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FILED
CLERK U.S. DISTRICT COURT
APR 11 2005
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION BY DEPUTY

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

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CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION
DEPUTY

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Attorneys for Defendant
CANYON LAKE PROPERTY OWNER'S ASSOCIATION,
d/b/a COUNTRY CLUB RESTAURANT

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,

Case No. EDCV 03-01118 RT
(SGLx)

Plaintiff,

The Honorable Robert J. Timlin

v.

^{RT}
[PROPOSED] CONSENT
DECREE; ORDER

CANYON LAKE PROPERTY
OWNERS' ASSOCIATION d/f/a
COUNTRY CLUB RESTAURANT;
DOES 1-6 Inclusive

Defendant.

CLERK, U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
RIVERSIDE
BY *[Signature]*

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APR 13 2005
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BY *[Signature]* 044

LUDELL

I.
INTRODUCTION

1
2
3 Plaintiff U.S. Equal Employment Opportunity Commission (the "EEOC" or
4 "Commission") and Defendant Canyon Lake Property Owner's Association, d/b/a
5 Country Club Restaurant (hereafter "POA") hereby stipulate and agree to entry of
6 this Consent Decree to resolve the Commission's complaint, filed under Title VII
7 of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq. ("Title
8 VII"), alleging that Charging Party Dora Lemus (hereafter "Charging Party"), and
9 other similarly situated individuals were subjected to unlawful employment
10 practices on the basis of sex, female. The Commission's complaint further alleges
11 that Charging Party Dora Lemus was subjected to unlawful retaliation in violation
12 of Title VII.

13
14 II.
PURPOSES AND SCOPE OF THE CONSENT DECREE

15 A. The parties to this Consent Decree ("Decree") are the EEOC and POA.
16 The scope of this Decree encompasses POA's facilities, which are located in
17 Canyon Lake, CA. This Decree shall be binding on and enforceable against
18 POA and its officers, directors, agents, successors and assigns.

19 B. The parties have entered into this Decree for the following purposes:

- 20 1. To provide appropriate monetary and injunctive relief;
21 2. To ensure that POA's employment practices comply with
22 federal law;
23 3. To ensure a work environment free from hostility and retaliation;
24 4. To ensure training for POA's managers and employees with
25 respect to their obligations under Title VII; and
26

1 5. To provide an appropriate and effective mechanism for handling
2 discrimination complaints in the workplace.

3 This Decree resolves all claims the EEOC has brought or could have
4 brought against POA arising out of this Complaint. This Decree does not
5 constitute an adjudication on the merits of the allegations of the Complaint and
6 does not constitute an admission of wrongdoing by anyone.

7
8 **III.**
RELEASE OF CLAIMS

9 A. This Decree fully and completely resolves all issues, claims and allegations
10 by the EEOC against POA that are raised in the Complaint filed in this action in
11 the United States District Court, Central District of California on September 29,
12 2003, captioned U.S. Equal Employment Opportunity Commission v. Canyon
13 Lake Property Owner's Association d/b/a Country Club Restaurant; Case No.
14 EDCV 03-01118 RT (SGLx) (the "Complaint").

15 B. Nothing in this Decree shall be construed to preclude any party from
16 bringing suit to enforce this Decree in the event that any party hereto fails to
17 perform the promises and representations contained herein.

18 C. Nothing in this Decree shall be construed to limit or reduce POA's obligation
19 to comply fully with Title VII or any other federal employment statute.

20 D. This Decree in no way affects the EEOC's right to bring, process,
21 investigate or litigate other charges that may be in existence or may later arise
22 against POA in accordance with standard EEOC procedures.

23 **IV.**
24 **JURISDICTION**

25 A. The Court has jurisdiction over the parties and the subject matter of this
26 lawsuit. The Complaint asserts claims that, if proven, would authorize the Court to
27

1 grant the equitable relief set forth in this Decree. The terms and provisions of this
2 Decree are fair, reasonable and just. This Decree conforms with the Federal Rules
3 of Civil Procedure and Title VII and is not in derogation of the rights or privileges
4 of any person.

5 B. The Court shall retain jurisdiction of this action during the duration of the
6 Decree for the purposes of entering all orders, judgments and decrees that may be
7 necessary to implement the relief provided herein.

8 V.

9 **EFFECTIVE DATE AND DURATION OF DECREE**

10 A. The provisions and agreements contained herein are effective immediately
11 upon the date which this Decree is entered by the Court ("the Effective Date").

12 B. Except as otherwise provided herein, this Decree shall remain in effect for
13 three (3) years after the Effective Date.

14 VI.

15 **MODIFICATION AND SEVERABILITY**

16 A. This Decree constitutes the complete understanding of the parties with
17 respect to the matters contained herein. No waiver, modification or amendment
18 of any provision of this Decree will be effective unless made in writing and
19 signed by an authorized representative of each of the parties.

20 B. If one or more provisions of the Decree are rendered unlawful or
21 unenforceable, the parties shall make good faith efforts to agree upon appropriate
22 amendments to this Decree in order to effectuate the purposes of the Decree. In
23 any event, the remaining provisions will remain in full force and effect unless the
24 purposes of the Decree cannot, despite the parties' best efforts, be achieved.

25 C. By mutual agreement of the parties, this Decree may be amended or
26 modified in the interests of justice and fairness in order to effectuate the

1 provisions of this Decree.

2 **VII.**

3 **COMPLIANCE AND DISPUTE RESOLUTION**

4 A. The parties expressly agree that if the Commission has reason to believe that
5 POA has failed to comply with any provision of this Consent Decree, the
6 Commission may bring an action before this Court to enforce the Decree. Prior to
7 initiating such action, the Commission will notify POA and its legal counsel of
8 record, in writing, of the nature of the dispute. This notice shall specify the
9 particular provision(s) that the Commission believes POA has breached. Absent a
10 showing that the delay will cause irreparable harm, POA shall have thirty (30) days
11 to attempt to resolve or cure the breach.

