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5
 6 Attorneys for Plaintiff/Petitioner
 JOSEPH KRUZICH

8
 9 UNITED STATES DISTRICT COURT
 10 NORTHERN DISTRICT OF CALIFORNIA
 11 SAN FRANCISCO DIVISION

JSW

12
 13 JOSEPH KRUZICH,

14 Plaintiff/Petitioner,

15 v.

16 CHEVRON CORPORATION,
 17 CHEVRON U.S.A., INC.

18 Defendants/Respondents.

CV 11 Case No. 80 216MISC

)
) DECLARATION OF CLIFF PALEFSKY
) IN SUPPORT OF PLAINTIFF'S
) PETITION TO COMPEL
) ARBITRATION

) Date:

) Time:

) Dept.:

19
 20 I, Cliff Palefsky, declare:

21 1. I am a partner in the law firm McGuinn, Hillsman & Palefsky, attorney for
 22 Plaintiff Joseph Kruzich. I have personal knowledge of the facts stated herein and, if called upon
 23 as a witness, could and would testify competently thereto.

24 2. In August 2009, I was representing Joseph Kruzich in connection with a dispute
 25 he had with Chevron Corporation and/or Chevron U.S.A., Inc. (collectively "Chevron"). The
 26 attorney for Chevron was Robert Eassa. I discussed with Mr. Eassa the nature of the
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1 employment-related claims which Mr. Kruzich would be asserting against Chevron, which
2 included fraud, negligent misrepresentation, discrimination on the basis of national origin,
3 retaliation for raising objections to discriminatory conduct, wrongful termination in violation of
4 public policy, and breach of the covenant of good faith and fair dealing. All of these claims
5 related to Mr. Kruzich's employment or the termination of his employment. During August
6 2009, I asked Mr. Eassa if Chevron wanted to mediate the dispute. Mr. Eassa responded that
7 Chevron would mediate under Chevron's "STEPS" program. I agreed that this was appropriate
8 and, as described in Step 3 of the STEPS program, the parties jointly selected an outside
9 mediator to use (Susan Haldeman of Gregorio, Haldeman and Piazza), with Chevron to pay the
10 cost of the mediation. A copy of Chevron's Human Resources Policy 344, which sets forth the
11 STEPS program, is attached to the accompanying Declaration of Joseph Kruzich as Exhibit A.

14 3. On September 29, 2009, the parties participated in a full day mediation session
15 with Susan Haldeman. As required by the STEPS program, Chevron paid for the entire cost of
16 the mediation.

17 4. The September 29, 2009 mediation (Step 3 in the STEPS program) was not
18 successful in resolving the dispute. Therefore, as mandated by the STEPS process, Mr. Kruzich
19 next attempted to utilize Step 4 of the STEPS process, which is arbitration. According to Step 4
20 of the STEPS process, the employee initiates the arbitration process by completing a specific
21 Chevron form called the "Arbitration Request Form" (Chevron Form GO-1607) and sending it to
22 Chevron Human Resources. According to Step 4 of the STEPS process, Chevron is then
23 supposed to contact the American Arbitration Association or a similar organization and obtain a
24 list of arbitrators. Pursuant to the STEPS process, on October 13, 2009, I wrote an email to
25
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1 Mr. Eassa, asking for the forms necessary for Mr. Kruzich to initiate the arbitration process under
2 the STEPS program. A true and correct copy of this email is attached as **Exhibit A**.

3 5. As of November 3, 2009, I still had not received the requested form from Mr.
4 Eassa. Therefore, on November 3, 2009, I wrote another email to Mr. Eassa requesting
5 Chevron's "Arbitration Request Form GO-1607", and asked that Mr. Eassa send me the form so
6 that Mr. Kruzich could initiate the arbitration as required by the STEPS program. Later on
7 November 3, 2009, Mr. Eassa responded to my e-mail by informing me that I could, "simply
8 send [him] a letter requesting arbitration" which "state[d] the legal basis for the claim", and that
9 Mr. Eassa would "forward it to Chevron." A true and correct copy of this November 3, 2009
10 email chain is attached as **Exhibit B**.

11 6. On November 5, 2009, as requested by Mr. Eassa, I sent a letter to Mr. Eassa
12 demanding arbitration of Plaintiff's claims, describing once again the specific types of legal
13 claims which Mr. Kruzich had, and again asking Chevron to get the arbitration process started.
14 A true and correct copy of this letter and the cover e-mail is I sent to Mr. Eassa attaching this
15 letter, are attached as **Exhibit C**.

16 7. As of November 9, 2009, I had not received a response to my November 5, 2009
17 letter to Mr. Eassa. On November 9, 2009, I sent another email to Mr. Eassa, asking again about
18 Chevron's plans for initiating the arbitration. A true and correct copy of this email is attached as
19 **Exhibit D**.

20 8. I sent another e-mail to Mr. Eassa on November 13, 2009, asking for a response as
21 to the initiation of the arbitration. On that same day, Mr. Eassa responded to me by e-mail,
22 indicating that Mr. Kruzich's request for arbitration had been submitted to Chevron, and that
23 Chevron's response was expected within a week. A true and correct copy of this November 13,
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1 2009 e-mail chain is attached as **Exhibit E**.

2 9. On November 25, 2009, I received a letter from Mr. Eassa stating that Chevron
3 had "determined" that none of Mr. Kruzich's claims were "legally viable" and that Chevron had
4 denied Plaintiff's arbitration demand. A true and correct copy of this letter is attached as **Exhibit**
5 **F**.

7 10. On December 1, 2009, I sent an email to Mr. Eassa asking for an explanation as to
8 how Chevron could have the unilateral right to decide that none of Plaintiff's claims were
9 "legally viable" and as to why Chevron was now refusing to arbitrate under the STEPS program,
10 even though the parties had just mediated the same claims under the STEPS program. A true and
11 correct copy of my December 1, 2009 e-mail is attached as **Exhibit G**.

13 11. On December 7, 2009, I received a letter from Mr. Eassa, which again stated that
14 Chevron would not arbitrate the dispute with Mr. Kruzich because Chevron had determined that
15 Mr. Kruzich had not asserted a "legally viable" claim. A true and correct copy of this December
16 7, 2009 letter is attached as **Exhibit H**.

