

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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U.S. DISTRICT COURT  
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JOSEPH W. SKUPNIEWITZ  
CLERK US DIST COURT  
WD OF WI

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CASE #

EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION,

Plaintiff,

v.

STI HOLDINGS, INC., f/k/a  
STOUGHTON TRAILERS, INC.

Defendant.

C.A. NO. 03-C-5438-5

CONSENT DECREE

(Judge Shabaz)

1. This Consent Decree is made and entered into by and between Plaintiff United States Equal Employment Opportunity Commission (hereinafter "EEOC") and Defendant, STI Holdings, Inc., f/k/a Stoughton Trailers, Inc. (hereinafter "Holdings").

2. On September 30, 2003, EEOC initiated this action by filing its Complaint against Holdings. EEOC alleges that Holdings violated Title VII of the Civil Rights Act of 1964, as amended, by implementing a selection device, the use of a pre-employment test, which had an adverse impact against African American and female applicants, and which was not job related and justified by business necessity.

3. Holdings denies the allegations of the Complaint, and has waived Answer. In the interest of resolving this matter, to avoid the expense and uncertainty of litigation and as a result of having engaged in comprehensive settlement negotiations, EEOC and Holdings have agreed that this action should be finally resolved by the entry of this Consent Decree.

4. This Consent Decree constitutes the complete agreement between EEOC and Holdings with respect to the matters referred to herein.

Copy of this document has been  
provided to: Kamp +

Hobbs  
this 10th day of Oct 2003

By L. Kampen  
Deputy Clerk

**NOW, THEREFORE**, the Court having carefully examined the terms and provisions of this Consent Decree, and based on the pleadings, record and stipulations of the Parties, it is

**ORDERED, ADJUDGED AND DECREED THAT:**

5. This Court has jurisdiction over the subject matter of this action and over the Parties for purposes of entering and enforcing this Consent Decree.

6. The terms of this Consent Decree are adequate, fair, reasonable, equitable and just.

7. This Consent Decree conforms with the Federal Rules of Civil Procedure and is not in derogation of the rights or privileges of any person. The entry of this Consent Decree will further the objectives of Title VII and will be in the best interests of the Parties, those for whom EEOC seeks relief, and the public.

**DURATION OF CONSENT DECREE**

8. The duration of this Decree shall be two (2) years from the date of entry of the Decree. During that time, this Court shall retain jurisdiction over this matter and the parties for purposes of enforcing compliance with the Decree, including issuing such orders as may be required to effectuate its purposes. Accordingly, unless extended by the Court, this Decree shall automatically expire and shall be without force and effect two (2) years from date of entry of this Decree.

**INJUNCTION**

9. Holdings, its officers, agents, successors and assigns, and all those in active concert or participation with them, or any of them, shall not utilize any pre-employment selection procedure which has a disparate impact against African American and/or female applicants for employment, unless such procedure is job related and consistent with business necessity and

Holdings has considered other selection procedures, if any, that might have a lesser disparate impact and determined reasonably that they would not.

10. Holdings shall not utilize the pre-employment test which is the subject of this lawsuit, unless that test is validated. If, during the terms of this Consent Decree, Holdings desires to use that test or any other pre-employment selection procedure which is validatable pursuant to 29 C.F.R. § 1607.5 and which has or may have a disparate impact against African-American or female applicants, Holdings shall so advise the EEOC and shall provide copies of the test instrument (if applicable) and all documents relevant to the validity of and business justification for the test or procedure to EEOC. If EEOC in its opinion determines, within thirty (30) days of receipt of such documents, that use of the test will violate Title VII, the matter may be presented to the Court pursuant to Paragraph 25 of this Consent Decree.

#### **CLASSES OF PERSONS ENTITLED TO BENEFITS**

11. African American and non-African American female applicants whom Holdings failed to hire based on the results of its pre-employment written test from January 1, 1995, to December 31, 2002 (hereinafter "Potential Class Members"), shall be entitled to the benefits set forth in this Consent Decree. Holdings shall provide to EEOC a list of all those African American applicants and non-African American female applicants refused employment (hereinafter "List of Potential Class Members"), with their social security numbers and last known addresses (if known to Holdings), within ten (10) days of entry of this Consent Decree.