12 B. The parties agree to cooperate with each other and use their best efforts to
13 resolve any dispute referenced in the EEOC notice.

14 C. After thirty (30) days have passed with no resolution or agreement to extend
15 the time further, the Commission may petition this Court for resolution of the
16 dispute, seeking all available relief, including an extension of the term of the
17 Decree for such period of time as POA is shown to be in breach of the Decree.

18 **VIII.**

19 **MONETARY RELIEF**

20 A. In settlement of this lawsuit, POA shall pay a total of \$285,000 to resolve
21 this action. Charging Party Dora Lemus shall receive \$45,000 of which \$3,000
22 shall be designated as backpay and the remaining \$42,000 shall be designated as
23 compensatory damages. Estela Montalvo, shall receive \$30,000 which shall be
24 designated as compensatory damages. The balance of \$210,000 shall be
25 designated as the "Class Fund." The designation of any new class member and
26 allocation of the Class Fund to class member(s) shall be made at the sole discretion
27

1 of the EEOC, but no class member shall receive more than the applicable statutory
2 cap.

3 POA shall forward, via certified mail, a check to the Charging Party and
4 Estela Montalvo within ten (10) days of the effective date of this Consent Decree.
5 FICA and federal and state withholding taxes shall be deducted from the amount
6 that is designated as back pay for Lemus only. POA shall pay the employer's
7 share of FUTA and FICA on the Lemus back pay amount and shall not deduct it
8 from the settlement amount. For those amounts designated as compensatory
9 damages, no withholding will be made. POA shall prepare and distribute 1099 tax
10 reporting forms to each Charging Party and identified class member, and shall
11 make appropriate reports to the Internal Revenue Service and other tax authorities.
12 Within three (3) business days of the issuance of each and every settlement check,
13 POA shall submit a copy of each check and related correspondence to the
14 Regional Attorney, Anna Y. Park, U.S. Equal Employment Opportunity
15 Commission, 255 East Temple Street, 4th Floor, Los Angeles, CA. 90012.

16 The EEOC must submit to POA a form W-9 and a satisfactory executed
17 Settlement Agreement covering all claims for sexual harassment and retaliation
18 through the Effective Date for each participating class member as a condition
19 precedent to any payment to that class member.

20 **B. Class Fund**

21 Within ten (10) business days from the effective date of this Decree, POA
22 shall allocate a gross sum of \$210,000 ("Class Fund") to fund an account which
23 will be used to distribute monetary payments among all eligible class members (as
24 defined below), in accordance with the provisions of this Decree. The Class Fund
25 shall be used solely to make payments to individuals who timely submit claims and
26 whom the EEOC determines to be eligible to receive monetary relief in this lawsuit

1 ("class members"). The EEOC will identify all class members within one year of
2 the Effective Date and will distribute all funds within two years of the Effective
3 Date.

4 Within fifteen (15) days from the effective date of this Decree, POA shall
5 provide the EEOC with written verification of the funding of this account. POA
6 shall be solely responsible for all costs and fees connected with the creation and
7 maintenance of this account deemed the Class Fund.

8 1. Notification of Settlement/Claims Process

9 Within fifteen (15) business days following the entry of this Decree, POA
10 shall forward to the Commission the names and last known addresses of all
11 employees ("Potential Class Member List") who were employed by POA anytime
12 during the time period July 1, 2001 to the Effective Date ("Class Time Period"). If
13 POA determines that any of these employees' addresses are not current, POA shall
14 conduct data base research for these employees' current addresses at POA's own
15 cost and immediately notify the EEOC's San Diego Area Office, Attn: Jan
16 Magnuson, Paralegal, 401 B St., Suite 510, San Diego, CA. 92101, of such current
17 addresses.

18 Within thirty (30) business days following the entry of this Decree, POA
19 shall send each individual identified in the Potential Class Member List a letter,
20 attached as Exhibit "A," notifying him/her of the instant Title VII action, the
21 existence of the Class Fund, class member eligibility criteria, and EEOC contact
22 information should he/she be interested in participating as a class member. POA
23 shall concurrently send to the EEOC's San Diego Area Office, Attn: Jan
24 Magnuson, Paralegal, 401 B St., Suite 510, San Diego, CA. 92101, a copy of all
25 correspondence to the individuals identified in the Potential Class Member List.
26 Upon receiving a claim from a potential class member, the EEOC shall, at POA's
27

1 expense, send a second letter to the potential class member describing the claim
2 process and enclosing a claim form. Upon receiving and considering all claims
3 from potential class members, the EEOC shall determine the eligibility of each
4 class member no later than one year after the Effective Date and will distribute all
5 funds within two years of the Effective Date. The EEOC shall forward to POA the
6 names, social security numbers, mailing addresses, and monetary allocation of the
7 eligible class members ("Final Distribution List"). EEOC has the sole discretion in
8 determining class member eligibility, and the allocation of monetary amount(s)
9 from the Class Fund to each class member. EEOC's determination of these issues
10 is final, and POA agrees that it will neither participate in, nor object to the EEOC's
11 determinations.

12 2. Payment to Eligible Class Members

13 The EEOC must submit to POA with the Final Distribution List fully
14 executed adequate Release and Confidentiality Agreements ("Agreements") and
15 W-9 Forms for class members as a condition precedent to any payment from the
16 Class Fund. Within ten (10) business days after the EEOC has forwarded the Final
17 Distribution List to POA, POA shall forward payment from the Class Fund to each
18 class member by certified mail, return receipt requested, as determined by the
19 EEOC, and will send the EEOC a copy of the check in accordance with Section
20 VIII.A. All amounts distributed from the Class Fund constitute "compensatory
21 damages," under the Civil Rights Act of 1991, 42 U.S.C. §1981a. POA shall issue
22 a Form 1099 to each eligible claimant for all payments disbursed from the Class
23 Fund.