18 12. In January 2010, Mr. Kruzich filed a "Charge of Discrimination" with the Equal
19 Employment Opportunity Commission ("EEOC"). Mr. Kruzich's claim was assigned Charge
20 No. 550-2010-00086. A true and correct copy of Mr. Kruzich's EEOC claim is attached hereto
21 as **Exhibit I**. In his EEOC charge, Mr. Kruzich asserted the discrimination claims which he had
22 asserted against Chevron during the summer and fall of 2009, i.e., claims for discrimination
23 based on national origin, and retaliation for his having opposed gender discrimination. I had
24 made Chevron, and Chevron's counsel, aware during the summer and fall of 2009 that Mr.
25 Kruzich would be bringing these claims against Chevron if the matter was not resolved in
26 mediation.
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1 13. The September 29, 2009 mediation was not successful in achieving a resolution of
2 the parties' dispute. As described above, between October and December 2009, Mr. Kruzich
3 therefore demanded that Chevron go through the arbitration process set forth in the STEPS
4 program, but Chevron refused to do so. I believed that Chevron had refused to go through the
5 arbitration process with Mr. Kruzich in retaliation for Mr. Kruzich having asserted discrimination
6 claims against Chevron. Therefore, in Mr. Kruzich's January 2010 EEOC charge, in addition to
7 his original claims for national origin discrimination and retaliation for having opposed gender
8 discrimination, Mr. Kruzich also alleged that Chevron had unlawfully retaliated against him for
9 engaging in protected activity (asserting discrimination claims) by refusing to go through the
10 arbitration process set forth in the STEPS program.
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13 14. During 2010 and the first half of 2011, the EEOC conducted an investigation of Mr.
14 Kruzich's claims. On June 15, 2011, the EEOC issued a "Determination" letter regarding Mr.
15 Kruzich's claims. A true and correct copy of the EEOC's June 15, 2011 Determination letter is
16 attached hereto as **Exhibit J**. In its letter, the EEOC stated that it had determined that there was
17 reasonable cause to believe that Chevron *had* discriminated against Mr. Kruzich for engaging in
18 protected activity when Chevron denied Mr. Kruzich arbitration.
19

20 I declare under penalty of perjury under the laws of the United States that the foregoing is
21 true and correct.

22 EXECUTED this 7 day of September, 2011, at San Francisco, California.

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Cliff Palefsky

EXHIBIT A

Cliff Palefsky

From: Cliff Palefsky
nt: Tuesday, October 13, 2009 3:03 PM
to: 'Bob Eassa'
Subject: Kruzich

Hi Bob,

Would you please provide us with the forms necessary to initiate the arbitration process. I called earlier to discuss the arbitration issue and perhaps talk about possible arbitrators.

I also wanted to follow up on what I said in my message about Joe receiving a check for only a portion of his relocation expenses. Would you please follow up and let us know why they didn't fully reimburse the airfare?

Thanks so much.

Cliff

EXHIBIT B

Cliff Palefsky

From: Bob Eassa [BEassa@filicebrown.com]
nt: Tuesday, November 03, 2009 1:09 PM
o: Cliff Palefsky
Cc: Tatum Hunter; Rosemary Pereda
Subject: Re: Kruzich

Hi Cliff,

If you want to save time, you can simply send me a letter requesting arbitration. You will need to state the legal basis for the claim. I will forward it to Chevron.

Bob

P.S. How did your trial go? Under submission?

From: Cliff Palefsky
To: Bob Eassa
Sent: Tue Nov 03 10:57:18 2009
Subject: Kruzich

Hi Bob,

Please forward to me a copy of the Arbitration Request Form (GO-1607) so that we can initiate the arbitration required by the STEPS program. Thanks so much.

iff

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EXHIBIT C

• **Cliff Palefsky**

From: Cliff Palefsky
nt: Thursday, November 05, 2009 10:36 AM
o: 'Bob Eassa'
Subject: FW: Attached Image

Attachments: 3038_001.pdf



3038_001.pdf (19 KB)

Hi Bob,

I am attaching the letter, on letterhead, as requested, asking you to get the arbitration process started. Please let me know how we are going to proceed as soon as possible.
Thanks

Cliff

From: scanner@mhpsf.com [mailto:scanner@mhpsf.com]
Sent: Thursday, November 05, 2009 10:32 AM
To: Cliff Palefsky
Subject: Attached Image

JOHN A. MCGUINN
JOHN R. HILLSMAN
CLIFF PALEFSKY
DEREK B. JACOBSON
KEITH A. EHRLMAN
CAROLYN A. LEARY
ABRAHAM FEINSTEIN-HILLSMAN

LAW OFFICES OF
MCGUINN, HILLSMAN & PALEFSKY
A PROFESSIONAL CORPORATION
535 PACIFIC AVENUE
SAN FRANCISCO, CALIFORNIA 94133
TELEPHONE (415) 421-9292

FAX (415) 403-0202

November 5, 2009

Robert D. Eassa
Filice Brown Eassa & McLeod
Lake Merritt Plaza
1999 Harrison Street, 18th Floor
Oakland, CA 94612-0850

Re: *Joseph Kruzich v. Chevron Corporation*

Dear Mr. Eassa:

Please accept this letter as Joseph Kruzich's demand for arbitration of his claims, including but not limited to, discrimination on the basis of national origin, retaliation, wrongful termination in violation of public policy, breach of contract (covenant of good faith and fair dealing), fraud, misrepresentation and defamation.

If you would like to further discuss forum selection for the arbitration, please give me a call. Otherwise, please take whatever steps are necessary to initiate the arbitration process as soon as possible. We would appreciate being copied on any correspondence with the arbitration provider.

Very truly yours,


Cliff Palefsky

EXHIBIT D

• **Cliff Palefsky**

From: Cliff Palefsky
nt: Monday, November 09, 2009 10:41 AM
ro: 'Bob Eassa'
Subject: Kruzich

Hi Bob,

Please tell me what the plans are for initiating the arbitration. Thanks

Cliff

EXHIBIT E

Cliff Palefsky

From: Bob Eassa [BEassa@filicebrown.com]
nt: Friday, November 13, 2009 12:38 PM
to: Cliff Palefsky
Cc: Tatum Hunter
Subject: Re: Kruzich

Hey Cliff,

I have been in L.A. all week taking depositions. Your request for arbitration was submitted to Chevron. A written response is expected sometime next week. I will advise as soon as I hear anything.

Bob

From: Cliff Palefsky
To: Bob Eassa
Sent: Fri Nov 13 12:00:26 2009
Subject: Kruzich

Hi Bob,

Please let me know how we are going to proceed with regard to the initiation of arbitration.

