

FILED
Clerk
District Court

JAN 23 2008

For The Northern Mariana Islands
By _____
(Deputy Clerk)

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12 U.S. EQUAL EMPLOYMENT
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14 IN THE UNITED STATES DISTRICT COURT
15 FOR THE NORTHERN MARIANA ISLANDS

16 U.S. EQUAL EMPLOYMENT
17 OPPORTUNITY COMMISSION,

18 Plaintiff,

19 v.

20 RIFU APPAREL CORPORATION;
21 KYUNGSEUNG (SAIPAN), INC.;
22 POONG IN (SAIPAN), INC.; and
23 L & S APPAREL CORPORATION;

24 Defendants.

Case No.: 06-0030

ARM
~~PROPOSED~~ FINAL JUDGMENT
AND CONSENT DECREE
BETWEEN PLAINTIFF EEOC AND
DEFENDANTS RIFU APPAREL
CORPORATION; KYUNGSEUNG
(SAIPAN), INC.; and L & S
APPAREL CORPORATION

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1 Plaintiff U.S. Equal Employment Opportunity Commission (the "EEOC" or
2 "Commission") and Defendants Rifu Apparel Corporation ("Rifu Apparel"),
3 Kyungseung (Saipan), Inc. ("Kyungseung"), and L & S Apparel Corporation ("L
4 & S Apparel") hereby stipulate and agree to entry of this Final Judgment and
5 Consent Decree (the "Decree") to fully and finally resolve the Commission's
6 complaint against the named Defendants in U.S. Equal Employment Opportunity
7 Commission v. Rifu Apparel Corporation; Kyungseung (Saipan), Inc.; Poong In
8 (Saipan), Inc.; and L & S Apparel Corporation; Civil Case No. 06-0030 (the
9 "Action"). On September 28, 2006, Plaintiff filed this Action in the United States
10 District Court for the Northern Mariana Islands claiming violations of Title VII of
11 the Civil Rights Act of 1964, as amended, and the Pregnancy Discrimination Act
12 of 1978, 42 U.S.C. § 2000e *et seq.* ("Title VII"). The Action, as amended on May
13 29, 2007, alleges that Defendants discriminated against Charging Parties Xiao Yan
14 Chen, Peng Ying Lu, and Lian Qin Li (collectively "Charging Parties"), as well as
15 Ou He Qian and other similarly situated women due to their sex (pregnancy). The
16 resolution memorialized in this Decree is with regards to Defendants Rifu Apparel
17 Kyungseung, and L & S Apparel.¹

18 II.

19 PURPOSES AND SCOPE OF THE CONSENT DECREE

20 A. The Decree is made and entered into by and between the EEOC and
21 Defendants Rifu Apparel, Kyungseung, and L & S Apparel (hereafter referred to
22 collectively as "Defendants"), and shall be binding on and enforceable on the
23 EEOC and each of the Defendants, as well as its officers, directors, agents,
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26 ¹ The fourth Defendant, Poong In (Saipan), Inc., has separately agreed to a
27 Final Judgment and Consent Decree, which was separately filed and entered on
28 November 6, 2007.

1 successors and assigns (the "Releasees"). Collectively, the EEOC, Defendants,
2 and Releasees are referred to herein as the "Parties."

3 B. The Parties have entered into this Decree for the following purposes:

- 4 1. To provide appropriate monetary and injunctive relief;
- 5 2. To ensure that its employment practices comply with federal
6 law;
- 7 3. To ensure a work environment free from retaliation;
- 8 4. To ensure training of managers in employment discrimination
9 law;
- 10 5. To ensure dissemination of an employment discrimination
11 policy reflective of federal law; and
- 12 6. To conclude and terminate this litigation.

13 **III.**

14 **RELEASE OF CLAIMS**

15 A. This Decree fully and completely resolves all issues, claims and
16 allegations raised by the EEOC against Defendants Rifu Apparel, Kyungseung,
17 and L & S Apparel in this Action. Further, this Decree fully and completely
18 resolves all issues, claims, and allegations raised by the EEOC in this Action on
19 behalf of Xiao Yan Chen, Peng Ying Lu, Lian Qin Li, and the class of similarly
20 situated women.

