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Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

Equal Employment Opportunity Commission,	}	Civil No. 2:01CV00439C
Plaintiff,		
vs.		
JB's Family Restaurants, Inc., a Delaware corporation; Summit Family Restaurants, Inc., a Delaware corporation,	}	CONSENT DECREE BETWEEN PLAINTIFF EEOC AND DEFENDANT JB'S FAMILY RESTAURANTS, INC.
Defendants.		Judge Tena Campbell

INTRODUCTION

The United States Equal Employment Opportunity Commission (the "Commission" or "EEOC") filed this action against JB's Family Restaurants, Inc. ("JB's" and Summit Family Restaurants Inc ("Summit") to enforce Title VII of the Civil Rights Act of 1964, 42 U.S.C. §2000e et seq. (Title VII) and the Civil Rights Act of 1991, 42 U.S.C. §1981a. In its Third Amended Complaint, the Commission alleges defendants discriminated against Carla Hart and a class of female employees (collectively, "class members") on the basis of their sex by subjecting them to a pattern or practice of unlawful sexual harassment. The Commission also alleges defendants retaliated against



employees who complained about the sexual harassment, and that as a result of the sexual harassment and retaliation, Ms. Hart and other female employees were constructively discharged and/or terminated from their employment in violation of Title VII.

JB's was incorporated in 1997; owners of the corporation prior to November of 2000, when the current owner purchased 100% of the stock of JB's, include Santa Barbara Restaurant Group, Inc. and CKE Restaurants, Inc. Thus, the current owner of the stock of JB's has held the control of the JB's restaurants in question since November of 2000. The allegations that are the subject of this action involve conduct which allegedly occurred prior to the date when current ownership acquired the company.

The Commission and JB's do not object to the jurisdiction of the Court over this action and waive their rights to a hearing and the entry of findings of fact and conclusions of law.

In the interest of resolving this matter as between the Commission and JB's, and as a result of having engaged in comprehensive settlement negotiations, the Commission and JB's have agreed that the Commission's claims against JB's should be resolved finally by entry of this Decree. This Decree does not resolve any of the Commission's claims against any other named or unnamed defendants.

It is hereby ORDERED, ADJUDGED AND DECREED:

1. This Decree resolves all claims of the Commission and all class members identified in Attachment A to this Decree against JB's, including back pay, compensatory and punitive damages, interest, injunctive relief, attorney's fees and costs arising out of the issues in this lawsuit.

INJUNCTION

2. JB's, and its officers, agents, employees, successors, assigns and all persons in active concert or participation with it, both at the time that this Decree becomes

effective and for the duration of this Decree, are permanently enjoined for the duration of the Decree from: (a) sexually harassing any employee or applicant; (b) retaliating against any employee or applicant because he or she: (i) opposes or opposed discriminatory practices made unlawful by Title VII; (ii) files or filed a charge of discrimination or is assisting or has assisted or participated or is participating in the filing of a charge of discrimination; or (iii) assists, assisted, participates or participated in an investigation or proceeding brought under the Federal or State laws prohibiting discrimination or retaliation. Prior to bringing any court action to enforce compliance with this injunction, the EEOC will conduct itself as set forth in paragraph 24 of this Decree.

MONETARY RELIEF

3. Judgment is entered in favor of the Commission and against JB's in the amount of three hundred thousand dollars (\$300,000.00).

4. In full satisfaction of the judgment, JB's shall pay the gross sum of three hundred thousand dollars (\$300,000.00), to be distributed to the aggrieved persons listed in Attachment A. The three hundred thousand dollars (\$300,000.00) is to be paid as an allowed claim in accordance with the Amended Plan of Reorganization to be confirmed in the United States Bankruptcy Court for the District of Arizona, Case No. B-02-03349 PHX GCG. This Decree shall not be effective until approved by the parties and confirmed by the Bankruptcy Court. JB's shall not condition the receipt of the individual relief on a class member's agreement to: (a) maintain as confidential the terms of this Decree; (b) waive her statutory right to file a charge with any federal or state anti-discrimination agency with regard to conduct after the date of this decree; or (c) waive her right to apply for a position with JB's.

5. JB's shall pay the settlement amount specified in paragraph Three (3) of this Decree to the persons and in the amounts listed in Attachment A by check, cashier's

check or money order, for which sufficient funds exist, in accordance with the confirmed Amended Plan of Reorganization. JB's's obligation hereunder is not satisfied until each check issued is negotiated for readily available funds. The payments described above represent settlement of all damages claimed by the class members against JB's in this action, including compensatory damages. By January 31 of each year, JB's shall issue United States Internal Revenue Service Form 1099 to each class member for all such payments.

