

United States Courts
Southern District of Texas
ENTERED

Michael N. Milby, Clerk of Court

Defendants.

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having engaged in extensive negotiations, the parties have agreed that this action should be finally resolved by entry of this Consent Decree.

The parties stipulate to the jurisdiction of the Court and waive a hearing and the entry of findings of fact and conclusions of law.

This Consent Decree is entered in full and complete settlement of any and all claims arising out of or contained in EEOC Charge Nos. 330-A1-2844; 330-A20-1191, and Civil Action No.H-02-3021. The Consent Decree constitutes a complete resolution of all claims that were made by the Commission against Defendant in this action. No waiver, modification or amendment of any provision of this Consent Decree shall be effective unless made in writing, approved by the Parties to this Consent Decree and approved or ordered by the Court.

IT IS ORDERED, ADJUDGED AND DECREED as follows:

INJUNCTIVE RELIEF

1. Craftex Wholesale and Distributors Inc., and Ashcroft Leasing L.L.C., its manager/owner, Henry Langdale, and all persons acting in concert with them (hereinafter "Craftex") are permanently enjoined from engaging in sexual harassment under Title VII.
2. Craftex is permanently enjoined from making employment decisions for sexual purposes.
3. Craftex is permanently enjoined from making employment decisions making employment decisions on the basis of gender.
4. Craftex is permanently enjoined from discriminating against and/or harassing any employee on the basis of gender, including but not limited to sexual harassment, in violation of Title VII.

5. Craftex is permanently enjoined from engaging in or being a party to any action, policy or practice that has the effect of harassing or intimidating any employee on the basis of gender.

6. Craftex is permanently enjoined from creating, facilitating or permitting the existence of a work environment that is hostile to any employee through acts such as physical/verbal abuse and derogatory comments, on the basis of sex.

7. Craftex is permanently enjoined from discriminating or retaliating in any manner against any individual because he or she has made a charge, testified, assisted, or participated in any manner in the investigation by the Commission or court proceeding in connection with this case.

8. Craftex is permanently enjoined from revealing any information about individuals who filed charges against Craftex to any third parties who are potential employers, potential customers, or other individuals who could facilitate or influence employment opportunities, except the dates of hire, separation, job title and compensation. Defendant shall not reference any employee's charge of discrimination, this lawsuit or this Consent Decree.

9. Craftex is permanently enjoined from communicating to or discussing with any person or entity the sexual behaviors of any its current or former employees.

10. Craftex shall not require any employee to enter the home of Henry Langdale except under the following conditions: (a) the requested entry must occur during the employee's working hours, but not past 5 p.m.; (b) the requested entry must be for a legitimate business purpose; (c) at least one other employee must be present; (d) Mr. Langdale cannot be present; and (e) the employee has the right to decline entering Mr. Langdale's home.

11. Defendant shall segregate all documents related to charges of discrimination filed by

Samuel Cornejo, Armando Baldit and Jose Valencia and the Commission's lawsuit in separate confidential folders. These documents shall not be a part of either Mr. Cornejo's, Mr. Baldit's or Mr. Valencia's personnel files.

12. Within 14 days of the entry of this Decree, Defendant shall release to the EEOC for eventual destruction all audiotapes and videotapes of meetings and/or conversations between Henry Langdale and any current or former employee. The requested audio and videotapes will be destroyed after the Decree expires.

#### MONETARY RELIEF

13. Defendant agrees to pay \$190,000.00 in final settlement of this claim ("Settlement Fund"). Defendant will disburse checks to class members identified by the Commission in amounts requested by the Commission. The checks shall become non-negotiable ninety days after issuance, and the amount disbursed therein shall revert to the settlement fund. Within two weeks after the entry of this Decree, at its option, Defendant shall either obtain a bond from a reputable company to secure the payment of \$190,000.00, the entire settlement fund, or Defendant shall establish a restricted escrow bank account at Traditions Bank for the sole purpose of disbursement of settlement funds. Within two weeks after the entry of the Consent Decree, Defendant shall fund that escrow account by placing therein the entire settlement fund. Any interest accrued from that account shall be paid to the class.