21 B. Nothing in this Decree shall be construed to preclude any party from
22 bringing suit to enforce this Decree in the event that any party hereto fails to
23 perform the promises and representations contained herein.

24 C. Nothing in this Decree shall be construed to limit or reduce
25 Defendants' obligation to comply fully with Title VII or any other federal
26 employment statute.

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1 D. This Decree in no way affects the EEOC's right to bring, process,
2 investigate or litigate other charges that may be in existence or may later arise
3 against Defendants in accordance with standard EEOC procedures.

4 IV.

5 **JURISDICTION**

6 A. The Court has jurisdiction over the Parties and the subject matter of
7 this lawsuit. This Action asserts claims that, if proven, would authorize the Court
8 to grant the equitable relief set forth in this Decree. The terms and provisions of
9 this Decree are fair, reasonable and just. This Decree conforms with the Federal
10 Rules of Civil Procedure and Title VII and is not in derogation of the rights or
11 privileges of any person.

12 B. The Court shall retain jurisdiction during the duration of the Decree
13 for the purposes of entering all orders, judgments and decrees that may be
14 necessary to implement the relief provided herein.

15 V.

16 **EFFECTIVE DATE AND DURATION OF DECREE**

17 A. The provisions and agreements contained herein are effective
18 immediately upon the date which this Decree is entered by the Court (the
19 "Effective Date").

20 B. Except as otherwise provided herein, this Decree shall remain in
21 effect for four (4) years after the Effective Date.

22 VI.

23 **MODIFICATION AND SEVERABILITY**

24 A. This Decree constitutes the complete understanding of the Parties with
25 respect to the matters contained herein. No waiver, modification or amendment of
26 any provision of this Decree will be effective unless made in writing and signed by
27 an authorized representative of each of the Parties.

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1 and/or its successors are shown to be in breach of the Decree and including
2 payment for the Commission's costs and attorneys' fees incurred in securing
3 compliance with the Decree.

4 **VIII.**

5 **MONETARY RELIEF**

6 A. In settlement of this lawsuit, \$60,000.00 (sixty thousand dollars and
7 zero cents) shall be paid to Charging Parties Xiao Yan Chen, Peng Ying Lu, and
8 Lian Qin Li by Defendants as designated by the EEOC and set forth herein.
9 Defendants shall pay \$30,000.00 within thirty (30) days after the Effective Date of
10 this Decree, and the remaining \$30,000.00 over the course of the following 180
11 days, as set forth herein. The distribution of monies to the Charging Parties shall
12 be made at the sole discretion of the EEOC.

13 B. For any amount to be paid by Kyungseung, Rifu Apparel is jointly
14 and severally liable as to the amount and timing of payments. Rifu Apparel is
15 liable for any default in payment by Kyungseung with respect to the schedule set
16 forth herein. However, Kyungseung is not liable for the payments due from L & S
17 Apparel.

18 C. For any amount to be paid by L & S Apparel, Rifu Apparel is jointly
19 and severally liable as to the amount and timing of payments. Rifu Apparel is
20 liable for any default in payment by L & S Apparel with respect to the schedule set
21 forth herein. However, L & S Apparel is not liable for the payments due from
22 Kyungseung.

23 D. Within thirty (30) days of the Effective Date of the Decree,
24 Defendants shall establish a trust fund for \$30,000.00 to be administered by
25 Richard W. Piercc Law Office, LLC and held by Richard W. Pierce Law Office,
26 LLC under the name of Richard W. Pierce Law Office, LLC Trust Account ("Trust
27 Fund") for the sole purpose of guaranteeing the monetary payments that are the
28 subjects of this Decree. If any payment as outlined in this Decree is delinquent,

1 then the full amount of the sum yet to be paid under the Decree immediately shall
2 be due and payable to each of the Charging Parties through the Trust Fund. The
3 trust amount shall not be used for any other purpose.

