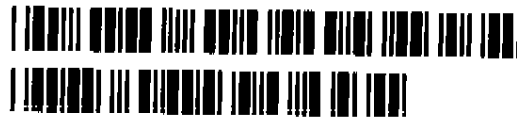


A. LUIS LUCERO, JR., REGIONAL ATTORNEY
KATHRYN OLSON, SUPERVISORY TRIAL ATTORNEY
TERI HEALY, TRIAL ATTORNEY
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
909 FIRST AVENUE, SUITE 400
SEATTLE, WA 98104
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03-CV-02618-ORD

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION,

Plaintiff,

v.

K&C, INC. d.b.a. NEWPORT BAY
RESTAURANT

Defendant.

NO. 03-2618C

CONSENT DECREE
AND [PROPOSED] ORDER OF
DISMISSAL

I. INTRODUCTION

1. This action originated with discrimination charges filed by Alissa Talton with the Equal Employment Opportunity Commission. Ms. Talton alleged K&C, Inc. d.b.a. Newport Bay Restaurant in Kirkland ("K&C, Inc.") discriminated against her on the basis of sex by subjecting her to sexual harassment, in violation of Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), 42 U.S.C. § 2000e et seq.

2. The EEOC sent K&C, Inc. a Letter of Determination with findings of

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WESTERN DISTRICT OF WASHINGTON
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1 reasonable cause that K&C, Inc. had violated Title VII.

2 3. The Commission filed this lawsuit on August 22, 2003, in the United
3 States District Court for the Western District of Washington at Seattle on behalf of Ms.
4 Talton and other similarly situated female employees ("class members"). K&C, Inc.
5 filed its Answer and Affirmative Defenses to the lawsuit on December 12, 2003.

6 4. The EEOC and K&C, Inc. want to conclude all claims arising out of the
7 above charges without expending further resources in contested litigation.

8 **II. NON-ADMISSION OF LIABILITY AND NON-DETERMINATION BY THE COURT**

9 5. This Consent Decree is not an admission of wrongdoing or an
10 adjudication or finding on the merits of the case. K&C, Inc. K&C, Inc. specifically
11 denies any allegations of wrongdoing.

12 **III. SETTLEMENT SCOPE**

13 6. This Consent Decree is the final and complete resolution of all Title VII
14 allegations of unlawful employment practices contained in: (1) the charge filed by Ms.
15 Talton; (2) the EEOC's administrative determination concerning K&C, Inc. and Pacific
16 Coast Restaurants; and (3) the Complaint filed herein on behalf of Ms. Talton and class
17 members, including all claims by the parties for attorney fees and costs. Unless
18 otherwise specifically stated, the terms of this Consent Decree shall apply only to the
19 franchised Newport Bay Restaurant in Kirkland owned and operated by K&C, Inc.

20 **IV. JURISDICTION AND VENUE**

21 7. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §§451, 1331,
22 1337, 1343 and 1345. Plaintiff EEOC's action is authorized pursuant to Sections
23 705(g)(6), 706(f)(1) and (3) and Section 707 of Title VII of the Civil Rights Act of 1964,
24 as amended, 42 U.S.C. §§2000e-4(f)(6), 2000e-5(f)(1) and (3) and 2000e-6 ("Title VII").
25 The employment practices alleged to be unlawful in the EEOC's Complaint filed herein

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1 occurred within the jurisdiction of the United States District Court for the Western
2 District of Washington.

3
4 **V. DEFINITION OF TERMS**

5 For the purposes of this Consent Decree, the following definitions shall apply:

6 8. "The Effective Date of the Consent Decree" is the date the United States
7 District Court for the Western District of Washington at Seattle enters the Consent
8 Decree and (Proposed) Order of Dismissal.

9 9. Unless otherwise indicated, the word "days" refers to calendar days.

10 10. "Formal or Informal Complaints" includes any complaint of discrimination
11 or harassment, whether written or oral, made to a supervisory employee of K&C, Inc.

12 **VI. MONETARY RELIEF**

13 11. In settlement of the EEOC's claims in this lawsuit, K&C, Inc. has agreed to
14 pay Alissa Talton Fifteen Thousand Dollars (\$15, 000) and Jenny Clemetson Ten
15 Thousand Dollars (\$10,000), contingent on their respective signatures on the releases
16 attached hereto as Exhibits 1 and 2.

