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## EEOC v. Paramount Staffing, inc.

John P. McCalla

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## EEOC v. Paramount Staffing, inc.

### Keywords

EEOC, Paramount Staffing, 2:06-cv-02624, Consent Decree, race, black, national origin, retaliation, hiring, service, Employment Law, Title VII

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TENNESSEE  
WESTERN DIVISION

EQUAL EMPLOYMENT OPPORTUNITY	)	
COMMISSION,	)	
Plaintiff	)	
v.	)	Civil Action No 2:06-cv-02624
	)	
PARAMOUNT STAFFING, INC.,	)	Judge McCalla
	)	Magistrate Judge Claxton
Defendant.	)	
	)	JURY DEMAND
	)	

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**CONSENT DECREE**

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The Equal Employment Opportunity Commission (“Commission” or “EEOC”) brought this action under Title VII of the Civil Rights Act of 1964, as amended (“Title VII”), and Title I of the Civil Rights Act of 1991, alleging that Defendant Paramount Staffing Inc., (“Defendant”) failed to place Earnestine Toler and a class of African Americans into temporary positions because of their race, Black and their national origin, American, and retaliated against Ms. Toler for opposing employment practices made illegal by Title VII.

Defendant denies the Commission's allegations or that it otherwise violated Title VII and the agreement to enter into this Consent Decree does not represent an admission of liability.

In the event this proposed Consent Decree is not approved or does not become final then it shall not be admissible.

The parties stipulate to the jurisdiction of the Court.

It is hereby Ordered that:

1. This Consent Decree constitutes the complete and exclusive Decree between the parties with respect to the matters referred to herein. No waiver, modification, or amendment of any provision of this Consent Decree shall be effective unless made in writing and signed by both parties. No representations or inducements to compromise this action have been made, other than those recited or referenced in this Consent Decree.

2. This Consent Decree resolves EEOC Charge No. 250-2004-02108, filed by Earnestine Toler, and this civil action that arose from her charge.

3. The term of this Decree shall be two (2) years from the date of entry of the Consent Decree. The terms of this Decree shall apply only to the operations of the Defendant in Memphis, Tennessee.

4. The eligible class members are those applicants who applied for positions at the Memphis Oaks facility and who were sent to the Technicolor Memphis Oaks site during the relevant time period, June 2004 to August 2006, and whom the Commission determines to be eligible to receive monetary relief in this lawsuit.

5. Defendant, its officers, agents, management, (including supervisory employees), successors and assigns, are enjoined from failing to hire African American applicants on the basis of race or national origin, American, in any aspect of employment.

6. Defendant, its officers, agents, management, (including supervisory

employees), successors and assigns, are enjoined from discriminating against African American employees on the basis of race or national origin, American, in any aspect of placement with client companies.

7. Defendant, its officers, agents, employees, management, (including supervisory employees) and all persons acting in concert with Paramount Staffing are enjoined from retaliating against any employee or applicant for employment for participating in any proceeding under Title VII or for opposing discriminatory employment practices made unlawful under Title VII.

8. Within sixty (60) days of entry of this Decree, Defendant shall create a written hiring and placement policy which shall prohibit race discrimination and retaliation. The Commission will have an opportunity to review the policy. This policy shall outline the procedures by which Defendant shall hire or place employees for employment. The procedures shall also state that Defendant is an Equal Employment Opportunity employer and that discrimination in the hiring and placement of applicants is expressly prohibited and will not be tolerated.

9. Defendant will publish the written hiring and placement policies as discussed in paragraph 8 in English and Spanish.

10. Defendant shall distribute to each employee the hiring and placement policy and each employee shall be given copies of the policy. In addition, Defendant shall provide each employee a copy of its non-discrimination and Equal Employment Opportunity Policy.

11. Defendant shall publish its Equal Employment Opportunity policy in English and Spanish.

12. Defendant shall post its written hiring and placement policy and Equal Employment Opportunity Policy at all of its Memphis facilities in both English and Spanish.

13. The hiring and placement policy will include a procedure for employees to report race and/or national origin discrimination in the placement of temporary assignments, including a specific telephone number to the corporate human resources department. The Defendant will maintain written information related to all applicants during the term of the Consent Decree, including the dates of application and referrals during the term of the Consent Decree. The Commission may request that information for examination, including the data in electronic format, upon reasonable notice during the term of the Consent Decree.

