IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION,	)	
Plaintiff,	)	
	)	No. 06 C 5172
v.	)	Hon. Judge Guzman
COMPACT INDUSTRIES, INC.,	)	Magistrate Judge Denlow
Defendant.	)	

CONSENT DECREE

The Litigation

1. Plaintiff, Equal Employment Opportunity Commission (hereafter the "EEOC"), filed this action on September 25, 2006, alleging that Defendant Compact Industries, Inc. ("Compact" or "Defendant") discriminated against six (6) Charging Parties and a class of employees who did not file charges (collectively, "the claimants"), in violation of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq. ("Title VII"), and § 102 of the Civil Rights Act of 1991, 42 U.S.C. § 1981A, by subjecting them to harassment, a hostile work environment, and constructive discharge because of their sex. Compact expressly denies the allegations in the lawsuit and further denies that it discriminated against any of its current or former employees under Title VII.

2. All of the parties to this action desire to avoid the additional expense, delay and uncertainty which would result from the continuance of this litigation and desire to formulate a plan to be embodied in a Consent Decree which will promote and effectuate the purposes of Title VII.

3. The parties agree that this Consent Decree fully and finally resolves any and all claims arising out of the underlying Complaint, including any and all claims asserted or that could have been asserted in the following Charges:

- 440-2006-05028 (Villasenor v. Compact Industries);
- 440-2006-04288 (Garcia-Macias v. Compact Industries);
- 210-2005-06661 (Garcia-Macias v. Compact Industries);
- 210-2006-00411 (Gallardo v. Compact Industries);
- 210-2005-00485 (Perez v. Compact Industries);
- 210-2005-00483 (Vargas v. Compact Industries);
- 210-2005-00524 (Montano v. Compact Industries);
- 210-2005-00482 (Fernandez v. Compact Industries);
- 440-2007-01194 (Bejarano v. Compact Industries);
- 440-2006-08338 (Gallardo v. Compact Industries); and
- 440-2006-04300 (Gallarzo v. Compact Industries),

This Consent Decree additionally finally and fully resolves any and all claims of sexual harassment that were asserted or could have been asserted by any other individuals who receive monetary relief under this Consent Decree.

FINDINGS

4. Having examined the terms and provisions of this Consent Decree and based on the pleadings, records, and stipulations of the parties, this Court finds the following:

A. This Court has jurisdiction over the subject matter of this action and over the parties.

B. The terms and provisions of this Consent Decree are fair, adequate, reasonable, equitable and just. The rights of the parties, the claimants and the public are adequately protected by this Consent Decree.

C. This Consent Decree is in conformity with the Federal Rules of Civil Procedure and Title VII. The entry of this Consent Decree will further the objectives of Title VII and will be in the best interests of the parties, the claimants and the public.

D. Nothing in this Consent Decree constitutes an admission nor shall it be construed as an admission by either party as to the claims or defenses of the other.

NOW THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:

NON-DISCRIMINATION

5. Compact is enjoined from discriminating against employees on the basis of sex and shall comply with Title VII.

NON-RETALIATION

6. Compact, its officers, agents, employees, successors, and assigns shall not retaliate against, penalize or otherwise prejudice any employee, former employee or applicant for employment because such person has opposed any practice made unlawful by Title VII; filed a Complaint or Charge of Discrimination; testified, assisted, or otherwise participated in any manner in any investigation, proceeding, hearing or litigation under Title VII; asserted any right under this Consent Decree; or otherwise exercised his or her rights under Title VII.

MONETARY RELIEF

7. a) Compact shall pay the gross sum of three hundred and twenty five thousand dollars ($325,000), to resolve the claims of the claimants. This sum shall be distributed in the amounts indicated in the Release Agreements signed by the claimants and provided to Compact by the EEOC, and equal in the aggregate to three hundred and twenty five thousand dollars ($325,000).

b) Within ten (10) days of the entry of this Decree, the EEOC shall mail to each claimant a blank release (Exhibit B, attached).

c) Within ten (10) days after receipt by Compact of a Release Agreement in the format of Exhibit B from an EEOC claimant, Compact shall issue and mail by certified mail to each such claimant, a check in the amount indicated on the release, payable to the order of

such claimant to the address indicated on the release, as settlement of this case by the EEOC, with a copy to the EEOC.

d) Payment to the claimants shall not be deemed to be for lost wages. Defendant shall not make withholdings and shall issue 1099 forms to the Charging Parties and claimants no later than January 30, 2008. The 1099 forms shall bear the Social Security Number and be mailed to the address shown on the release agreements signed by the claimants. Each claimant will be responsible for paying income taxes, if any.

