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13 IN THE UNITED STATES DISTRICT COURT
14 FOR THE DISTRICT OF ALASKA

15 EQUAL EMPLOYMENT
16 OPPORTUNITY COMMISSION,

17 Plaintiff,

18 v.

19 ZALE CORPORATION,

20 Defendant

No. A07-cv-00033 (JWS)

CONSENT DECREE

21 I. INTRODUCTION

22 1. This action originated when Christina Kantarzis (“Charging Party”) filed a charge
23 (“Charge”) with the Equal Employment Opportunity Commission (“EEOC” or
24 “Commission”) on June 27, 2006. Kantarzis alleged that Zale Corporation (“Zale”) in
25 Anchorage, Alaska discriminated against her based upon her sex (pregnancy) in violation
26 of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, at seq. (“Title VII”) when
she was denied promotion to the position of store manager of the Sears Mall Zales
Jewelers (“Zales”) location.

1 2. On January 3, 2007, the EEOC issued a letter of determination with a
2 finding of reasonable cause that Zale violated Title VII when Ms. Kantarzis was not
3 promoted to the Sears Mall store manager position. Thereafter, the EEOC attempted to
4 conciliate the charge, but the parties could not reach agreement.

5 3. The Commission filed its Lawsuit on March 15, 2007, in the United States
6 District Court for the District of Alaska (The “Lawsuit”). The Lawsuit alleges that Zale
7 violated Title VII by failing to promote Ms. Kantarzis because of her sex (pregnancy).

8 4. Defendant denies the allegations of discrimination in Kantarzis’ charge of
9 discrimination and in the Lawsuit, and asserts there was no discrimination against the
10 Charging Party.

11 5. The parties want to conclude fully and finally all claims arising out of the
12 EEOC’s Lawsuit and the Charge of discrimination filed with the EEOC by Christina
13 Kantarzis. The parties agree that it is in their mutual interest to resolve this matter fully
14 without the expense and delay of litigation. The parties agree that this Decree may be
15 entered into without Findings of Fact and Conclusions of Law being made and entered by
16 the Court.
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19 II. JURISDICTION AND VENUE

20 6. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §§ 451, 1331,
21 1337, 1343 and 1345. This action is authorized pursuant to Sections 706(f)(1) and (3) of
22 Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000e-5(f)(1) and (3),
23 and Section 102 of the Civil Rights Act of 1991, 42 U.S.C. § 1981a. The employment
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1 practices alleged to be unlawful in the complaint filed herein occurred within in the
2 jurisdiction of the United States District Court for the District of Alaska.

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4 **III. SETTLEMENT SCOPE**

5 7. This Consent Decree is the final and complete resolution of all allegations
6 of unlawful employment practices contained in Kantarzis' discrimination Charge, in the
7 EEOC's administrative determinations, and in the Lawsuit filed herein. The Decree,
8 including any requirements herein, is limited in scope to the Region as defined herein.
9 The Region as used in this Consent Decree is defined as all employees, including
10 managers, at Zales Jewelers stores in the State of Alaska (the "Region").

11 8. Zale's voluntary agreement to entry of this Consent Decree shall not be
12 deemed as an admission of liability, and none of the parties to this Lawsuit shall be
13 deemed a prevailing party. There has been no judicial determination in the Lawsuit that
14 Zale has violated any law, order, or regulation of the United States or of any state
15 regarding its employment practices or policies. Nothing in this Consent Decree shall be
16 construed to limit or reduce Zale's obligation to fully comply with Title VII of the 1964
17 Civil Rights Act, as amended, the Equal Pay Act, the Age Discrimination in Employment
18 Act, and the Americans with Disabilities Act, or the regulations promulgated pursuant
19 thereto.
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22 **IV. MONETARY RELIEF**

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24 9. In settlement of this Lawsuit, Zale agrees to pay Christina Kantarzis \$55,000.00
25 less deductions required by law. Payment will be made directly to Ms. Kantarzis at an

1 address to be provided by the EEOC. Payment will be made within twenty (20) days after
2 this Consent Decree is entered by the Court.

3 V. INJUNCTIVE AND OTHER RELIEF

4 A. General Provisions

5 10. Zale, its officers, agents, and employees in the Region shall not engage in
6 practices which unlawfully discriminate against applicants and/or employees on the basis
7 of sex (pregnancy). In recognition of its obligation under Title VII, Zale agrees to
8 evaluate its policies and practices set forth below.

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10 B. Anti-Discrimination Policies and Procedures

11 11. Zale shall carry out anti-discrimination policies, procedures and training for
12 employees, supervisors and management personnel in the Region and will provide equal
13 employment opportunities for all employees consistent with its obligations under the law.
14 Zale shall evaluate and, where appropriate, modify the practices of its managers and
15 supervisors in the Region in order to prevent discrimination in employment. Zale shall
16 communicate its Equal Employment Opportunity ("EEO) policies to its managers and
17 supervisors in the Region, and provide a certification to ensure that these management
18 and supervisory employees have received the policies.

19
20 12. Within one hundred twenty (120) days of the effective date of this Consent
21 Decree, Zale shall: (a) evaluate its EEO policy to ensure that it adequately prohibits
22 unlawful discrimination against employees in the Region on the basis of sex (pregnancy)
23 and addresses Zale's obligation to provide a discrimination-free work environment for its
24 employees; and (b) distribute this written EEO policy to all present employees and future

1 employees in the Region both management and non-management. Zale shall provide
2 EEOC with a written copy of its EEO policy.