Thanks

Cliff

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Exhibit ■ F

FILICE BROWN
ATTORNEYS AT LAW

Robert D. Eassa
REassa@filicebrown.com

November 25, 2009

VIA EMAIL

Cliff Palefsky, Esq.
McGuinn, Hillsman & Palefsky
535 Pacific Avenue
San Francisco, CA 94133

Re: Kruzich v. Chevron U.S.A. Inc.
Denial of Arbitration Demand

Dear Mr. Palefsky:

Please accept this letter as Chevron U.S.A. Inc.'s denial to Joseph Kruzich's arbitration demand under the STEPs process.

After reviewing Mr. Kruzich's claims, Chevron has determined that none of his claims are legally viable or arbitrable under Chevron's STEPs policy. Mr. Kruzich has not provided any support for his claims of fraud, misrepresentation or defamation. There is no contract to support his breach of contract claim. And, Mr. Kruzich has not provided any factual support for a claim of wrongful termination in violation of public policy. Finally, Mr. Kruzich's retaliation claim fails because there is no nexus between any adverse employment action and his allegedly protected activity.

As always, please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,


Robert D. Eassa

00215 35130 RDE 622131.1

LAKE MERRITT PLAZA ♦ 1999 HARRISON STREET ♦ SUITE 1800
PO BOX 70850 ♦ OAKLAND, CA 94612-0850 ♦ 510.444.3131 FAX: 510.839.7940

333 SO. GRAND AVENUE ♦ SUITE 4200
LOS ANGELES, CA 90071-3124 ♦ 213.687.2666 FAX: 213.687.2660

9

Cliff Palefsky

From: Cliff Palefsky
ent: Tuesday, December 01, 2009 10:04 AM
fo: 'Bob Eassa'
Subject: RE: Kruzich

I received your letter explaining that Chevron unilaterally determined that none of Mr. Kruzich's claims are "legally viable" and that he has not provided any "factual support" for a wrongful termination claim.

If there is any provision of the ADR program that gives Chevron the right to make that threshold determination before any pleading is filed or discovery taken please point it out to me.

The plan, on its face, identifies wrongful termination claims as the types of claims that are legally cognizable.

Can you clarify for me the significance of your letter. Are you asserting that Chevron will not arbitrate this matter pursuant to the Steps program even though we mediated it under the Steps program?

Please try to get back to me before Friday.

4

FILICE BROWN EASSA & MCLEOD LLP
ATTORNEYS AT LAW

Robert D. Eassa
REassa@filicebrown.com

December 7, 2009

VIA EMAIL

Cliff Palefsky, Esq.
McGuinn, Hillsman & Palefsky
535 Pacific Avenue
San Francisco, CA 94133

Re: Denial of Arbitration Demand
Client/Matter No. 00215-35130

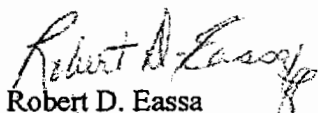
Dear Mr. Palefsky:

The STEPS process is an internal conflict resolution procedure which requires all Chevron U.S.A. Inc. ("Chevron") employees to attempt to resolve their disputes internally prior to proceeding to litigation. However, Chevron's legal department has the right to determine if a particular claim is appropriate for arbitration.

As stated in my previous letter, dated November 25, 2009, Chevron's legal department has determined that Mr. Kruzich's claims are not appropriate for arbitration as he has not asserted a legally viable claim. Chevron will not arbitrate this matter pursuant to the STEPS process.

As always, please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,


Robert D. Eassa

LAKE MERRITT PLAZA ♦ 1999 HARRISON STREET ♦ SUITE 1800
PO BOX 70850 ♦ OAKLAND, CA 94612-0850 ♦ 510.444.3131 FAX: 510.839.7940

333 SO. GRAND AVENUE ♦ SUITE 4200
LOS ANGELES, CA 90071-3124 ♦ 213.687.2666 FAX: 213.687.2660

I

CHARGE OF DISCRIMINATION

This form is affected by the Privacy Act of 1974. See enclosed Privacy Act Statement and other information before completing this form.

Charge Presented To:

Agency(ies) Charge No(s):

☐

FEPA

☒

EEOC

550-2010-00086

California Department of Fair Employment and Housing

and EEOC

State or local Agency, if any

Name (indicate Mr., Ms., Mrs.)

Mr. Joseph Kruzich

Home Phone (Incl. Area Code)

(239) 472-6153

Date of Birth

Street Address

City, State and ZIP Code

c/o Cliff Palesky; McGuinn Hillsman & Palefsky, 535 Pacific Ave, San Francisco, CA 94133

Named is the Employer, Labor Organization, Employment Agency, Apprenticeship Committee, or State or Local Government Agency That I Believe Discriminated Against Me or Others. (If more than two, list under PARTICULARS below.)

Name

CHEVRON TEXACO

No. Employees, Members

500 or More

Phone No. (Include Area Code)

(925) 842-1310

Street Address

City, State and ZIP Code

6001 Bollinger Canyon Road Building A, San Ramon, CA 94583

Name

No. Employees, Members

Phone No. (Include Area Code)

Street Address

City, State and ZIP Code

DISCRIMINATION BASED ON (Check appropriate box(es).)

☐

RACE

☐

COLOR

☐

SEX

☐

RELIGION

☒

NATIONAL ORIGIN

☒

RETALIATION

☐

AGE

☐

DISABILITY

☐

GENETIC INFORMATION

☐ OTHER (Specify)

DATE(S) DISCRIMINATION TOOK PLACE

Earliest

Latest

09-01-2009☐

CONTINUING ACTION

THE PARTICULARS ARE (If additional paper is needed, attach extra sheet(s)):

I began working for Respondent in or about December of 2008. My most recent position was Manager of the Policy, Government, and Public Affairs Department. My immediate Supervisor was General Manager David Nelson.

Beginning in or about January of 2009, I opposed practices that I considered to be discriminatory against women. Subsequently, Respondent made numerous attempts to humiliate, embarrass, and discredit me in front of host country officials and community leaders.

Additionally, I was informed that Respondent had opposed the hiring of a non-Asian manager. Following, in or about June of 2009, I was transferred off the CDB project. In or about September of 2009, my employment was terminated.

Respondent's stated reason for my termination was for the breakdown of the relationship between Respondent and Petro China.

I believe I have been harassed, transferred, and discharged because of my National Origin (American), and in retaliation for having engaged in protected activity, both in violation of Title VII of the Civil Rights Act of 1964, as amended. See attached "Additional Notes"

I want this charge filed with both the EEOC and the State or local Agency, if any. I will advise the agencies if I change my address or phone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures.

I declare under penalty of perjury that the above is true and correct.

NOTARY - When necessary for State and Local Agency Requirements

I swear or affirm that I have read the above charge and that it is true to the best of my knowledge, information and belief.

