

ORIGINAL

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

SEP 29 1998

EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION,

Plaintiff,

v.

FREEWAY FOODS, INC. d/b/a  
WAFFLE HOUSE RESTAURANTS,

Defendant.

Civil Action No.  
5:98-CV-322 BR3

**CONSENT DECREE**

BR 03#12, p. 137  
142

This action was instituted by the Equal Employment Opportunity Commission (the "Commission") seeking relief for Teresa Reese, Roxanne Pruitt, Brenda Oakes and a class of similarly situated female current and former employees of Defendant, pursuant to Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, *et. seq.* ("Title VII").

Plaintiff and Defendant (the "Parties") hereby stipulate to the jurisdiction of the Court over the Parties and the subject matter of this action.

The Parties have advised the Court that they desire to resolve the allegations contained in the Complaint in this action without the burden, expense and delay of further litigation.

The parties specifically acknowledge that this Consent Decree embraces all the claims asserted by the Plaintiff in this action under the provisions of Title VII of the Civil Rights Act of 1964. The Parties agree that the purposes and provisions of Title VII will be promoted and effectuated by the entry of this Consent Decree.

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By agreeing to this Consent Decree, Defendant does not admit that it has engaged in any unlawful employment practice and specifically denies that it has engaged in those unlawful employment practices alleged in the Complaint.

It is therefore the finding of this Court, made on the pleadings and the record as a whole, that: (1) the Court has jurisdiction over the Parties and the subject matter of this action; (2) the purpose and provisions of Title VII will be promoted and effectuated by the entry of the Consent Decree; and (3) this Decree resolves all matters in controversy between the Parties as provided in paragraphs 1 through 13 below.

It is therefore ORDERED, ADJUDGED AND DECREED as follows:

1. This Consent Decree is final and binding on the Parties upon its entry by the Court.
2. Defendant shall comply with all applicable laws which prohibit discrimination against applicants or employees on the basis of sex, including specifically those laws prohibiting sexual harassment of employees.
3. As a part of this Settlement, Defendant has agreed to provide monetary relief to Teresa Reese, Roxanne Pruitt, and Brenda Oakes in amounts agreed to by the Parties. Defendant further agrees to make an initial payment of one-half of the agreed-upon amounts to Ms. Reese, Ms. Pruitt and Ms. Oakes within ten (10) days of the filing of this Consent Decree with the Court, and to pay the balance of these amounts to Ms. Reese, Ms. Pruitt and Ms. Oakes within thirty (30) days of the date the Court enters the Decree. Such payments shall be made to Ms. Reese by an arrangement agreed to by Defendant and Ms. Reese's attorney. Payment to Ms. Pruitt and Ms. Oakes shall be made by certified check, and Defendant shall provide proof of such payment to Mindy E. Weinstein, Regional Attorney, Charlotte District Office, U. S. Equal Employment

Opportunity Commission, 129 W. Trade Street, Suite 400, Charlotte, North Carolina 28202, no later than ten (10) days after each payment has been made.

4. The sexually harassing conduct alleged in this action is attributed by the Commission to a single individual, who denies the allegations. Defendant agrees to place that individual on probation for one year under threat of termination if he violates the Defendant's policy, which prohibits any sexually harassing conduct at work. Defendant also agrees that it will require that individual, as a condition of his continued employment, to at least partially reimburse Defendant for the monetary damages referenced in paragraph 3 above.

5. Defendant agrees to eliminate from the employment records of Ms. Reese, Ms. Pruitt and Ms. Oakes any and all documents and entries relating to the facts and circumstances which led to the filing of this action. Defendant further agrees to provide neutral employment references for Ms. Pruitt and Ms. Oakes and to provide for Ms. Reese the employment reference it negotiated with her attorney.

6. Defendant has, and had at the time of the alleged incidents which are the subject of this action, a written policy prohibiting sexual harassment, which policy has been reviewed by the Commission. Defendant agrees to continue to adhere to its current written policy prohibiting sexual harassment and discrimination. The company further agrees that if there are any written or oral modifications thereto, its sexual harassment policy shall continue, at a minimum, to: a) define conduct and/or speech which constitutes sexual harassment; b) identify managerial and supervisory personnel to whom employees may report, verbally or in writing, allegations of sexual harassment; c) establish guidelines for the conduct of investigations of sexual harassment; and d) establish disciplinary and remedial measures to be taken in the event sexually harassing conduct is identified.

7. Defendant agrees to continue its practice of distributing its written sexual harassment policy(ies) to each new employee at the commencement of his or her employment, where practicable, or, where such is not practicable, to use its best efforts to provide same to each new employee no later than thirty (30) days from the commencement of his or her employment.