14. The Commission shall have unilateral discretion in determining the amounts from the fund to be distributed to classmembers. None of these settlement funds shall revert back to Defendant. In the event that that the \$190,000.00 fund (and any accrued interest) is not fully

distributed in the first distribution, the remaining amount shall be distributed pro rata to all of the members of the class who have previously filed charges of discrimination and who have already received their initial settlement check and have timely deposited or cashed it.

15. The Commission will begin identifying classmembers to be paid no earlier than 14 days following the entry of this Decree. The Commission shall have until 120 days from the entry of this Decree to identify all classmembers. The list of the known class members will include their names, and home addresses. Defendant shall begin disbursing checks to identified classmembers within 10 days of receiving notice from the Commission. The checks shall be delivered to the Commission for distribution to the classmembers by the Commission. The checks shall be delivered to: Legal Unit, EEOC, 7th Floor, Houston, Texas 77002.

16. For the purpose of receiving compensation, classmembers shall be defined as Hispanic males employed with Defendant in non-supervisory positions at any time from January 1, 1993 to August 12, 2002 who allege that they have been subjected to sexual advances by Henry Langdale and/or retaliation by Defendant. Classmembers shall be verified by appropriate records.

17. If a qualified claimant appears to have moved, Defendant shall so notify the Commission within fourteen (14) days of becoming aware of such move, and if the Commission provides it with an updated address, the Defendant shall deliver the checks to the Commission for distribution to the claimant's updated address.

18. Within 14 days from the entry of this Decree, Defendant shall provide the Commission with the names, addresses, social security numbers, and home telephone numbers of every person who has worked with Defendant since January 1, 1993.

19. Defendant shall upon the Commission's request, provide any personnel document,

including, but not limited to applications and W-2 forms of any current or former employee. The requested documents shall be submitted to the Commission no later than three (3) business days of their request.

20. Neither Defendant nor Henry Langdale shall receive or attempt to receive any distribution of the settlement monies either directly or as a proxy. Neither Defendant nor Henry Langdale shall obtain or attempt to obtain any portion of a distribution of monies to a classmember.

21. No agent of either Defendant or Henry Langdale shall receive or attempt to receive any distribution of the settlement monies either directly or as a proxy. No agent of either Defendant or Henry Langdale shall obtain or attempt to obtain any portion of a distribution of monies to a classmember.

22. Defendant shall not retaliate against any classmember who receives a distribution of settlement monies.

### COMPLAINT PROCEDURES

23. Complaint Procedures. Craftex shall maintain a complaint procedure that is designed to encourage employees to come forward with complaints regarding sexual harassment and retaliation regardless of the position held by the alleged harasser. Craftex's complaint procedure shall provide the following: (i) simple, convenient, confidential and reliable mechanisms for reporting incidents of sexual harassment; (ii) prompt investigation of complaints of sexual harassment and/or retaliation; (iii) written findings of the results of any investigation of a discrimination complaint and the remedial actions proposed, if any; (iv) an effective means of promptly communicating to the complaining party, in writing, the results of the investigation and the

remedial actions taken or proposed, or not taken; (v) appropriate remedial action to resolve the complaint and to deter future incidents of sexual harassment and/or retaliation; (vi) assurances that complainants shall not be subjected to intimidation, harassment and/or retaliation; and (vii) the name and telephone number of the Commission's representative.

24. Defendant shall forward all verbal and/or written complaints of sexual harassment and retaliation complaints to the Commission within three (3) business days of receiving them.

### SEXUAL HARASSMENT POLICY

25. Sexual Harassment Policy. Within ninety (90) days from the entry of this Decree, Defendant shall adopt a sexual harassment policy that meets the following criteria:

States that Craftex : (i) prohibits discrimination against any employee on the basis of sex in violation of Title VII; (ii) prohibits any act, policy or practice that has the effect of harassing or intimidating any employee on the basis of sex in violation of Title VII; (iii) prohibits any act, policy or practice that has the effect of creating, facilitating or permitting the existence of a work environment that is hostile to any employee through acts such as physical/verbal abuse and derogatory comments based on sex in violation of Title VII; (iv) defines and provides examples of sexual harassment; (v) provides for prompt investigation of sexual harassment complaints and for prompt action, which is appropriate and effective, to remedy the discrimination; (v) imposes a duty on all Craftex's officers, managers, and supervisory personnel to actively monitor all work areas to ensure compliance with Craftex's sexual harassment policy; (v) encourages all Craftex employees report any incident and/or complaint of sexual harassment of which they become aware to the person(s) responsible for handling such complaints; (vi) provides that upon the conclusion of Craftex's investigation, the

results of the investigation and the remedial actions taken or proposed will be promptly communicated in writing to the complaining party; (vii) provides for substantial and progressive discipline for violating Craftex's sexual harassment policy up to and including discharge; (viii) requires that all employees report incidents of sexual harassment to the person(s) identified by Craftex the person(s) charged with the responsibility for investigating discrimination complaints; and (ix) provides that Craftex's sexual harassment policy and complaint procedures be in drafted in plain and simple English and Spanish.