SIGNATURE OF COMPLAINANT

SUBSCRIBED AND SWORN TO BEFORE ME THIS DATE
(month, day, year)

X 12/23/2009

Date

X [Signature]

Charging Party Signature

Additional Notes to EEOC Form 5 "Charge of Discrimination"

With respect to the "Charge of Discrimination" drafted by the EEOC on the attached Form 5, Claimant Joseph Kruzich wishes to add the following two notes and comments:

1) With respect to the first sentence of the third paragraph of the "Particulars" section which begins, "Additionally, I was informed...", Claimant notes that this sentence should more properly read as follows: "Additionally, I was informed that Respondent's business partner in China and certain members of Respondent's management had opposed the hiring of a non-Chinese manager."

2) Claimant believes that Respondent has retaliated against him on account of Claimant's having informed Respondent that he believed Respondent had discriminated against him on the basis of his national origin and on the basis that he had opposed discrimination against women. After Claimant informed Respondent that he had discrimination claims against Respondent and intended to pursue these claims, Respondent retaliated against Claimant in multiple ways.

First, Respondent refused to comply with Respondent's own internal policies and procedures for handling employment disputes and thereby refused to give Claimant the benefit of these policies and procedures. Specifically, Respondent has an internal dispute resolution policy called "Steps to Employee Problem Solution" ("STEPS"). Claimant is entitled to participate in the STEPS program. Under the STEPS policy, an employee such as Claimant who asserts a claim for, *inter alia*, wrongful termination, discrimination or retaliation may initiate an arbitration proceeding with Respondent, which is to be administered by the American Arbitration Association or a similar independent arbitration organization. Under the STEPS policy, Respondent is required to pay for all of the expenses of the arbitration. Under the STEPS policy, if the employee is satisfied with (and accepts) the arbitrators' decision, that decision is binding on Respondent as a final, non-appealable resolution of the matter. On the other hand, under the STEPS policy, if the employee is not satisfied with the arbitrators' decision, the employee is free to pursue the matter through other legal options, including litigation. Claimant informed Respondent that he had claims for, *inter alia*, discrimination and retaliation, and that he wanted to initiate an arbitration under the STEPS process.

In retaliation for Claimant asserting claims for discrimination and retaliation, Respondent refused to allow Claimant to proceed with an arbitration under the STEPS

program. Instead, Respondent informed Claimant that it would not send Claimant the internal company form used to initiate an arbitration and that it would not agree to let Claimant proceed with an arbitration under the STEPS process. Respondent indicated that it had made its own 'internal determination' that Claimant would not ultimately prevail on his claims and so Respondent would not allow the arbitration to proceed. Respondent's conduct violated the STEPS policy and was done in complete bad faith. Under the STEPS policy, Respondent did not have the right to decide whether or not an employee could proceed to arbitration based on Respondent's 'evaluation' as to whether or not the arbitrator would ultimately rule in favor of Claimant. Respondent refused to let Claimant proceed under the STEPS program in order to make it more difficult for Claimant to pursue his claims for discrimination and retaliation.

Second, after Claimant informed Respondent that he had discrimination claims against Respondent and intended to pursue these claims, Respondent also retaliated against Claimant by refusing to reimburse Claimant for certain expenses (including relocation expenses) which were owed to Claimant. Respondent refused to reimburse Claimant for these expenses on account of Claimant having asserted claims against Respondent for discrimination and retaliation.

The attached Form 5 indicates that Claimant suffered discrimination based on "retaliation" (including checking the 'retaliation' box in the "Discrimination Based On..." section), but the "Particulars" section only describes that Respondent retaliated against Claimant for his having opposed discrimination toward women. Claimant wants to clarify through these additional notes that he also believes he has suffered an additional type of discriminatory "retaliation" as set forth in the preceding paragraphs, i.e., retaliation arising out of Respondent's conduct toward Claimant after Claimant had informed Respondent that he believed that Respondent had engaged in unlawful discrimination towards him on account of both his national origin and for Claimant's having opposed discrimination towards women.

HR Policy 344 for U.S.-Payroll Employees Steps To Employee Problem Solution Process

1. GENERAL

It is company policy to encourage employees to bring questions, complaints or problems involving their employment to the attention of their immediate supervisor without fear of censure or retaliation. While the matter may not always be resolved to the employee's complete satisfaction, in many cases misunderstandings may be cleared up and disputes settled.

The **Steps To Employee Problem Solution (STEPS)** Process provides formal procedures which employees can use to present and receive a response to a concern about the way company policies, practices, or rules are applied to them personally. It applies to all U.S. company employees (including Casual, Co-op, Seasonal and Part-time employees) who are not represented by a union. The process contained in this policy also applies to non-represented former employees as long as the matter of dispute occurred while they were employed by the company. Non-U.S. company locations may utilize this policy, subject to the legal requirements of their host country.

The company **cannot and does not guarantee employment or compensation** to any employee for a particular period of time or indefinitely. Supervisors, managers or other employees who represent the company in employment matters, must avoid statements which could be viewed as promise of permanent employment, promotion, or future compensation. Company publications should also be monitored to avoid such statements.

Each employee has the right to and is free to terminate his or her employment with the company with or without cause or notice at any time. Similarly, the company has the right to terminate an employee's employment and compensation with or without cause or notice at any time. Nothing in this policy alters, modifies, or changes the at-will relationship between

complaint is eligible, the appropriate law department provides a locally developed list of outside mediators. The employee and his or her management jointly select a mediator from this list. During the mediation, both parties informally explain their respective positions and try to resolve the problem. The mediator's role is to listen, offer suggestions, and try to help those involved agree to a resolution. The meeting is informal, and there are no witnesses, testimony, deposition, or subpoenas. An employee may choose to be represented by an attorney during the Mediation Step. The process is designed to be cooperative and problem-solving.

Neither an employee nor the company are required to accept a resolution proposed by the mediator. However, if a proposed resolution is acceptable to both the employee and the company, that resolution will be final and binding. An employee must submit the issue to mediation before proceeding to Step Four.

The company will pay the cost of the mediation. If the complaint is resolved, the company will pay the employee for reasonable attorneys' fees, up to \$1,500, assuming the employee chooses to be represented by counsel. If the matter is not resolved at Step Three-Mediation, employees will pay their own attorney fees.

If the issue is not resolved in Step Three and involves a legally protected right, the employee may proceed to:

5. Step Four – Arbitration

Only individual complaints, not class-wide complaints, may use Step Four. An employee initiates this step by completing a **Arbitration Request Form** (GO – 1607) and forwarding it to Human Resources. Human Resources then forwards the request to the appropriate Operating Company or Corporate Law Department where contact is made with the American Arbitration Association (AAA) or similar independent organization and a list of arbitrators is obtained. The employee and his or her management then jointly select an arbitrator from this list. Arbitration is a more formal process than mediation, but not as formal as a court proceeding.