4 E. The EEOC shall send to Defendants through its counsel a letter (the
5 "Distribution Letter") designating the amount of the individual distributions to be
6 made and the addresses to which the checks should be sent. Within thirty (30)
7 days of the Effective Date, Defendants, who will receive releases from Xiao Yan
8 Chen, Peng Ying Lu, and Lian Qin Li, shall forward, via certified mail or hand
9 delivery, corresponding checks in the amounts to the Charging Parties as set forth
10 in the schedule below. The monies shall be designated as non-wage compensation
11 under Title VII, and no tax withholding shall be made. Each Defendant who made
12 the payment shall prepare and distribute 1099 tax reporting forms to each
13 individual identified by the EEOC and shall make the appropriate reports to the
14 Internal Revenue Service and other tax authorities. Within three (3) business days
15 of the issuance of each and every settlement check, the Company shall submit a
16 copy of each check and related correspondence to Anna Y. Park, Regional
17 Attorney for the U.S. Equal Employment Opportunity Commission, 255 East
18 Temple Street, 4th Floor, Los Angeles, CA, 90012.

19 F. The schedule for payment is as follows:

20 Xiao Yan Chen

21 1. By 30 days after the Effective Date of the Consent Decree,
22 Kyungseung shall pay \$10,000 in accordance with the EEOC Distribution Letter to
23 Xiao Yan Chen.

24 2. By 60 days after the Effective Date of the Consent Decree,
25 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
26 to Xiao Yan Chen.

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1 3. By 90 days after the Effective Date of the Consent Decree,
2 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
3 to Xiao Yan Chen.

4 4. By 120 days after the Effective Date of the Consent Decree,
5 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
6 to Xiao Yan Chen.

7 5. By 150 days after the Effective Date of the Consent Decree,
8 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
9 to Xiao Yan Chen.

10 6. By 180 days after the Effective Date of the Consent Decree,
11 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
12 to Xiao Yan Chen.

13 7. By 210 days after the Effective Date of the Consent Decree,
14 Kyungseung shall pay \$1,670.00 in accordance with the EEOC Distribution Letter
15 to Xiao Yan Chen.

16 Peng Ying Lu

17 8. By 30 days after the Effective Date of the Consent Decree,
18 Kyungseung shall pay \$10,000 in accordance with the EEOC Distribution Letter to
19 Peng Ying Lu.

20 9. By 60 days after the Effective Date of the Consent Decree,
21 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
22 to Peng Ying Lu.

23 10. By 90 days after the Effective Date of the Consent Decree,
24 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter.
25 to Peng Ying Lu.

26 11. By 120 days after the Effective Date of the Consent Decree,
27 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
28 to Peng Ying Lu.

1 12. By 150 days after the Effective Date of the Consent Decree,
2 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
3 to Peng Ying Lu.

4 13. By 180 days after the Effective Date of the Consent Decree,
5 Kyungseung shall pay \$1,666.00 in accordance with the EEOC Distribution Letter
6 to Peng Ying Lu.

7 14. By 210 days after the Effective Date of the Consent Decree,
8 Kyungseung shall pay \$1,670.00 in accordance with the EEOC Distribution Letter
9 to Peng Ying Lu.

10 Lian Qin Li

11 15. By 30 days after the Effective Date of the Consent Decree,
12 L & S Apparel shall pay \$10,000 in accordance with the EEOC Distribution Letter
13 to Lian Qin Li.

14 16. By 60 days after the Effective Date of the Consent Decree,
15 L & S Apparel shall pay \$1,666.00 in accordance with the EEOC Distribution
16 Letter to Lian Qin Li.

17 17. By 90 days after the Effective Date of the Consent Decree,
18 L & S Apparel shall pay \$1,666.00 in accordance with the EEOC Distribution
19 Letter to Lian Qin Li.

20 18. By 120 days after the Effective Date of the Consent Decree,
21 L & S Apparel shall pay \$1,666.00 in accordance with the EEOC Distribution
22 Letter to Lian Qin Li.

23 19. By 150 days after the Effective Date of the Consent Decree,
24 L & S Apparel shall pay \$1,666.00 in accordance with the EEOC Distribution
25 Letter to Lian Qin Li.

26 20. By 180 days after the Effective Date of the Consent Decree,
27 L & S Apparel shall pay \$1,666.00 in accordance with the EEOC Distribution
28 Letter to Lian Qin Li.

1 X.

2 **SPECIFIC INJUNCTIVE RELIEF**

3 A. **Policies and Procedures:**

4 Each of the Defendants shall review, implement, revise (as necessary),
5 distribute, and post its policies and procedures against discrimination and
6 retaliation prohibited by Title VII (the "Policy"). Such policies and practices shall
7 include:

- 8 1. A clear explanation of prohibited conduct;
- 9 2. Assurance that employees who make complaints of harassment and/or
10 discrimination or provide information related to such complaints are
11 protected against retaliation;
- 12 3. Assurance that Defendants will take prompt and appropriate
13 corrective action when it determines that discrimination and/or
14 retaliation has occurred.