24 3. Surplus in Class Fund

25 In the event that any portion of the Class Fund, including accrued interest,
26 has not been distributed as required under this Decree, the surplus shall be

1 distributed to the YMCA in Riverside, California, for its Youth Opportunity
2 Center.

3 IX.

4 GENERAL INJUNCTIVE RELIEF

5 A. Non-Discrimination

6 1. Harassment Based on Sex

7 POA, its officers, agents, management (including all supervisory
8 employees), successors, assigns, and all those in active concert or participation
9 with them, or any of them, hereby agree not to: (a) harass or tolerate harassment
10 against persons on the basis of sex in the terms and conditions of employment; (b)
11 engage in or be a party to any action, policy or practice that is intended or is known
12 to them to have the effect of harassing or intimidating any employee on the basis of
13 sex; and (c) create, facilitate or permit the existence of a work environment that is
14 hostile to female employees.

15 2. Retaliation

16 POA, its officers, agents, management (including all supervisory
17 employees), successors, assigns, and all those in active concert or participation
18 with them, or any of them, hereby agree not to engage in, implement or permit any
19 action, policy or practice with the purpose of retaliating against any current or
20 former employee or applicant of POA, or either of them, because he or she has in
21 the past, or during the term of this Decree: (a) opposed any practice made unlawful
22 under Title VII; (b) filed a charge of discrimination alleging such practice; (c)
23 testified or participated in any manner in any investigation (including without
24 limitation, any internal investigation undertaken by POA), proceeding in
25 connection with this case and/or relating to any claim of a Title VII violation; (d)
26 was identified as a possible witness or claimant in this action; (e) asserted any

1 rights under this Decree; or (f) sought or received any relief in accordance with this
2 Decree.

3 **B. Posting**

4 Within ten (10) business days after the Effective Date and throughout the
5 term of this Decree, POA shall post notice in the form attached as Exhibit "B", in
6 English and in Spanish, in a clearly visible location frequented by employees at
7 each of its facilities. The notice shall remain posted for two (2) years.

8 **C. Equal Employment Opportunity Consultant**

9 Within thirty (30) days after the Effective Date, POA shall retain an Equal
10 Employment Opportunity Consultant ("Consultant") with demonstrated experience
11 in the area of employment discrimination and sexual harassment issues, to monitor
12 POA's compliance with Title VII and the provisions of this Decree. The
13 Consultant shall be subject to the Commission's approval, which shall not be
14 unreasonably withheld. The Commission approves herein using the law firm
15 Gresham, Savage, Nolan & Tilden as the Consultant. If POA chooses not to use
16 Gresham, Savage, Nolan & Tilden at any point during the term of the Decree, POA
17 shall propose a different Consultant to the Commission. If the Commission does
18 not approve POA's proposed Consultant, the Commission shall provide POA with
19 a list of at least three suggested candidates acceptable to the Commission. POA
20 shall bear all costs associated with the selection and retention of the Consultant and
21 the performance of his/her/its duties. The Consultant's responsibilities shall
22 include:

23 1. ensuring that POA's procedures to handle complaints of
24 discrimination, harassment and retaliation comply with its obligations, under this
25 Decree;

26 2. ensuring that POA's anti-harassment policy and reporting procedure
27

1 effectively carry out its obligations under this Decree;

2 3. ensuring that managerial and staff/hourly employees are trained on
3 their rights and responsibilities under Title VII, including but not limited to the
4 responsibilities to provide a workplace free of discrimination;

5 4. ensuring that all employees are trained on policies and procedures
6 relating to sexual discrimination/harassment and retaliation;

7 5. monitoring POA's investigation of all complaints of sexual
8 discrimination/ harassment and retaliation to ensure compliance with Title VII;

9 6. ensuring that POA properly communicates with complainants
10 regarding the complaint procedure, status of the complaint investigation, results of
11 the investigation, and any remedial action taken;

12 7. ensuring that POA's reports required by this Decree are accurately
13 compiled and timely submitted;

14 8. ensuring that POA's disciplinary policies hold employees and
15 managers accountable for failing to take appropriate action or for engaging in
16 conduct prohibited under this Decree;

17 9. ensuring that POA creates a centralized system of tracking
18 discrimination, harassment, and retaliation complaints;

19 10. further ensuring compliance with the terms of this Decree; and

20 11. and preparing a brief annual report on POA's progress and its
21 compliance under this Decree.

22 The Consultant shall ensure compliance for the foregoing provisions for the
23 term of the Decree.

24 **D. Policies Concerning Discrimination and Harassment**

25 POA shall, within ten (10) business days after the Effective Date, provide a
26 copy to the Commission of a policy on discrimination and sexual harassment that

1 shall include:

- 2 1. A clear explanation of prohibited conduct;
- 3 2. Assurance that employees who make complaints of harassment/
4 discrimination or provide information related to such complaints will be protected
5 against retaliation;
- 6 3. A clearly described complaint process that provides accessible and
7 confidential avenues of complaint with contact information including name (if
8 applicable), address, and telephone number of persons both internal (i.e., human
9 resources) and external to POA (i.e., Commission and Consultant available to
10 handle complaints concerning high level company officials of POA's corporate
11 hierarchy) to whom employees may report discrimination and retaliation, including
12 a written statement that the employee may report the discriminatory behavior to
13 designated persons outside their chain of management;
- 14 4. Assurance that the employer will protect the confidentiality of
15 harassment/discrimination complaints to the extent possible;
- 16 5. A complaint process that provides a prompt, thorough, and impartial
17 investigation;
- 18 6. A procedure for communicating with the complainant in writing
19 regarding the status of the complaint/investigation, results of the investigation,
20 and any remedial action taken; and
- 21 7. Assurance that POA will take immediate and appropriate corrective
22 action when it determines that harassment/discrimination and/or retaliation has
23 occurred.