### TRAINING

26. Defendant shall provide live, in-person Equal Employment Opportunity ("EEO") training to its owner, managers and employees regarding employment discrimination, including, but not limited to the illegality of sexual harassment, gender-based employment decisions and retaliation. All participants shall be required to sign a registry upon completion of the training. The training shall be conducted within 90 days of the entry of this Decree, and shall be conducted annually at or near the anniversary of the first session. The training shall be videotaped while it is being conducted. The training shall be conducted in English and in Spanish.

27. The training portion on sexual harassment shall (i) explain that sexual harassment is unlawful; (ii) instruct what conduct may constitute sexual harassment; (iii) explain the damaging effects of sexual harassment on its victims, their families, their co-workers, and the workplace environment; and (iv) ensure that Craftex knows how to enforce its sexual harassment policy;

28. Defendant shall notify the Commission about each training session prior to its commencement. The notice shall indicate the time, place and date of the training. The EEOC shall



have the right to attend the training sessions and shall send no more than three (3) representatives to each training session.

29. The agenda, the teaching materials and the name of the trainer shall be submitted to the EEOC for approval prior to the training. EEOC shall then have fourteen (14) business days from the date of receipt of the information to accept or reject the contents of the topic outline. In the event that EEOC does not approve Craftex's materials or trainer, Craftex shall have ten (10) business days to submit a revised outline.

30. Following the training, Defendant shall notify the EEOC of the training by indicating when and where the training took place, the duration of the training, and the identity of the trainers and the attendees. A copy of the registry and videotape shall be submitted to the EEOC as part of Craftex's reporting obligations. Reports of the training shall be submitted to the EEOC no more than 14 days following the training. The notification or report shall be submitted to the EEOC at the following address: Rudy L. Sustaita, EEOC Houston District Office, 7<sup>th</sup> Floor, Houston, Texas 77002.

#### POSTING REQUIREMENT

31. Within fourteen (14) business days after entry of this Decree, Defendant shall post copies of the Notice attached as Exhibit "A" to this Decree at all its Houston facilities in conspicuous locations easily accessible to and commonly frequented by employees. The Notice shall remain posted for the duration of this Decree. Defendant shall ensure that the postings are not altered, defaced or covered by any other material. Defendant shall certify to the EEOC in writing within Fourteen (14) business days after entry of the Decree that the Notices have been properly posted. Defendant shall permit a representative of EEOC to enter its premises for purposes of

verifying compliance with this Paragraph at any time during normal business hours.

### RECORD KEEPING

32. During the term of this Decree, Defendant shall maintain records (including name, sex, age, social security number, address and telephone number) of each person who is currently employed with Defendant and those who are hired by Defendant for any duration of time during this Consent Decree. The EEOC agrees to keep the social security numbers confidential. The EEOC agrees that it will not contact any current employee of Craftex unless the employee has made a complaint of discrimination against Defendant or any employee, officer, or owner of Defendant, or if a current employee is a potential witness who is necessary for the investigation of a claim of sexual discrimination that has been made by another Craftex employee against Defendant, officer, employee of or director or owner of Defendant. The word "complaint" shall mean a formal or informal, oral or written complaint of discrimination. However, nothing shall prohibit the EEOC from communicating with a current employee who has initiated contact with the EEOC. Additionally, nothing shall prohibit the EEOC from contacting classmembers under this Decree. Nothing shall prohibit the EEOC from determining whether classmembers have received and have successfully cashed their checks.

33. During the term of this Decree, Defendant shall maintain records (including name, sex, age, social security number, address and telephone number) of each person who complains, either orally or in writing, of sexual harassment or hostile work environment. Additionally, Defendant shall maintain records of the investigation and resolution of each complaint.

