

Section 102 Purpose of the Decree

A. The parties, defined as EEOC and Defendant, desire to settle this action, and therefore do hereby stipulate and consent to the entry of this Decree as final and binding between the parties and their successors, assigns, and any other corporation or other entity into which Defendant may merge or with which Defendant may consolidate. Defendant shall provide notice and a copy of this Decree to any successors, assigns, and any other corporation or other entity into which Defendant may merge or with which it may consolidate.

B. The Decree resolves all issues relating to the allegations in EEOC's complaint filed in this action and Ashlea Crawford's EEOC Charge of Discrimination number 165-2005-00866, which served as the jurisdictional prerequisite in this case. The Decree does not resolve any charge of discrimination currently pending before EEOC, or any charge that may be filed in the future, other than the charge listed above and the claims asserted in connection with this action. EEOC reserves all rights to proceed regarding matters not covered in this Decree.

C. The terms of this Decree represent the full and complete agreement of the parties. The parties agree that this Decree may be entered into without Findings of Fact and Conclusions of Law being made and entered by the Court and nothing in this Decree shall be considered an admission of liability on the part of Defendant.

Section 103 Prohibited Conduct and Injunction to Not Discriminate

A. Defendant, its managers, officers, agents, successors, and assigns are hereby enjoined from discriminating against any individual because of the individual's sex and from retaliating against any individual because that individual is a beneficiary of this Decree, has filed a complaint, or has provided information, assistance, or participated in any other manner in the investigation or litigation of this matter.

B. Nothing in this Decree shall be construed to limit or reduce Defendant's obligations to comply with the statutes enforced by EEOC: Title VII of the 1964 Civil Rights Act, as amended, 42 U.S.C. §2000e, *et seq.*; Title I of the Americans with Disabilities Act, 42 U.S.C. §12101, *et seq.*; Age Discrimination in Employment Act, 29 U.S.C. §621, *et seq.*; and Equal Pay Act, 29 U.S.C. §206(d).

Section 104 Consent to Jurisdiction

A. EEOC and Defendant agree that this Court has jurisdiction over the subject matter of this litigation and the parties for the duration of this Decree. No party to this action shall *contest the validity of this Decree or the jurisdiction of the federal district court to enforce this Decree and its terms.*

B. The Court shall retain jurisdiction over this action for the duration of the Decree for all purposes including, but not limited to, the entering of all orders, judgments, and decrees as necessary to implement the relief provided herein. Any party may bring an enforcement action upon breach of any of the terms of this Decree by any other party after providing notice of such claimed breach and a reasonable opportunity to cure any alleged breach, unless EEOC's providing such notice would result in harm to the public interest. In any action to enforce the terms of this Decree, the Court will have full authority to order any remedy the Court deems appropriate, including, but not limited to, specific performance and/or extension of the Decree. This matter may be administratively closed but shall not be dismissed during the duration of the Decree.

Section 105 Implementation of the Decree

EEOC and Defendant agree to take all steps that may be necessary to fully effectuate the terms of this Decree.

Section 106 Amendments to the Decree

By mutual consent of the parties, this Decree may be amended in the interests of justice and fairness and to facilitate execution of the Decree's provisions. No waiver, modification or amendment of any provision of this Decree shall be effective unless made in writing, approved by all parties to this Decree, and approved or ordered by the Court, except that the parties may mutually agree in writing to modify the procedures in Sections 201-203 without approval of the Court.

Section 107 Duration of the Decree

The Decree shall remain in effect for three (3) years from the final approval date of the Decree. The effective date of the Decree shall be the date it is signed by and receives final approval from the Court.

Section 108 Breach of Decree

The parties agree that they will cooperate to effectuate and implement all terms and conditions of this Decree, and exercise good faith efforts to accomplish the terms and conditions of this Decree. This Decree shall be construed under applicable federal law.