6. JB's shall mail a copy of the checks provided for in Paragraph five (5) of this Decree and any related correspondence to the Regional Attorney, United States Equal Employment Opportunity Commission, 3300 North Central Avenue, Suite 690, Phoenix, Arizona, 85012.

OTHER RELIEF

7. JB's shall provide Carla Hart and the class members identified in Attachment A with the written apology letter attached hereto as Attachment C. The apology letter shall be delivered within sixty (60) days of the entry of this Decree and shall be signed and printed on JB's letterhead and signed by Lynn B. Whiteford, president and CEO of JB's.

8. JB's shall carry out policies and practices that help assure a work environment free from sexual harassment of its employees and that allow employees to raise concerns or complaints without retaliation about matters made unlawful by Title VII. To assist JB's in its efforts to assure a work environment free of sexual harassment and retaliation, JB's shall take the actions provided in Paragraphs Twelve (12) - Nineteen (19) of this Decree.

9. JB's has made but shall again make written, bona fide offers of employment to each of the class members identified in Attachment A within thirty (30) days of the

entry of this Decree. Such offers of employment shall include an offer to return the individual to substantially the same position, with the same seniority and benefits, as she would have held if she had continued working for JB's. Such offers also shall include the title of the position offered, store location(s), salary, benefits and expected hours per week of employment.

10. The identified class members shall have thirty (30) days from receipt of the second written offer to accept or reject the position. For any class member who accepts a position with JB's, for the duration of this Decree, JB's shall notify the Commission in writing when it takes any adverse employment action against that class member. Such notification shall include the reason(s) for the adverse employment action and identify by full name, position title, social security number, telephone number and address of the person(s) responsible for making the decision to take the adverse employment action. Such notification also shall include the full name, position title, last known home telephone number and address of the class member against whom such action was or will be taken.

11. JB's agrees that Lynn Whiteford, current president and CEO of JB's, and Mona Kollmorgan, manager of human resources for JB's, shall give truthful testimony, in connection with the Commission's lawsuit against any remaining defendants to this action, or appropriate defendants yet to be named to this lawsuit. Lynn Whiteford and Mona Kollmorgan also agree their testimony shall be truthful and to provide the Commission with a sworn statement given by each of them to the EEOC prior to the filing of this Decree with the Court. The out-of-court sworn statement shall cover all matters related to this litigation and all matters related to their employment with JB's and any predecessor or successor in interest.

DEFENDANT'S CORRECTIVE POLICIES AND PRACTICES

12. JB's shall post within thirty (30) days of the entry of this Decree, for the duration of this Decree, in a prominent place frequented by its employees at its facilities located in the State of Utah, including, both at the time that this Decree becomes effective and for the duration of this Decree, the Notice attached as Attachment B, in both English and Spanish. The Notice shall be the same type, style and size as set forth in Attachment B to this Decree, and the Notice shall be posted so that both pages are visible side-by-side.

13. JB's shall provide training to the employees, supervisors and managers of its facilities in the State of Utah on sexual harassment and retaliation, according to the following terms:

A. JB's shall provide consultation and training to its employees, supervisors and managers of its Utah facilities for a period of five (5) years from the date of this Decree. During each of the next five (5) years, the consultant/trainer shall conduct one live seminar training session each year, during which JB's shall ensure that an officer of JB's will make either a live or a videotaped statement regarding the severe consequences of sexual harassment and of the failure to investigate and take seriously complaints of unlawful harassment, including the fact that managers and supervisors are evaluated, in part, on their enforcement of JB's' anti-discrimination policies and the handling of discrimination complaints, and that such individuals may be subjected to discipline, up to and including termination, for violation of JB's policies against sexual harassment and retaliation.

All JB's employees, supervisors and managers employed or having responsibility for its Utah facilities shall attend the live session or the videotaped showing of the live session in each year for the duration of this Decree. JB's may at its election have duplicative videotaped sessions to accommodate staffing needs.

B. During the first year, 2003, the seminar-training session shall be conducted within four months of the entry of this Decree. For the second year, the seminar-training session shall be conducted between 10 and 12 months after the completion of the preceding session. For the third year, the seminar-training session shall be conducted between 10 and 12 months after the completion of the preceding session. For the fourth year, the seminar-training session shall be conducted between 10 and 12 months after the completion of the preceding session. For the fifth year, the seminar-training session shall be conducted between 10 and 12 months after the completion of the preceding session.