14. Within thirty (30) days of this Decree, Defendant shall retain a qualified consultant having at least ten years specialized knowledge of employment discrimination law or an attorney who specializes in employment law to conduct race and national origin discrimination awareness training to all recruiters, onsite personnel, and supervisory and management personnel employed by Paramount Staffing. This training shall be mandatory for all employees who make temporary placement decisions including, but not limited to, branch managers, assistant managers, supervisors, recruiters, and onsite personnel and shall be conducted within ninety (90) days of entry of this Decree.

15. The training topics presented by the consultant or attorney shall include, at a minimum, (a) Title VII's prohibition against race, national origin, and retaliation discrimination with respect to any term, condition, or privilege of employment; (b)

Paramount Staffing's policies and procedures for the prevention of race discrimination in general and as they relate to its hiring and temporary placement policies specifically; (c) Paramount Staffing procedures for reporting, investigating and remedying race discrimination or retaliation complaints by temporary personnel, and (d) the Commission's New Compliance Manual, Section 15 on Race and Color Discrimination.

16. Within one hundred and twenty (120) days after the date of entry of this Decree by the Court, the Defendant will provide the Commission with copies of the training materials and related documentation evidencing the accomplishment of training compliance for all recruiters, onsite personnel, and supervisory and management personnel. The aforementioned documentation shall include the names and position of the individuals attending the training, the time each individual spent at the training, and a sign in sheet.

17. All reporting to the Commission required by this section shall be made to Deidre Smith, Supervisory Trial Attorney, Equal Employment Opportunity Commission, 1407 Union Avenue, Suite 901, Memphis, Tennessee 38104.

18. Prior to the initiation of training, the Regional Vice President (Memphis, TN), shall provide Exhibit A to each management employee advising that Paramount Staffing has a strong and clear commitment to a workplace free of race and national origin discrimination and that race or national origin discrimination by any person, including any management official, supervisor, recruiter, on-site personnel, or customer, is expressly prohibited, and will not be tolerated.

19. Defendant shall maintain in its Human Resources Department a record of each person trained pursuant to paragraph 14 above.

20. Defendant shall deposit funds in an interest bearing account and pay a total of Five Hundred Eighty Five Thousand Dollars (\$585,000.00) in full settlement of the claims of the EEOC on behalf of Earnestine Toler and all eligible class members in this lawsuit.

21. Within thirty (30) business days from the effective date of this Decree, Defendant shall fund/create the Class Fund to compensate class members for their claims of Title VII violations arising out of Defendant's alleged failure to place African Americans into temporary positions because of their race and national origin, American.

22. Within thirty (30) business days from the effective date of this Decree, Defendant shall provide the Commission with written verification of the funding/creation of this account.

23. The Class Fund shall be used solely to make payments to class members who timely submit claims and who the Commission determines pursuant to Paragraph 28 to be eligible to receive monetary relief in this lawsuit.

24. Within sixty (60) business days following the entry of this Decree, the Commission shall mail a package containing the following materials (the "Consent Package") to each Potential Class Member, based on race, African American, and National Origin, American, except Earnestine Toler:

- a. A Claim Form (Exhibit B);
- b. A Notice of the Consent Decree (Exhibit C); and
- c. A Release of Claims (Exhibit D).

25. Each Potential Class Member who wishes to claim a share of the Class Fund or otherwise participate in the benefits of this Decree shall return an executed



Claim Form (Exhibit B) and Release of Claims (Exhibit D) to the Commission so that it is received by the Commission not later than sixty (60) days after the package is mailed.

The Commission shall process these documents and shall prepare a list of Eligible Claimants whose executed claim forms and executed releases of claims were received by the Commission in a timely manner.

26. No claimant shall receive payment pursuant to this Decree until a signed release (Exhibit D) has been received by the Defendant.

27. Within thirty (30) days of receiving and considering all claims from Potential Class Members, the Commission shall forward to Defendant the names, social security numbers, mailing addresses, and monetary allocation of the Eligible Class Members ("Final Distribution List"). The Commission will also provide fully executed releases to Paramount Staffing.

28. The Commission will have sole discretion to determine (1) the Eligible Class Members entitled to relief and (2) the allocation of monetary amount(s) from the Class Fund to each such Class Member. The Commission will base its determination of entitlement to relief and the allocation of damages on employment history with Paramount, the responses provided on the claim form, and participation in the lawsuit. Ms. Toler shall receive a lump sum payment of \$65,000.00.