24 EEOC shall comment on the policy within forty-five (45) days of receipt.
25 Should the policy not require any revision, POA shall confirm distribution of the
26 policy no later than ten (10) business days after the forty-five (45) day period. The

1 policy shall be distributed to all employees in either English or Spanish, depending
2 on the language preference of each employee, including management/supervisory
3 staff, and shall be included in any relevant policy or employee manuals distributed
4 to employees by POA. POA shall maintain acknowledgments from each employee
5 who receives the revised policy, in either English or Spanish depending on the
6 language preference of each employee. Throughout the term of this Decree, POA
7 shall also post the revised policy, in English and Spanish, in a place that is clearly
8 visible to all employees at each of its facilities covered by this Decree in a legible
9 font.

10 **E. Training**

11 Within sixty (60) days after the Effective Date or thirty (30) days after hiring
12 the Consultant, whichever is later, all of POA's managerial/supervisory, human
13 resources, and staff/hourly employees shall be required to attend an intensive
14 training program of at least three (3) hours for managerial employees and one and
15 a half (1 1/2) hours for staff/hourly employees. The training shall be mandatory
16 and occur once every year for the term of this Decree. POA shall have one year
17 after the Effective Date, however, to provide training for any managerial
18 employees who already have received at least two hours of sexual harassment
19 training since October 1, 2004. One training each year for staff/hourly employees
20 shall be conducted in Spanish, and one training each year for staff/hourly
21 employees shall be conducted in English. Each staff/hourly employee shall be
22 required to attend one training session each year, in a language that each employee
23 best understands. Any manager, supervisor, or employee who failed to attend
24 scheduled training shall be trained within (30) days of the live training set forth
25 above.

26 1. All employees' training shall include coverage of the subjects of

1 equal employment opportunity rights and responsibilities, discrimination,
2 harassment, retaliation, and POA's revised policies and procedures for reporting
3 and handling complaints of discrimination, harassment and retaliation.

4 2. The training of managerial employees shall additionally include
5 training on how to properly handle and investigate complaints of discrimination
6 and/or harassment in a neutral manner, how to take preventive and corrective
7 measures against discrimination and/or retaliation, and how to recognize and
8 prevent discrimination and/or retaliation.

9 3. For the remainder of the term of this Decree, all new employees and
10 all employees recently promoted from a staff/hourly to a managerial position shall
11 receive the managerial or staff/hourly employee training, as appropriate, within
12 thirty (30) days of hire or promotion.

13 4. After the initial training as specified above, all employees shall
14 receive the training at least annually thereafter for the remainder of the term of
15 this Decree.

16 5. All employees required to attend such training shall verify their
17 annual attendance in writing.

18 6. Within forty-five (45) days after the Effective Date or fifteen (15) days
19 after hiring the Consultant, whichever is later, POA shall submit to the EEOC a
20 description of the training to be provided and an outline of the curriculum
21 developed for the trainees. POA shall give the EEOC a minimum of ten (10)
22 business days' advance written notice of the date, time and location of each training
23 program provided pursuant to this Decree, and agrees that an EEOC representative
24 may attend any such training program.

25 7. Human Resources training shall be specific to their obligations,
26 including the handling and investigating of complaints of discrimination and
27

1 retaliation. This training shall be above and beyond the supervisor/manager
2 training as set forth above.

3 **F. Performance Evaluations**

4 For the upcoming review cycle, POA shall revise its performance
5 evaluation forms for managers and supervisors in order to include as measures for
6 performance compliance with POA's Anti-Discrimination and Retaliation Policies
7 and Procedures.

8 At least thirty (30) days prior to implementing the performance evaluation
9 forms described above, POA will provide the EEOC and the Consultant with the
10 proposed revisions in order to provide an opportunity for comment regarding the
11 revisions. EEOC will provide comments, if any, within 30 days of receipt of the
12 proposed revisions. POA shall respond to such comments within fifteen (15) days
13 of receipt. If the parties cannot agree on the proposed revisions, any disputes will
14 be resolved according to the Dispute Resolution Procedures set forth herein.

15 **G. Complaint Procedure**

16 Within sixty (60) days of the Effective Date, POA shall ensure that it has
17 publicized an internal complaint procedure to provide for the filing, investigation
18 and, if appropriate, remedying of complaints of discrimination or retaliation. POA
19 shall establish an a toll-free number that shall be disseminated to all POA
20 employees informing them that a complaint can be logged at any time. The (800)
21 number shall be processed by the Consultant who will in turn monitor POA's
22 investigation, if necessary. All calls shall be tracked by the Consultant during the
23 term of the Decree. POA shall also publicize the EEOC complaint line number of
24 (800) 669-4000.

25 POA shall:

- 26 1. publicize the complaint procedure;

- 1 2. track and collect all complaints filed thereunder;
- 2 3. investigate and resolve such complaints in a timely and effective
- 3 manner; and
- 4 4. retain records regarding resolution of all such complaints.

5 The Consultant shall track all complaints filed thereunder and retain
6 records regarding resolution of all such complaints. The Consultant shall also
7 ensure that POA publicizes the complaint procedure and monitor POA's
8 investigation and resolution of such complaints.