At the arbitration hearing, both the employee and the company have the right to consult with or be represented by an attorney. Each party has the right to subpoena witnesses and documents, present evidence and arguments, and hear and challenge the other party's evidence and witnesses. The arbitrator will render a decision and is authorized to award whatever remedies would be available to the employee under law, including damages and back pay.

If the employee is satisfied with and accepts the arbitrator's decision, that decision will be binding on the company and the employee as a final resolution of the matter. The company does reserve the right to appeal an arbitrator's decision to a court or under the rules of the arbitration/mediation service if the decision was based on gross error, bias, prejudicial exclusion of evidence or the award sustains or orders conduct that is illegal or contrary to public policy. If not satisfied with the arbitrator's decision, the employee is free at that time to pursue the matter through other legal options, including litigation.

If the employee accepts the arbitration decision, the company will pay all direct expenses of the arbitration and up to \$5,000 of the employee's attorney's fees, unless provided otherwise by the arbitrator. If the decision is not accepted, the company will pay the direct expenses of the arbitration and the employee will be responsible for his or her expenses and attorney's fees. Arbitration costs will be controlled through use of an Arbitration Agreement that will procedurally limit such items as discovery, use of expert witnesses and depositions.

the company and its employees.

This policy does not apply to complaints involving the administration of company benefit plans for which separate appeal procedures are available as part of the plans, nor may it be used to request changes to policies, rules, staffing, pay structures and systems, operations, severance programs, business decisions or practices (downsizing, reorganization, restructuring), or other similar responsibilities of management. In addition the process is not intended for use concerning unemployment compensation claims, worker's compensation claims, protection of technology and confidential information, and discipline resulting from violations of the company's drug and alcohol policies.

Issues or complaints involving allegations of harassment require an investigation and must be handled according to procedures contained in HR Policy No. 420 rather than through Steps One and Two of this policy. If the harassment complaint is not resolved, an employee may enter the STEPS Process at Step Three.

Employees do not give up any rights to seek other legal remedies if they are unable to resolve disputes using the STEPS Process. The company, however, requires that employees do use STEPS before proceeding to litigation. An employee's continued employment at Chevron will mean they agree to use STEPS.

The process used by the company for handling disputes has four steps with the following key points:

Step One

Open Door discussion with an employee's supervisor or another member of the employee's management or with Human Resources. Use of this step by employees is voluntary. Employees are encouraged to bring any issue of concern to their supervisors through Step One.

Step Two

Internal Facilitation of an employee's concern done at the supervisory level with the assistance of unbiased company personnel. The assistance for the employee and his or her supervisor will be either a trained internal facilitator, a Human Resources business partner/counselor or a review panel. This step is also voluntary and applies to eligible issues as defined above.

Step Three

Mediation is only for legally protected rights involving individual employee claims. Class-wide (i.e. involving a group of employees) legal complaints may not use Step Three. It involves submitting the dispute to an objective, outside mediator selected jointly by the employee and the company. Neither the employee or the company are required to accept the resolution proposed by a mediator. It is mandatory to use Step Three before proceeding to Step Four.

Step Four

Arbitration is used for a legally protected right that is not resolved in Step Three. As in Step Three, only individual disputes and not class-wide ones may use Step Four. Use of an objective, outside arbitrator, selected jointly by the employee and company, is a more formally defined process than mediation. If the employee accepts the arbitrator's decision, it becomes binding on the company and employee. An employee is free to seek other legal remedies if he or she is not

satisfied with the arbitrator's decision. If Steps Three and Four are not used, the company will request that legal proceedings be suspended until Steps Three and Four are utilized.

Details on all four steps of the process are given under the GUIDELINES section of this policy.

Ombuds Program

Every employee will have access to an ombuds and may utilize this service at any time before or during the four-step process. An ombuds is a designated high-level neutral who provides confidential and informal resolution assistance to employees. An employee may contact the ombuds for assistance and, if requested, the employee's identity will not be disclosed. Thus, employees are able to have a confidential internal source to assist them with their concerns. All ombuds will follow the "Standards of Practice and Code of Conduct" with the Ombuds Association.

Covered Disputes

Step One may be applied to any employee concern. Step Two may be used for any employee concern subject to the limitations listed above. Steps Three and Four cover issues involving legally protected rights only - those that can be asserted in a court of law. For example, a complaint about an evaluation under the Performance Management Process (PMP) or other records documenting employee performance or a work assignment based on something other than discrimination could be resolved in Steps One and Two but could not proceed to Steps Three and Four. Those complaints eligible for Steps Three and Four include claims for discrimination, retaliation or harassment on the basis of age, gender, race, color, national origin, religion, disability, pregnancy, marital status, sexual orientation, veteran's status or any other protected status.

Legally protected rights also include causes of action relating to employment or termination of employment based on claims of wrongful discharge, breach of employment contract, breach of covenant of good faith and fair dealing, fraud, defamation and violation of public policy. The Corporate or appropriate Operating Company Law Department will make the determination if an issue involves a legally protected right.

Applicable collective bargaining agreement provisions will apply to employees represented by unions.

II. GUIDELINES

1. Responsibility

Managers and supervisors are responsible for assuring employees that they will not be retaliated against for utilization of this policy for resolving their concerns. This is consistent with the principles contained in Corporate Policy 1 - The Chevron Way.

2. Step One - Open Door

Discussion with an employee's supervisor offers the quickest and most efficient way to resolve a concern. Working to resolve issues through your immediate supervisor has always been an integral part of company policy. To improve effectiveness of "open door" discussions, the company will regularly provide supervisors with conflict resolution skills training.

Step One applies to all employee concerns and is voluntary. It allows employees to talk to their immediate supervisor or to a higher level of management without fear of retaliation. Under Step One, management is responsible for helping employees resolve their workplace concern, and it provides employees with several options.

Immediate Supervisor - Whenever possible, employees should try to resolve any workplace concern with their immediate supervisor. Because supervisors are closer to the situation, they may be in the best position to offer employees a new perspective or some new facts.

Higher Level Supervisor - If employees are unsatisfied with their immediate supervisor's response or need to talk to someone other than their supervisor, employees may take their problem to the next higher level of supervision. Employees are encouraged to follow the specific supervisory chain in their department or work group, since that is the best way to resolve concerns.

Human Resource Business Partner/Counselor - At any time, employees may also choose to contact their HR counselor for advice and assistance. In most instances, this person has many years of experience helping employees deal with a variety of workplace issues.

