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9-25-2012

## EEOC v. Scully Distribution Services, Inc.

Judge Sheri Pym

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## EEOC v. Scully Distribution Services, Inc.

### Keywords

EEOC, Scully Distribution Services, 2:11-cv-08090-CAS-SP, Consent Decree, hostile work environment, retaliation, constructive discharge, race, national origin, religion, Transportation Industry, Employment Law, Title VII

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25 [RYDERS SYSTEMS, INC. counsel listed on second page]

26 **UNITED STATES DISTRICT COURT**  
27 **CENTRAL DISTRICT OF CALIFORNIA**

28 U.S. EQUAL EMPLOYMENT  
OPPORTUNITY COMMISSION,

Plaintiff,

vs.

SCULLY DISTRIBUTION  
SERVICES, INC., a wholly-owned  
subsidiary of THE SCULLY  
COMPANIES, INC. and RYDER  
SYSTEM, INC., and DOES 1-10,  
INCLUSIVE,  
Defendants.

) Case No. 11-CV-08090 CAS (SPx)

) **[PROPOSED] CONSENT DECREE;**  
) **ORDER**

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**I.**  
**INTRODUCTION**

Plaintiff, the U.S. Equal Employment Opportunity Commission (“EEOC” or the “Commission”) and SDS Fontana Holdings, formerly doing business as named Defendant Scully Distribution Services, Inc. (“SDSFH”) and Ryder System, Inc. (“Ryder”) (collectively referred to herein as “Defendants”) agree to the entry of this Consent Decree to resolve the EEOC’s Complaint in the above-styled Action, filed under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. section 2000e et seq. (“Title VII”).

The EEOC’s Complaint alleges that named Defendant Scully Distribution Services, Inc. (“Scully”) subjected Charging Parties Gallardo, Trahan and Narayan, and similarly situated individuals, to a hostile work environment and/or disparate treatment in the terms and conditions of their employment on the basis of race, national origin and/or religion in violation of Section 703(a) of Title VII. The Complaint also alleges that named Defendant Scully discharged Charging Party Trahan in retaliation for having engaged in statutorily protected activity in violation of Section 704(a) of Title VII. Scully denied the allegations in EEOC’s Complaint.

The EEOC’s Complaint alleges Defendant Ryder is a successor entity by virtue of its 2011 purchase of named Defendant Scully and alleges that Ryder is named as a Defendant in this Action as a necessary party to ensure appropriate relief due to that purchase. The EEOC’s Complaint does not allege any direct violations of Title VII by Defendant Ryder. Defendant Ryder disputes the characterization of its purchase of Defendant Scully in the EEOC’s Complaint and Defendant Ryder denies the allegations in EEOC’s Complaint that it is an appropriate successor employer of Scully in this case.

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**II.**

**PURPOSES AND SCOPE OF THE CONSENT DECREE**

- A. The Parties to this Consent Decree (“Decree”) are the EEOC, SDSFH and Defendant Ryder. This Decree shall be binding on and enforceable against each of the Defendants, their applicable officers, directors, agents, successors, and assigns, as specified herein as to the provisions related to that party(ies) herein.
- B. All provisions relating to Defendant Ryder are applicable to the client accounts formerly operated by Scully Distribution Services and acquired by Ryder in the asset acquisition dated January 28, 2011 to the extent still held by Ryder (“Covered Accounts.”). Unless specifically stated otherwise, all representations and agreements by Defendant Ryder apply exclusively to the Covered Accounts and managers, supervisors and drivers related thereto, including those working for Covered Accounts located in California, Arizona and Washington.
- C. The Parties have entered into the Decree for the following purposes:
  - 1. To provide appropriate monetary relief from SDSFH and equitable relief from Defendant Ryder;
  - 2. To provide a final and binding settlement for all Parties as to all claims alleged in the EEOC’s Complaint in this Action;
  - 3. To ensure that SDSFH, in the event it resumes operations during the duration of this Decree substantially similar to its operations when formerly doing business as Scully, implements appropriate measures to provide a work environment that is free from discrimination and harassment based on race, national origin and/or religion, as well as retaliation subsequent to any complaint of such discrimination or harassment;



1 Section VII, in the event that any party fails to perform the promises and  
2 representations contained here.

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

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

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10 **IV.**

11 **EFFECTIVE DATE AND DURATION OF DECREE**

12 A. The provisions and agreements contained here are effective  
13 immediately upon the date which this Decree is entered by the Court ("the  
14 Effective Date").

15 B. Except as otherwise provided here, the Decree shall remain in effect  
16 for two (2) years after the Effective Date.

17  
18 **V.**

19 **MODIFICATION AND SEVERABILITY**

20 A. This Decree constitutes the complete understanding of the Parties with  
21 respect to the matters contained herein. No waiver, modification, or amendment of  
22 any provision of this Decree will be effective unless made in writing and signed by  
23 an authorized representative of each of the necessary parties to such waiver,  
24 modification and/or amendment.