15 Within thirty (30) days of the Effective Date of this Decree, each of the
16 Defendants shall provide to the EEOC a copy of its Policy. Within forty-five (45)
17 days of the Effective Date, each of the Defendants shall ensure that it has
18 distributed its Policy, in the primary language of the employee or manager, to each
19 employee and manager. Within forty-five (45) days of the Effective Date, each of
20 the Defendants shall submit to the Commission a statement confirming the
21 distribution of the Policy.

22 Within forty-five (45) days of the Effective Date, each of the Defendants
23 shall ensure that it has posted the Policy, translated into English, Chinese and
24 Korean in legible font, in a place both conspicuous and accessible to all employees.
25 Within forty-five (45) days of the Effective Date, each of the Defendants shall
26 submit to the Commission a statement confirming this distribution and posting of
27 the Policy.

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1 For each new employee and manager hired after the training described above,
2 each of the Defendants shall ensure that the new employee and manager received
3 the Policy within thirty (30) days of employment.

4 **B. Posting of Notice of Consent Decree and Settlement:**

5 Within thirty (30) days of the Effective Date, each of the Defendants shall
6 ensure that it has posted the Notice of Consent Decree and Settlement (the
7 "Notice," attached to the Consent Decree as Attachment A), translated into English,
8 Chinese and Korean in legible font, in a conspicuous and accessible place to all
9 employees. Within thirty (30) days of the Effective Date, each of the Defendants
10 shall submit to the Commission a statement confirming the posting of the Notice.

11 **C. Training:**

12 Within ninety (90) days of the Effective Date of this Decree, each of the
13 Defendants shall provide training of at least one hour duration to all managers,
14 supervisors, and human resources/compliance personnel covering its Policy and
15 federal laws regarding employment discrimination on the basis of sex or pregnancy.
16 All persons required to attend such training shall verify their attendance in writing.
17 Within ninety (90) days of the Effective Date, each of the Defendants shall submit
18 to the Commission a statement describing the training provided and the materials
19 to be used in this training.

20 By the end of each year following the Effective Date of this Decree, each of
21 the Defendants and/or its successors shall provide an additional training to all
22 managers, supervisors, and human resources/compliance personnel covering its
23 Policy and federal laws regarding employment discrimination on the basis of sex
24 or pregnancy. All persons required to attend such training shall verify their
25 attendance in writing. Within ten (10) days of the additional training, each of the
26 Defendants and/or its successors shall submit to the Commission a statement
27 describing the training provided and the materials used in the training.

28 **D. Record Keeping:**

1 Each of the Defendants and/or its successors shall establish a record-keeping
2 procedure that provides for the centralized tracking of discrimination complaints
3 and the monitoring of such complaints to prevent retaliation. The records to be
4 maintained shall include:

- 5 1. All documents generated in connection with any complaint,
6 investigation into, or resolution of every complaint of
7 discrimination or retaliation for the duration of the Decree and the
8 identities of the parties involved;
- 9 2. All forms acknowledging any new employees' receipt of the
10 Defendant's revised discrimination and anti-retaliation policy;
11 and
- 12 3. All documents verifying the occurrence of all training sessions and
13 names and positions of all attendees for each session as required
14 under this Decree

15 The foregoing documents shall be summarized in the annual reports set
16 forth below.

17 E. Reporting:

18 Each of the Defendants and/or its successors shall provide the
19 following reports annually throughout the term of this Decree:

- 20 1. The attendance lists of all attendees for all training sessions
21 required under this Decree that took place during the previous
22 twelve months;
- 23 2. Acknowledgments of receipt of the revised discrimination and
24 harassment policy for all new employees hired during the previous
25 twelve months;
- 26 3. A description of all discrimination and/or retaliation complaints made
27 since the submission of the immediately preceding report hereunder.
28 This description shall include the names of the individuals alleging

1 discrimination or retaliation, the nature of the harassment or
2 retaliation, the names of the alleged perpetrators of harassment or
3 retaliation, the dates of the alleged discrimination or retaliation, a
4 brief summary of how each complaint was resolved, and the identity
5 of any employee(s) who investigated or resolved each complaint. If
6 no results have been reached as of the time of the report, the result
7 shall be included in the next report;

8 4. An analysis of the monitoring done for repeat complaints by
9 employees and investigation of complaints; and

10 5. Verification that the Notice of Consent Decree and Settlement has
11 continued to be posted in a conspicuous and accessible place to all
12 employees.