9 H. The internal complaint procedure shall incorporate the following elements:

- 10 1. A policy describing how investigations will be conducted;
- 11 2. A prompt commencement and thorough investigation by a POA
- 12 employee trained to conduct such investigations who is not connected with the
- 13 complaint;
- 14 3. A statement that an investigation should include interviews of all
- 15 relevant witnesses, including the complainant, and reviews of all relevant
- 16 documents;
- 17 4. A written record of all investigatory steps, and any findings and
- 18 conclusions, and any actions taken;
- 19 5. Provision for the reasonably prompt resolution of such complaints;
- 20 6. An opportunity for a the complainant to review and respond to
- 21 tentative findings, except in those circumstances in which it is necessary to take
- 22 immediate action;
- 23 7. Confidentiality of the complaint and investigation to the extent
- 24 possible;
- 25 8. Appropriate communication of the final conclusions of the
- 26 investigation provided to the complainant;

1 9. An appeal procedure to an appropriate POA representative, should
2 the complainant be dissatisfied with the results of the investigation; and

3 10. A notice that employees or applicants complaining of discrimination
4 may use the company's internal complaint procedure and contact information for
5 the EEOC or state or local Fair Employment Practice (FEP) agencies. The notice
6 shall also state that filing an internal complaint does not relieve the complainant of
7 meeting any applicable deadline for the filing of a charge or complaint with EEOC
8 or state or local FEP agencies.

9 I. POA may encourage resolution of internal complaints at a local level prior
10 to investigation, but not require such informal resolution. A complainant shall not
11 be required to first report the complaint to a person who is accused of the
12 inappropriate conduct to invoke the Internal Complaint Procedure.

13 J. The Internal Complaint Procedure will permit, but not require, an employee
14 to initiate the complaint process by submitting a written complaint on a form
15 designed for the purpose.

16 K. POA will maintain a policy of nondiscrimination and equal treatment,
17 including a policy of zero tolerance for unlawful discrimination, in all of its
18 employment practices.

19 L. The Internal Complaint Procedure is not intended to supplant the right of
20 any employee to file a charge or complaint of discrimination or retaliation under
21 any available municipal, state, or federal law.

22 M. POA shall publish with the Internal Complaint Procedure the
23 following elements that will be included in the procedure:

24 1. A statement that it is unacceptable to retaliate against any associate for
25 use of the Internal Complaint Procedure, for assisting in the investigation of a
26 complaint, or for otherwise assisting in the utilization of the procedure.

1 2. A statement that if an allegation of discrimination or retaliation against
2 a manager or other associate is substantiated, then such conduct will result in
3 appropriate discipline, up to and including discharge.

4 X.

5 **RECORD KEEPING AND REPORTING**

6 **A. Record Keeping**

7 POA shall establish a record-keeping procedure that provides for the
8 centralized tracking of discrimination complaints and the monitoring of such
9 complaints to prevent retaliation. The records to be maintained shall include:

10 1 All documents generated in connection with any complaint,
11 investigation into, or resolution of every complaint of discrimination or
12 retaliation for the duration of the Decree and the identities of the parties
13 involved;

14 2. All forms acknowledging employees' receipt of POA's revised
15 discrimination and anti-retaliation policy;

16 3. All documents verifying the occurrence of all training sessions and
17 names and positions of all attendees for each session as required under this
18 Decree; and

19 4. Documents tracking and analyzing complaints filed against the same
20 employee and location.

21 The foregoing documents shall be summarized in the semi-annual reports
22 set forth below.

23 **B. Reporting**

24 In addition to the notices to the EEOC specified above, POA shall provide,
25 without assertion of the attorney-client privilege or attorney work product, the
26 following reports to the EEOC in writing, by mail or facsimile:

1 1. Within ninety (90) days after the Effective Date, POA shall submit to
2 the EEOC an initial report which contains:

- 3 (a) A copy of the revised discrimination and anti-retaliation
4 policy;
- 5 (b) A summary of the procedures and record-keeping methods
6 developed with the Consultant for centralized tracking of
7 discrimination complaints and the monitoring of such complaints;
- 8 (c) A statement confirming that the required notices pertaining to this
9 Decree and the revised discrimination and anti-retaliation policies
10 have been posted; and
- 11 (d) Copies of all employee acknowledgment forms indicating receipt
12 of the revised discrimination and anti-retaliation policy.

13 2. POA shall also provide the following reports semiannually
14 throughout the term of this Decree:

- 15 (a) The attendance lists of all attendees for all training sessions
16 required under this Decree that took place during the previous six
17 months;
- 18 (b) Acknowledgments of receipt of the revised discrimination and
19 harassment policy for all employees hired during the previous six
20 months;
- 21 (c) A description of all discrimination and/or retaliation complaints
22 made since the submission of the immediately preceding report
23 hereunder. This description shall include the names of the
24 individuals alleging harassment or retaliation, the nature of the
25 harassment or retaliation, the names of the alleged perpetrators of
26 harassment or retaliation, the dates of the alleged harassment or
27 harassment or retaliation.

1 retaliation, a brief summary of how each complaint was resolved, and
2 the identity of the POA employee(s) who investigated or resolved
3 each complaint. If no results have been reached as of the time of the
4 report, the result shall be included in the next report;

5 (d) An analysis of the monitoring done for repeat complaints by
6 employees and investigation of complaints; and

7 (e) POA shall provide a report to the EEOC detailing any changes of
8 the procedures or record-keeping methods for centralized tracking of
9 discrimination complaints and the monitoring of such complaints
10 within thirty (30) days before implementing such changes.

11 **XI.**

12 **COSTS OF ADMINISTRATION AND IMPLEMENTATION**
13 **OF CONSENT DECREE**

14 POA shall bear all costs associated with its administration and
15 implementation of its obligations under this Consent Decree.