Section 109 Notices

Except as otherwise provided for in this Decree, all notifications, reports and communications to the parties required under this Decree shall be made in writing and shall be sufficient as hand-delivered, faxed or sent by certified, registered or overnight mail to the following persons (or their designated successors):

For EEOC:

Margaret A. Malloy
Equal Employment Opportunity Commission
33 Whitehall Street, 5th Floor
New York, NY 10004
Fax: 212.336.3623

For Defendant: Robert P. Heary
Hiscock & Barclay, LLP
1100 M&T Center
3 Fountain Plaza
Buffalo, NY 14203-1414
Fax: 716.846.1202

Any party may change the person or address for notification by providing written notice to the other party setting forth the new person and/or address for such purpose. Notwithstanding the provisions for notification contained in this paragraph, the parties may, after agreement memorialized in writing, send each other such notifications, reports and communications by electronic mail.

PART II
SYSTEMIC RELIEF

Section 201 Posting and Distribution of Notices

A. Posting of Notice of Resolution

Within thirty (30) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant shall conspicuously post and maintain a "Notice of Resolution" regarding this lawsuit (attached as Exhibit A) in prominent places where employee notices are posted at all of Defendant's facilities.

B. Provision of Notice and Memo to Employees

Within thirty (30) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant shall provide a copy of the Notice of Resolution (Exhibit A) and a memo setting forth the requirements of Title VII (attached as Exhibit B), to all employees at all

of Defendant's facilities. Defendant shall provide the same Notice of Resolution and memo to all future employees at all of Defendant's facilities at the commencement of their employment.

C. Posting of EEOC Poster

Within thirty (30) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant will post the EEO poster describing federal laws prohibiting discrimination in prominent places where employee notices are posted as required by federal regulations. Defendant shall notify EEOC in writing within ten (10) days that it has complied with the requirement of posting the EEO poster pursuant to this Section.

Section 202 Nondiscrimination Policy and Complaint Procedures

A. Required Content of Nondiscrimination Policy and Procedure

Within thirty (30) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant shall adopt the antidiscrimination policy and complaint procedure ("Policy and Procedure"), attached hereto as Exhibit C, which has been reviewed and approved by EEOC.

B. Issuance of Policy and Procedure

Defendant shall provide each employee with a copy of Defendant's Nondiscrimination Policy and Procedure within thirty (30) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman. The Policy and Procedure shall be issued with the memo attached as Exhibit B. Defendant shall include the updated Policy and Procedure in its Employee Handbook and shall make it available on any company website that makes other

human resources information or policies available to employees. Defendant shall provide all new employees with copies of the Policy and Procedure within five (5) days of the commencement of employment.

C. Modification of the Policy and Procedure

If Defendant wishes to modify the Policy and Procedure concerning discrimination during the term of the Decree, it shall do so only after submitting the modified Policy and Procedure to EEOC for approval and after receiving such approval in writing.

Section 203 Training

A. Initial Training

Within ninety (90) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant will provide three (3) hours of training for supervisory and management employees and one (1) hour of training for all nonsupervisory employees. The training will be conducted by an independent third-party who must first be approved by EEOC. At least sixty (60) days before the training occurs, Defendant will submit its proposed detailed training agenda and materials as well as the name and qualifications of its proposed trainer to EEOC for EEOC's review and approval.

The initial training will review the rights and responsibilities of employees under federal antidiscrimination laws and how such laws define unlawful discrimination with a focus on sexual harassment. The training will include examples of unlawful conduct. The training also will cover Defendant's antidiscrimination Policy and Procedure, with particular emphasis on the internal complaint procedures and an employee's right to file with EEOC and state or local agencies. In addition to those topics listed above, training for supervisory and management

employees will cover how to avoid sexual harassment and the proper procedures for investigating and responding to internal complaints.

All nonsupervisory employees, supervisory and management employees will attend the appropriate initial training session. Within ten (10) days of any training session, Defendant will provide EEOC with an attendance sheet that includes the date, the names of those in attendance and the signatures of those in attendance.