25 B. If one or more provisions of the Decree are rendered unlawful or  
26 unenforceable, the Parties shall make good faith efforts to agree upon appropriate  
27 amendments to this Decree to effectuate the purposes of the Decree. In any event,  
28



1 the remaining provisions will remain in full force and effect, unless the purposes of  
2 the Decree cannot be achieved despite the Parties' reasonable efforts.

3 C. By mutual agreement of the Parties, this Decree may be amended or  
4 modified in writing in the interests of justice and fairness to effectuate the  
5 provisions of this Decree.

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7 **VI.**  
8 **JURISDICTION**

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

15 B. The Court shall retain jurisdiction of this action during the duration of  
16 the Decree for the purposes of monitoring and entering all orders, judgments, and  
17 decrees that may be necessary to implement the relief provided here.

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19 **VII.**  
20 **COMPLIANCE AND DISPUTE RESOLUTION**

21 A. The Parties agree that if the EEOC has reason to believe that  
22 Defendants have failed to comply with any provision of this Consent Decree, the  
23 EEOC may petition or may bring an action before this Court to enforce the Decree.  
24 Prior to initiating such petition or action, the EEOC will notify the appropriate  
25 Party's legal counsel of record, in writing, of the nature of the dispute. This notice  
26 shall specify the particular provision(s) that the EEOC believes has / have been  
27 breached and include the supporting facts at its disposal. Absent a showing by  
28 either party that the delay will cause irreparable harm, the alleged breaching Party

1 shall have forty-five (45) days from receipt of the EEOC’s notice of the alleged  
2 breach to attempt to resolve or cure the alleged breach.

3 B. The Parties agree to cooperate with each other and use their  
4 reasonable efforts to resolve any dispute referenced in the EEOC notice.

5 C. After forty-five (45) days have passed with no resolution or  
6 agreement to extend the time further, the EEOC may petition or bring an action  
7 before this Court for compliance with this Decree. The EEOC may seek all  
8 available relief to remedy the alleged breach.

9  
10 **VIII.**

11 **MONETARY RELIEF**

12 A. In settlement of all claims for monetary relief in this Action, SDS  
13 Fontana Holdings, formerly doing business as Scully Distribution  
14 Services, Inc. (“SDSFH”) shall pay a total of six hundred and thirty  
15 thousand dollars (\$630,000.00) (the “Settlement Amount”).

16 1. Three hundred ninety thousand dollars (\$390,000) of the  
17 Settlement Amount shall be paid directly to Charging Parties  
18 Gallardo, Trahan and Narayan. The amount and designation of  
19 the settlement monies to be paid to each Charging Party shall be  
20 determined at the sole discretion of the EEOC. Within thirty  
21 (30) days, EEOC will provide the SDSFH with a distribution  
22 list for the monies to be paid to the Charging Parties stating the  
23 amounts to be paid to each and the address to which each check  
24 shall be mailed. Within twenty (20) business days of receipt of  
25 EEOC’s distribution list, SDSFH shall send, via certified mail,  
26 the settlement checks to each of the Charging Parties.

27 2. Two hundred forty thousand dollars (\$240,000) of the  
28 Settlement Amount shall be designated as a “Class Fund” to

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provide compensation to individuals EEOC determines to be entitled to relief in this action. Within thirty (30) days of the Effective Date of this Decree, SDSFH shall deposit these monies into a Class Fund escrow account and provide the EEOC with written verification of the funding within ten (10) business days thereafter. EEOC shall retain sole discretion to determine distribution of monies from the Class Fund.

a. Within ten (10) business days following the entry of this Decree, SDSFH shall supplement the contact information previously provided to EEOC by forwarding to the EEOC the names, last known telephone numbers and addresses, social security number, and birthdate for all individuals employed by named Defendant Scully from July 10, 2010 through January 31, 2011. (“Supplemental Potential Class Member List”). The previously submitted contact information together with the Supplemental Potential Class Member List are collectively referred to hereinafter as the “Final Potential Class Member List.”

b. Upon receipt of the Supplemental Potential Class Member List, the EEOC shall make diligent efforts to contact each individual on the Final Class Member List to assess his or her eligibility to receive relief from the Class Fund. Within ninety (90) days of receipt of the Supplemental Potential Class Member List, the EEOC shall make a determination as to each potential class member’s eligibility and, if eligible, the amount of monetary relief from the Class Fund to be provided to

1 each. By that date, EEOC will provide SDSFH and  
2 Ryder with its Final Distribution List specifying the  
3 identity and mailing address of each eligible class  
4 member and the amount of relief from the Class Fund to  
5 be distributed to each. The EEOC has the sole discretion  
6 in determining class member eligibility. The EEOC also  
7 has sole discretion to determine any monetary amount  
8 allocated from the Class Fund. The EEOC's  
9 determination of these issues is final, and SDSFH and  
10 Ryder agree that they will neither participate in, nor  
11 object to, the EEOC's determinations in this regard.

12 d. Within ten (10) business days of receiving the EEOC's  
13 Final Distribution List, SDSFH shall direct the escrow  
14 agent to forward payment from the Class Fund to each  
15 class member, via certified mail, return receipt requested,  
16 as determined by the EEOC and reflected in the  
17 distribution list.