#### **HIRING**

12. Holdings shall hire twenty-seven (27) qualified African American Class Members into Assembler B positions during the period of this Consent Decree, if and as those positions become available and the class members otherwise meet Holdings' hiring criteria. Within ninety

(90) days of entry of this Consent Decree, EEOC shall provide to Holdings a list of Class Members who have expressed interest in employment. Holdings shall select from the list the 27 individuals for hire and the order in which they shall be hired, subject to the limitations of this Paragraph, until the twenty-seven (27) hires have been made.

13. Within thirty (30) days after Holdings determines the first time to begin hiring Assemblers B from the general public, Holdings shall mail to each Class Member who has not previously been offered an Assembler B position pursuant to Paragraph 12, by first class mail, the letter attached as Exhibit A, which shall inform the Class Member that he/she is eligible to reapply for employment with Holdings. The letter shall include information regarding (1) the Assembler B job for which Holdings intends to hire (subject to the limitations of Paragraph 12, above), (2) the qualifications for the job, (3) the starting pay range for the job, (4) the starting date for each opening (as may be known to Holdings at the time), (5) the procedure for applying, and (6) the time limit for applying. Holdings shall keep on file, for the term of this Consent Decree or until the date on which it has made offers to all qualified Class Members pursuant to Paragraphs 12 and 13, whichever is earlier, the applications of those Class Members who respond to the letter prescribed by this Paragraph, expressing an interest in being hired. In the event additional Assembler B positions become available, Holdings will contact those Class Members who meet the positions' qualifications and who have not been offered a job under this Consent Decree previously. All Class Members who apply for jobs at Holdings shall be considered for employment in Assembler B positions for which they possess the qualifications on a non-discriminatory basis.

## **MONETARY PAYMENT**

14. Holdings shall pay the gross sum of one hundred eighty thousand dollars (\$180,000.00) (hereinafter "Settlement Fund") to be distributed in equal shares to African American Class Members who meet the following criteria:

- (a) The Class Member is African American and was identified by Holdings, pursuant to Paragraph 11, as a job applicant whom Holdings failed to hire between January 1, 1995, and December 31, 2002, based on the results of the pre-employment written test; and
- (b) EEOC timely received from such Class Member a completed Claim Form (Exhibit B), a photo ID, and an executed Release Form (Exhibit C) in the forms attached to this Decree.

However, no Class Member shall be entitled to a payment in excess of \$5,500.00.

15. Within ten (10) days of the date that Holdings provides the List of Potential Class Members to EEOC, EEOC shall mail the letter attached hereto as Exhibit D, together with the Claim Form attached hereto as Exhibit B, to each African American Potential Claim Member at the address set forth on the List of Potential Class Members. If letters are returned as undeliverable, EEOC will, in its sole discretion, make reasonable efforts to locate the Potential Class Member.

16. Within twenty (20) days after the deadline for receipt by EEOC of returned Claim Forms, EEOC shall make its determinations as to whether each Potential Class Member who has returned a Claim Form meets the criteria set forth in Paragraph 14. EEOC shall submit to Holdings and shall file with the Court a proposed distribution list setting forth the names of all Potential Class Members eligible to receive portions of the Settlement Fund and the estimated settlement amount for each individual (hereinafter "Proposed Distribution List"). No later than December 31, 2003, EEOC shall also submit to Holdings and file with the Court a list including the names of all Potential Class Members who have been deemed not entitled to a monetary

payment because of failure to meet the criteria in Paragraph 14, and the reason each such Potential Class Member has failed to meet those criteria (hereinafter "List of Disapproved Class Members").