29. Within twenty (20) business days after receipt of the Final Distribution List, Defendant shall forward, via certified mail, an individual check to each of the particular Eligible Class Members. All amounts distributed from the Class Fund constitute "compensatory damages," under the Civil Rights Act of 1991, 42 U.S.C. § 1981a. Defendant shall prepare and distribute an IRS Form 1099 for the compensatory

monetary payments, and shall make appropriate reports to the Internal Revenue Service.

30. Within fifteen (15) business days of the mailing of each settlement check, Defendant shall submit a copy of each check and related correspondence to Deidre Smith, Supervisory Trial Attorney, Equal Employment Opportunity Commission, 1407 Union, Suite 901, Memphis, Tennessee 38104.

31. Within 90 days after the mailing of each settlement check (or at such later time as may be agreed by the parties), the Defendant will notify the Commission of return checks or checks not cashed. The Commission will direct the redistribution of the amount of any remaining funds.

32. If the Defendant engages in any media advertising, related to job vacancies, in the Memphis market during the terms of this Agreement, Defendant agrees that not less than 30% of its advertising expenses will be for advertisements through one or more of the following media outlets: Tri State Defender Newspaper and/or local radio stations where the majority of the listeners are African American, including 1070 WDIA, 1340 WLOK, and 103.5 WRBO.

33. Within thirty (30) days of the entry of this Consent Decree, Paramount Staffing shall post and keep posted for one year and six months in conspicuous places upon their premises where notices to employees are customarily posted, the notice posting regarding this settlement. (See Exhibit E).

34. Defendant confirms that it has posted and shall cause to remain displayed the poster required by Section 711 of Title VII, 42 U.S.C. § 2000e-10(a).

35. Defendant shall also post and keep posted in a location where notices to employees are customarily posted, a copy of its policy and procedures for reporting and preventing discrimination in the workplace.

36. Defendant shall maintain records of any complaints made of race, retaliation, or national origin discrimination in the placement of temporary employees involving any branch office in Memphis, Tennessee. These records shall include the names, addresses, telephone numbers and social security numbers of employees or applicants making the complaints. These records shall also contain the dates of the reports or complaints, what was alleged, the names of any witnesses, the names and positions of any alleged discriminating employee or management official, and what actions Defendant took to resolve the complaints.

37. Defendant shall submit three (3) reports to the Commission. Defendant shall submit the first within six (6) months of the entry of this Decree. The second report shall be due within fourteen (14) months of entry of the Decree and the third report will be due sixty (60) days before the end of the term of the Decree. The reports will contain a summary of the information recorded by Defendant pursuant to paragraph 36 above. Defendant shall mail these reports to Deidre Smith, Supervisory Trial Attorney, at the Memphis District Office address, 1407 Union, Suite 901, Memphis, Tennessee 38104, with a statement that identifies such reports as being submitted consistent with this Decree.

38. Defendant agrees to give a neutral reference to any potential employer of Earnestine Toler who may request a job reference. This means a reference shall be told dates of employment and positions held. Any reference given on behalf of Ms.

Toler will include the statement that: "Our policy does not permit us to give out any other information concerning former employees." All requests for references will be directed to the Regional Vice President of Paramount Staffing or his designee. Any such neutral reference may also be in writing in the form of Exhibit F. No mention of Ms. Toler's charge of discrimination or this lawsuit will be made as part of the neutral reference.

39. Each party shall bear that party's own costs, attorneys' fees, and expenses.

40. This Decree shall remain in effect two (2) years from the date of entry. During the period that this Decree shall remain in effect, the Court shall retain jurisdiction to assure compliance with the Decree. The parties expressly agree that the Commission may bring a motion before the Court to enforce the Decree if it has reason to believe that Defendant has failed to comply with any provisions of this Decree. Prior to initiating such action, the Commission will send written notice to Defendant by written mail of any alleged breach and give Defendant sixty (60) days to cure the breach. The parties agree to cooperate with each other and use their best efforts to resolve any dispute referenced in the notice. After sixty (60) days, the Commission may petition this Court for resolution of the dispute.

41. Defendant will provide prior written notice to any potential purchaser of Defendant's business, or a purchaser of all or a portion of Defendant's assets, and to any other potential successor, of the Commission's lawsuit, the allegations raised in the Commission's Complaint, and the existence and contents of the settlement.