16 **XII.**

17 **COSTS AND ATTORNEYS' FEES**

18 Each party shall bear its own costs of suit and attorneys' fees.

19 **XIII.**

20 **MISCELLANEOUS PROVISIONS**

21 A. During the term of this Consent Decree, POA shall provide any potential
22 successor-in-interest with a copy of this Consent Decree within a reasonable time
23 of not less than thirty (30) days prior to the execution of any agreement for
24 acquisition or assumption of control of any or all of POA's facilities, or any other
25 material change in corporate structure, and shall simultaneously inform the EEOC
26

1 of same.

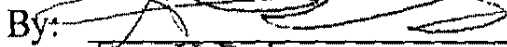
2 B. During the term of this Consent Decree, POA and its successors shall
3 assure that each of its officers, managers and supervisors is aware of any term(s)
4 of this Decree which may be related to his/her job duties.

5 C. Unless otherwise stated, all notices, reports and correspondence required
6 under this Decree shall be delivered to the attention of the Regional Attorney,
7 Anna Y. Park, U.S. Equal Employment Opportunity Commission, Los Angeles
8 District Office, 255 E. Temple St., 4th Fl., Los Angeles, CA. 90012.

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

11
12 EQUAL EMPLOYMENT
13 OPPORTUNITY COMMISSION

14 Dated: 4/06/05

15 By: 
16 Anna Y. Park
17 Cherry Rojas
18 Connie Liem
19 Attorneys for Plaintiff

20 CANYON LAKE POA

21 Dated:

22 By: _____
23 Ron Phipps
24
25
26
27

1 of same.

2 B. During the term of this Consent Decree, POA and its successors shall
3 assure that each of its officers, managers and supervisors is aware of any term(s)
4 of this Decree which may be related to his/her job duties.

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8 District Office, 255 E. Temple St., 4th Fl., Los Angeles, CA. 90012.

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

12 EQUAL EMPLOYMENT
13 OPPORTUNITY COMMISSION

14 Dated:

By:

15 Anna Y. Park
16 Cherry Rojas
17 Connie Liem
18 Attorneys for Plaintiff

19 CANYON LAKE POA

20 Dated:

By:

21 *Ron Phipps*
22 Ron Phipps

[PROPOSED ORDER]

RT

GOOD CAUSE APPEARING:

The Court hereby retains jurisdiction and the provisions of the foregoing Consent Decree are hereby approved and compliance with all provisions thereof is **HEREBY ORDERED.**

~~IT SO ORDERED~~ *RT*

Dated: *4/11/05*

Robert J. Timlin
The Honorable Robert J. Timlin
United States District Court Judge

EXHIBIT A

**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Los Angeles District Office**

255 E. Temple Street, 4th Floor
Los Angeles, CA 90012
(213) 894-1000
TTY (213) 894-1121
FAX (213) 894-1301

CLAIMS NOTIFICATION

**IF YOU WERE EMPLOYED BY
CANYON LAKE PROPERTY OWNER'S ASSOCIATION
AND YOU WERE SEXUALLY HARASSED OR RETALIATED AGAINST,
YOU MAY BE ENTITLED TO MONEY**

The U.S. Equal Employment Opportunity Commission ("EEOC") filed a lawsuit in the United States District Court for the Central District of California against *Canyon Lake Property Owners Association*, Case Number EDCV 03-01118 RT (SGLx). The lawsuit was brought by the EEOC on behalf of employees and a class of similarly situated employees alleging that POA subjected them to sexual harassment and retaliated against one of them for opposing the harassment.

Canyon Lake Property Owners Association ("POA") settled the federal lawsuit by entering into a three (3) year Consent Decree with the EEOC and agreed to create a class fund to provide monetary relief for any additional claimants who may have been sexually harassed during their employment with POA for the time period of July 1, 2001 through April 11, 2005.

You have been identified as a current or former employee of POA. If you feel you were subjected to sexual harassment by a co-worker, manager, or customer, you may be entitled to money. You may request a Claim Form or obtain further information about the settlement by calling or writing to us at:

EEOC Canyon Lake Settlement
c/o Janice Magnuson
401 B Street, Suite 510
San Diego, CA 92101
(800) 669-4000
(619) 557-7241

You cannot be subjected to retaliation for participating as a potential claimant. If you believe you have been subjected to retaliation for participating in this action as a potential claimant, please contact us immediately. It is unlawful under Title VII of the Civil Rights Act of 1964 ("Title VII") for an employer to discriminate against employees on the basis of sex, female, and for subjecting an employee to retaliation because that employee complained about unlawful discrimination or participating in an action brought by the EEOC.

In addition to monetary relief, POA has agreed to make changes to prevent discrimination, harassment, and retaliation in the workplace. As required under the Consent Decree, POA must: post this notice of Settlement and Consent Decree in its place of business; revise its harassment and anti-retaliation policy; disseminate the policy in Spanish and English, hire a consultant to specifically establish a policy to properly investigate and confidentially handle any complaints of harassment and retaliation against co workers, managers, supervisors, and high level company official(s); establish a centralized tracking system for discrimination complaints; provide extensive annual EEO training for managers, supervisors, employees, and human resource employees; and report the progress of the foregoing for a term of three years to the EEOC.

EEOC enforces Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex or national origin; the Age Discrimination in Employment Act; the Equal Pay Act; Title I of the Americans with Disabilities Act, which prohibits employment discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal government; and sections of the Civil Rights Act of 1991. Further information about the Commission is available on its Web site at www.eeoc.gov or contact us at (800) 669-4000.