18 e. No tax withholding shall be made from the payments to  
19 the eligible Claimants. SDSFH shall issue a Form 1099  
20 to each Claimant in the amount of his/her check.

21 B. Within three (3) business days of the mailing of each and every  
22 settlement check, SDSFH shall submit a copy of each check and  
23 related correspondence to the Regional Attorney, Anna Y. Park, U.S.  
24 Equal Employment Opportunity Commission, 255 East Temple  
25 Street, 4<sup>th</sup> Floor, Los Angeles, CA 90012.

26 C. Each charging party or class member who receives a payment from  
27 the Settlement Amount shall execute the Acknowledgment and  
28 Release attached hereto as Exhibit A. The EEOC will provide

1 SDSFH and Ryder with copies of all executed Acknowledgment and  
2 Releases.

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**IX.**

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**INJUNCTIVE RELIEF**

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A. Discrimination and Harassment

7 SDSFH, in the event it resumes operations as described in Paragraph II.C.3  
8 above during the duration of this Decree, and Defendant Ryder, their officers,  
9 management (including all supervisory employees), successors, assigns, and all  
10 those in active concert or participation with them, or any of them, hereby agree to:  
11 (a) maintain a work environment free from discrimination and harassment,  
12 including tolerance of such discrimination and harassment, against persons on the  
13 basis of race, national origin and/or religion; and (b) prohibit or be a party to any  
14 action, policy or practice that is intended or is known to them to have the effect of  
15 discriminating against or harassing any employee on the basis of race, national  
16 origin, and/or religion.

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B. Retaliation

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SDSFH, in the event it resumes operations as described in Paragraph II.C.3  
above during the duration of this Decree, its officers, management (including all  
supervisory employees), successors, assigns, and all those in active concert or  
participation with them, or any of them, hereby agrees that it will not engage in,  
implement or permit any action, policy or practice with the purpose of retaliating  
against any current or former employee of Defendant Scully because he or she (a)  
opposed any practice made unlawful under Title VII; (b) filed a charge of  
discrimination alleging such practice; (c) testified or participated in any manner in  
any investigation (including without limitation, any internal investigation  
undertaken by Defendant Scully), proceeding in connection with this case and/or  
relating to any claim of a Title VII violation; (d) was identified as a possible

1 witness or claimant in this action; (e) asserted any rights under this Decree; or (f)  
2 sought or received any relief in accordance with this Decree.

3 Defendant Ryder, during the duration of this Decree, its officers,  
4 management (including all supervisory employees), successors, assigns, and all  
5 those in active concert or participation with them, or any of them, hereby agree that  
6 they will not engage in, implement or permit any action, policy or practice with the  
7 purpose of retaliating against any individual who (a) participated in any manner in  
8 any investigation (including without limitation, any internal investigation taken by  
9 Defendants) or proceeding in connection with this case; (b) was identified as a  
10 possible witness or claimant in this action; (c) asserted any rights under this  
11 Decree; or (d) sought or received any relief in accordance with this Decree.

12 C. Posting of Notice of Consent Decree

13 Within ten (10) days after the Effective Date and throughout the term of this  
14 Decree, SDSFH, in the event it resumes operations as described in Paragraph  
15 II.C.3 above within the duration of this Decree, shall post a full-sized copy of the  
16 Notice of Consent Decree, attached to the Decree as Exhibit B, in areas frequented  
17 by employees in all of its facilities. Within ten (10) days after the Effective Date  
18 and throughout the term of this Decree, Defendant Ryder shall post the same  
19 Notice in the Fontana, Stockton and Fresh & Easy (Riverside) facilities.

20 D. Equal Employment Opportunity Monitor

21 Within thirty (30) days of commencement of operations as described  
22 in Paragraph II.C.3 above during the duration of this Decree, SDSFH shall retain a  
23 third-party Equal Opportunity Monitor (“Monitor”), approved by EEOC, to  
24 implement and monitor its compliance with Title VII and the provisions of this  
25 Decree.

26 Defendant Ryder has designated its VP of Human Resource Services for  
27 SCS/DCC, currently Ms. Donna Trujillo, to serve as its EEO Monitor charged with  
28 monitoring Ryder’s compliance with this Decree.

1 In the event Ryder seeks to appoint a different Monitor, it will provide the  
2 name, title and relevant qualifications of the newly designated Monitor to the  
3 EEOC as soon as practicable. In the event the parties disagree with respect to the  
4 individual proposed by Ryder, the parties will resolve such disagreement in  
5 accordance with the provisions of Section VII herein. No individual who was the  
6 subject of any allegations in the EEOC's Complaint, or who was employed with  
7 Defendant Scully during the relevant time period of the EEOC's Complaint, shall  
8 be appointed to serve as a Monitor for purposes of this Decree.

9 SDSFH and Defendant Ryder shall each bear all of their respective costs  
10 associated with the selection and retention of the Monitor and the performance of  
11 his/her/its duties. The Monitor for each entity shall be responsible for ensuring  
12 that entity's compliance with the requirements in this Decree as set forth in  
13 Sections IX (A-G), X and XIII.