17 **VII. INJUNCTIVE RELIEF**

18 **A. Compliance with Title VII**

19 12. K&C, Inc. reaffirms its commitment to comply with Title VII. To further
20 this commitment, the company shall monitor the affirmative obligations of this Consent
21 Decree. The terms of this Consent Decree apply to all applicants and employees.

22 13. K&C, Inc. will not retaliate against any applicant or employee for opposing
23 a practice deemed unlawful by Title VII or for making a charge, testifying, assisting, or
24 participating in any investigation, proceeding, or hearing associated with this action.

25 14. K&C, Inc., its supervisors, and managers are hereby enjoined from

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engaging in personnel practices which unlawfully discriminate against applicants and employees in violation of Title VII. In recognition of its obligations under Title VII, K&C, Inc. will institute the policies and practices set forth below.

B. Expunging Records

15. Defendant will not disclose any information or make references to any charges of discrimination or this lawsuit in responding to employment reference requests for information about Alissa Talton or Jennifer Clemetson. In response to any inquiries regarding Alissa Talton and Jennifer Clemetson, K&C, Inc. shall provide employment references that include only dates of employment and positions held.

16. Defendants will expunge from Alissa Talton and Jennifer Clemetson's personnel files, any references to a charge of discrimination against Defendant and this lawsuit. Defendant will not add any information or references to Alissa Talton and Jennifer Clemetson's personnel files or records regarding their charge of discrimination and this lawsuit after such references have been expunged. Files containing information about Alissa Talton and Jennifer Clemetson that have been developed during the subject litigation will be maintained at the offices of Defendant's counsel, Stoel Rives. K&C, Inc. will make Alissa Talton and Jennifer Clemetson's personnel files available for inspection by counsel for Alissa Talton and Jennifer Clemetson at the offices of Stoel Rives.

C. Retention of Sexual Harassment Consultant to Develop Policy Against Sexual Harassment

17. With the assistance of an independent sexual harassment consultant, K&C, Inc. will adopt a new written equal employment opportunity policy which sets forth the requirements of federal laws against employment discrimination and specifically

1 those provisions which make sexual harassment unlawful and which make it unlawful to
 2 retaliate against any current or former employee for opposing any practice made
 3 unlawful by Title VII. The sexual harassment consultant will be retained, at K&C, Inc.'s
 4 expense, to conduct an internal review and audit of the company's sexual harassment
 5 policy and complaint procedure. The sexual harassment consultant will be subject to
 6 the prior approval of the EEOC and the policy and complaint procedure to be developed
 7 will address, at a minimum, the following statement of "Zero-Tolerance Policy":

8 K&C, Inc. is firmly committed to developing and maintaining a zero-
 9 tolerance policy concerning sex discrimination, sexually-based
 10 harassment and retaliation against individuals who report
 11 discrimination or harassment in the company's workplace; to swiftly
 12 and firmly responding to any acts of sex discrimination, sexually-
 13 based harassment or retaliation of which the company becomes
 14 aware; to implementing a disciplinary system that is designed to
 15 strongly deter future acts of sex discrimination, sexually-based
 16 harassment or retaliation; to eradicating any vestiges of a work
 17 environment that is sexually hostile to individuals; and to actively
 18 monitoring its workplace in order to ensure tolerance, respect and
 19 dignity for all people.

15 18. In order to effectuate the objectives embodied in K&C, Inc.'s Zero-
 16 Tolerance Policy and this Decree, K&C, Inc. shall make whatever specific modifications
 17 are necessary to its existing policies, procedures, and practices in order to ensure that
 18 the following policies, procedures and practices are in effect:

19 (a) Sex Discrimination and Harassment Policy. K&C, Inc. agrees that
 20 it shall revise its sex discrimination and harassment policy, as
 21 necessary, in order to:

- 22 (i) provide clear definitions and examples of prohibited sex
- 23 discrimination, sexually-based harassment, and retaliation;
- 24 (ii) provide for substantial and progressive discipline for
- 25 incidents of sex discrimination, sexually-based harassment,

1 and/or retaliation;

2 (iii) provide that complaints of sex discrimination, sexually-based
3 harassment and/or retaliation will be accepted by K&C, Inc.

4 in writing and orally;

5 (iv) provide a timetable for reporting a complaint, for
6 commencing an investigation after a complaint is made or
7 received and for remedial action to be taken upon
8 conclusion of an investigation; and

9 (v) indicate that, promptly upon the conclusion of its
10 investigation of a complaint, K&C, Inc. will communicate to
11 the complaining party the results of the investigation and the
12 remedial actions taken or proposed, if any.