**YOU MUST SUBMIT YOUR REQUEST NO LATER THAN
DECEMBER 31, 2006.**



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
San Diego Area Office**

401 B Street, Suite 510
San Diego, CA 92101
(619) 557-7235
TTY (619) 557-7232
FAX (619) 557-7274

NOTIFICACIÓN DE DEMANDA

**SI USTED FUE EMPLEADO POR
CANYON LAKE PROPERTY OWNER'S ASSOCIATION
Y USTED FUE ACOSADO SEXUALMENTE O FUE SUJETO A REPRESALIAS
ES POSIBLE QUE USTED TENGA DERECHO A DINERO**

La Comisión de Igualdad de Oportunidad en el Empleo ("EEOC") entablo una demanda legal en el tribunal de distrito de Estados Unidos por el Distrito Central de California en contra de Canyon Lake Property Owner's Association ("POA"), Número de Caso, EDCV 03-01118 DCHA (SGLx). La demanda fue entablada por el EEOC a favor de una empleada del sexo femenino y una clase de empleadas en situación similar, alegando que POA las sujetó a acoso sexual y tomo represalia en contra de una de ellas por oponerse al acoso.

Canyon Lake Property Owner's Association ("POA") resolvió la demanda federal entrando en un Decreto de Consentimiento con el EEOC que durara tres (3) años, y acordó en crear un fondo para proporcionar reparación de daños para algún demandante adicional que halla sido acosado sexualmente durante su empleo con POA por el período de tiempo de el 1 de julio de 2001 a 11 de abril de 2005.

Usted ha sido identificada como una empleada actual o previa de POA. Si usted cree que fue sujeta a acoso sexual por un colega, por el director, o por algún cliente, usted podría tener derecho a compensación. Usted puede solicitar una Forma de Reclamo u obtener información adicional acerca del arreglo llamando o escribiendonos a nosotros al:

Convenio de EEOC Canyon Lake Property Owner's Association
C/O Janice Magnuson
401 B Street, Suite 510
San Diego, CA 92101
(800) 669-4000
(619) 557-7241

Usted no puede ser sujeta a represalias por participar como demandante potencial. Si usted cree que usted ha sido sujeta a represalias por tomar parte en esta acción como demandante potencial, por favor contactenos inmediatamente. Es ilegal bajo el Título VII del Acto Civil de Derechos de 1964 ("el Título VII") que un empleador discrimine contra empleados por su sexo, o de tomar represalia contra empleados(as) por interponer quejas de discriminación ilegal o por haber tomado parte en una acción iniciada por el EEOC. Además de reparación monetaria, POA ha acordado en hacer cambios para prevenir la discriminación, el acoso, y represalias en el lugar de trabajo. Cuando requerido bajo el Edicto de Consentimiento, POA debe: difundir esta noticia del

Arreglo y el Decreto de Consentimiento en su oficina; revisar sus reglas contra el acoso y la política contra la represalia; difundir la política en español y en inglés, emplear a un consultor para establecer un proceso efectivo para investigar para manejar confidencialmente y apropiadamente cualquier queja del acoso y/o represalia por trabajadores, contra los directores, contra los supervisores, o contra funcionario(s) de alto plano de la compañía; establecer un sistema centralizado para presentar reclamaciones o agravios y tomar acción inmediata y apropiada cuando un empleado presente una reclamación; proporcionar instrucción anual extensa de EEOC para directores, para los supervisores, para los empleados, y para empleados de recursos humanos; e informar de el progreso al término de tres años al EEOC.

EEOC administra el Título VII del Acto Civil de Derechos de 1964, cual prohíbe la discriminación en el empleo basada en raza, color, religión, sexo, u origen nacional; la Ley contra la Discriminación en el Empleo por Motivo de Edad cual protege a individuos de 40 años o mas contra la discriminación en el empleo por motivo de edad; La Ley de Igualdad de Salarios (EPA) que protege a hombres y mujeres que desempeñen substancialmente el mismo trabajo en el mismo establecimiento contra la discriminación en salarios por motivo de sexo; y La Ley para Personas con Impedimentos de 1990 cual prohíbe la discriminación en el empleo contra personas calificadas que tengan un impedimento físico o mental en el sector privado y el estado y administraciones municipales; las prohibiciones contra individuos afectados por discriminación con incapacidades en el gobierno federal; y Las secciones del Acto Civil de Derechos de 1991. La información adicional acerca de la Comisión está disponible en su sitio web en www.eeoc.gov o nos contacta al numero de teléfono (800) 669-4000.

USTED DEBE SOMETER SU PEDIDO ANTES DE
el 31 de diciembre del 2006.
SI USTED TRABAJO CON
CANYON LAKE PROPERTY OWNER'S ASSOCIATION
QUIZÁS TIENE DERECHO A
RECIBIR COMPENSACIÓN MONETARIA

EXHIBIT B



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Los Angeles District Office**

255 E. Temple Street, 4th Floor
Los Angeles, CA 90012
(213) 894-1000
TTY (213) 894-1121
FAX (213) 894-1118

NOTICE OF CONSENT DECREE AND SETTLEMENT

**TO: ALL EMPLOYEES OF CANYON LAKE PROPERTY OWNERS
ASSOCIATION**

The U.S. Equal Employment Opportunity Commission ("EEOC") filed a lawsuit in the United States District Court for the Central District of California against *Canyon Lake Property Owners Association*, Case Number EDCV 03-01118 RT (SGLx). The lawsuit was brought by the EEOC on behalf of female employees and a class of similarly situated employees, alleging that POA subjected them to sexual harassment and retaliated against one of them for opposing the harassment.

Canyon Lake Property Owners Association ("POA") settled the federal lawsuit by entering into a three (3) year Consent Decree with the EEOC.