NOTICE POSTING

8. Within ten (10) days after the Court's entry of this Consent Decree and for the duration of this Decree, Compact shall continuously post the notice annexed hereto as Exhibit A, along with a Spanish translation to be provided by EEOC (the notice and its translation shall, hereinafter, be referred to collectively as "the Notice"), in a location prominently visible to Compact employees. Within ten (10) days after the Consent Decree is entered, Compact shall certify in writing to the Chicago District Office of the EEOC that the Notice has been posted, and shall inform the EEOC of the location where it has been posted. Compact shall permit a representative of EEOC to enter Compact's premises for purposes of verifying compliance with this paragraph at any time during normal business hours.

RECORDKEEPING AND REPORTING

9. Compact shall maintain records of any complaints, formal or informal, oral or in writing, that it receives relating to harassment based on sex, or for alleged retaliation for making complaints of sexual harassment, including the name, address and telephone number of the complainant; the allegations made by the complainant; the nature of Compact's investigation of such allegations; and any action taken by Compact in response to such complaints, for the

duration of this Consent Decree.

10. Beginning six (6) months after entry of this Consent Decree and every six (6) months thereafter for the duration of this Consent Decree, Compact shall furnish the EEOC with reports reflecting the information detailed in the records described in Paragraph 9 of this Consent Decree. Compact's last report will be submitted to the EEOC two (2) weeks prior to the date on which the Decree is to expire.

11. For the term of this Consent Decree and upon five (5) business days' notice to Compact, the EEOC, when it has reasonable cause to believe that Compact is not in compliance with the terms of this Consent Decree, shall have access to Compact's facility during normal business hours to review and copy any documents related to determining compliance at its facility and to interview any personnel employed by Compact for the purpose of determining Compact's compliance with the terms of this Consent Decree. Compact's attorney will be allowed to be present during any such examination of records and/or during interviews of any supervisory employee(s).

TRAINING

12. During each of the two (2) years covered by this Consent Decree, Compact shall arrange for annual training of all employees, including supervisors and managers, regarding the requirements of Title VII and Compact's policies prohibiting discrimination under Title VII. Compact shall submit to the EEOC for its approval the credentials of the trainer and proposed training program, including all materials to be used or distributed to employees prior to any such training. Within five (5) days after the completion of the training described above, Compact will certify to the EEOC that the training has been completed, the name(s) of the person(s) conducting the training, the time(s), duration and date(s) the training were held and a list

identifying by name and position all individuals who received the training. The first training shall take place within forty-five (45) days after entry of this Consent Decree. Compact will also provide the EEOC with all materials used or distributed at such training, if those materials are different from that previously produced to the EEOC.

DURATION OF DECREE/RETENTION OF JURISDICTION

13. The terms of this Consent Decree shall be in effect (and the Court will retain jurisdiction of this matter to enforce this Decree) for a period of two (2) years from the date on which this Consent Decree is entered, provided, however, that if, at the end of the two (2) year period there are disputes that remain unresolved, and written notice is given by the party claiming that such dispute(s) remain unresolved, the term of this Decree shall be automatically extended until such time as all such disputes have been resolved. Thereafter, this Court shall dissolve this Consent Decree and shall dismiss this cause with prejudice.

COSTS AND ATTORNEYS' FEES

14. Each party to this action shall bear its own attorneys' fees, costs, and expenses.

DISPUTE RESOLUTION

15. If the EEOC has reasonable cause to believe that Compact has violated any of the terms of this Consent Decree, the EEOC shall notify Compact in writing, and Compact will then have ten (10) business days in which to satisfy the EEOC that there has not been a violation or that a violation has been corrected. If, at the expiration of such time period, EEOC has not been so satisfied, then the EEOC may immediately apply to the Court for appropriate relief.