C. The seminar-training sessions shall be approximately one and a half hours, plus 15-30 minutes of questions and answers. All personnel, designated in Paragraph Thirteen (13) (A), shall both register and attend the seminar-training session. The registry of attendance shall be retained by JB's for the duration of this Decree.

D. The seminars shall include the subjects of what constitutes sexual harassment and retaliation; that sexual harassment and retaliation in the hiring, firing, compensation, assignment or other terms, conditions or privileges of employment violates the law; how to prevent sexual harassment and retaliation; how to provide a work environment free from sexual harassment and retaliation; how to conduct an effective sexual harassment investigation; and to whom and by what means employees may complain if they feel they have been subjected to sexual harassment or retaliation in the workplace. The session shall also review and explain JB's policies set out in Paragraph Sixteen (16) (A)-(K) of this Decree.

E. During each training session, JB's shall ensure that an officer of JB's will speak either live or via videotape to the employees, supervisors and managers about the discipline that can be taken against supervisors, managers and employees of JB's who

commit acts of sex harassment or retaliation or allow sex harassment or retaliation to occur in the workplace; the importance of maintaining an environment free of sexual harassment and retaliation; and JB's policy in regard to sexual harassment and retaliation referred to in Paragraph Sixteen (16) (A)-(K) of this Decree.

14. The Commission may designate Commission representatives to attend and participate in the seminar-training sessions. The representatives shall have the right to attend and fully participate in the sessions.

15. JB's shall designate, for the duration of this Consent Decree, person(s) at JB's to receive and forward complaints of discrimination from its employees within the State of Utah.

16. JB's shall maintain written policies, in English and in Spanish concerning sexual harassment and retaliation, that conform with the law. JB's represents that its written policies substantially conform with Paragraphs A-K below:

A. A strong and clear commitment to a workplace free of sexual harassment;

B. Clear and complete definitions of sexual harassment and of retaliation, with at least four relevant examples;

C. A clear and strong encouragement of persons who believe they have been sexually harassed to come forward and make management aware of the harassment;

D. A description of the consequences, up to and including termination, that will be imposed upon violators of the policies;

E. A promise of maximum feasible confidentiality for persons who believe that they have been sexually harassed;

F. An assurance of non-retaliation for persons who believe they have been sexually harassed, and for witnesses;

G. That sexual harassment by any person, including management officials, supervisors, co-workers, customers and third parties is prohibited and will not be tolerated;

H. The identification of specific individuals, with their telephone numbers, to whom employees who believe that they have been sexually harassed can report the sexual harassment, including a written statement that the employee may report the harassment to designated persons outside of their chain of management. This information also shall be posted in a conspicuous place at JB's's facilities in the State of Utah;

I. That employees are not to discuss sexual conduct and/or sexual jokes while at work;

J. That no sexually oriented materials or objects shall be brought on the premises of JB's;

K. Assurances that JB's will investigate sexual harassment allegations promptly, fairly, thoroughly and impartially by using appropriate investigators and that appropriate corrective action will be taken by JB's to eradicate the sexual harassment.

17. These policies, referred to in Paragraph Sixteen (16) (A)-(K) above, shall be transmitted to employees, supervisors and managers of JB's Utah facilities by an officer of JB's and distributed to each current employee of JB's's Utah facilities within thirty (30) days of the entry of this Decree. These policies shall be distributed, in English and Spanish, to all new employees of JB's Utah facilities when hired and reissued, in English and Spanish, to each employee once a year for the term of this Decree. The sexual harassment policies also shall be posted, in English and Spanish, in a prominent place frequented by the employees and shall include a phone number for employees to complain and/or ask questions.

18. JB's shall promptly and appropriately investigate all complaints of sexual harassment by employees of its Utah facilities. Where the complaint is substantiated, JB's shall take immediate appropriate corrective action to discipline sexual harassers, and to eradicate the sexual harassment. If JB's determines that a victim of sexual harassment has been denied a tangible employment benefit as a result of the harassment, JB's shall restore the compromised benefit and take such actions as are reasonably necessary to place the employee in the position the employee would have been absent the discrimination or retaliation.