Among the terms of the Consent Decree, POA must: post this notice of Settlement and Consent Decree in its place of business; revise its harassment and anti-retaliation policy; disseminate the policy in Spanish and English, hire a consultant to specifically establish a policy to properly investigate and confidentially handle any complaints of harassment and retaliation against co workers, managers, supervisors, customers, and high level company official(s); establish a centralized tracking system for discrimination complaints; provide extensive annual EEO training for managers, supervisors, employees, and human resource employees; hold managers and supervisors accountable for meeting their obligations under Title VII, and report the progress of the foregoing for a term of three years to the EEOC.

POA is providing notice to all of its employees that discrimination, harassment, or retaliation of any kind will not be tolerated.

Should you believe that you have been discriminated against, harassed, or retaliated against because of your sex, race, color, national origin, religion, age or disability by POA, you may follow POA's internal procedures or seek assistance by filing a charge of discrimination with the EEOC at:

**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
255 East Temple Street 4th Floor
Los Angeles, CA 90505
or**

401 B Street Suite 510
San Diego, CA 92101
(800) 669-4000

EEOC enforces Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex or national origin; the Age Discrimination in Employment Act; the Equal Pay Act; Title I of the Americans with Disabilities Act, which prohibits employment discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal government; and sections of the Civil Rights Act of 1991. Further information about the Commission is available on its Web site at www.eeoc.gov or contact us at (800) 669-4000.

You may obtain a copy of the settlement document ("Consent Decree") at your expense. To obtain a copy, you must contact the Office of the U.S. District Court Clerk.

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

This Notice must remain posted for 2 years, 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: EEOC Regional Attorney, 255 East Temple Street, 4th Floor, Los Angeles, CA 90012.



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
San Diego Area Office**

401 B Street, Suite 510
San Diego, CA 92101
(619) 557-7235
TTY (619) 557-7232
FAX (619) 557-7274

NOTA DE CONSENTIMIENTO Y DECRETO DE ACUERDO

A: TODOS LAS EMPLEADAS DE CANYON LAKE PROPERTY OWNERS ASSOCIATION

La Comisión de igualdad de Oportunidad en el Empleo ("EEOC") archivó una demanda en el Tribunal de Distrito de Estados Unidos en el Distrito Central de California contra CANYON LAKE PROPERTY OWNERS ASSOCIATION. Número de Caso EDCV 03-01118 DCHA (SGLx). La Demanda fue entablada por EEOC a favor de una empleada del sexo femenino y una clase de empleadas en situación similar, alegando que POA las sujetó a acoso sexual y tomo acciones de represalia en contra de una de ellas por oponerse a dicho acoso.

CANYON LAKE PROPERTY OWNERS ASSOCIATION, ("POA") resolvió la demanda federal entrando en un Decreto de Consentimiento con EEOC el cual durara tres (3) años.

Los términos del Decreto de Consentimiento indican que POA debe: exponer esta nota del Arreglo y el Decreto de Consentimiento en su oficina; revisar su política contra el acoso sexual y contra represalia; difundir la política en español y en inglés, emplea a un consultor para establecer específicamente una política para investigar, para manejar en forma confidencial y apropiada cualquier queja del acoso y represalia por los trabajadores, los directores, los supervisores, los clientes, y contra funcionario (funcionarias) de alto plano de la compañía; establecer un sistema centralizado para quejas de discriminación; proporcionar instrucción anual extensa de EEO para directores, supervisores, empleados, y empleados de recursos humanos; directores y supervisores responsables para definir sus obligaciones bajo el Título VII, e informar sobre el progreso dentro de un término de tres años al EEOC. POA les notificara a sus empleados que la discriminación, el acoso, o represalia de cualquier tipo no sera tolerada.

Si usted cree que usted ha sido discriminado, acosado, o se ha tomado represalia en su contra por razón de su sexo, raza, color, origen nacional, religión, su edad o incapacidad por parte de POA, usted puede seguir los procedimientos internos de POA o buscar ayuda archivando una queja de discriminación con el EEOC en:

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
255 East Temple Street 4th Floor
Los Angeles, CA 90505
or
401 B Street Suite 510
San Diego, CA 92101
(800) 669-4000

EEOC administra el Título VII del Acto Civil de Derechos de 1964, cual prohíbe la discriminación en el empleo basada en raza, color, religión, sexo, u origen nacional; la Ley contra la Discriminación en el Empleo por Motivo de Edad la cual protege a individuos de 40 años o mas contra la discriminación en el empleo por motivo de edad; La Ley de Igualdad de Salarios (EPA) que protege a hombres y mujeres que desempeñen substancialmente el mismo trabajo en el mismo establecimiento contra la discriminación en salarios por motivo de sexo; y La Ley para Personas con Impedimentos de 1990 cual prohíbe la discriminación en el empleo contra personas calificadas que tengan un impedimento físico o mental en el sector privado y el estado y administraciones municipales; las prohibiciones contra individuos afectados por discriminación con incapacidades en el gobierno federal; y Las secciones del Acto Civil de Derechos de 1991. La información adicional acerca de la Comisión está disponible en su sitio web en www.eeoc.gov o nos contacta al numero de telefono (800) 669-4000.

Si lo desea usted puede obtener una copia del acuerdo ("Decreto de Consentimiento") pagando la cantidad requerida. Para obtener una copia, usted debe contactar la Oficina de los EE.UU. Empleado de tribunal de distrito.

**ESTO ES UNA NOTA OFICIAL Y NO DEBE SER REMOVIDA MUTILADO
POR NADIE**

Esta Nota debe permanecer a la vista durante un periodo de 2 años, y no debe ser alterado, mutilada o cubierta por cualquier otro material. Cualque pregunta acerca de esta Nota o la conformidad con sus términos puede ser dirigido a: EEOC Regional Attorney, 255 East Temple Street, 4th Floor, Los Angeles, CA 90012.