13 E. Notification of Closure:

14 If any of the Defendants or the Releasees have ceased all business operations
15 within the CNMI or any insular area or state of United States of America before
16 the expiration of this Decree, the Defendant ceasing operation and/or its successors
17 will notify the EEOC and provide proof of such closure. Each of the Defendants
18 understands that its obligations under the Consent Decree continue for the full-term
19 of the Consent Decree, regardless of whether any of the Defendants eventually
20 ceases operations. If any of the Defendants or the Releasees during the term of the
21 Consent Decree starts another business entity in Saipan or any insular area or state
22 of the United States, they shall notify the EEOC in writing within ten (10) days of
23 the initiation of operations.

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XI.

1 **COSTS OF ADMINISTRATION AND IMPLEMENTATION**
2 **OF CONSENT DECREE**

3 A. Each of the Defendants shall bear all costs associated with its
4 administration and implementation of its obligations under this Consent Decree.

5 **XII.**

6 **COSTS AND ATTORNEYS' FEES**

7 A. Each party shall bear its own costs of suit and attorneys' fees.

8 **XIII.**

9 **MISCELLANEOUS PROVISIONS**

10 A. During the term of this Consent Decree, each of the Defendants shall
11 provide any potential successor-in-interest with a copy of this Consent Decree
12 within a reasonable time of not less than thirty (30) days prior to the execution of
13 any agreement for acquisition or assumption of control of any or all of Defendant's
14 facilities with the intent to use them for the manufacture of garments in the CNMI
15 or other U.S. jurisdiction, or any other material change in corporate structure, and
16 shall simultaneously inform the EEOC of the same.

17 B. During the term of this Consent Decree, each of the Defendants and
18 its successors shall assure that each of its officers, managers and supervisors is
19 aware of any term(s) of this Decree which may be related to his/her job duties.

20 C. Unless otherwise stated, all notices, reports and correspondence
21 required under this Decree shall be delivered to the attention of Anna Y. Park,
22 Regional Attorney, U.S. Equal Employment Opportunity Commission, 255 East
23 Temple Street, 4th Floor, Los Angeles, CA, 90012; facsimile number (213) 894-
24 1301.

25 D. The Parties agree to entry of this Decree and Judgment subject to final
26 approval by the Court.

27 All Parties, through the undersigned, respectfully apply for and consent to
28 the entry of this Consent Decree Order.

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Respectfully submitted,

U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
Anna Y. Park
Derek W. Li
Thomas S. Lepak

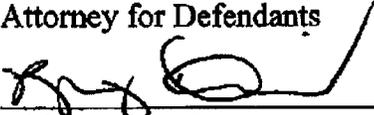
Date: 01/14/08

By: 
Anna Y. Park
Attorneys for Plaintiff

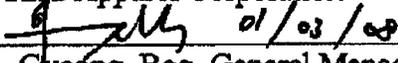
Date: 01/04/08

By: 
Richard W. Pierce
Attorney for Defendants

Date: 01/04/08

By: 
Kidong Choi, President
For Rifu Apparel Corporation

Date: 01/04/08

By:  01/03/08
Lee, Gyeong Bog, General Manager
For Kyungseung (Saipan), Inc

Date: 01/04/08

By: 
Lee, Jung Ryul, General Manager
For L & S Apparel Corporation

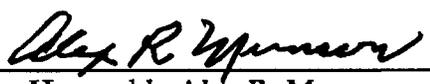
~~PROPOSED~~ ORDER

GOOD CAUSE having been shown, the provisions of the foregoing Consent

Decree are hereby approved and compliance with all provisions thereof is

IS HEREBY ORDERED, ADJUDGED AND DECREED.

Date: 1-23-08


The Honorable Alex R. Munson
United States District Court Judge