3 C. Training

4 13. Within one hundred twenty (120) days of the execution of this Consent
5 Decree, Zale shall present all management and supervisory employees in the Region at
6 least 2 hours of training on employment discrimination issues, including discrimination
7 against employees based on sex (pregnancy).

8 14. Zale shall notify the EEOC of the completion of the training and shall specify
9 the names and job titles of all managers and supervisory employees in the Region who
10 participated in and completed the training as part of its annual reporting to the EEOC.

11 D. Expungement of Records

12 15. Zale shall expunge from its files all copies of Ms. Kantarzis' charge of
13 discrimination or this lawsuit from her personnel files, the Regional Manager file, and the
14 Director of Stores Manager file.

15 E. Policies Designed to Promote Supervisory Accountability

16 16. Zale shall impose appropriate discipline up to and including termination,
17 suspension without pay or demotion, upon any supervisor or manager in the Region who
18 discriminates against any employee on the basis of sex (pregnancy). Zale shall state this
19 policy in a communication to all of its supervisors and managers in the Region.
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21 17. An individual's handling of EEO matters shall be taken into account when
22 Zale evaluates the performance of managers and supervisors and in any consideration of
23 their promotions in the Region.
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1 18. Zale shall include compliance with the equal employment opportunity laws as
2 a consideration for qualification for supervisory positions in the Region.

3 F. Reporting

4 19. Zale shall report in writing and in affidavit form to the EEOC, for the
5 duration of this Consent Decree, the following information.

6 a. Certification of the completion of 2 hours of training to managers and
7 supervisory employees in the Region, as referenced in paragraph 14 hereof, and a list of
attendees;

8 b. Certification that its EEO policy has been distributed to all current employees
9 and new employees in the Region;

10 c. Certification of the Expungement of all copies of the lawsuit brought by the
11 EEOC and the complaint of discrimination made by Ms. Kantarzis from files as described
in paragraph 16;

12 d. A copy of its EEO policies and procedures which concern or affect the subject
of discrimination or retaliation;

13 e. A copy of the anti-discrimination training materials presented to management
14 and supervisory employees in the Region;

15 f. For the duration of this Consent Decree, Zale shall annually submit a summary
16 of sex and pregnancy discrimination complaints, if any, by applicants or employees in the
17 Region against Zale that are reported to Human Resources or to the Shared Services
Center and the resolution of each complaint; and

18 g. Following the expiration of the term of this Decree, a statement certifying that
19 Zale has complied with Paragraph 17 & 18 of the Decree. If Zale has not complied with
20 Paragraph 17 & 18 of the Decree, the statement will specify the areas of noncompliance,
the reason for the noncompliance, and the steps taken to bring Zale into compliance.

21 G. Posting

22 20. Zale will post a Notice, attached as Exhibit 1 to this Consent Decree. The
23 Notice shall be posted at all stores in the Region for the duration of this Consent Decree.
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VI. ENFORCEMENT

21. If the EEOC determines that Zale has not complied with the terms of this Decree, the EEOC will provide written notification, via certified mail, of the alleged breach to the office of the General Counsel of Zale at 901 W. Walnut Hill Lane, 6A, Irving, TX 75038, and to Ralph C. Pond, Benedict Garratt Pond, PLLC, 1000 Second Ave. 30th Floor, Seattle, WA 98104. The EEOC will not petition the court for enforcement of the decree for at least thirty (30) days after providing written notification of the alleged breach, and only in the event Zale does not substantially cure the alleged breach. The thirty (30)-day period following the written notice shall be used by the parties for good faith efforts to resolve the dispute.

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VII. RETENTION OF JURISDICTION

22. The United States District Court of the District of Alaska shall retain jurisdiction over this matter for the duration of the decree.

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VIII. DURATION AND TERMINATION

23. This Decree shall be in effect for two (2) years beginning the date this Court enters this Consent Decree. If the EEOC petitions the Court for breach of the Decree, and the Court finds Zale to be in violation of the terms of the Decree, the Court may extend the duration of the Decree.

IX. ATTORNEYS' FEES, EXPENSES AND COSTS

24. Each party shall bear its own attorney's fees, expenses and costs incurred in this case.

1 X. CONCLUSION

2 25. The parties are not bound by any provision of this decree until it is signed by
3 authorized representatives of each party and entered by the Court.
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5 DATED this 3d day of July, 2007

6 WILLIAM R. TAMAYO Regional Attorney EQUAL EMPLOYMENT 7 OPPORTUNITY COMMISSION San Francisco District Office 8 350 Embarcadero, Suite 500 San Francisco, CA 94105-1260	RONALD S. COOPER GENERAL COUNSEL JAMES E. LEE Deputy General Counsel
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12 By: /s/ Bill Tamayo

13
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19 Attorneys for Plaintiff

20 Dated this 3rd day of July, 2007

21 Robertson, Monagle & Eastaugh

22 By /s/ Robert Blasco
23 Robert P. Blasco, AK Bar No. 7710098
24 Counsel for Defendant Zale Corporation