

FILED

AUG 26 2004

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

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

UNITED STATES EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,

Plaintiff,

v.

CONSOLIDATED FREIGHTWAYS
CORPORATION OF DELAWARE, INC.

Defendant.

No. 03 C 1714

Judge Andersen

Magistrate Judge Ashman

SETTLEMENT AGREEMENT

DOCKETED

AUG 30 2004

This Settlement Agreement is entered into between the Equal Employment Opportunity Commission ("EEOC") and Consolidated Freightways Corporation of Delaware, Inc. ("Consolidated Freightways") on or about August 26, 2004.

Whereas, the EEOC filed this action on March 10, 2003, alleging that Consolidated Freightways discriminated against a class of African American employees because of their race by maintaining a racially hostile and offensive work environment at its Bridgeview, Bedford Park and Des Plaines, Illinois;

Whereas, Consolidated Freightways denies the allegations in EEOC's complaint;

Whereas, on September 3, 2002, Consolidated Freightways filed petitions for relief and liquidation under chapter 11 of the United States Code in the United States Bankruptcy Court for the Central District of California, Riverside Division (the "Bankruptcy Court"), Case No. RS-02-24284-MG (the "Bankruptcy Case");

Whereas, on November 18, 2002, the EEOC filed proof of claim number 001869 with the

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Bankruptcy Court (a copy of which is attached hereto as Exhibit A); and

Whereas, in the interest of resolving this matter without further litigation and as a result of comprehensive settlement negotiations, the parties have agreed that this action should be finally resolved by execution of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

1. This Agreement fully and finally resolves any and all issues and claims arising out of the Complaint filed by the EEOC in this action.

2. This Agreement is not an admission by any party of the claims or defenses of the other.

3. Upon receipt by Consolidated Freightways of an executed Release Agreement in the form attached hereto as Exhibit B, by each of the 17 Charging Parties identified below, each Charging Party shall have an allowed unsecured pre-petition claim in the amount of \$77,500.00 - - the aggregate of all 17 claims is \$1,317,500.00 (the "Allowed Claim"). The Proof of Claim shall be deemed amended to reflect these amounts. The Allowed Claim shall be entitled to the same treatment as other similar unsecured pre-petition claims under any plan of liquidation that is ultimately confirmed in the Consolidated Freightways chapter 11 cases. The EEOC acknowledges the sufficiency of the treatment described above as full and complete satisfaction of any and all claims, including claims for actual and compensatory damages, punitive damages, and attorneys' fees and costs, which it has in this lawsuit.

5. The Charging Parties are as follows:

- a) L.C. Alexander
- b) Craig Boddy
- c) Darren Brewer
- d) Robert Cherry III
- e) Larry Graham:
- f) Robert C. Griffin
- g) Tyrone Harris
- h) Kelvin Jones
- i) Paul E. Jones
- j) Kenneth King
- k) Elmo McKinney, Jr.
- l) Vincent Nance
- m) Frank Singletary
- n) Frederick Swain
- o) Stanley N. Moore
- p) Vernard Lockhart
- q) Carithel Storay, III

6. Consolidated Freightways hereby represents and warrants that this Agreement was submitted to and approved by the Bankruptcy Court. Consolidated Freightways hereby agrees to cooperate with the EEOC in effectuating the provisions of this Agreement.

7. Each party to this Agreement shall bear its own expenses, costs and attorneys' fees.

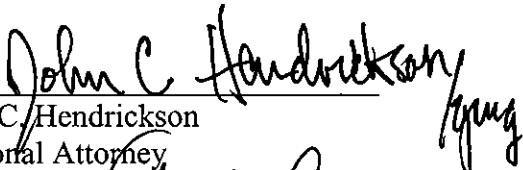
8. The terms of this Agreement are and shall be binding upon the present and future representatives, agents, directors, officers , assigns, and successors of the parties.

9. Other than as stated herein, the parties understand, warrant and agree that this Agreement supersedes and renders null and void all previous agreements of any kind between the parties. The parties further warrant and agree that no promise or inducement has been offered for this Agreement other than as set forth herein.