MISCELLANEOUS PROVISIONS

16. The terms of this Consent Decree shall be binding upon the present and future directors, officers, managers, agents, successors, and assigns of Compact. Compact, and any

successor of Compact, will provide a copy of this Decree to any organization which proposes to acquire or merge with Compact, or any successor of Compact, prior to the effectiveness of any such acquisition or merger. This paragraph shall not be deemed a limit to any remedies available in the event of any contempt finding by the Court for a violation of this Decree.

17. When this Consent Decree requires the submission by Compact of reports, notices, or other materials to the EEOC, such materials shall be mailed to: Compact Settlement, Equal Employment Opportunity Commission, Chicago District Office, Legal Division, 500 West Madison, Suite 2800, Chicago, Illinois, 60661.

18. This Consent Decree shall expire by its own terms at the end of two (2) years after entry, without further action by the parties, subject to the provisions in paragraph 13.

ENTERED AND APPROVED FOR:

For the EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
1801 L Street, N.W.
Washington, D.C. 20507

RONALD COOPER
General Counsel

JAMES LEE
Deputy General Counsel

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John C. Hendrickson/DJS 1/9/07
John C. Hendrickson Date
Regional Attorney

Diane I. Smason 1/9/07
Diane I. Smason Date
Supervisory Trial Attorney

Jeanne B. Szromba 1/9/07
Jeanne B. Szromba Date
Trial Attorney

For COMPACT INDUSTRIES, INC.

Nadine Abrahams 1/9/07
Nadine C. Abrahams Date
Fisher & Phillips, LLP
140 South Dearborn St.
Suite 1000
Chicago, IL 60603

Kristine Aubin
Connelly Sheehan Harris LLP
150 S. Wacker Drive, Suite 1600
Chicago, IL 60606

1/11/07
ENTER:

Ronald A. Guzman
The Honorable Ronald A. Guzman
United States District Court Judge

EXHIBIT A

NOTICE TO ALL COMPACT INDUSTRIES, INC. EMPLOYEES

This Notice is being posted pursuant to a Consent Decree entered by the federal court in EEOC v. Compact Industries, Inc., No. 06 C 5172 (N.D. Ill.), resolving a lawsuit filed by the Equal Employment Opportunity Commission ("EEOC") against Compact Industries, Inc. ("Compact").

In its suit, the EEOC alleged that Compact discriminated against a class of employees in violation of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq. ("Title VII"), and § 102 of the Civil Rights Act of 1991, 42 U.S.C. § 1981a, by subjecting them to harassment and a hostile work environment because of their sex. Compact denies all the allegations in the lawsuit and denies that it discriminated against any of its current or former employees under Title VII.

To resolve the case, Compact and the EEOC have entered into a Consent Decree which provided, among other things, that:

1. Compact pay monetary damages to a class of employees;
2. Compact will not discriminate on the basis of sex;
3. Compact will not retaliate against any person because he or she opposed any practice made unlawful by Title VII, filed a Title VII charge of discrimination, participated in any Title VII proceeding, or asserted any rights under the Consent Decree;
4. Compact will train all employees, including management and supervisory employees, regarding their duties and obligations under Title VII.

The EEOC enforces the federal laws against discrimination in employment on the basis of sex, race, color, religion, national origin, age or disability. If you believe you have been discriminated against based on sex or retaliated against, you should report this to Compact's Director of Human Resource and you may also contact the EEOC at (312) 353-8195. The EEOC charges no fees and has employees who speak languages other than English.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE

This Notice must remain posted for two years from the date below and must not be altered, *defaced or covered by any other material. Any questions about this Notice or compliance* with its terms may be directed to: Compact Settlement, EEOC 500 West Madison Street, Suite 2800, Chicago, Illinois 60661.

1/4/07
Date

Hon. Ronald A. Guzman
United States District Court Judge

EXHIBIT B

RELEASE AGREEMENT

I, _____, in consideration for $ _____ paid to me by Compact Industries, Inc., in connection with the resolution of EEOC v. Compact Industries, Inc., No. 06 C 5172 (N.D. Ill.), waive my right to recover for any claims of sex discrimination arising under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq. that I had or could have brought against Compact Industries, Inc., prior to the date of this release and that were included in the claims alleged in the EEOC's complaint in EEOC v. Compact Industries, Inc., No. 06 C 5172 (N.D. Ill.). [I also dismiss with prejudice my Charge of Discrimination _____ which I filed with the EEOC [, which includes a claim of retaliation].]

_____ _____

Date Address

City, State, Zip Code