13 (b) Complaint Procedures.

14 (i) K&C, Inc. agrees that it shall institute a complaint procedure
15 to ensure that it is designed to encourage employees to
16 come forward with complaints about violations of its sex
17 discrimination, sexually-based harassment and retaliation
18 policy. As part of this policy, K&C, Inc. agrees that it shall
19 provide its employees with convenient, confidential and
20 reliable mechanisms for reporting incidents of sex
21 discrimination, sexually-based harassment and retaliation.
22 K&C, Inc. agrees that it shall designate at least two upper
23 management employees charged with investigating such
24 issues, as persons who may be contacted, and their names,
25 responsibilities, work locations and telephone numbers shall

1 be routinely and continuously posted. Also as part of its
2 procedure, K&C, Inc. agrees that it shall keep a Complaint
3 Box in a place within K&C, Inc. premises where employees
4 tend to gather and which is not in the managerial area of
5 K&C, Inc.'s offices. The upper management employees
6 designated by K&C, Inc. as charged with investigating
7 complaints of discrimination will gather the complaints from
8 the Complaint Box. Additionally as part of its complaint
9 procedure, K&C, Inc. agrees that it shall maintain throughout
10 its workplace the presence of personnel charged with
11 handling complaints of sex discrimination, sexually-based
12 harassment and retaliation.

13 (ii) K&C, Inc. agrees that it shall enable complaining parties to
14 be interviewed by K&C, Inc. about their complaints in such a
15 manner that permits the complaining party, at such party's
16 election, to remain inconspicuous to all of the employees in
17 such party's work area. K&C, Inc. agrees that its complaint
18 procedure shall not impose upon individuals seeking to
19 make a complaint alleging sex discrimination, sexually-
20 based harassment and/or retaliation any requirements that
21 are more burdensome than are imposed upon individuals
22 who make other complaints of comparable gravity.

23 (iii) K&C, Inc. agrees that it shall ensure that its policies and
24 procedures provide that complaint handling and disciplinary
25 procedures regarding all complaints of sex discrimination,

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1 sexually-based harassment and/or retaliation are
2 investigated and addressed promptly. Specifically, K&C,
3 Inc. agrees that it shall make its best effort to investigate all
4 complaints of sex discrimination, sexually-based harassment
5 and/or retaliation promptly and to complete investigations
6 within three (3) weeks. K&C, Inc. will further make its best
7 effort to prepare its written findings of the results of each
8 investigation and the remedial actions proposed within
9 seven (7) days after completion of the investigation, and
10 shall thereupon promptly communicate to the complaining
11 party the results of the investigation and the remedial
12 actions taken or proposed, if any.

13 (iv) K&C, Inc. agrees that it shall make its best effort to ensure
14 that appropriate remedial action is taken to resolve
15 complaints and to avoid the occurrence of further incidents
16 of sex discrimination, sexually-based harassment and/or
17 retaliation. K&C, Inc. further agrees that it shall revise its
18 progressive discipline policy to provide for appropriate
19 discipline including, but not limited to, suspensions without
20 pay, demotion or termination, as possible consequences for
21 violations of its sex harassment policy.

22 (c) Policies Designed To Promote Supervisor Accountability.

23 (i) K&C, Inc. agrees that it shall impose discipline designed to
24 stop any unlawful behavior, up to and including suspension
25 without pay, demotion or termination upon any supervisor or

1 manager who engages in sex harassment or permits any
2 such conduct to occur in his or her work area or among
3 employees under his or her supervision, or who retaliates
4 against any person who complains or participates in any
5 investigation or proceeding concerning any such conduct.
6 K&C, Inc. shall communicate this policy to all of its
7 supervisors and managers.

8 (ii) K&C, Inc. agrees that it shall continue to advise all
9 managers and supervisors of their duty to actively monitor
10 their work areas to ensure employees' compliance with the
11 company's sex discrimination and harassment policy, and to
12 report any incidents and/or complaints of sex harassment
13 and/or retaliation of which they become aware to the
14 department charged with handling such complaints.

15 (iii) K&C, Inc. agrees that, in evaluating the performance and
16 determining compensation of managers and supervisors, it
17 will take into account how supervisors and managers handle
18 equal employment opportunity ("EEO") issues, and to link
19 such evaluations to any supervisor or management
20 salary/bonus decisions.