Chevron Hotline - Employees may also call the Chevron Hotline at 800 284-3015 to file a confidential, anonymous complaint.

3. Step Two - Internal Facilitation

Step Two attempts to resolve employee concerns internally at the supervisory level with the assistance of internal facilitation. At this stage, employees will be assisted by a trained internal facilitator, or perhaps a HR counselor or business partner. In some Operating Companies, review panels may also be used. Business units and corporate departments will more fully develop this step on a local basis and communicate it to employees.

This step is also voluntary and applies to issues covered by this policy. It begins by an employee filing a "Record of Internal Facilitation" which describes the complaint and the employee's desired resolution, with the employee's supervisor. The request is given to Human Resources where it is determined if the issue is eligible for Step Two. If the request is eligible, Human Resources arranges the internal facilitation method of choice for the particular facility or location. Depending upon the local option selected, this may involve a meeting among the employee, the employee's supervisor and a trained facilitator or the matter may be referred to a review panel for consideration.

Whatever form Step Two takes, it will end with a written response to an employee's complaint and, hopefully, full resolution of the matter. The goal of this step is to solve the problem, rather than determine who is right or wrong. The written response from the company will be provided within four weeks of initiation of Step Two.

If an employee is unable to resolve an issue in Step Two, and the issue involves a legally protected right, the employee may proceed to:

4. Step Three – Mediation

Only individual complaints, not class-wide complaints, may use Step Three. An employee initiates this step by completing a **Mediation Request Form** (GO – 1606) and forwarding it to Human Resources. Human Resources then forwards the request to the appropriate Operating Company or Corporate Law Department for determining if the complaint is eligible for Step Three. If the

6. Counsel

Counsel on this policy may be obtained from the Employee Relations unit of Human Resources/North America Shared Services and the Corporation Law Department or appropriate Operating Company Law Department.

III. FURTHER GUIDANCE AND REFERENCES

Corporate Policy 1 - The Chevron Way
Corporate Policy 226 – Discipline

HR Policy 400 – Equal Employment Opportunity
HR Policy 420 - Harassment in the Workplace
HR Policy 900 - Labor Relations
HR Policy 1020 – Performance Management Process

STEPS Program Web site <http://hr.chevron.com/northamerica/us/programs-policies/steps/>

Effective April 2005
Replaces October 2001

Cliff Palefsky

From: Cliff Palefsky
Sent: Tuesday, October 13, 2009 3:03 PM
To: 'Bob Eassa'
Subject: Kruzich

Hi Bob,

Would you please provide us with the forms necessary to initiate the arbitration process. I called earlier to discuss the arbitration issue and perhaps talk about possible arbitrators.

I also wanted to follow up on what I said in my message about Joe receiving a check for only a portion of his relocation expenses. Would you please follow up and let us know why they didn't fully reimburse the airfare?

Thanks so much.

Cliff

Cliff Palefsky

From: Cliff Palefsky
Sent: Tuesday, November 03, 2009 10:57 AM
To: 'Bob Eassa'
Subject: Kruzich

Hi Bob,

Please forward to me a copy of the Arbitration Request Form (GO-1607) so that we can initiate the arbitration required by the STEPS program. Thanks so much.

Cliff

Cliff Palefsky

From: Bob Eassa [BEassa@filicebrown.com]
Sent: Tuesday, November 03, 2009 1:09 PM
To: Cliff Palefsky
Cc: Tatum Hunter; Rosemary Pereda
Subject: Re: Kruzich

Hi Cliff,

If you want to save time, you can simply send me a letter requesting arbitration. You will need to state the legal basis for the claim. I will forward it to Chevron.

Bob

P.S. How did your trial go? Under submission?

From: Cliff Palefsky
To: Bob Eassa
Sent: Tue Nov 03 10:57:18 2009
Subject: Kruzich

Hi Bob,

Please forward to me a copy of the Arbitration Request Form (GO-1607) so that we can initiate the arbitration required by the STEPS program. Thanks so much.

Cliff

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Cliff Palefsky

From: Bob Eassa [BEassa@filicebrown.com]
Sent: Tuesday, November 03, 2009 1:34 PM
To: Cliff Palefsky
Subject: Re: Kruzich

Cliff,

Would please send a letter on your letterhead for me to forward to Chevron. Thanks much.

Bob

From: Cliff Palefsky
To: Bob Eassa
Sent: Tue Nov 03 13:23:45 2009
Subject: RE: Kruzich

Thanks Bob. Please treat this email as our letter requesting arbitration of Joe Kruzich's claims. Our claims include but may not be limited to claims for discrimination on the basis of national origin, retaliation, wrongful termination in violation of public policy, breach of contract (covenant of good faith and fair dealing), fraud, misrepresentation and defamation. Thanks for forwarding whatever forms we need to get this started.

Cliff

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Cliff Palefsky

From: Cliff Palefsky
Sent: Thursday, November 05, 2009 10:36 AM
To: 'Bob Eassa'
Subject: FW: Attached Image

Attachments: 3038_001.pdf



3038_001.pdf (19
KB)

Hi Bob,

I am attaching the letter, on letterhead, as requested, asking you to get the arbitration process started. Please let me know how we are going to proceed as soon as possible.
Thanks

Cliff

From: scanner@mhpsf.com [mailto:scanner@mhpsf.com]
Sent: Thursday, November 05, 2009 10:32 AM
To: Cliff Palefsky
Subject: Attached Image

JOHN A. MCGUINN
JOHN R. HILLSMAN
CLIFF PALEFSKY
DEREK B. JACOBSON
KEITH A. EHRMAN
CAROLYN A. LEARY
ABRAHAM FEINSTEIN-HILLSMAN

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535 PACIFIC AVENUE
SAN FRANCISCO, CALIFORNIA 94133
TELEPHONE (415) 421-9292

FAX (415) 403-0202

November 5, 2009

Robert D. Eassa
Filice Brown Eassa & McLeod
Lake Merritt Plaza
1999 Harrison Street, 18th Floor
Oakland, CA 94612-0850

Re: *Joseph Kruzich v. Chevron Corporation*

Dear Mr. Eassa:

Please accept this letter as Joseph Kruzich's demand for arbitration of his claims, including but not limited to, discrimination on the basis of national origin, retaliation, wrongful termination in violation of public policy, breach of contract (covenant of good faith and fair dealing), fraud, misrepresentation and defamation.

If you would like to further discuss forum selection for the arbitration, please give me a call. Otherwise, please take whatever steps are necessary to initiate the arbitration process as soon as possible. We would appreciate being copied on any correspondence with the arbitration provider.