19. JB's shall not retain documents related to the investigation in the personnel file of any employee who complains of harassment. All disciplinary actions taken against employees, supervisors and managers of JB's Utah facilities for violation of JB's sexual harassment policy shall be retained in that employee's personnel file where a violation is found and discipline is imposed.

REPORTING BY DEFENDANT AND ACCESS BY EEOC

20. JB's shall report in writing to the Regional Attorney of the Commission's Phoenix District Office at 3300 N. Central Ave., Suite 690, Phoenix, Arizona 85012, beginning six (6) months from the date of the entry of this Decree, and thereafter every six (6) months for the duration of the Decree the following information:

A. Any changes, modifications, revocations, or revisions to its policies which concern or affect the subject of sexual harassment or retaliation.

B. The registry of persons attending the seminars required in Paragraph Thirteen (13) of this Decree and a list of current personnel employed by JB's at its Utah facilities on the day of the seminar-training session.

C. Confirmation that: (i) the Notice required in Paragraph Twelve (12) of this Decree was posted, in English and in Spanish, and the locations where it was

posted, (ii) the policies required in Paragraph Sixteen (16) (A)-(K) of this Decree were distributed to each current and new employee of JB's Utah facilities, and posted.

D. A copy of the polices referred to in Paragraph Sixteen (16) (A)-(K) of this Decree will be provided with the first report.

E. A copy of each apology letter mailed pursuant to Paragraph Seven (7) of this Decree will be provided with the first report.

21. The Commission shall have the right to enter and inspect JB's premises located in Utah upon ten (10) days written notice to JB's counsel, to ensure compliance with this Decree and Title VII's prohibition of sexual harassment and retaliation.

COSTS, DURATION AND PENALTIES FOR NON-COMPLIANCE

22. The parties shall each bear their own costs, and the Commission and JB's shall each bear their own attorneys' fees incurred as a result of this action through the filing of this Decree.

23. The duration of this Decree shall be five (5) years from its entry. This Court shall retain jurisdiction over this action for the duration of the Decree, during which the Commission may petition this Court for compliance with this Decree.

24. In the event that the Commission believes that JB's has failed to comply with any provision(s) of the Decree, prior to pursuing any action in court, including an action to enforce the injunction, above, the Commission shall:


A. Notify JB's in writing of the alleged non-compliance, which notice shall state that it is being given pursuant to this Paragraph Twenty-Four (24) (a) of this Decree and shall be sent by fax and by first-class mail both to the counsel and the corporate officers who sign this Decree on behalf of JB's, using the fax numbers and addresses shown in connection with their signatures below or updated information if known or provided, and

B. JB's shall have 30 days from the date of receipt of the foregoing notification to cure or resolve with the EEOC any alleged non-compliance with this Decree prior to the EEOC taking any court action.

25. Should the Court determine that JB's has not complied with this Decree, appropriate relief may be ordered. This Decree shall expire by its own terms at the end of sixty (60) months from the date of entry, without further action by the parties.

26. The parties agree to entry of this Decree and judgment subject to final approval by the Court.

DATED this 18 day of february 2004.



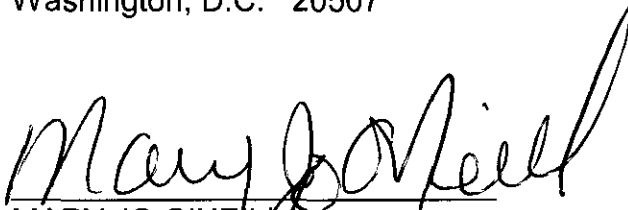
The Honorable Tena Campbell
United States District Court Judge

APPROVED AND CONSENTED TO:


NICHOLAS M. INZEO
Acting Deputy General Counsel

GWENDOLYN YOUNG REAMS
Associate General Counsel

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION
1801 L Street , N.W.
Washington, D.C. 20507



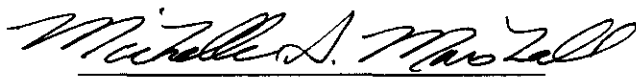
MARY JO O'NEILL
Regional Attorney



LYNN B. WHITEFORD
President and CEO



C. EMANUEL SMITH
Supervisory Trial Attorney



MICHELLE G. MARSHALL
Trial Attorney



LOIS BAAR, ESQ.

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JANOVE BAAR ASSOCIATES, L.C.
9 Exchange Place, Suite 1112
Salt Lake City, Utah 84111
(801) 530-0404

Attorneys for Defendant
JB's Family Restaurants, Inc.