17. Within ten (10) days after the filing of the Proposed Distribution List and the List of Disapproved Class Members, EEOC shall mail to each Class Member on both Lists a letter advising whether he/she is eligible for a monetary payment and, if so, the estimated amount of such payment. EEOC also shall provide each Class Member on the Proposed Distribution List a copy of the Release Form (Exhibit C) and shall notify each such Class Member that, in order to receive any monetary payment under this Decree, he/she must execute the Release Form and deliver it to EEOC. The letter will inform each eligible Class Member that the Release Form must be signed and returned to EEOC so that it is **ACTUALLY RECEIVED** by EEOC no later than thirty (30) days after the date on which EEOC mailed the Release to him/her. The letter also will inform each ineligible Class Member of the reason(s) that he/she is not eligible for a monetary payment and of his/her right to mail an objection to that determination by EEOC within ten (10) days of the date of EEOC's letter.

18. Within ten (10) days after the date for receipt of objections, EEOC shall submit to Holdings, and file with the Court, copies of all objections to the Proposed Distribution List which have not been resolved by EEOC, and shall request the Court to set a hearing on any objection which raises factual issues concerning the eligibility of the objecting Class Member. EEOC shall notify each objector of the date and time of the hearing. EEOC shall request the Court to approve a Final Distribution List following any hearing which may be necessary.

19. Within five (5) days after the date on which the releases are due to be received by EEOC, EEOC shall deliverer the Releases and copies of the Claim Forms to Holdings. Within

fourteen (14) days after the approval of the Final Distribution List by the Court, Holdings will mail checks in the designated amount to each Class Member for whom it has a signed Release, with a copy of each check to EEOC.

20. All costs associated with the distribution of the Settlement Fund to eligible Class Members shall be paid by Holdings, including, without limitation, all costs related to the issuance and mailing of the checks. All money distributed from the Settlement Fund shall constitute back pay. Holdings shall pay the employer's share of all employment taxes, shall withhold taxes from each eligible Class Member's share, and shall mail an appropriate W-2 form to each recipient of money from the Settlement Fund at the end of the applicable tax year.

21. No portion of the Settlement Fund shall revert to Holdings. In the event that any check is not cashed within ninety (90) days of mailing or the Settlement Fund is not exhausted pursuant to Paragraph 14, such funds shall be delivered to United Way of Dane County.

22. The timeliness of each returned Claim Form as required by Paragraph 16 and each returned Release Form as required by Paragraph 17 shall be determined by the postmark appearing on the envelope transmitting the Claim Form or the Release Form from the Class Member to EEOC.

#### **POSTING OF NOTICE**

23. Within two (2) weeks after entry of this Decree, Holdings shall post a notice in the form of Exhibit E attached to this Decree in a prominent and conspicuous location in its facilities in Stoughton, Wisconsin. The notice shall remain posted until the earlier of (1) two years from the entry of this Consent Decree or (2) the date on which Holdings has made job offers to all qualified Class Members pursuant to Paragraphs 12 and 13.

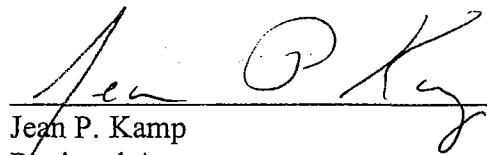
## **REPORTING**

24. In addition to the report of any use of a pre-employment selection procedure as required by Paragraph 10, Holdings shall provide a written report to EEOC each six months following entry of this Consent Decree. Each report shall include the following information for the prior period: (1) applicants and hires by race (if self-identified) and sex; (2) for rejected applicants, the reasons for rejection; (3) for hires, whether they were Class Members hired pursuant to Paragraph 12 of this Consent Decree or were Class Members who received notice pursuant to Paragraph 13 of this Consent Decree; and (4) in the first report, a description of the hiring process and, in each report thereafter, a description of any changes in that process described in the previous report submitted pursuant to this Paragraph.

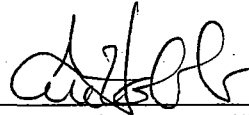
## **DISPUTE RESOLUTION**

25. In the event that either party to this Consent Decree believes that the other party has failed to comply with any provision(s) of the Consent Decree, the complaining party shall notify the allegedly non-compliant party in writing of such non-compliance and afford the allegedly non-compliant party ten (10) business days from receipt of the notice of non-compliance to remedy the non-compliance or satisfy the complaining party that the allegedly non-compliant party has complied. If the allegedly non-compliant party does not timely remedy the alleged non-compliance or satisfy the complaining party that it has complied, the complaining party may apply to the Court for appropriate relief. In the event that, upon the expiration date of this Consent Decree, a dispute is pending pursuant to this Paragraph, then the term of this Consent Decree's enforcement provisions, including the Court's retained jurisdiction, shall be extended, with respect to the issue in dispute only, until such time as such dispute is resolved by the Parties or the Court.