8. Defendant agrees to continue to provide sexual harassment training to its supervisory level employees and to its nonsupervisory employees, which training shall include: to all nonsupervisory employees, training within ninety (90) days of the entry of the Consent Decree, and thereafter, to each newly hired nonsupervisory employee within thirty (30) days of the commencement of his or her employment. Thereafter, Defendant shall continue to provide sexual harassment training to its nonsupervisory employees. Defendant shall verify to the Commission within one hundred twenty (120) days of the entry of the Consent Decree that it continues to have in place a comprehensive sexual harassment training program for its nonsupervisory employees. Defendant shall further verify within one hundred twenty (120) days of the entry of the Consent Decree that it has conducted the training described above for its existing nonsupervisory employees and for any new employees hired within that one hundred twenty (120) day period. As part of this verification obligation, Defendant shall report to the Commission regarding the topics covered in that training and the identities of those persons attending the training.

9. Defendant agrees to continue its practice of continuously posting its sexual harassment policy(ies) on its employee bulletin boards or other locations conspicuous to its employees at each of its stores.

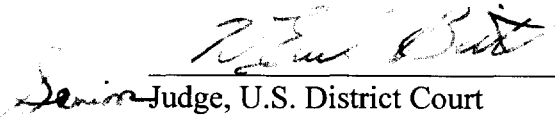
10. Defendant agrees to post for a period of one (1) year from the date of entry of the Consent Decree the Notice attached hereto as Exhibit A. The Notice shall be posted on its employee bulletin boards or other locations conspicuous to its employees at each of its stores.

11. For two (2) years following the date of entry of the Consent Decree, Defendant shall provide the Commission with semi-annual reports, with the first report being due five (5) months after entry of the Consent Decree. Defendant shall provide the Commission with a report every six (6) months thereafter throughout the term of the Decree. The reports shall contain the following information for each complaint of sexual harassment known to Defendant: the name, address, telephone number, and social security number of each employee, if any, who, during the reporting period, complained either verbally or in writing about sex discrimination and/or sexual harassment; the date and nature of each complaint; the identity of each person to whom the complaint was made; and the action taken by Defendant in response to each complaint.

12. If at any time during the term of this Decree, the Commission believes that Defendant is in violation of any provisions of this Decree, the Commission shall give notice of the alleged violation(s) to Defendant. Defendant shall have thirty (30) days in which to investigate and respond to the allegations. Thereafter, the Parties shall have a period of forty-five (45) days, or such additional period as may be agreed upon by them, in which to engage in negotiation and conciliation regarding such allegations, before the Commission exercises any remedy provided by law.

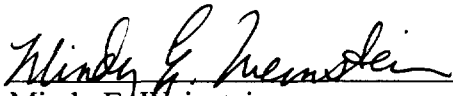
13. The term of this Decree shall be for two (2) years from its entry by the Court. During that period, the Court shall retain jurisdiction over this action for purposes of monitoring compliance with the Decree and entry of such further orders as may be necessary or appropriate.

9.28.98  
Date

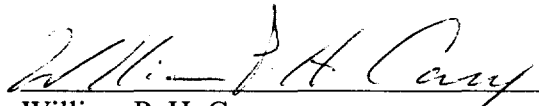

  
Senior Judge, U.S. District Court  
Eastern District of North Carolina

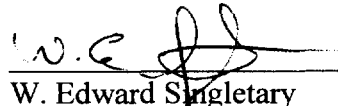
The undersigned agree with the entry of a Consent Decree in this matter.

On Behalf of Plaintiff

  
Mindy E. Weinstein  
Regional Attorney

On Behalf of Defendant

  
William P. H. Cary  
Counsel for Defendant 

  
W. Edward Singletary  
Senior Trial Attorney

**Exhibit A**

NOTICE TO EMPLOYEES OF FREEWAY FOODS, INC.

1. Federal law requires that there be no discrimination against any employee or applicant for employment because of the employee's race, color, religion, sex, national origin, age (40 and over) or disability.
2. Title VII of the Civil Rights Act of 1964 prohibits employers from discriminating against job applicants and employees in aspects of employment including, but not limited to, hiring, promotion, discharge, pay, job training and fringe benefits.
3. Freeway Foods, Inc. supports and will comply with such Federal law in all respects and will not take any actions against employees because they have exercised their rights, reported an alleged violation under the law or have given testimony, assisted or participated in any investigation, proceeding or hearing conducted by the U. S. Equal Employment Opportunity Commission.
4. Freeway Foods, Inc. agrees that it will not discriminate against employees on account of their sex. The company further agrees that it will vigorously enforce its policy prohibiting sexual harassment in the workplace and, pursuant to that policy, encourages employees to report instances of sexual harassment directed at or witnessed by them, in accordance with that policy.

An employee has the right, and is encouraged to exercise that right, to report allegations of employment discrimination in the workplace. An employee must report employment discrimination to the company and may contact the U. S. Equal Employment Opportunity Commission for the purpose of filing a charge of employment discrimination.