Attorneys for Plaintiff

ATTACHMENT A

CLASS MEMBER NAME	AMOUNT
1. Carla Hart	\$115,000
2. Deanna Bingham	\$25,000
3. Jamie Bledsoe	\$5,000
4. Anne Jackson	\$25,000
5. Heather Boyd Jackson	\$5,000
6. Twila Pace	\$30,000
7. Jeni Miller	\$20,000
8. Rachelle Parsons	\$15,000
9. Amy Thomas	\$20,000
10. Katherine Ungerman Patane	\$5,000
11. Lisa Van Fleet	\$10,000
12. Valerie Bodine	\$25,000

ATTACHMENT B

NOTICE TO ALL EMPLOYEES OF JB'S FAMILY RESTAURANTS, INC.

This Notice is posted pursuant to a Consent Decree entered into between JB's Family Restaurants, Inc. (JB's) and the Equal Employment Opportunity Commission (EEOC), entering judgment against JB's.

It is unlawful under federal law, Title VII of the Civil Rights Act and state law to discriminate against an employee on the basis of sex, including sexual harassment, in the recruitment, hiring, firing, compensation, assignment, or other terms, and conditions or privileges of employment. Sexual harassment includes unwelcome or offensive sexual advances or touching, requests for sexual favors, or other verbal or physical conduct directed at a person because of her/his sex. It is also unlawful to retaliate against any person because the person protested discriminatory practices or contacted the EEOC or the Utah Anti-discrimination and Labor Division (UALD).

JB's shall not discriminate against any employee on the basis of sex, including sexual harassment, and shall not retaliate against any employee for complaining about sexual harassment.

If you believe you have been discriminated against or sexually harassed you should contact your manager or Lynn Whiteford, President of JB's, at 1-800-995-7555 ext. 2662 or Mona Kollmorgen Manager for Human Resources at JB's, at 1-800-995-7555 ext. 2661 or if you would prefer to speak to someone outside of the company you may contact Tricia Pannier, outside human resources consultant at 801-685-7697. You also have the right to seek assistance from:

- (1) EEOC, 3300 North Central Avenue, Suite 690, Phoenix, Arizona 85012
Telephone: (602) 640-5000
TTY: (602) 640-5072
Website (national): www.eeoc.gov; or

- (2) UALD Mailing Address: P.O. Box 146630, Salt Lake City, Utah 84114; Physical Address: 160 East 300 South, 3rd Floor, Salt Lake City, Utah 84111
Telephone: (801) 530-6801 or 1-800-222-1238
TDD: (801) 530-7685
Fax: (801) 530-7609
Website: <http://laborcommission.utah.gov>

You have the right to file a charge with the EEOC or UALD if you believe you are being discriminated against, retaliated against or sexually harassed.

No Retaliation Clause. It is against the law for any action to be taken against you by any supervisory or management official of JB's for: (1) opposing sexual harassment or other discriminatory practices made unlawful by federal or state law; (2) filing a charge or assisting or participating in the filing of a charge of discrimination; or (3) assisting or participating in an investigation or proceeding brought under Title VII. Should any such retaliatory actions be taken against you, you should immediately contact the EEOC or the UALD at the addresses or telephone numbers listed above.

ATTACHMENT C

[JB's LETTERHEAD]

Dear _____:

As you are aware, a lawsuit was filed by the Equal Employment Opportunity Commission against JB's, alleging sexual harassment and retaliation against female employees of the Company.

Please accept my sincere apology, on behalf of JB's and its management for any offensive or objectionable language or conduct you experienced during your employment with JB's. Please accept my commitment that the Company will take whatever steps are necessary to ensure that current and future JB's employees work in an environment free of discrimination, retaliation and harassment.

Sincerely,

Lynn B. Whiteford
Title
JB's Family Restaurants, Inc.

United States District Court
for the
District of Utah
February 19, 2004

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:01-cv-00439

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

Ms. Heidi E Leithead, Esq.
PARR WADDOUPS BROWN GEE & LOVELESS
185 S STATE ST STE 1300
PO BOX 11019
SALT LAKE CITY, UT 84147
EMAIL

Maggie H. Abuhaidar, Esq.
US ATTORNEY'S OFFICE
, 84111
EMAIL

Michelle G. Marshall, Esq.
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
PHOENIX DISTRICT OFFICE
3300 N CENTRAL AVE STE 690
PHOENIX, AZ 85012-1848
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