B. Annual Training

1. Annual Training for Nonsupervisory Employees

On an annual basis, Defendant will provide all nonsupervisory employees with at least one (1) hour of EEO training as described below in subparagraph 3.a.

2. Annual Training for Management and Supervisory Employees

On an annual basis, Defendant will provide all supervisory and management employees with at least two (2) hours of EEO training as described below in subparagraphs 3.a. and 3.b.

3. Required Subjects of Annual Training

The annual training programs will include:

a. For nonsupervisory, supervisory and management employees, instruction on the requirements of all applicable equal employment opportunity laws including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, the Pregnancy Discrimination Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act and the Equal Pay Act, and a review of Defendant's nondiscrimination policies and procedures with particular emphasis on the right to a workplace free of sexual harassment and the complaint procedure.

b. For supervisory and management employees, instruction on any policies and requirements related to this Decree and instruction on the specific requirements of this Decree

and the proper procedures for responding to complaints of discrimination or harassment. Counsel for Defendant shall provide the annual training on policies and requirements related to this Decree.

C. Training for New Employees

1. Defendant will provide one (1) hour of training for all new nonsupervisory employees and three (3) hours of training for all new management/supervisory employees within thirty (30) days of the commencement of their employment.

The training will review the rights and responsibilities of employees under federal antidiscrimination laws and how such laws define unlawful discrimination, with a focus on sexual harassment and sex discrimination. The training will include examples of unlawful conduct. This part of the training may be conducted by videotape or web-based training provided by an independent third-party approved by EEOC.

The training also will cover Defendant's antidiscrimination Policy and Procedure with particular emphasis on the internal complaint, investigation and remediation process and an employee's right to file with EEOC and state or local agencies. The training for new supervisory and management employees also will cover the requirements of this Decree.

D. Training for Michael Kaufman and Richard Kaufman

Within ninety (90) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant will provide a three (3) hour, one-on-one training through an independent third-party for Michael Kaufman and Richard Kaufman, which will, at a minimum, cover the topics of discrimination and harassment.

E. Reporting Requirements for Training

All employees attending any training session described in the above paragraphs must print and sign their full names on an attendance sheet. Within ten (10) days of the completion of any trainings described in the preceding paragraph, Defendant will provide the Legal Unit of the EEOC, New York District Office, 33 Whitehall Street, 5th Floor, New York, New York 10004 (attention: Margaret A. Malloy), with copies of all attendance sheets. On a semi-annual basis beginning six months after the effective date of the Decree, Defendant will provide the Legal Unit of the EEOC, New York District Office, with attendance sheets pertaining to trainings given to new employees and a list of the employees, if any, who did not attend training as required.

Section 204 Designation of an Equal Employment Opportunity Officer

A. Within sixty (60) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman, Defendant will designate a qualified and experienced employee or other individual other than Michael Kaufman or Richard Kaufman to serve as its Equal Employment Opportunity Officer (hereinafter "EEO Officer"). The EEO Officer's duties will include, but will not be limited to, general responsibility for ensuring enforcement, implementation, and distribution of the Policy and Procedure, and for receiving and investigating complaints of discrimination.

B. Within sixty (60) days after Defendant or any successor or purchaser of Defendant resumes operation of any aspect of its business and employs anyone other than Michael Kaufman or Richard Kaufman an independent third-party, who must first be approved by EEOC, shall provide a five (5) hour, one-on-one training program for the designated EEO Officer. At least thirty (30) days before the training occurs, Defendant must provide EEOC with

the name and qualifications of its proposed trainer for EEOC's review and approval. The training for the EEO Officer must cover the rights of employees under federal and state antidiscrimination laws and how such laws define unlawful discrimination, with a focus on sexual harassment and sex discrimination. The training must also include examples of unlawful conduct. The training also must cover Defendant's antidiscrimination policies and procedures with particular emphasis on the internal complaint, investigation and remediation process, and an employee's right to file with EEOC and state or local agencies. Finally, the training for the EEO Officer must also cover the requirements of this Decree.