34. During the term of this Decree, Defendant shall provide to the EEOC, at Defendant's

expense, copies of complaints and documents relating to complaints filed or made pursuant to investigations, findings, and remedial actions undertaken by Defendant as described in Paragraphs 23, 24 and 25.

35. Nothing contained in this Decree shall be construed to limit any obligation Craftex may otherwise have to maintain records under Title VII or any other law or regulation.

### REPORTING

36. Defendant shall furnish to EEOC the following written reports semiannually for the term of this Decree. The first report shall be due six (6) months after entry of the Decree. All subsequent reports shall be due in six month intervals. The final report shall be due one month before the expiration of the Decree. Each report shall contain:

- (a) Information gathered pursuant to paragraphs 15, 17, 18, 24, 30, 31, 32, 33, 34, 38 and 42;
- (b) Copies of all complaints and documents relating to complaints filed or made pursuant to Paragraphs 23, 24, 25, 33 and 34;
- (c) All written findings relating to the complaint and investigation and remedial actions proposed pursuant to Paragraphs 23, 24, 25, 33 and 34;
- (d) All documents relating to resolution of the complaints and any remedial actions taken, if any, under Paragraphs 23, 24 and 25;
- (e) A certification by Defendant that the Notices required in Paragraph 31 remained posted during the entire term of this Decree;
- (f) A certification that the terms of Paragraphs 10, 11 and 12 are being complied

with and have been complied with;

(g) Full copies of the revised policies as described in Paragraphs 23 and 25;

(h) A running account of monies that have been distributed including the names of persons to whom the monies have been distributed; and

(i) All bank statements related to the Settlement Fund.

37. During the term of this Consent Decree, Craftex shall provide all employees hired after the entry of this Decree with a copy of Craftex's policies and complaint procedures concerning sexual harassment.

#### LIAISON

38. Within 30 days of the entry of this Decree, Defendant shall name a Liaison with whom the Commission can communicate regarding compliance with this Decree. Defendant shall provide the Liaison's name, title (if applicable) work address, and work telephone number. The Liaison shall be responsible for making reports under this Decree and for communicating with the Commission regarding compliance with each term of this Decree.

#### PERIODIC INSPECTIONS

39. Upon reasonable notice from the Commission but not less than three (3) days, Defendant shall allow the Commission to inspect its premises for compliance with this Decree in conformity with Fed.R.Civ.P. 34(a)(2). The Commission shall inspect Defendant's premises four (4) times during a calendar year for the duration of this Decree. The Commission may also inspect the premises because of a complaint by an employee.

MISCELLANEOUS PROVISIONS

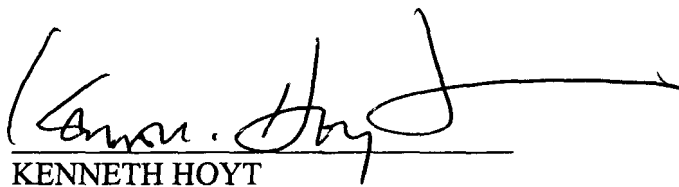
40. Defendant shall bear the costs associated with administering and implementing the provisions of this Decree.

41. The EEOC, and Defendant shall bear their own costs and attorney's fees.

42. This Consent Decree is final and binding on all parties to this action, including all principals, agents and successors in interest to Craftex, as well as any person acting in concert with them. Craftex has a duty to so notify all such successors in interest of their responsibilities in this regard, and must immediately (but no later than fourteen (14) days) advise the Commission in the event that a successor in interest exists.

43. The provisions of Consent Decree shall remain in effect for five (5) years from its entry.

SO ORDERED AND ENTERED this 20 day of May, 2004 at Houston,  
Texas.