Very truly yours,


Cliff Palefsky

Cliff Palefsky

From: Cliff Palefsky
Sent: Monday, November 09, 2009 10:41 AM
To: 'Bob Eassa'
Subject: Kruzich

Hi Bob,

Please tell me what the plans are for initiating the arbitration. Thanks

Cliff

Cliff Palefsky

From: Cliff Palefsky
Sent: Friday, November 13, 2009 12:00 PM
To: 'Bob Eassa'
Subject: Kruzich

Hi Bob,

Please let me know how we are going to proceed with regard to the initiation of arbitration.

Thanks

Cliff

Cliff Palefsky

From: Bob Eassa [BEassa@filicebrown.com]
Sent: Friday, November 13, 2009 12:38 PM
To: Cliff Palefsky
Cc: Tatum Hunter
Subject: Re: Kruzich

Hey Cliff,

I have been in L.A. all week taking depositions. Your request for arbitration was submitted to Chevron. A written response is expected sometime next week. I will advise as soon as I hear anything.

Bob

From: Cliff Palefsky
To: Bob Eassa
Sent: Fri Nov 13 12:00:26 2009
Subject: Kruzich

Hi Bob,

Please let me know how we are going to proceed with regard to the initiation of arbitration.

Thanks

Cliff

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Cliff Palefsky

From: Rosemary Pereda [RPereda@filicebrown.com]
Sent: Wednesday, November 25, 2009 4:46 PM
To: Cliff Palefsky
Cc: Bob Eassa; Tatum Hunter
Subject: FW: Kruzich v. Chevron, 11/25/09 Letter

Attachments: Document.pdf



Document.pdf (151 KB)

Mr. Palefsky:

Attached please find a letter from Bob Eassa, dated today, with respect to the above-referenced matter.

Thank you.

Rosemary Pereda
Secretary to Raymond J. Bergez,
Robert D. Eassa, Delia A. Isvoranu
and Tatum Hunter
Filice Brown Eassa & McLeod LLP
1999 Harrison Street, Eighteenth Floor
Oakland, CA 94612
510-444-3131
rpereda@filicebrown.com

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FILICE BROWN
EASSA & MCLEOD
ATTORNEYS AT LAW

Robert D. Eassa
REassa@filicebrown.com

November 25, 2009

VIA EMAIL

Cliff Palefsky, Esq.
McGuinn, Hillsman & Palefsky
535 Pacific Avenue
San Francisco, CA 94133

**Re: Kruzich v. Chevron U.S.A. Inc.
Denial of Arbitration Demand**

Dear Mr. Palefsky:

Please accept this letter as Chevron U.S.A. Inc.'s denial to Joseph Kruzich's arbitration demand under the STEPs process.

After reviewing Mr. Kruzich's claims, Chevron has determined that none of his claims are legally viable or arbitrable under Chevron's STEPs policy. Mr. Kruzich has not provided any support for his claims of fraud, misrepresentation or defamation. There is no contract to support his breach of contract claim. And, Mr. Kruzich has not provided any factual support for a claim of wrongful termination in violation of public policy. Finally, Mr. Kruzich's retaliation claim fails because there is no nexus between any adverse employment action and his allegedly protected activity.

As always, please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,

Robert D. Eassa

00215 35130 RDE 622131.1

LAKE MERRITT PLAZA • 1999 HARRISON STREET • SUITE 1800
PO BOX 70850 • OAKLAND, CA 94612-0850 • 510.444.3131 FAX: 510.839.7940

333 SO. GRAND AVENUE • SUITE 4200
LOS ANGELES, CA 90071-3124 • 213.687.2666 FAX: 213.687.2660

Cliff Palefsky

From: Bob Eassa [BEassa@filicebrown.com]
Sent: Monday, November 30, 2009 8:23 PM
To: Cliff Palefsky
Subject: Kruzich

Cliff,

Just picked up your v/m. I have been on the road today. Am on the East Coast this week taking depos. Will be back in the office on Friday. Thanks.

Bob

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Cliff Palefsky

From: Cliff Palefsky
Sent: Tuesday, December 01, 2009 10:04 AM
To: 'Bob Eassa'
Subject: RE: Kruzich

I received your letter explaining that Chevron unilaterally determined that none of Mr. Kruzich's claims are "legally viable" and that he has not provided any "factual support" for a wrongful termination claim.

If there is any provision of the ADR program that gives Chevron the right to make that threshold determination before any pleading is filed or discovery taken please point it out to me.

The plan, on its face, identifies wrongful termination claims as the types of claims that are legally cognizable.

Can you clarify for me the significance of your letter. Are you asserting that Chevron will not arbitrate this matter pursuant to the Steps program even though we mediated it under the Steps program?

Please try to get back to me before Friday.

Cliff Palefsky

From: Rosemary Pereda [RPereda@filicebrown.com]
Sent: Monday, December 07, 2009 2:14 PM
To: Cliff Palefsky
Cc: Bob Eassa; Tatum Hunter
Subject: Kruzich - December 7, 2009 Letter

Attachments: Document.pdf



Document.pdf (140 KB)

Mr. Palefsky:

Attached please find Bob Eassa's December 7, 2009 Letter with respect to the above-referenced matter.

Thank you.

Rosemary Pereda
Secretary to Raymond J. Bergez,
Robert D. Eassa, Delia A. Isvoranu
and Tatum Hunter
Filice Brown Eassa & McLeod LLP
1999 Harrison Street, Eighteenth Floor
Oakland, CA 94612
510-444-3131
rpereda@filicebrown.com

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FILICE BROWN
EASSA & MCLEOD
ATTORNEYS AT LAW

Robert D. Eassa
REassa@filicebrown.com

December 7, 2009

VIA EMAIL

Cliff Palefsky, Esq.
McGuinn, Hillsman & Palefsky
535 Pacific Avenue
San Francisco, CA 94133

Re: Denial of Arbitration Demand
Client/Matter No. 00215-35130

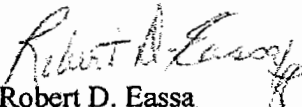
Dear Mr. Palefsky:

The STEPS process is an internal conflict resolution procedure which requires all Chevron U.S.A. Inc. ("Chevron") employees to attempt to resolve their disputes internally prior to proceeding to litigation. However, Chevron's legal department has the right to determine if a particular claim is appropriate for arbitration.

As stated in my previous letter, dated November 25, 2009, Chevron's legal department has determined that Mr. Kruzich's claims are not appropriate for arbitration as he has not asserted a legally viable claim. Chevron will not arbitrate this matter pursuant to the STEPS process.