C. Defendant will cooperate fully with the EEO Officer in the performance of his/her duties and will require its employees to cooperate with all investigations into discrimination conducted by the EEO Officer. Defendant's cooperation with the EEO Officer will include but is not limited to: providing the EEO Officer with access to any and all persons, documents and support necessary to perform his/her functions.

Section 205 Monitoring and Reporting

A. Monitoring by EEOC

To monitor Defendant's compliance with this Decree, EEOC may, during the duration of this Decree, inspect or require production of relevant records and interview employees at reasonable times upon reasonable advance notice. Defendant shall make available for inspection and copying any records reasonably related to the Decree, upon reasonable advance notice by EEOC.

B. Reporting Requirements for Discrimination Complaints

Every six (6) months beginning six (6) months after the effective date of the Decree, Defendant will provide a written report to the Legal Unit of the EEOC, New York District

Office, with information regarding any verbal or written complaints of discrimination from employees or applicants that were received during the preceding six months, including steps taken by Defendant during the investigation, the results of any investigation of the complaint, and any remedial action taken by Defendant. The report must include all open complaints and all complaints closed or resolved within the preceding six months.

Section 206 Compliance with Record-keeping Requirements

A. Record Retention

Defendant agrees to maintain such records as are necessary to demonstrate its compliance with the Decree and 29 C.F.R. §1602 *et seq.* and to verify that the reports submitted pursuant to the Decree are accurate.

PART III

Section 301 MONETARY RELIEF FOR CHARGING PARTY AND CLAIMANTS

A. Monetary Payments

1. Within ten (10) business days of the date of entry of this Decree, Defendant will pay (or cause to be paid) a total of three hundred seventy-five thousand (\$375,000) representing all damages recoverable in connection with the claims asserted in the action. Such amount shall be payable to Charging Party and Claimants in the amounts listed on Exhibit D, made without tax withholdings, as damages for emotional pain and suffering, and delivered by certified mail to the Charging Party and Claimants listed in Exhibit D, which shall be filed under seal, to addresses to be supplied by EEOC to Defendant.

2. A copy of each check will be forwarded to the Legal Unit of the EEOC, New York District Office, 33 Whitehall Street, 5th Floor, New York, New York 10004 (attention: Margaret A. Malloy) immediately upon issuance of the check.

3. If any check issued by Defendant is returned to Defendant as undeliverable, Defendant will notify EEOC within ten (10) days of receipt of any returned check. EEOC will have one hundred sixty (160) days from the date of entry of this Decree to locate Claimants whose checks have been returned as undeliverable. If EEOC, within such one hundred sixty (160) day period, provides Defendant with a new address for any Claimant whose check was returned as undeliverable, Defendant will issue and mail another check to such Claimant at such address, within ten (10) days of receipt of the new address, with a copy immediately forwarded to EEOC. If EEOC is unable to locate any Claimant(s), any remaining amount of the total damages to be paid pursuant to this Section 301 will be distributed pro rata to the located Claimants. EEOC will provide Defendant with a list of the located Claimants and the amount of the pro rata share to be paid to each of the located Claimants, and Defendant will issue and mail a check to each such located Claimant within ten (10) days of receipt of the list from EEOC. Claimant(s) who could not be located by EEOC will not be entitled to damages under this Decree.

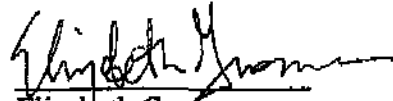
Defendant will notify EEOC if any Claimant's check remains uncashed after ninety (90) days. If EEOC, within thirty (30) days after receiving such notice, provides Defendant with evidence that any such uncashed check has been lost or destroyed, Defendant will issue and mail another check to such Claimant within ten (10) days of receipt of evidence of its loss or destruction, with a copy immediately forwarded to EEOC.

