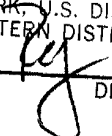


IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

FILED

OCT - 3 1997

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY  DEPUTY CLERK

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION,

Plaintiff,

v.

YOUTH CARE FOUNDATION, INC. d/b/a
BEAR CREEK RANCH

Defendant.

CIVIL ACTION NO. SA 97 CA 0715

CONSENT DECREE

The parties to this Consent Decree are the Plaintiff, United States Equal Employment Opportunity Commission ("EEOC"), and Defendant, Youth Care Foundation, Inc. d/b/a Bear Creek Ranch ("Youth Care"). The EEOC initiated this lawsuit on June 11, 1997 under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000e et seq. ("Title VII"), and Title I of the Civil Rights Act of 1991, 42 U.S.C. §1981a. The Complaint alleges that Youth Care engaged in unlawful employment practices at its facility in New Braunfels, Texas, in violation of Sections 703(a) and 704(a) of Title VII, 42 U.S.C. §2000e-2(a) and 3(a). The alleged unlawful practices included: a) subjecting Linda Smith and a class of similarly situated females to a hostile environment because of their sex; b) discharging Linda Smith and Lee Smith because they opposed unlawful employment practices; and, c) constructively discharging a class of similarly situated females on the basis of their sex.

The EEOC and Youth Care wish to settle this action, without the necessity of further litigation, pursuant to the terms delineated in this Decree.

IT IS ORDERED, ADJUDGED AND DECREED as follows:

1. This Court has jurisdiction of the subject matter of this action and the parties, venue is proper, and all administrative prerequisites to the filing of Civil Action No. SA 97 CA 0715 have been met. The Complaint states claims, which, if proved, would authorize this Court to grant relief against Youth Care, pursuant to Title VII.

2. This Decree resolves all issues raised in the EEOC's Complaint in this case. The EEOC waives further litigation of all issues raised in the above-referenced Complaint. The EEOC expressly reserves its right, however, to process and litigate any other charges which may now be pending or may in the future be filed against Youth Care.

3. The duration of this Decree shall be five years from the date of its filing with the Court. This Court shall retain jurisdiction of this action during the period of this Decree and may enter such other and further relief as it deems appropriate to ensure implementation and enforcement of its provisions. Any violation of the Consent Decree by Defendant Youth Care or its agents or assigns shall toll the running of this five-year period as of the date of the violation. If the Court subsequently determines this Decree was violated, the five-year period shall recommence and continue from the date of entry of an Order setting out such a violation or until such time as ordered by the Court. Should the Court find the Decree was not violated, the five-year period shall recommence, retroactive to the date of the filing of the pleading alleging that a violation had occurred.

4. Defendant Youth Care is enjoined from tolerating the harassment of its employees on the basis of sex and engaging in any other employment practice which has the purpose or effect of unlawfully discriminating against any past, present, or future employee on the basis of

his or her sex.

5. Defendant Youth Care is enjoined from taking any reprisal action, in any manner whatsoever, against Linda Smith, Lee Smith, Shannon Minson, Karen Poole, Sarah Walker or any other past, present, or future employee, for opposing any employment practice made unlawful by Title VII, or for filing a discrimination charge, giving testimony or assistance, or participating in any manner in any investigation, proceeding, or hearing under Title VII. This prohibition includes termination in reprisal for making a report of sexual harassment.

6. Defendant Youth Care shall make a written offer of reinstatement to Linda Smith, Lee Smith, Shannon Minson, Karen Poole, and Sarah Walker within ten (10) days after entry of this Decree.

7. Defendant Youth Care shall draft and implement an effective written policy defining harassment on the basis of sex, explaining that such harassment is prohibited by law and Youth Care policy, and establishing an effective mechanism for reporting any such harassment. This policy shall clearly state that any employee has the right to directly contact any manager, officer or director, and any other person designated, to report such harassment, and shall provide assurances that Youth Care will take no reprisal action whatsoever against any employee exercising this right. Youth Care shall incorporate this policy in its employee handbook and distribute a copy of the policy to each of its employees, managers, officers and directors within thirty (30) days after entry of this Decree.

8. Defendant Youth Care shall draft and implement an effective written policy explaining that taking any reprisal action against an employee for opposing discriminatory employment practices, including harassment on the basis of sex, or for participating in any

manner in any investigation, proceeding, or hearing concerning a charge of discrimination, is prohibited by law and Youth Care policy. Youth Care shall incorporate this policy in its employee handbook and distribute a copy of the policy to each of its employees, managers, officers and directors within thirty (30) days after entry of this Decree.