14 E. Policy and Complaint Procedure for Discrimination, Harassment and  
15 Retaliation

16 1. Defendant Ryder has implemented and shall continue to maintain a  
17 policy and complaint procedure in the Covered Accounts for discrimination,  
18 harassment and retaliation (the "Policy"). The Policy includes the elements which  
19 are reflected in pages 16-18 of the Policy attached hereto as Exhibit C.

20 2. SDSFH, in the event it resumes operations as described in Paragraph  
21 II.C.3 within the duration of this Decree, agrees that it will draft and implement a  
22 Policy prohibiting discrimination and harassment based on race, national origin  
23 and religion which will also contain a complaint procedure regarding any such  
24 discrimination or harassment. The Policy will be subject to approval by EEOC and  
25 shall be implemented and distributed to all employees within thirty (30) days of  
26 commencement of operations and approval by EEOC.

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1 F. Distribution of Policy and Complaint Procedures

2 1. By its execution of this Decree, Defendant Ryder confirms that its  
3 Policy and Complaint Procedure described in Section IX.E above was distributed  
4 to all managers, supervisors, dispatchers and drivers in the Covered Accounts on or  
5 before July 31, 2012. Managers, supervisors, dispatchers, and drivers working for  
6 the Covered Accounts hired subsequent to that date shall be provided a copy of the  
7 Policy within thirty (30) days of his or her hire date.

8 2. For the remainder of the term of this Decree, Ryder will provide to all  
9 employees promoted from non-managerial to managerial positions in the Covered  
10 Accounts within thirty (30) days of promotion, any company policies and  
11 procedures against and about race, religion or national origin discrimination,  
12 harassment, and retaliation applicable to managerial employees.

13  
14 G. Training

15 1. Prior to execution of this Decree, Defendant Ryder provided the  
16 EEOC with training materials regarding its Policy against discrimination,  
17 harassment and retaliation. Using these materials, Defendant Ryder completed in  
18 August 2012 live, in-person training(s) of at least 5 hours in duration about its  
19 policy against and complaint procedure for discrimination, harassment, and  
20 retaliation to its managerial and human resources employees working for the  
21 Covered Accounts and live training of at least one (1) hour for its drivers working  
22 for Covered Accounts utilizing the training materials previously provided to the  
23 EEOC.

24 2. Ryder's training of its managerial employees includes training on how  
25 to receive, investigate, or report to designated official's complaints of prohibited  
26 discrimination, harassment, and retaliation; and how to take preventive and  
27 corrective measures against prohibited discrimination, harassment and any  
28 subsequent retaliation. The training of managerial employees is designed to



1 sensitize managers to subtle complaints of harassment/discrimination, instruct  
2 managers of their responsibility to promptly inform the human resources  
3 department of all complaints, and instruct managers on the prohibition against  
4 retaliation.

5 3. For its Covered Accounts, Defendant Ryder agrees that it will  
6 continue its training efforts described herein and will conduct another managerial  
7 and human resources training on or before April 1, 2014 on EEO laws, obligations  
8 of managers and supervisors on EEO compliance, the Policy and complaint  
9 procedures. Ryder will provide a separate annual refresher training for dispatchers  
10 and drivers working for the Covered Accounts as well that will include a live  
11 component that directs questions to the Monitor on or before April 1, 2014.

12 4. For anyone who misses any of the scheduled trainings addressed in  
13 paragraphs 1-3 above, Defendant Ryder shall make a training available that  
14 encompasses the materials referenced herein within thirty (30) days of the  
15 scheduled training or within thirty (30) days of the person's returning to work if  
16 absent or on leave, whichever is later.

17 5. Ryder will have its attendees working for the Covered Accounts  
18 validate their attendance at such training in writing.

19 6. In the event that SDSFH resumes operations as described in Paragraph  
20 II.C.3 above within the duration of this Decree, it shall draft training materials  
21 addressing discrimination and harassment based on race, national origin and  
22 religion for management and employees. SDSFH shall submit such training  
23 materials to EEOC for approval within sixty (60) days of commencement of  
24 operations. Upon receipt of EEOC approval, Defendant will conduct annual  
25 training regarding such discrimination and harassment for management and  
26 employees in accordance with requirements to be established by EEOC.

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1 X.

2 RECORD KEEPING AND REPORTING

3 A. Record Keeping

4 Defendant Ryder shall maintain the following records with respect to all  
5 Covered Accounts for the duration of the Decree.

6 1. All documents, excluding earlier versions or drafts of documents,  
7 generated in connection with any complaint, investigation into, or resolution of  
8 every complaint of race, national origin or religious discrimination or harassment  
9 or retaliation, as described in Section IX B, made by managers, supervisors, or  
10 drivers working for the Covered Accounts and the identities of the parties involved  
11 to the extent Ryder is aware of such identities;

12 2. All forms or electronic signatures acknowledging each applicable  
13 employee's receipt of Ryder's policy and complaint procedure against  
14 discrimination, harassment, and retaliation; and

15 3. A list of the dates of the annual training being provided as set forth in  
16 this Decree that shows the names of all attendees for each training session.