SIGNATURES

Each signatory to this Decree represents that each is fully authorized to execute this Decree and to bind the parties on whose behalf each signs.

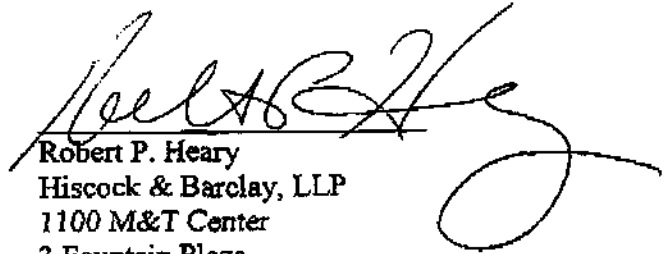
APPROVED IN FORM AND CONTENT:

By Plaintiff EEOC:



Elizabeth Grossman
Regional Attorney
EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
New York District Office
33 Whitehall Street, 5th Floor
New York, New York, 10004

For Defendant American Industrial Sales
Corp. d/b/a RAK Industries



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1100 M&T Center
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Tel: (716) 566-1570
Fax: (716) 846-1202

SO ORDERED this 12 day of May, 2008


United States District Judge

**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
New York District Office**

**33 Whitehall Street, 5th Floor
New York, NY 10004-2112
Phone: 800.699.4000
TTY: 800.669.6820**

**NOTICE TO ALL EMPLOYEES OF AMERICAN INDUSTRIAL SALES
CORP. D/B/A RAK INDUSTRIES**

This Notice has been posted pursuant to a Consent Decree entered in resolution of a lawsuit brought by the U.S. Equal Employment Opportunity Commission ("EEOC") against American Industrial Sales Corp. d/b/a RAK Industries ("American Industrial Sales") in federal court in the Western District of New York.

Federal law prohibits discrimination and/or harassment based on an employee's sex, race, color, national origin, religion, age, or disability status. Federal law also prohibits retaliation against any employee who files a charge of discrimination, who opposes unlawful activity, or who cooperates in the investigation of a charge or otherwise exercises her or his rights under the law.

The terms of the Consent Decree require that American Industrial Sales:

1. Provide monetary relief to claimants in the lawsuit;
2. Not engage in any unlawful employment discrimination or retaliation against any person who exercises his or her rights under federal anti-discrimination laws;
3. Provide training on federal laws prohibiting employment discrimination to all current and future employees;
4. Maintain and distribute written policies and procedures prohibiting discrimination and enabling employees to file discrimination complaints;
5. Appoint an EEO Officer to investigate and resolve all reports of discrimination;
6. Permit EEOC to monitor compliance with the Consent Decree;
7. Provide periodic reports to EEOC regarding discrimination complaints made by employees;
8. Post and distribute this Notice to all employees;

Should you have a complaint of discrimination or harassment you may contact:

U.S. Equal Employment Opportunity Commission
33 Whitehall Street
New York, New York 10004
Phone: 800.699.4000
TTY (for hearing impaired) 800.699.6820
Website: <http://www.eeoc.gov>

Dated: _____, 2008

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE ALTERED OR DEFACED BY ANYONE OR COVERED BY ANY OTHER MATERIAL

This Notice must remain posted for 3 years from the date shown above and must not be altered, defaced, or covered by any other material. Any questions concerning this Notice or compliance with its provisions may be directed to the U.S. Equal Employment Opportunity Commission at the numbers listed above.

EXHIBIT A

EXHIBIT B

[AMERICAN INDUSTRIAL SALES LETTERHEAD]

TO: All Employees
FROM: Michael Kaufman
RE: Equal Employment Opportunity/Non-Harassment

It is the policy of American Industrial Sales Corp. d/b/a RAK Industries to provide equal employment opportunities to all employees without regard to race, color, gender, age, marital status, sexual orientation, disability, religion, citizenship, national origin, veteran status or any other legally-protected status. American Industrial Sales is committed to fully comply with applicable antidiscrimination laws, including Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Equal Pay Act, and the Americans With Disabilities Act.