IT IS SO ORDERED THIS 19th DAY OF August 2010

/s/ JON PHIPPS McCALLA  
CHIEF UNITED STATES DISTRICT JUDGE

APPROVED FOR ENTRY:

FOR PLAINTIFF:

P. DAVID LOPEZ  
General Counsel

JAMES L. LEE  
Deputy General Counsel

GWENDOLYN YOUNG REAMS  
Associate General Counsel

s/ Faye A. Williams w/permission DS  
FAYE A. WILLIAMS  
Regional Attorney  
TN Bar No. 011730

s/ Deidre Smith  
DEIDRE SMITH  
Supervisory Trial Attorney  
TN Bar No. 018499

EQUAL EMPLOYMENT  
OPPORTUNITY COMMISSION  
1407 Union Avenue, Suite 901  
Memphis, TN 38104  
(901) 544-0140

s/ Sally Ramsey w/permission DS  
SALLY RAMSEY  
Senior Trial Attorney  
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50 Vantage Way, Suite 202  
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(615) 736-2105

FOR DEFENDANT:

s/ Paul E. Prather w/permission DS  
PAUL E. PRATHER  
TN Bar No. 10089

s/ Brenda Nelson w/permission DS  
BRENDA NELSON  
TN Bar No. 024635  
Kiesewetter Wise Kaplan Prather, PLC  
3725 Champion Hills Drive, Suite 3000  
Memphis, TN 38125  
(901) 795-6695

## EXHIBIT A

Date

To: All Management Employees

From: Tim Massey  
Regional Vice President

Subj: EEOC v. Paramount Staffing

Paramount Staffing was recently involved in litigation with the U.S. Equal Employment Opportunity Commission which we have vigorously defended. The claims alleged that Paramount failed to place African-American employees into temporary positions because of their race and national origin and that Paramount retaliated against one individual who complained about alleged discriminatory practices.

Paramount defended the claims against its managers and the company and has denied any liability. To avoid the cost and disruption of further litigation, Paramount has agreed to resolve this matter. As part of the resolution of this matter, Paramount will modify its policies and procedures regarding its hiring and placement of employees. In addition, we agreed to provide training to management employees to ensure that we have a work environment that is free of discrimination.

Paramount Staffing does not tolerate or condone race and retaliation discrimination in any form. Further, Paramount will not retaliate against any employee who participated in the EEOC's investigation or who otherwise may complain about any discrimination in the workplace.

---

Tim Massey  
Regional Vice President

## EXHIBIT B

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
Paramount Class Settlement  
1407 Union Ave, Suite 900  
Memphis, TN 38104  
Phone # (901) 544-0107  
Fax # (901)544-0111

### CLAIM FORM

1. Name: \_\_\_\_\_
2. Social Security Number:  
\_\_\_\_\_
3. Address:  
\_\_\_\_\_
4. Phone Numbers:  
Home \_\_\_\_\_ Work \_\_\_\_\_  
Cell \_\_\_\_\_ Other \_\_\_\_\_
5. What is the best way to contact you?  
\_\_\_\_\_
6. Emergency contact - Who can we call if we are unable to reach you?  
Name: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Relationship to you: \_\_\_\_\_
7. What is the best time of day to contact you?  
\_\_\_\_\_

8. What is your race or national origin?

---

9. Did you apply for temporary employment anytime between February 2004 and June 2006 with Paramount Staffing, Inc. for warehousing jobs in Memphis, TN?

**CIRCLE ONE: YES / NO**

Date(s) You Applied: \_\_\_\_\_

10. If your answer to Question 1 above is "Yes", did you get to work every time you were sent out to the Memphis Oaks Technicolor facility?

**CIRCLE ONE: YES / NO**

11. If the answer to Question 2 above is "No", do you believe that your race was a factor in the Paramount's decision not to select you to work at the Memphis Oaks Technicolor facility?

**CIRCLE ONE: YES / NO**

**DON'T KNOW**

12. If the answer to Question 3 above is "Yes", describe why you felt race was a factor in Paramount's decision not to select you to work at the Memphis Oaks Technicolor facility.

13. Describe what happened to you that you believe was discrimination on the basis of race and how many times it happened to you when you sought temporary work with Paramount Staffing Inc. at the Memphis Oaks Technicolor facility.



14. Describe any other examples of why you felt race was a factor in work decisions made by Paramount at the Memphis Oaks Technicolor facility.