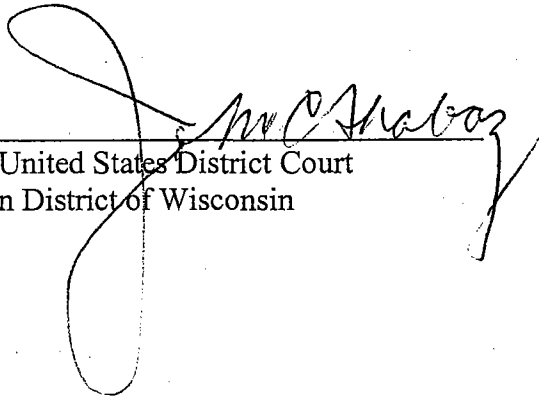


Jean P. Kamp  
Regional Attorney  
Equal Employment Opportunity  
Commission  
Milwaukee District Office  
310 W. Wisconsin Ave., Suite 800  
Milwaukee, Wisconsin 53202-2292  
4140297-4188



STI Holdings, Inc. f/k/a  
Stoughton Trailers, Inc.

October, 2003. SO ORDERED, ADJUDGED AND DECREED this 3<sup>RD</sup> day of

  
\_\_\_\_\_  
Judge, United States District Court  
Western District of Wisconsin

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## EXHIBIT A

### STI Holdings Letterhead

DATE

Name

Address

Dear Mr./Ms. \_\_\_\_\_:

We are writing this letter to you as part of a settlement agreement between the United States Equal Employment Opportunity Commission ("EEOC") and STI Holdings, Inc. formerly known as Stoughton Trailers, Inc. ("STI"). The EEOC is the federal agency which enforces laws against employment discrimination, and brought a lawsuit claiming that a written pre-employment test used by STI between 1995 and 2002 discriminated against African Americans and women. STI has denied that claim, has stopped using the test, and has agreed to invite female and African American applicants whom it failed to hire based upon the test's results to reapply and be considered again for hire.

We understand that you applied for an Assembler B position, but were not hired, between January 1, 1995 and December 31, 2002. If you are currently interested in employment, we encourage you to complete the enclosed Application Form. We intend to hire approximately \_\_\_\_\_ individuals for positions as Assemblers B, \_\_\_\_\_, and \_\_\_\_\_, effective \_\_\_\_\_, 200\_\_. The starting pay range will be from \$ \_\_\_\_\_ to \$ \_\_\_\_\_ per hour. A description of the position and its qualifications is attached.

To apply, fill out the enclosed Application Form and bring it to our office at the address above. We must receive your Application no later than \_\_\_\_\_, 200\_\_. We will consider you for the positions coming available described above, and we will keep your Application on file until [date of Consent Decree expiration] or the date on which you reject a job offer we make to you (or the offer expires), whichever is earlier. We will consider your Application solely on your qualifications.

If you are interested in a position with STI, please complete the enclosed Application Form and return it to us as soon as possible.

Thank you for your interest in employment with STI.

Very truly yours,

\_\_\_\_\_  
Name

STI Holdings, Inc.

## **EXHIBIT B**

### **CLAIM FORM**

Please answer all questions to the best of your ability.

1. Name:
2. Address:
3. Telephone number:
4. Social security number:
5. Race:
6. Did you apply for an Assembler B position at STI Holdings, Inc., formerly known as Stoughton Trailers, Inc. ("STI"), between 1995 and 2002?
7. Were you offered a job?
8. Are you currently interested in a position with STI?