  
KENNETH HOYT  
United States District Judge



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
Houston District Office**

Mickey Leland Federal Building  
1919 Smith Street, 7<sup>th</sup> Floor  
Houston, TX 77002-8049  
(713) 209-3320  
TTY (713) 209-3439  
FAX (713) 209-3381

**NOTICE**

**AS REQUIRED UNDER THE TITLE VII  
OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED**

**THIS NOTICE TO ALL EMPLOYEES OF CRAFTX WHOLESALE &  
DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C. REGARDING  
SEXUAL HARASSMENT AND DISCRIMINATION.**

1. Federal law requires that there be no discrimination against any employee or applicant for employment because of the employee's sex, race, color, religion, national origin, age or disability with respect to compensation, hiring or other terms, conditions or privileges of employment.
2. **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.** support and will comply with such Federal law in all respects and will not take any action against employees because they have exercised their rights under the law by filing charges with the Equal Employment Opportunity Commission (EEOC), providing information to the EEOC, and/or receiving compensation for the settlement of any sexual harassment or discrimination claim.
3. **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.** prohibits sexual harassment and will not engage in the practice of altering the terms and conditions of employment on the basis of sex.
4. Sexual harassment is expressly prohibited and constitutes an unlawful discriminatory employment practice. Such discriminatory employment practices will not be tolerated at **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.**
5. "Sexual harassment" is conduct that is not welcome or invited. Sexual harassment conduct includes physical contact on any part of the body. Sexual harassment conduct also includes written or verbal statements, such as discussions of sex or requests for sex. Sexual harassment conduct also includes displays of sexually suggestive images. Sexual harassment conduct by all workers, supervisors and owners of **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.** is prohibited.
6. Any employee who feels he/she is the target of discrimination should report such conduct to \_\_\_\_\_.
7. Any employee who feels he/she is the target of discrimination may also file a charge of discrimination with the EEOC at the Mickey Leland Building, 1919 Smith Street, 6<sup>th</sup> Floor, Houston, Texas 77002. Any employee who feels he/she is the target of discrimination may also call the EEOC at (713) 209-3401.

**EXHIBIT "A"**



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**  
**Houston District Office**

Mickey Leland Federal Building  
1919 Smith Street, 7<sup>th</sup> Floor  
Houston, TX 77002-8049  
(713) 209-3320  
TTY (713) 209-3439  
FAX (713) 209-3381

**AVISO**  
**COMO REQUISITO BAJO EL TITULO VII**  
**DEL ACTA DE LOS DERECHOS CIVILES DE 1964, Y SUS ENMIENDAS**

**ESTE AVISO ES PARA TODOS LOS EMPLEADOS DE CRAFTX WHOLESALE & DISTRIBUTORS, INC. Y ASHCROFT LEASING L.L.C., EN CUANTO AL ACOSO SEXUAL Y DISCRIMINACION.**

1. La ley Federal requiere que no haya discriminación contra cualquier empleado o solicitante al empleo por causa de sexo, raza, color, religión, origen nacional, edad, discapacidad con respecto a compensación, contrato y condiciones de empleo y condiciones o privilegios de empleo.
2. **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.** respaldará y cumplirá con la ley Federal en todos los aspectos y no tomará ninguna acción contra los empleados por haber ejercido sus derechos bajo la ley, haciendo sus quejas con la Comisión de Oportunidades Equalitarias en el Empleo (EEOC), por haber dado información a la EEOC, y por recibir compensación por arreglos generados por cualquier queja de discriminación sobre el acoso sexual.
3. **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.** Prohíbe el acoso sexual y no participará en la práctica de alterar los términos y condiciones del empleo, que tienen como base el sexo del empleado.
4. El acoso sexual es expresamente prohibido y constituye una práctica que en el empleo es discriminatoria e ilegal. Tales prácticas discriminatorias no serán toleradas por **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.**
5. "El acoso sexual" es una conducta que no es bien recibida o deseada. La conducta sobre el acoso sexual, incluye contacto físico en cualquier parte del cuerpo. La conducta del acoso sexual también incluye declaraciones hechas por escrito o verbales, así como discusiones sobre el sexo o solicitudes sexuales. El acoso sexual también incluye demostraciones de imágenes sexuales sugestivas. El acoso sexual por todos los trabajadores, supervisores y dueños de **CRAFTX WHOLESALE & DISTRIBUTORS INC. AND ASHCROFT LEASING L.L.C.** es **prohibido**.
6. Cualquier empleado que cree que es el objeto de discriminación debe reportar tal conducta a \_\_\_\_\_.
7. Cualquier empleado que cree que es el objeto de discriminación también puede hacer una queja de discriminación con la EEOC en el Edificio Federal de Mickey Leland, localizado en 1919 Smith Street, Sexto Piso, Houston, Texas 77002. Cualquier empleado que es objeto de discriminación también puede llamar a la EEOC al numero (713) 209-3401.