21 (iv) K&C, Inc. agrees that it shall include "commitment to equal
22 employment opportunity" as a criterion for qualification for
23 supervisory or management positions.
24
25

1 (d) Sexual Harassment Training.

- 2 (i) K&C, Inc. agrees that it shall provide mandatory annual sex
3 discrimination and sexual harassment training to all
4 employees, including supervisors, managers and senior
5 managers; to provide mandatory sex discrimination and
6 sexual harassment training to all new employees during
7 employee orientation; and to provide training to all persons
8 charged with the handling of complaints of sex
9 discrimination, sexual harassment and/or retaliation
10 harassment in the workplace, including the techniques for
11 investigating and stopping it. This training shall include
12 issues regarding sex discrimination as it may affect
13 employees of K&C, Inc. K&C, Inc. understands and agrees
14 that this training, particularly that directed towards senior
15 management officials, may require one-on-one training,
16 counseling and/or educational sessions. K&C, Inc. agrees
17 to require Owner/General Manager Kevin Orrico to undergo
18 one on one counseling with a counselor approved by the
19 EEOC and K&C, Inc. attorneys no less Eighteen (18) 1 hour
20 sessions over two years. Twelve (12) of the Eighteen
21 sessions (18) must take place within one year after the entry
22 date of this consent decree. These counseling sessions
23 must address issues of sexual harassment and use of power
24 over subordinates.
25

1 (ii) K&C, Inc. agrees that all training required by this Decree
2 shall be conducted by experienced sex discrimination and
3 sexual harassment educators and/or consultants. K&C, Inc.
4 agrees that the training outlined in this Decree shall begin
5 with an initial assessment conducted by the educators
6 and/or consultants and may include a broad assessment of
7 K&C, Inc.'s function as it interplays with the training issues
8 outlined above. K&C, Inc. understands that this assessment
9 may result in policy or training recommendations beyond
10 those required by this Decree, and that K&C, Inc. shall be
11 responsible for all costs associated with any assessment or
12 training growing out of this Decree.

13 (iii) K&C, Inc. agrees that it shall require a senior management
14 official to introduce all sex discrimination and sexually-based
15 harassment training to communicate K&C, Inc.'s
16 commitment to its statement of Zero-Tolerance Policy.

17 **D. Reporting**

18 19. Six months following the entry of this Decree and every six months
19 thereafter for the duration of the Decree, K&C, Inc. will send the EEOC a
20 written report of individuals who complained of sexual harassment during the prior six-
21 month period, along with an explanation as to Defendant's response to any complaint.
22 K&C, Inc. also shall affirm steps taken to comply with all other terms of the Decree
23 including affirmation that Kevin Orrico is undergoing counseling as provided in
24 Paragraph 18 (d)(i).
25

20. K&C, Inc. shall submit a final report to EEOC 30 days before the Consent Decree expires, including a statement that it has complied with all the terms of this Consent Decree.

E. Posting

21. Within two (2) weeks after entry of this Decree, K&C, Inc. shall post a notice in the form of Exhibit 3 attached to this Decree in prominent and conspicuous locations in or near the employee lunchroom or other place within K&C, Inc. premises where employees tend to gather. The notice shall remain posted for the duration of this Decree. In the event that the persons and/or departments to whom individuals should make complaints alleging discrimination or retaliation change during the term of the Decree, such that the information contained on the notice is no longer accurate, K&C, Inc. shall immediately prepare a new notice that contains the correct information. K&C, Inc. shall thereupon promptly replace the old notices with the revised notices. K&C, Inc. shall maintain a copy of this Decree in its Personnel Office for any employee who wishes to review it.

VIII. ENFORCEMENT

22. If the EEOC concludes that K&C, Inc. has breached this agreement, it may bring an action in the United States District Court for the Western District of Washington at Seattle to enforce this Consent Decree. Before bringing an action for breach of the Decree, the EEOC shall first give the company and its attorneys 10 days' written notice, with such period to commence on the date written notice is received. The EEOC and the company shall use that 10-day period for good faith efforts to resolve the matter.

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IX. RETENTION OF JURISDICTION

23. The United States District Court for the Western District of Washington at Seattle shall retain jurisdiction over this matter for the duration of the Decree.

X. DURATION AND TERMINATION

24. This Decree shall be in effect for five (5) years, commencing with the date the Decree is filed. If the EEOC petitions the Court for breach of agreement, and the Court finds the company to be in violation of the terms of the Consent Decree, the Court may extend this Consent Decree.

