

# **FAMILY-FRIENDLY PANCAKE CHAIN IHOP TO PAY \$700,000 TO SETTLE SEXUAL HARASSMENT AND RETALIATION LAWSUIT**

## ***Chain of Franchises Subjected Employees to Sexual Harassment and Retaliation, Federal Agency Charges***

LAS VEGAS – Several franchisees of the popular IHOP restaurant chain in Nevada and New York will pay \$700,000 and furnish other relief to settle a sexual harassment and retaliation lawsuit brought by the U.S. Equal Employment Opportunity Commission (EEOC), the federal agency announced today. The U.S. District Court of Nevada has approved a consent decree filed by the EEOC.

According to the EEOC's lawsuit, IHOP owners, supervisors, managers and co-workers subjected female employees to ongoing egregious sexual harassment in both Nevada and New York locations. The harassment included groping; sending pictures of male genitalia; propositions for sex; viewing of pornography; vulgar comments; and unwanted touching and kissing. The company failed to take corrective action when the victims complained, instead taking retaliatory action against them, including reducing their work hours and firing them.

In addition, since 2005, the company had in place a written sexual harassment policy that required complaints to be made to the corporate office in writing within 72 hours of the harassing incident. This policy deterred victims of harassment from reporting, removed the responsibility of local managers and supervisors to correct harassment that they were aware of, and emboldened the abusers, the EEOC contends.

Sexual harassment and retaliation for complaining about it violates Title VII of the Civil Rights Act of 1964. The EEOC filed suit against the following entities after first attempting to reach a pre-litigation settlement through its conciliation process: Lucinda Management, LLC, Centennial Food Corporation dba IHOP Restaurant, Nellis Food Corporation dba IHOP Restaurant, Vegas Food Corporation dba IHOP Restaurant, Cheyenne Food Corporation dba IHOP Restaurant, Craig Food Corporation dba IHOP Restaurant, Bayshore Food Corporation dba IHOP Restaurant, DiHop Corporation dba IHOP Restaurant, and Cooper Street Clam and Oyster Bar, LLC, in U.S. District Court for the District of Nevada (EEOC v. Lucinda Management, LLC., et. al., Case Number: 2:17-cv-02458).

The consent decree settling the suit, which remains under the court's jurisdiction for the decree's five-year term, provides \$700,000 for a class of female employees. Additionally, Lucinda Management et. al., will eliminate the 72-hour policy for reporting harassment; establish and maintain a human resources department; hire an outside monitor; and create performance review standards for compliance with Title VII. The company will also provide extensive training to their management officials to prevent and correct harassment and retaliation, along with civility training.

"Sex harassment remains a persistent problem and placing impediments on the ability of employees to complain only exacerbates the problem," said Anna Park, regional attorney for the EEOC's Los Angeles District, which includes Nevada in its jurisdiction.

Wendy Martin, director of the EEOC's Las Vegas Local Office, added, "Employers should remember that they are responsible for creating an environment free of harassment. This includes empowering managers to address such conduct when they become aware of it."