9. Defendant Youth Care shall conduct training for all supervisors, managers, officers, directors, and any individuals designated for reports of sexual harassment, within one year of entry of this order. Such training shall be conducted by an individual(s) who is(are) qualified to train in the areas covered, such as an attorney trained in Title VII, with prior approval from the EEOC. Such training shall cover the following areas: a) an explanation of the law relating to harassment on the basis of sex under Title VII; b) an explanation of the law relating to retaliation for opposing unlawful employment practices under Title VII; and, c) an explanation of an employer's duty to provide prompt, effective relief to remedy any sexual harassment. Upon completion, a summary of the training given, a list of all attendees, and a copy of all materials used shall immediately be provided to the EEOC's San Antonio District Office for review. Participation in an EEOC-sponsored Technical Assistance Program Seminar ("TAPS") program shall satisfy the training requirements outlined in this paragraph.

10. Defendant Youth Care shall post a Notice to Employees in a conspicuous place, such as an employee bulletin board, which is attached hereto as Exhibit "A", within twenty (20) days of entry of this Decree.

11. Defendant Youth Care shall expunge the personnel files of Linda Smith, Lee Smith, Shannon Minson, Karen Poole, and Sarah Walker, of any negative materials, including those generated by Hamilton Monroe.

12. Defendant Youth Care shall provide a positive letter of reference for Linda Smith, Lee Smith, Shannon Minson, Karen Poole, and Sarah Walker, with the prior approval of the EEOC's San Antonio District Office.

13. Defendant Youth Care shall present a letter of apology to Linda Smith, Lee Smith, Shannon Minson, Karen Poole, and Sarah Walker, with the prior approval of the EEOC's San Antonio District Office.

14. Defendant Youth Care shall make no mention of the filing of this Complaint or the underlying charge in discussing the job performance of Linda Smith, Lee Smith, Shannon Minson, Karen Poole, or Sarah Walker with prospective employers. This provision shall survive the expiration of this consent decree.

15. Defendant Youth Care shall make the following payments, in certified funds or by cashier's check, within ten (10) days of the filing date of this Decree:

- a. \$7,500 to Linda Smith at 924 Tecumseh, San Antonio, Texas 78260
- b. \$3,000 to Lee Smith at 924 Tecumseh, San Antonio, Texas 78260
- c. \$1,500 to Shannon Minson at 2501 N. Bishop #903, San Marcos, Texas 78666
- d. \$1,500 to Karen Poole at 801 S. Seguin, Converse, Texas 78109
- e. \$1,500 to Sarah Walker at 4400 Horizon Hill Blvd. #3717, San Antonio, Texas 78229

A copy of each check and any accompanying transmittal documents shall be forwarded to the EEOC to the attention of Robert B. Harwin, Regional Attorney, 5410 Fredericksburg Road, Suite 200, San Antonio, Texas 78229.

16. The terms of this Decree shall be binding upon the EEOC and Defendant Youth Care, their heirs, agents, officers, employees, servants, successors, and assigns, as to the issues resolved herein.

17. The EEOC may monitor compliance with this Decree by interviewing Youth Care

employees, requesting copies of documents relevant to the terms of this Decree, and inspection of Youth Care's facility.

18. The parties shall bear their own costs and attorney's fees incurred in this action. The parties agree that pursuant to Section 706(k) of Title VII, 42 U.S.C. §2000e-5(k), there is no "prevailing party" in this action or proceeding.

SO ORDERED.

Signed this 3rd day of October, 1997.

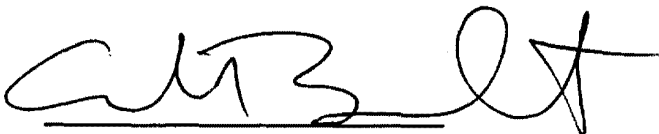


D. W. SUTTLE

Senior United States District Judge

AGREED:

C. GREGORY STEWART
General Counsel



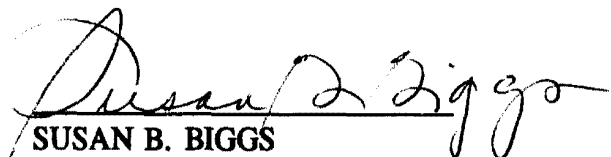
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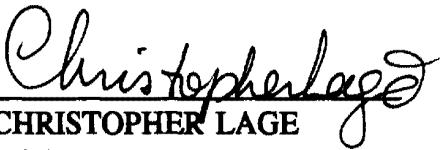
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