XI. CONCLUSION

25. The provisions of this Consent Decree are not binding on the parties until the authorized representatives of each party sign and the court enters the consent decree in the court.

DATED this 14th day of November, 2003.

A. LUIS LUCERO, JR.
Regional Attorney

ERIC S. DREIBAND
General Counsel

KATHRYN OLSON
Supervisory Trial Attorney

JAMES D. LEE
Deputy General Counsel

TERI HEALY
Trial Attorney

GWENDOLYN YOUNG REAMS
Associate General Counsel

BY: *A. Luis Lucero*
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Office of the General Counsel
1801 "L" Street, N.W.
Washington, D.C. 20507

Attorneys for Plaintiff

1 Telephone (206) 624-0900

2 BY: 

3 Attorneys for Defendant

ORDER

IT IS HEREBY ORDERED THAT the foregoing Consent Decree be, and the same is, approved as the final decree of this Court in full settlement of this action. This lawsuit is hereby dismissed with prejudice and without costs or attorneys' fees to any party. The Court retains jurisdiction of this matter for purposes of enforcing the Consent Decree approved herein.

DATED this 18 day of Nov, 2003.


UNITED STATES DISTRICT JUDGE

RELEASE OF CLAIMS

THIS RELEASE OF CLAIMS is agreed to by Alissa Talton ("Ms. Talton") as a condition of a Consent Decree (the "Consent Decree") entered into between K&C, Inc. and the Equal Employment Opportunity Commission in the matter Equal Employment Opportunity Commission v. K&C, Inc. d/b/a Newport Bay Restaurant, Cause No. C03-2618C, filed in the United States District Court, Western District of Washington, and specifically in exchange for K&C, Inc. paying Ms. Talton Fifteen Thousand Dollars (\$15,000), as set forth in paragraph 11 of the Consent Decree. This payment represents payment in full for all alleged damages claimed by Ms. Talton arising out of her employment with K&C, Inc. K&C, Inc. shall make no deductions from this payment, and Ms. Talton agrees to indemnify and hold K&C, Inc. harmless from any taxes, penalties, interest, liens, costs or subrogations imposed and/or found and determined to be owing by any court or state or federal government agency as a result of her receipt of this payment. K&C, Inc. shall make this payment by sending Ms. Talton a check via certified mail, no later than fourteen (14) business days after the date the Consent Decree is entered by the Court, with copies provided to EEOC.

Ms. Talton hereby releases and discharges K&C, Inc., Kevin Orrico, and Pacific Coast Restaurants from any and all claims, known or unknown, asserted or not, arising from, by reason of, or related to, her employment with K&C, Inc., or her resignation of that employment, through and including the date of the Consent Decree. This release includes, but is not limited to, any claim under any federal, state, or local law, or other authority, including claims arising under any federal or Washington state statutes pertaining to wages, conditions of employment, or discrimination in employment, including the Civil Rights Act of 1991, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (42 U.S.C. §12101), the Fair Labor Standards Act (29 U.S.C. §201, et seq.), RCW 49.60 (the Washington State Law Against Discrimination), the Industrial Insurance Act (RCW 51.48.025), RCW 49.48 and 49.46 (wages/payment/collection), RCW 49.52 (wages/contributions/rebates), and any applicable contract, tort, or other common law theories.

Ms. Talton acknowledges that she has signed this Release of Claims only after full reflection and analysis, that she was advised she had the right to consult with independent counsel to receive advice with regard to the legal effect of this release, that she was notified that she would be reimbursed by K&C, Inc. up to \$150 to pay for the service of such attorney upon receipt by Stoel Rives LLP of a billing statement from such attorney, and that she understands the significance and consequences of this Release of Claims, including the fact that it releases any potential claims she might have against K&C, Inc., Kevin Orrico, and Pacific Coast Restaurants. Ms. Talton also acknowledges that her signature on this Agreement is knowing and voluntary and has not been given as a result of coercion.