#### **IMPORTANT:**

**You must include a copy of a photo ID with this claim form. If you are interested in employment with STI, and answered yes to question 8, you must include a current resume. THE CLAIM FORM MUST BE RETURNED TO EEOC POSTMARKED NO LATER THAN \_\_\_\_\_, 2003.**

## EXHIBIT C

### RELEASE

In consideration of \_\_\_\_\_ paid to me by STI Holdings, Inc. ("STI"), in connection with the resolution of EEOC v. Stoughton Trailers, Inc., Civil Action No. \_\_\_\_\_, I release any and all claims I may have and waive any right to recover for any and all claims I may have against STI, its affiliates, subsidiaries and predecessors arising under Title VII of the Civil Rights Act of 1964, based on STI's failure to hire me between 1995 and 2002.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## EXHIBIT D

### EEOC Letterhead

DATE

Name

Address

Dear Mr./Ms. \_\_\_\_\_

I am writing this letter to you as part of a settlement agreement between the United States Equal Employment Opportunity Commission ("EEOC") and STI Holdings, Inc., formerly known as Stoughton Trailers, Inc. ("STI"). EEOC is the federal agency which enforces laws against employment discrimination, and brought a lawsuit claiming that a written pre-employment test used by STI between 1995 and 2002 discriminated against African Americans and women. STI has denied that claim, has stopped using the test and has agreed to provide monetary benefits to African American applicants whom it failed to hire based upon the test's results.

STI has advised us that, according to its records, you may be African American and that you were one of the people whom it failed to hire as an Assembler B between 1995 and 2002. We therefore are writing to let you know that you may be entitled to receive a monetary amount as part of the settlement in the case. In addition, some qualified African American class members may be entitled to Assembler B job offers from STI.

In order to receive a monetary payment, you **MUST** take the following steps:

1. Complete and return the enclosed claim form to me at the above address **so that it is received no later than \_\_\_\_\_, 2003.**
2. Enclose a copy of a photo ID such as a driver's license.
3. Answer any questions from the EEOC.

In addition, if you are found to be eligible for a monetary payment, you will be required to sign a release which would give up any claims you might have against STI under Title VII of the Civil Rights Act of 1964 for STI's failure to hire you.

In order to be considered for a job offer from STI, you **MUST** answer yes to question 8 on the claim form regarding your interest in employment, and enclose a current resume including, among other things, your current employment (if any). STI, of course, cannot guarantee that you will be hired, but it will consider your resume.

Any questions about this letter should be sent, in writing, to me at the address above.

Very truly yours,

Marie Chartier  
Paralegal

## EXHIBIT E

### OFFICIAL NOTICE TO ALL EMPLOYEES AND APPLICANTS TO STI HOLDINGS, INC., F/K/A STOUGHTON TRAILERS, INC. ("STI")

This Notice is posted pursuant to a Consent Decree entered in a lawsuit brought by the Equal Employment Opportunity Commission ("EEOC"), entitled EEOC v. Stoughton Trailers, Inc., Case Number \_\_\_\_\_ filed in the United States District Court for the Western District of Wisconsin.

In the lawsuit, EEOC alleged that STI violated Title VII of the Civil Rights Act by using a pre-employment written test which had a disparate impact against African American and female applicants for Assembler B positions from 1995 through 2002. STI has denied EEOC's claims and has stopped using the test.

By agreement of the parties and without making any determination about the merits of the case, United States District Court Judge \_\_\_\_\_ has entered a consent decree which provides that:

- In the interest of resolving the case and to avoid the expense and uncertainty of litigation, STI will pay into a Settlement Fund monies to be divided among a class of African American job applicants who were denied employment between 1995 and 2002, the remainder, if any, to be donated to the United Way of Dane County.
- STI agrees not to resume use of the test or to use any other validatable pre-employment selection procedure which might have an illegal adverse impact against African Americans or females.
- STI will recruit and hire qualified African American and female employees.

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

This Notice must remain posted until the earlier of: 1) two (2) years from the date shown below or (2) the date on which STI has made job offers to all qualified Class Members under the Consent Decree. This Notice must not be altered, defaced or covered by any other material. Any questions about this Notice or about STI's compliance with its provisions may be directed to STI Settlement, Equal Employment Opportunity Commission, 310 West Wisconsin Avenue, Suite 800, Milwaukee, WI 53203, 1-800-669-4000.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Honorable  
United States District Court Judge