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STEAK N SHAKE TO PAY \$180,000 TO SETTLE SUIT CHARGING SEXUAL HARASSMENT OF TEEN

*EEOC Said Female High School Student Was Subjected to Groping,
Sexual Comments and Demands for Sex at Work*

ST. LOUIS – A major multi-state restaurant chain will pay \$180,000 to settle a sexual harassment suit brought by the U.S. Equal Employment Opportunity Commission (EEOC), the agency announced today. The EEOC had charged Steak n Shake with subjecting a teenage employee to sexual harassment, including a threatened sexual assault.

The proposed consent decree filed today with the federal court in St. Louis also provided for significant remedial relief, including extensive training, monitoring and confidential surveys of employees.

The EEOC's lawsuit [No. 4:04-CV- 880 SNL] alleged that in the summer of 2002, Amanda Nichols, then 17, was subjected to unlawful sexual harassment at the Steak n Shake in the St. Louis suburb of Ballwin, Mo., including unwelcome sexual advances and touching, sexually explicit comments and a threatened sexual assault by an older co-worker, Jean Atis. According to the EEOC, at least some of the sexual advances, touching and explicit comments were made in front of Steak n Shake's restaurant manager and assistant manager. When Nichols complained to them, the restaurant manager refused to take any action. Nichols quit work after the co-worker attempted to coerce her into sexual activity on the restaurant's parking lot, the EEOC charged.

The EEOC filed the lawsuit against Indianapolis-based Steak n Shake Operations, Inc., which operates hundreds of restaurants throughout the Midwest. Nichols intervened in the EEOC's lawsuit as an individual plaintiff, represented by Jonathan C. Berns and Jerome Dobson of Dobson, Goldberg, Moreland and Berns in St. Louis.

Under the consent decree, which still must be approved by the federal court, Steak n Shake has agreed to pay Nichols a total of \$180,000 in damages and back pay. In addition, the company will conduct extensive sexual harassment training for management personnel, including training for all of its general managers in its St. Louis district; redistribute its sexual harassment policy and procedure to all employees in the St. Louis area who are 18 years of age or younger,

and also provide copies to their parents; and more prominently post an 800-number hotline for reporting harassment throughout its restaurants.

Additionally, for the three-year period of the decree, the company must report to the EEOC all internal complaints of sexual harassment involving employees at the Ballwin restaurant. The consent decree also requires that Steak n Shake provide confidential surveys to employees at selected stores in the St. Louis district to ensure that its sexual harassment policy is being followed.

“This situation could have been prevented if the restaurant manager and others had simply followed Steak n Shake’s established sexual harassment policy,” said EEOC Regional Attorney Robert Johnson. “It is a common problem in this industry that although the corporation has an appropriate sexual harassment policy, it is not followed by a local restaurant manager. Employers must be proactive and vigilant to ensure that their policies on harassment are followed. We are pleased that Steak n Shake has recognized this problem and has agreed to take measures to correct it.”

Nichols, in describing the case and its resolution, said, "Although it was very hard for me, I felt it was important to pursue this case so that other female employees would not be subjected to the same type of conduct I was and taken advantage of in the workplace. I am very happy with the outcome of the case and am gratified that Steak n Shake will take steps to ensure that no other employee will experience the problems that I did."

In September of 2004, the EEOC launched its national Youth@Work initiative – a comprehensive outreach and education campaign designed to inform teens about their employment rights and responsibilities, and to help employers create positive first work experiences for young adults. Nichols, who was greatly affected by her experience at Steak n Shake, wanted to prevent other teens from undergoing similar experiences. She therefore participated in a press conference on the sexual harassment of teen workers at EEOC Headquarters in Washington D.C., and as a result was interviewed by several national media outlets. Nationally, the EEOC has held more than 1,300 Youth@Work events reaching approximately 100,000 students, education professionals, and employers across the country. Further information about the Youth@Work campaign, including how to schedule a free Youth@Work outreach presentation, is available on the agency’s web site at <http://www.eeoc.gov/initiatives/youth/index.htm>. Specific EEOC-related information for teens is available on the Youth@Work web site at <http://www.youth.eeoc.gov>

The EEOC is responsible for enforcing the nation’s laws prohibiting discrimination in employment based on race, color, sex (including sexual harassment and pregnancy), religion, national origin, age, disability, and retaliation. Further information about the Commission is available on its web site at www.eeoc.gov.

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