ALISSA TALTON

EXHIBIT 1

RELEASE OF CLAIMS

THIS RELEASE OF CLAIMS is agreed to by Jennifer Clemetson ("Ms. Clemetson") as a condition of a Consent Decree (the "Consent Decree") entered into between K&C, Inc. and the Equal Employment Opportunity Commission in the matter Equal Employment Opportunity Commission v. K&C, Inc. d/b/a Newport Bay Restaurant, Cause No. C03-2618C, filed in the United States District Court, Western District of Washington, and specifically in exchange for K&C, Inc. paying Ms. Clemetson Ten Thousand Dollars (\$10,000), as set forth in paragraph 11 of the Consent Decree. This payment represents payment in full for all alleged damages claimed by Ms. Clemetson arising out of her employment with K&C, Inc. K&C, Inc. shall make no deductions from this payment, and Ms. Clemetson agrees to indemnify and hold K&C, Inc. harmless from any taxes, penalties, interest, liens, costs or subrogations imposed and/or found and determined to be owing by any court or state or federal government agency as a result of her receipt of this payment. K&C, Inc. shall make this payment by sending Ms. Clemetson a check via certified mail, no later than fourteen (14) business days after the date the Consent Decree is entered by the Court, with copies provided to EEOC.

Ms. Clemetson hereby releases and discharges K&C, Inc., Kevin Orrico, and Pacific Coast Restaurants from any and all claims, known or unknown, asserted or not, arising from, by reason of, or related to, her employment with K&C, Inc., or her resignation of that employment, through and including the date of the Consent Decree. This release includes, but is not limited to, any claim under any federal, state, or local law, or other authority, including claims arising under any federal or Washington state statutes pertaining to wages, conditions of employment, or discrimination in employment, including the Civil Rights Act of 1991, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (42 U.S.C. §12101), the Fair Labor Standards Act (29 U.S.C. §201, et seq.), RCW 49.60 (the Washington State Law Against Discrimination), the Industrial Insurance Act (RCW 51.48.025), RCW 49.48 and 49.46 (wages/payment/collection), RCW 49.52 (wages/contributions/rebates), and any applicable contract, tort, or other common law theories.

Ms. Clemetson acknowledges that she has signed this Release of Claims only after full reflection and analysis, that she was advised she had the right to consult with independent counsel to receive advice with regard to the legal effect of this release, that she was notified that she would be reimbursed by K&C, Inc. up to \$150 to pay for the service of such attorney upon receipt by Stoel Rives LLP of a billing statement from such attorney, and that she understands the significance and consequences of this Release of Claims, including the fact that it releases any potential claims she might have against K&C, Inc., Kevin Orrico, and Pacific Coast Restaurants. Ms. Clemetson also acknowledges that her signature on this Agreement is knowing and voluntary and has not been given as a result of coercion.


JENNIFER CLEMETSON

EXHIBIT 2

**K&C, INC. d.b.a. NEWPORT BAY RESTAURANT
NOTICE TO ALL EMPLOYEES
POSTED PURSUANT TO A CONSENT DECREE**

This notice has been posted pursuant to an Order of the Court, entered on _____, approving the Consent Decree entered in resolution of a lawsuit brought by the U.S. Equal Employment Opportunity Commission ("EEOC") against K&C, Inc. d.b.a. Newport Bay Restaurant ("K&C, Inc.") in the Federal District Court for the Western District of Washington at Seattle. The Consent Decree resolves EEOC's claims of sexual harassment brought against K&C, Inc. and enjoins the company from certain conduct prohibited by law. K&C, Inc. denies the allegations of the EEOC and affirms its commitment to compliance with laws against discrimination.

Federal law and the Consent Decree prohibit discrimination against any individual because of his or her sex, including sexual harassment.

Federal law also prohibits retaliation against any individual by an employer because the individual complains of discrimination, cooperates with any K&C, Inc. or government investigation of a charge of discrimination, participates as a witness or potential witness in any investigation or legal proceeding, or otherwise exercises his or her rights under law.

Any employee who is found to have retaliated against any other employee because such employee participated in this lawsuit will be subject to substantial discipline, up to and including immediate discharge.

Should you have any complaints of discrimination, including sexual harassment, you should contact Kevin Orrico, Howard Zoet, or Carla Westerfield for K&C, Inc. either in person or at the following numbers: 425-827-2722.

Employees also have the right to bring complaints of discrimination and/or harassment to the U.S. Equal Employment Opportunity Commission, Seattle District Office at 909 1st Avenue, Suite 400, Seattle, WA 98104-1061, 206-220-6883, **1-800-699-4000**, or the Washington Human Rights Commission at 711 S. Capitol Way, Suite 402, Olympia, WA 98504-2490, 360/753-6770.

This notice shall remain prominently posted in the break room at K&C, Inc. until December 2008. This Official Notice shall not be altered, defaced, covered or obstructed by any other material.

EXHIBIT 3