17  
18 B. Reporting

19 Defendant Ryder shall provide reports containing the following  
20 information for the Covered Accounts by July 1, 2013 on the first year of the  
21 decree and by July 1, 2014 during the second year of the decree:

- 22 a. verification that the Notice of Consent Decree (Exhibit B)  
23 remains posted in compliance with the Decree;
- 24 b. in the event Ryder modifies the Policy referenced in Section  
25 IX.E , a copy of such modified Policy;
- 26 c. verification of the distribution of its policy against and  
27 complaint procedure for race, national origin and religious discrimination,  
28 harassment and retaliation to all newly hired managers, supervisors, dispatchers

1 and drivers working for the Covered Accounts and to all employees promoted into  
2 management as described in Section IX.F.2 of the Consent Decree;

3 d. a copy of the training materials and schedule for annual  
4 trainings referenced in this Decree;

5 e. verification that all managers, supervisors and drivers working  
6 for the Covered Accounts have been provided with the annual training referenced  
7 in this Decree;

8 f. the sign-in sheets reflecting the managers, supervisors and  
9 drivers working for the Covered Accounts who have received the annual  
10 training referenced in this Decree;

11 g. a report reflecting the investigation into complaints about  
12 comments, epithets, jokes, or name calling relating to race, national origin, religion  
13 or and/or retaliation involving any of the above type of complaints made by  
14 managers, supervisors, or drivers working for the Covered Accounts. The report  
15 shall include the following for each complaint during the reporting period:

16 (1) the name(if provided), protected category at issue and title(if  
17 provided) of the complaining party(ies);

18 (2) the date the complaint was received;

19 (3) the name, race, national origin, and/or religion (as applicable)  
20 and title of the

21 alleged harasser(s);

22 (4) the name, and title of  
23 the person(s) who conducted the investigation into the  
24 complaint;

25 (5) the nature of the complaint (i.e. comments,  
26 acts, pictures, etc.)

27 (6) the date of the commencement and  
28 completion of the investigation;

- 1 (7) a brief description of the investigation (i.e.
- 2 number of persons interviewed, materials
- 3 reviewed); and
- 4 (8) the outcome of the investigation and any
- 5 action taken.

6 h. Should Ryder revise the Policy during the term of the Consent  
7 Decree, any such revised Policy will be provided to the EEOC and, at least  
8 maintain the foregoing elements which are currently provided on pages 16 - 18 of  
9 the Policy attached hereto as Exhibit C.: a clear explanation of prohibited conduct  
10 under the Policy; a prohibition against retaliation for complainants and those who  
11 provide information related to complaints under the Policy; a clearly described  
12 complaint process for complaints of discrimination, harassment and/or retaliation  
13 that provides a prompt, thorough and impartial investigation for alleged violations  
14 of the Policy, with accessible avenues of complaint, including verbal complaints;  
15 an assurance that Ryder will protect the confidentiality of the complaints to the  
16 extent possible; a requirement that any employee in a supervisory position who  
17 receives a complaint of harassment in any form will report such to the human  
18 resources department as soon as possible; an adequate disciplinary policy for  
19 violations of the Policy or failure to take appropriate action; a procedure for  
20 communicating the status of the complaint / investigation, results, and remediation  
21 (if any) to the complainant; and assurance that Ryder will take immediate and  
22 appropriate corrective action when it determines a violation of the Policy has  
23 occurred.

24 2. All reports under this section shall be directed to: U.S. Equal  
25 Employment Opportunity Commission, Attn. Regional Attorney, 255 E. Temple  
26 Street, 4th Floor, Los Angeles, CA 90012. The EEOC represents that this report is  
27 intended to be utilized to monitor compliance with the Decree and to ensure  
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1 effectiveness of the Policy and trainings referenced herein and not for any other  
2 purpose.

3 **XI.**

4 **COSTS OF ADMINISTRATION AND IMPLEMENTATION**  
5 **OF THE CONSENT DECREE**

6 Defendants shall bear all costs associated with its administration and  
7 implementation of their obligations under this Decree.

8 **XII.**

9 **COSTS AND ATTORNEYS' FEES**

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

11 **XIII.**

12 **MISCELLANEOUS PROVISIONS**

13 A. During the term of this Consent Decree, Defendants shall provide any  
14 potential successor-in-interest or prospective purchaser with a copy of this Consent  
15 Decree within a reasonable time of not less than thirty (30) days prior to the  
16 execution of any agreement for acquisition or assumption of control of any or all of  
17 Defendants' facilities, or any other material change in corporate structure.

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

22 C. Unless otherwise stated, all notices, reports and correspondence  
23 required under this Decree shall be delivered to the attention of the Regional  
24 Attorney, Anna Y. Park, U.S. Equal Employment Opportunity Commission, Los  
25 Angeles District Office, 255 E. Temple St., 4<sup>th</sup> Fl., Los Angeles, CA. 90012.


26 D. The Parties agree to entry of this Decree and judgment subject to final  
27 approval by this Court.

28

1 All parties, through the undersigned, respectfully apply for and consent to  
2 the entry of this Consent Decree Order.