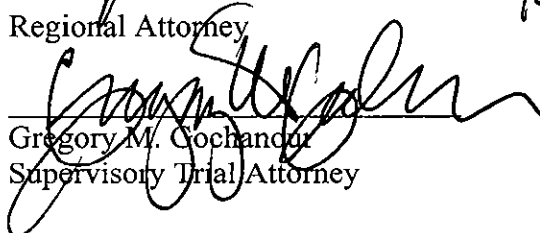
10. This Agreement may be executed in duplicate originals, each of which is equally admissible into evidence.

11. The parties agree and acknowledge that the Court shall retain continuing jurisdiction to enforce the terms of this Agreement.

For the EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
500 West Madison Street
Suite 2800
Chicago, IL 60661
(312) 886-9124



John C. Hendrickson
Regional Attorney



Gregory M. Cochandur
Supervisory Trial Attorney

For CONSOLIDATED FREIGHTWAYS
CORPORATION OF DELAWARE

Name: _____
Title: _____

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FRANCZEK SULLIVAN P C

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AUG. 9. 2004, 11:46AM

FRANCZEK SULLIVAN P C

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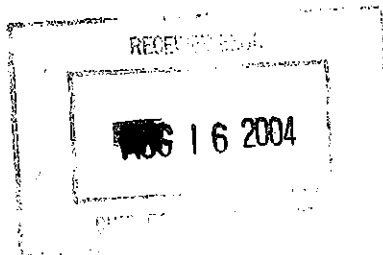
For the EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
500 West Madison Street
Suite 2800
Chicago, IL 60661
(312) 886-9124

For CONSOLIDATED FREIGHTWAYS
CORPORATION OF DELAWARE

Kim M. Mingo
Name: KIM M. MINGO
Title: Corporate Counsel

John C. Hendrickson
Regional Attorney

Gregory M. Gochanour
Supervisory Trial Attorney



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

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION,	)	
	)	
Plaintiff,	)	CIVIL ACTION NO. 03 C 1714
	)	
v.	)	Judge Andersen
	)	Magistrate Judge Ashman
	)	
CONSOLIDATED FREIGHTWAYS CORPORATION OF DELAWARE, INC.	)	
	)	
Defendant.	)	

RELEASE AGREEMENT

For and in consideration of payment, if any, to be made from Consolidated Freightways Corporation of Delaware, Inc. ("Consolidated") as determined by the Bankruptcy Court in respect of my \$77,500.00 claim ("My Claim"), pursuant to a Settlement Agreement entered by the Court in *EEOC v. Consolidated Freightways Corporation of Delaware, Inc.*, Civil Action No. 03 C 1714 (N.D. Ill.), I, _____, hereby release and forever discharge Consolidated, its successors, parent, related corporate entities, affiliates, their assigns, directors, officers, employees and representatives from all claims, demands and causes of action (including claims for actual and compensatory damages, punitive damages, and attorneys' fees and costs) which the undersigned now has or has had against Consolidated under Title VII of the Civil Rights Act of 1964, as amended, as a result of or arising from the subject matter and claims asserted by the EEOC in *EEOC v. Consolidated Freightways Corporation of Delaware, Inc.*, Civil Action No. 03 C 1714 (N.D. Ill.), or which could have been raised by EEOC therein (the "Released Claims"). I hereby further acknowledge and agree that My Claim shall be entitled to the same treatment as other similar unsecured pre-petition claims under any plan of liquidation that is ultimately confirmed in the Consolidated chapter 11 cases, and that the foregoing treatment of My Claim shall constitute full and complete satisfaction of my Released Claims. I hereby warrant that none of my Released Claims have been assigned or otherwise given to any other person or entity. I hereby agree and acknowledge that this Release Agreement shall be interpreted, construed and enforced under the laws of the State of Illinois.

Date: _____

Signed: _____

Print Name: _____