**YOU MUST READ CAREFULLY AND SIGN THE VERIFICATION CLAUSE BELOW TO BE ELIGIBLE TO RECEIVE MONEY UNDER THE TERMS OF THE SETTLEMENT.**

**VERIFICATION CLAUSE**

I do hereby swear, under penalty of perjury, that all of the information I have provided on this Claim Form is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Please Print)

Date: \_\_\_\_\_

## EXHIBIT C

### NOTICE OF SETTLEMENT AND CONSENT DECREE

The EEOC brought suit against Paramount Staffing, Inc., in Federal Court. One of the claims is that African Americans were discriminated against because of their race and national origin, American. The Parties have now settled the case. Chief Judge Jon P. McCalla approved a Consent Decree on \_\_\_\_\_ which resolves all issues raised in the case EEOC filed against Paramount Staffing, Inc. in Case No. 2:06-cv-02624.

#### **IMPORTANT**

If you are an African American and you applied for employment as a warehouse worker with Paramount Staffing, Inc. between June 2004 to August 2006, and you believe you were denied placement into a job at the Memphis Oaks Technicolor facility, **you must complete the enclosed Claim Form, to be eligible to receive money** under the terms of the Settlement. Remember that the information you provide on the claim form must be truthful and accurate to the best of your knowledge.

## EXHIBIT D

### RELEASE

In consideration of the \$\_\_\_\_\_ payment to me by Paramount Staffing, I (name), hereby fully and forever release and discharge Paramount Staffing, Inc., its successors, and assigns, including its present officers, employees and agents, from any claim or obligation based on alleged race or national origin discrimination in violation of Title VII of the Civil Rights Act of 1964, which was or could have been raised in *EEOC v. Paramount Staffing, Inc.*, Civil Action No. 2:06-cv-02624 (W.D.Tenn.).

I have read this Release and I execute it voluntarily, without coercion or threat of reprisal.

IN WITNESS WHEREOF, this Release is signed and executed by me on the \_\_\_\_ day of \_\_\_\_\_, 2010.

---

## EXHIBIT D-1

### RELEASE

In consideration of the \$65,000.00 payment to me by Paramount Staffing, I, Earnestine Toler, hereby fully and forever release and discharge Paramount Staffing, Inc., its successors, and assigns, including its present officers, employees and agents, from any claim or obligation based on alleged race discrimination, national origin discrimination, or retaliation, in violation of Title VII of the Civil Rights Act of 1964, which was or could have been raised in *EEOC v. Paramount Staffing, Inc.*, Civil Action No. 2:06-cv-02624 (W.D. Tenn.).

I have read this Release and I execute it voluntarily, without coercion or threat of reprisal.

IN WITNESS WHEREOF, this Release is signed and executed by me on the \_\_\_\_ day of \_\_\_\_\_, 2010.

---

## Exhibit E

### NOTICE

1. This Notice to all employees of Paramount Staffing, Inc. ("Paramount ") is being posted as part of an agreement between Paramount and the Equal Employment Opportunity Commission in settlement of a complaint of race, national origin and retaliation discrimination.
2. Title VII of the Civil Rights Act of 1964, as amended, is a federal law that provides that it shall be an unlawful employment practice for an employer to fail or refuse to hire or temporarily place any individual or otherwise to discriminate against any individual because of such individual's race or national origin, or to retaliate because the individual opposed discrimination.
3. Paramount supports and will comply with Title VII in all respects and will not take any action against employees because they have opposed employment practices made illegal by Title VII or exercised their rights under the law by filing charges with the Equal Employment Opportunity Commission, or because they testified, assisted, or participated in any manner in any investigation, proceeding, or hearing under Title VII.
4. If you believe that you have been discriminated against because of your race, you may contact the Equal Employment Opportunity Commission (EEOC). You may seek assistance from:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)  
1407 Union Suite 901  
Memphis, Tennessee 38104  
901-544-0116  
1-800-669-4000

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

This notice will remain posted for one year and six months from the date signed.

---

Paramount Staffing, Inc.

---

Date

## **EXHIBIT F**

### **REFERENCE LETTER**

To Whom It May Concern:

This letter is in response to your inquiry regarding the employment of Ms. Earnestine Toler. Ms. Toler worked at Paramount Staffing, Inc. as an assembler from February 25, 2004 through March 2004. Our policy does not permit us to give out any other information concerning former employees.

Very truly yours,

---

Tim Massey  
Paramount Staffing, Inc.