3 U.S. EQUAL EMPLOYMENT  
4 OPPORTUNITY COMMISSION

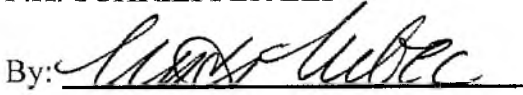
5 Dated: 9/19/12

6 By: 

7 Anna Y. Park, Regional Attorney  
8 Michael J. Farrell, Supervisory Trial Attorney  
9 Attorneys for Plaintiff EEOC

10 P.K. SCHRIEFFER LLP

11 Dated: 9/19/12

12 By: 

13 Paul K. Schrieffer  
14 Kristin M. Kubec  
15 Attorneys for Defendants Scully Distributions  
16 Services, Inc.

17 JACKSON LEWIS LLP

18 Dated: \_\_\_\_\_

19 By: \_\_\_\_\_  
20 Robert D. Vogel  
21 Sanam Yasser  
22 Attorneys for Defendant Ryder System, Inc.

23 **[PROPOSED] ORDER**

24 GOOD CAUSE APPEARING,

25 The provisions of the foregoing Consent Decree are hereby approved and  
26 compliance with all provisions is HEREBY ORDERED.

27 IT IS SO ORDERED.

28 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
United States District Judge

1 All parties, through the undersigned, respectfully apply for and consent to  
2 the entry of this Consent Decree Order.

3 U.S. EQUAL EMPLOYMENT  
4 OPPORTUNITY COMMISSION

5 Dated: \_\_\_\_\_

By: \_\_\_\_\_

6 Anna Y. Park, Regional Attorney  
7 Michael J. Farrell, Supervisory Trial Attorney  
8 Attorneys for Plaintiff EEOC

9 P.K. SCHRIEFFER LLP

10 Dated: \_\_\_\_\_

11 By: \_\_\_\_\_

12 Paul K. Schriefffer  
13 Kristin M. Kubec  
14 Attorneys for Defendants Scully Distributions  
15 Services, Inc.

16 JACKSON LEWIS LLP

17 Dated: 9/11/12

By: \_\_\_\_\_

18 Robert D. Vogel  
19 Sanam Yasseri  
20 Attorneys for Defendant Ryder System, Inc.

21 **[PROPOSED] ORDER**

22 GOOD CAUSE APPEARING,

23 The provisions of the foregoing Consent Decree are hereby approved and  
24 compliance with all provisions is HEREBY ORDERED.

25 IT IS SO ORDERED.

26 Dated: \_\_\_\_\_

By: \_\_\_\_\_

27 United States District Judge

28

**EXHIBIT A**

**EXHIBIT A**



EXHIBIT A

**RELEASE OF CLAIMS**

In consideration for \$ \_\_\_\_\_ paid to me by SDS Fontana Holdings, formerly doing business as Scully Distribution Services, Inc. ("Scully") in connection with the resolution of *United States Equal Employment Opportunity Commission v. Scully Distributions Services, Inc., et al*, Case Number CV-11-08090-CAS(SP $\times$ ), I am voluntarily waiving my rights as set forth in this Release of Claims.

1. **Claims released.** I understand that I am releasing the "Scully Releasees" and "Ryder Releasees" defined below from any claim for race, national origin and religion-based harassment and disparate treatment that occurred on or before my signing of this Release of Claims at any facility formerly operated by Scully. [For John Trahan we add retaliation: I also release my claim of retaliation for anything that occurred on or before my signing of this release.]

2. **Laws affected.** I understand that the claims released include claims for race, national origin and religion-based harassment and disparate treatment under Title VII of the Civil Rights Act of 1964, as amended, and 42 U.S.C. §§2000e-5(f)(1). [For Trahan this sentence should read: I understand that the claims released include claims for race, national origin and religion-based harassment, disparate treatment and retaliation under Title VII of the Civil Rights Act of 1964, as amended, and 42 U.S.C. §§2000e-5(f)(1).] I understand that this means I am agreeing not to sue the Scully Releasees and/or the Ryder Releasees with respect to the claims I am releasing.

3. **Persons and entities released.** I understand that the "Scully Releasees" being released includes the following entities and persons: SDS Fontana Holdings formerly doing business as Scully Distribution Services, Inc.,; Scully Distribution Services, Inc. and, as the case may be, each of their associates; owners; stockholders; affiliates; divisions; subsidiaries; parent companies, predecessors; successors; heirs; assigns; agents; directors; officers; partners; employees; insurers; representatives; lawyers; and all persons acting by, through, under or in concert with them, or any of them. I also understand that the "Ryder Releasees" being released includes the following entities and persons: Ryder Systems, Incorporated and, as the case may be, each of their associates; owners; stockholders; affiliates; divisions; subsidiaries; parent companies, predecessors; successors; heirs; assigns; agents; directors; officers; partners; employees; insurers; representatives; lawyers; and all persons acting by, through, under or in concert with them, or any of them.

4. **Right to file a charge with the EEOC.** I understand that this release covers claims for race, national origin and religion-based harassment and/or disparate treatment. [For Trahan this release also covers my claim for retaliation]. I understand my right to file a charge at any time with the EEOC for claims not covered by this Release.