All members of management have the responsibility for recruiting, hiring, and treating employees in accordance with American Industrial Sales equal employment opportunity and non-harassment policies, copies of which are attached. Complaints of discrimination or harassment should immediately be brought to the attention of _____, the company's designated EEO Officer. In addition, complaints of discrimination or harassment may be reported to the United States Equal Employment Opportunity Commission ("EEOC"). Additional information about the EEOC is included in the notice to all employees which is attached to this memo.

Michael Kaufman
Chief Executive Officer & President

EXHIBIT C

EQUAL EMPLOYMENT OPPORTUNITY

American Industrial Sales is committed to a policy of equal employment opportunity with respect to all employees and applicants for employment. This policy prohibits discrimination on all legally-protected bases, including, but not limited to sex, race, color, age, marital status, sexual orientation, disability, religion, citizenship, national origin, veteran status or any other legally protected status.

This policy will be observed in the recruitment, hiring and on-the-job treatment of individuals. Decisions regarding terms and conditions of employment, including wage and salary administration, benefit plans, promotions, transfers, demotions, and terminations, will be made in accordance with this policy.

NON-HARASSMENT

It is the policy of American Industrial Sales to promote a productive work environment and not to tolerate verbal or physical conduct by any employee that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, offensive or hostile environment.

All employees are expected to maintain a productive work environment that is free from harassing, disruptive activity and unlawful discrimination. No form of harassment will be tolerated including harassment for the following reasons: sex, race, color, age, national origin, religion, disability, sexual orientation or any other legally protected status.

Officers, supervisors and managers have a responsibility to keep the workplace free of any form of harassment and, in particular, sexual harassment. No officer, supervisor or manager is to threaten or insinuate, either explicitly or implicitly, that an employee's refusal or willingness to submit to sexual advances will affect the employee's terms or conditions of employment.

Sexually harassing or offensive conduct in the workplace, whether committed by an officer, supervisor, manager, non-supervisory employee, or non-employee is prohibited. This conduct includes, but is not limited to:

- Unwanted physical contact or conduct of any kind, including sexual flirtations, touching, advances or propositions;
- Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references;
- Demeaning, insulting, intimidating, or sexually suggestive comments about an individual's personal appearance;

- The display in the workplace of demeaning, insulting, intimidating, or sexually suggestive objects, pictures or photographs;
- Demeaning, insulting, intimidating or sexually suggestive written, recorded, or electronically transmitted messages.

Any of the above conduct, or other offensive conduct, directed at individuals because of their race, color, age, national origin, religion, disability, sexual orientation, or other legally protected status is also prohibited.

Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as on business trips, in business meetings, and at business-related social events.

All employees should understand that submission to, or acceptance of, any form of harassment is not a term or condition of employment. No employee is required to submit to, or accept, any form of harassment in order to maintain their position, promotional opportunities, benefits, or to meet any other condition of employment.

Officers, managers and supervisors are responsible for setting the appropriate tone in the workplace, providing direction on implementation of this policy, and fully complying with this policy. All employees, and in particular, officers, managers and supervisors, are responsible for conducting themselves in a manner that does not violate this policy and shall immediately report known, suspected, or potential violations of this policy. Failure to immediately report discrimination or harassment in violation of this policy can result in discipline.

If you believe you have been discriminated against or harassed, or if you are a witness to discrimination or harassment, you should report it immediately to any supervisor or manager or to the company's designated EEO Officer, regardless of whether the person who engaged in the discrimination or harassment is a co-worker, supervisor, customer, vendor or other non-employee. All complaints and/or reports will be promptly and thoroughly investigated in as impartial and confidential manner as possible. A timely resolution of each complaint will be reached and communicated to the parties. If a complaint of discrimination and/or harassment is found to be valid, immediate and appropriate corrective action will be taken, which may include discipline up to and including termination from employment.