As always, please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,


Robert D. Eassa

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PO BOX 70850 ♦ OAKLAND, CA 94612-0850 ♦ 510.444.3131 FAX: 510.839.7940

333 SO. GRAND AVENUE ♦ SUITE 4200
LOS ANGELES, CA 90071-3124 ♦ 213.687.2666 FAX: 213.687.2660

JOHN A. MCGUINN
JOHN R. HILLSMAN
CLIFF PALEFSKY
DEREK B. JACOBSON
KEITH A. EHRLMAN
CAROLYN A. LEARY
ABRAHAM FEINSTEIN-HILLSMAN

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SAN FRANCISCO, CALIFORNIA 94133
TELEPHONE (415) 421-9292

FAX (415) 403-0202

January 6, 2010

Michael Baldanado
District Director
U.S. Equal Employment Opportunity Commission
San Francisco District Office
350 The Embarcadero, Suite 500
San Francisco, CA 94105

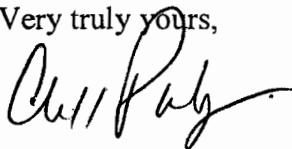
Re: *Joseph Kruzich/Chevron Corporation*
Charge of Discrimination No. 550-2010-00086

Dear Mr. Baldanado:

Enclosed please find Joseph Kruzich's executed Charge of Discrimination. I have attached to the Form 5 some "Additional Notes," which give further explanation of the retaliation claim. I am also attaching some additional documents relating to one of the retaliation claims, including a copy of Chevron's "STEPS" process and certain correspondence between our office and Chevron concerning Chevron's refusal to participate in the STEPS process.

Because Joseph Einikis was the investigator who sent us the Form 5, we have also today submitted the Charge of Discrimination and accompanying documents to Mr. Einikis.

Very truly yours,



Cliff Palefsky

Enc.

JOHN A. MCGUINN
JOHN R. HILLSMAN
CLIFF PALEFSKY
DEREK B. JACOBSON
KEITH A. EHRLMAN
CAROLYN A. LEARY
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January 6, 2010

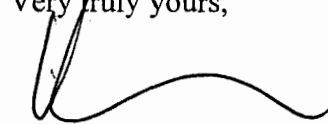
Joseph F. Einikis
U.S. Equal Employment Opportunity Commission
San Francisco District Office
350 The Embarcadero, Suite 500
San Francisco, CA 94105

Re: *Joseph Kruzich/Chevron Corporation*
Charge of Discrimination No. 550-2010-00086

Dear Mr. Einikis:

This office represents Claimant Joseph Kruzich. Enclosed please find Joseph Kruzich's executed Charge of Discrimination. I have attached to the Form 5 some "Additional Notes," which give further explanation of the retaliation claim. I am also attaching some additional documents relating to one of the retaliation claims, including a copy of Chevron's "STEPS" process and certain correspondence between our office and Chevron concerning Chevron's refusal to participate in the STEPS process.

Very truly yours,



Keith Ehrman

Enc.

5



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
San Francisco District Office

350 The Embarcadero, Suite 500
San Francisco, CA 94105
Intake Information Group: (800) 669-4000
Intake Information Group TTY: (800) 669-6820
San Francisco Status Line: (866) 408-8075
San Francisco Direct Dial: (415) 625-5602
TTY (415) 625-5610
FAX (415) 625-5609

Charge No. 550-2010-00086

Mr. Joseph Kruzich
c/o Cliff Palefski
McGuinn, Hillsman & Palefski
535 Pacific Avenue
San Francisco, CA 94113

Charging Party

RECEIVED

JUN 16 2011

McGuinn, Hillsman & Palefsky

and

Chevron Texaco
6001 Bollinger Canyon Road
Building A
San Ramon, CA 94583

Respondent

DETERMINATION

Under the authority vested in me by the Commission, I issue the following determination as to the merits of the charge filed under Title VII of the Civil Rights Act of 1964, as amended (Title VII). All jurisdictional requirements have been met.

Charging Party alleges that from in or about January 2009 to June 2009, he was harassed, transferred, relieved of his duties, and notified of his impending discharge based on his national origin and in retaliation for engaging in protected activity. Charging Party further alleges that from in or about September 2009 to in or about November 2009, he was discriminated against based on his national origin and retaliated against for engaging in protected activity in that he was discharged and subsequently denied relocation expenses and arbitration after his discharge.

Respondent denies that it has discriminated against Charging Party.

Based upon the investigation, I am unable to conclude that Charging Party was harassed, transferred, relieved of his duties, discharged, or denied relocation expenses based on his national origin in violation of Title VII. Based upon the investigation, I am also unable to conclude that Charging Party was transferred, relieved of his duties, discharged, or denied

Joseph Kruzich v. Chevron Texaco
Letter of Determination
EEOC Charge No. 550-2010-00086
Page 2 of 2

relocation expenses for engaging in protected activity. This does not certify that Respondent is in compliance with the statute.

However, the investigation revealed that Charging Party was denied arbitration by Respondent in retaliation for engaging in protected activity.

Based upon the evidence, I have determined that there is reasonable cause to believe that Respondent discriminated against Charging Party for engaging in protected activity when they denied Charging Party arbitration.

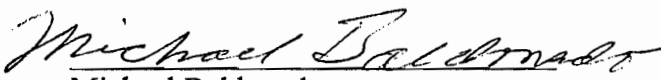
Section 706(b) of Title VII of the Civil Rights Act of 1964, as amended (Title VII), requires that if the Commission determines that there is reasonable cause to believe that a violation has occurred, it shall endeavor to eliminate the alleged unlawful employment practice by informal methods of conference, conciliation, and persuasion. Having determined that there is reasonable cause to believe that a violation has occurred, the Commission now invites the parties to join with it in a collective effort toward a just resolution of this matter.

A representative of the Commission will contact you in the near future to begin the conciliation process. Disclosure of information obtained by the Commission during the conciliation process will be made only in accordance with Section 706(b) of Title VII and Section 1601.26 of the Commission's Procedural Regulations. When the Respondent declines to enter into settlement discussions, or when the Commission's representative for any other reason is unable to secure a settlement acceptable to the Office Director, the Director shall so inform the parties in writing.

You are reminded that Federal Law prohibits retaliation against persons who have exercised their right to inquire or complain about matters they believe may violate the law. Discrimination against persons who have cooperated in Commission investigations is also prohibited. These protections apply regardless of the Commission's determination on the merits of the charge.

On Behalf of the Commission:

06/15/2011
DATE


Michael Baldonado
District Director