Print Name:

Signature: \_\_\_\_\_

Date:

**EXHIBIT B**

**EXHIBIT B**



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
Los Angeles District Office**

255 E. Temple Street, 4<sup>th</sup> Floor  
Los Angeles, CA 90012  
Intake Information Group: (800) 669-4000  
Intake Information Group TTY: (800) 669-6820  
Los Angeles Status Line: (866) 408-8075  
Los Angeles Direct Dial: (213) 894-1096  
TTY (213) 894-1121  
FAX (213) 894-1118

Exhibit B

**NOTICE OF CONSENT DECREE**

TO: ALL EMPLOYEES FORMERLY EMPLOYED BY SCULLY DISTRIBUTION SERVICES, INC NOW DOING BUSINESS AS SDS FONTANA HOLDINGS

The U.S. Equal Employment Opportunity Commission (“EEOC”) filed a lawsuit in the United States District Court for the Central District of California against Scully Distribution Services, Inc., et al, Case Number 11-CV-08090 CAS (SPx). The EEOC filed the lawsuit alleging that certain individuals and a class of similarly situated persons had been subjected to harassment, discrimination and retaliation based on race, national origin and/or religion. Defendants resolved the case by entering into a “Consent Decree” with the EEOC.

Pursuant to the Consent Decree, Ryder System, Inc. (hereafter “Ryder”) is placing its employees who formerly worked for Scully on notice that any violations of Ryder’s policy against harassment and discrimination brought to its attention will be thoroughly investigated. Individuals found to have violated that policy will be subject to discipline up to and including termination of employment.

If you believe that you have been harassed or discriminated against because of your sex, national origin, age, race, color, religion, or disability, you must make reasonable efforts to take advantage of Ryder’s internal process set forth in the handbook for reporting such conduct. You may also seek assistance from:

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
255 East Temple Street, 4th Floor  
Los Angeles, CA 90012  
TELEPHONE NUMBER: (800) 669-4000

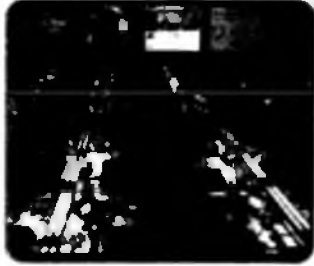
Federal law requires that there be no harassment, discrimination and/or retaliation against any employee or applicant for employment because of a person’s age, disability, race, sex, color, religion or national origin, with respect to hiring, compensation, promotions, discharge, terms and conditions or privileges of employment and Ryder is committed to complying with federal anti-discrimination laws in all respects.

**EXHIBIT C**

**EXHIBIT C**



# Employee Handbook



**U.S. Version**

PRINCIPLES OF BUSINESS CONDUCT

**POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION**



*Integrity Inquiry: When you see unfair or unethical treatment, are you stopping or reporting it? Are you seeing or allowing different standards in your organization?*

Ryder does not condone or tolerate harassment, discriminatory behavior or retaliation against individuals who report such behavior in good faith. Ryder's Policy Against Harassment, Discrimination and Retaliation (HDR Policy) applies to harassment, discrimination or retaliation that occurs on Ryder premises or in some other location where Company activities occur, including Company or private parties where Ryder employees are present, informal lunches or gatherings, and vendor or customer sites.

The HDR Policy applies to people employed by Ryder's vendors, suppliers, customers and contractors, and Ryder will take appropriate action against those who harass, discriminate or retaliate against its employees to the extent that Ryder knew or should have known about such activity.

**BEHAVIOR VIOLATING POLICY**

Ryder supervisors and managers are held to a higher standard and are reminded that they represent the Company at all times both in and outside of the workplace. In circumstances where attending certain establishments offends our employees, tarnishes our Company's reputation, or alienates our customers or other business partners, the Company will take appropriate action.

Ryder strictly adheres to all federal, state and local laws governing harassment, discrimination and retaliation. However, there is a wide range of what could be considered inappropriate behavior under Ryder's HDR Policy even though such behavior may not be considered illegal.

The following examples are not intended to serve as a guide to what could legally be considered harassment, discrimination or retaliation, nor is this list intended to be all-inclusive. A violation of Ryder's Policy may lead to disciplinary action whether or not it violates the law.

**EXAMPLES OF BEHAVIOR VIOLATING RYDER'S POLICY**

- Negatively affecting someone's employment because of a refusal to submit to sexual demands.
- Negatively affecting someone's employment on the basis of that person's age, race, color, creed, national origin or ancestry, gender, sex, sexual orientation, gender identity or expression, religion, physical or mental disability, medical condition, pregnancy, marital status, veteran status, genetic information or characteristics, and or any other status protected by federal, state or local law.
- Engaging in the threat of or actual retaliation against any person who, in good faith, reports or files a claim of harassment or discrimination, or participates in internal investigations.

For guidance on compliance and ethics issues contact the Global Compliance Group at [ethics@ryder.com](mailto:ethics@ryder.com). To file a report with an independent third party, contact the HELPLINE at 1-800-815-2830 or via <https://ryder.alertline.com>.

