chicago, Illinois 60603-5803.

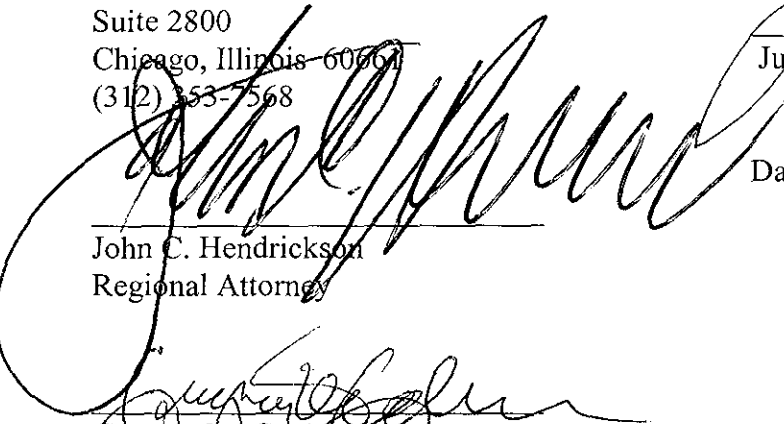
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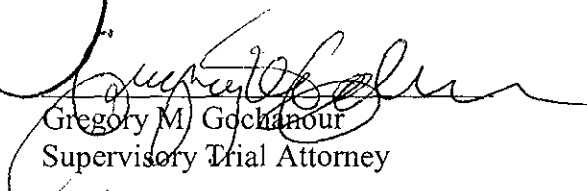
For the Equal Employment
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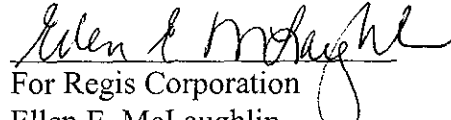
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Judge Joan B. Gottschall

Date: 7/29/02

NOTICE TO ALL REGIS EMPLOYEES

This Notice is being posted pursuant to a Consent Decree entered by the federal court in EEOC et al. v. Regis Corp, No. 99 C 8270 (N.D. Ill.), resolving a lawsuit filed by the Equal Employment Opportunity Commission ("EEOC") against Regis Corporation ("Regis").

In its suit, the EEOC alleged that Regis fostered or tolerated a working environment that was hostile to Hispanic employees and otherwise discriminated against Hispanic employees by enforcing an English-only policy along with other discriminatory actions, in violation of Title VII of the Civil Rights Act of 1964 ("Title VII"). Regis denied the allegations in the suit and denied that it engaged in any unlawful conduct.

To resolve the case, Regis and the EEOC have entered into a Consent Decree which provides, among other things, that:

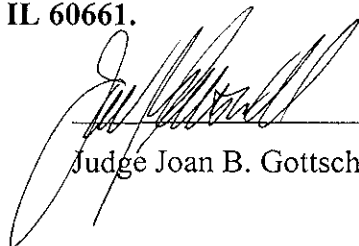
- 1) Regis will pay monetary relief to certain former employees;
- 2) Regis will not maintain an English-only policy during lunch or breaks, nor during work hours without a business necessity as defined by case law under Title VII, and will not foster or tolerate harassment on the basis of national origin or otherwise discriminate against any employee on the basis of national origin;
- 3) Regis will not retaliate against any person because (s)he opposed any practice made unlawful by Title VII, filed a Title VII charge of discrimination, participated in any Title VII proceeding, or asserted any rights under the Consent Decree;
- 4) Regis will adopt and distribute to all employees a policy against national origin discrimination and will train all its managers regarding national origin discrimination and its policy;
- 5) Regis will show to all employees and make available in all of its video libraries a training video concerning Regis' policy against discrimination and harassment against its employees.

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 follow the complaint procedure in Regis' non-discrimination and anti-harassment policy and you may contact the EEOC at (312) 353-8195. The EEOC charges no fees and has employees who speak languages other than English.

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

This Notice must remain posted for two years from the date below and must not be altered, defaced or covered by any other material. Any questions about this Notice or compliance with its terms may be directed to: Regis Settlement, EEOC, 500 West Madison Street, Suite 2800, Chicago, IL 60661.

July 29, 2002
Date



Judge Joan B. Gottschall