- Using degrading or stereotypical words or actions in jokes, cartoons, insults, tricks, pranks or horseplay related to age, race, color, creed, national origin or ancestry, gender, sex, sexual orientation, gender identity or expression, religion, physical or mental disability, medical condition, pregnancy, marital status, veteran status, genetic information or characteristics, and or any other status protected by federal, state or local law.
- Circulating offensive or inappropriate emails, letters, photographs, videos, etc.
- Using sexually suggestive or mocking comments that describe an individual's body or attire.
- Engaging in unwelcome sexual flirtation.
- Whistling or "cat calls."
- Making graphic or verbal commentary about an individual's body, sexual prowess or sexual deficiencies.
- Mocking, ridiculing or mimicking another's culture, accent, appearance or customs.
- Engaging in unwelcome touching, grabbing, holding, kissing or hugging.
- Engaging in repeated "accidental" contact or other unwelcome physical contact.
- Displaying sexually suggestive or provocative pictures or objects.
- Displaying an individual's actual physical body or parts of the body in a graphic manner.
- Staring or leering at a person's body.

**IF A POLICY VIOLATION OCCURS**

If you believe that a violation of the Company's policy against harassment, discrimination or retaliation has occurred, you may, but are not required to, respond to the person causing the problem. Sometimes telling that person clearly and directly how you perceive the behavior, asking the person to stop, and letting the person know the consequences of continuing such behavior can rectify the situation.

If you believe that a violation of the Company's policy against harassment, discrimination or retaliation has occurred, you are required to report offensive conduct to any manager, Human Resources or Global Compliance at [ethics@ryder.com](mailto:ethics@ryder.com). Complaints should include details of the occurrence, names of all individuals involved, names of all witnesses, and any documentary evidence (notes, pictures, cartoons, etc.) available. The Company will undertake an appropriate timely, thorough and objective investigation of the discrimination or harassment (allegations). All discrimination and harassment complaints will be reviewed by the Human Resources department, or an assigned investigative officer or, if warranted, by Global Compliance. The Company will endeavor to protect the privacy and confidentiality of all parties involved to the extent possible consistent with its commitment to investigate a thorough investigation. Some disclosure of your allegations may be necessary to the person under investigation, witnesses or other key individuals. All efforts will be made to keep as much information confidential as possible.

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*For guidance on compliance and ethics issues contact the Global Compliance Group at [ethics@ryder.com](mailto:ethics@ryder.com). To file a report with an independent third party, contact the HELPLINE at 1-800-815-2830 or via <https://ryder.alertline.com>.*

RYDER PROPRIETARY INFORMATION

**PRINCIPLES OF BUSINESS CONDUCT**  
**POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION**

**SUPERVISORS OR MANAGERS WHO WITNESS OR ARE INFORMED OF A POSSIBLE VIOLATION OF THE COMPANY'S POLICY AGAINST HARASSMENT, DISCRIMINATION OR RETALIATION ARE REQUIRED TO INTERVENE AND REPORT THE INCIDENT, REGARDLESS OF WHETHER THE INDIVIDUALS ARE IN THEIR CHAIN OF COMMAND. FAILURE TO DO SO WILL RESULT IN DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION.**

**DISCIPLINARY PROCEDURES**

If an investigation reveals that the alleged policy violation did occur, the offender will be subject to the appropriate disciplinary action up to and including termination. Appropriate action will also be taken to deter any future discrimination or harassment. A Company representative will advise all parties concerned of the results of the investigation.

**FALSE REPORTS**

If you knowingly make a false report against another employee, you will be subject to disciplinary action, up to and including termination.

However, if you report in good faith what appears to be a violation of our policy against Harassment, Discrimination or Retaliation—even if the reported incident is determined not to be a policy violation—you will not be subject to disciplinary action or any retaliatory behavior for making the complaint. To the extent you perceive you are being retaliated against for reporting a complaint in good faith, you must report that retaliation through the same channels as above.

**AVOIDING INAPPROPRIATE BEHAVIOR OR CONDUCT**

In order to ensure that all Ryder locations are free from inappropriate behavior or conduct, every employee and manager must fulfill the following requirements:

- Set an example by your own behavior and consistently treat others with respect and dignity.
- Do not use inappropriate language.
- Refrain from joking or bantering that might make others uncomfortable, even if it appears consensual. This includes making offensive or derogatory remarks about an applicant or employee's genetic information, or about the genetic information of a relative of an applicant or employee.
- Remove any inappropriate, sexually suggestive or offensive pictures, calendars, screensavers or objects from your work place, including your computer.
- Report inappropriate graffiti.
- Do not attend adult entertainment establishments with Ryder employees, customers, vendors or business partners while on or discussing Ryder business.
- Do not make sexually suggestive comments.

*For guidance on compliance and ethics issues contact the Global Compliance Group at [ethics@ryder.com](mailto:ethics@ryder.com). To file a report with an independent third party, contact the HELPLINE at 1-800-815-2830 or via <https://ryder.alertline.com>*