

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into by and between Mexico Foods, LLC, d/b/a El Rancho Corp. ("Respondent"), and the United States Department of Justice, Civil Rights Division, Office of Special Counsel for Immigration-Related Unfair Employment Practices ("Office of Special Counsel").

WHEREAS, on July 3, 2013, the Office of Special Counsel notified Respondent in writing that it was opening an independent investigation of Respondent DJ# 197-73-459 (the "OSC Investigation") to determine whether Respondent engaged in unfair documentary practices in violation of 8 U.S.C. § 1324b(a)(6) (the "Act").

WHEREAS, the Office of Special Counsel has concluded based upon information developed during the OSC Investigation that there is reasonable cause to believe that Respondent engaged in a pattern or practice of unfair documentary practices against lawful permanent residents from January 1, 2012, to August 21, 2013 on the basis of citizenship status in violation of the Act.

WHEREAS, the Office of Special Counsel and Respondent wish to resolve the OSC Investigation without further delay or expense and hereby acknowledge that they are voluntarily entering into this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual promises herein contained and to fully and finally resolve all disputes among the parties hereto as of the date of this Agreement, it is agreed as follows:

1. Respondent shall pay a civil penalty to the United States Treasury in the amount of forty-three thousand dollars (\$43,000.00).
2. The monies referenced in paragraph 1 shall be paid via the FedWire electronic fund transfer system within ten (10) business days of Respondent's receipt of a fully signed copy of this Agreement and fund transfer instructions. The Office of Special Counsel will provide Respondent instructions for the FedWire electronic transfer.
3. Respondent shall set aside a back pay fund to compensate work-authorized individuals who suffered economic damages, including suspension, termination, or other periods of lost work, as a result of Respondent's alleged employment eligibility practices from January 1, 2012, to August 21, 2013.
 - (a) Within fifteen days (15) business days of receipt of a fully signed copy of this Agreement, the Office of Special Counsel will provide Respondent with a list of lawful permanent residents who the Office of Special Counsel believes were subjected to Respondent's improper reverification practices.

- (b) Within thirty (30) calendar days from Respondent's receipt of the Office of Special Counsel's list as described in paragraph 3(a) above, Respondent will review its payroll and scheduling records for those individuals to determine if any of those individuals lost work as a result of the re-verification process. If so, within fifteen (15) business days after Respondent's search has concluded, Respondent will send a letter (Attachment "A") to those individuals, with a copy to the Office of Special Counsel, notifying the individuals of the procedures to follow to seek back pay.
 - (c) Within ninety (90) calendar days following the effective date of this Agreement, Respondent will search its company records for individuals who applied for a job with Respondent but who were not hired from April 3, 2013, to July 3, 2013. Of the individuals who were not hired, Respondent will conduct a further search, within the same time period, to determine if there are any records indicating the reason for non-hire. Within fifteen (15) business days after Respondent's search has concluded, Respondent will send a letter (Attachment "A"), with a copy to the Office of Special Counsel, to any individual whose reason for not hiring is unknown or related to the employment eligibility verification process.
 - (d) The Office of Special Counsel will notify Respondent in writing if any individual who received Attachment "A" meets the criteria for back pay compensation as outlined in Attachment "A." If so, the Office of Special Counsel will notify Respondent in writing the amount of back pay compensation to which each individual is entitled.
 - (e) Within fifteen (15) business days of Respondent's receipt of the Office of Special Counsel's written notification(s) as described in paragraph 3(d) above, Respondent will send a check by certified mail, with a copy to the Office of Special Counsel, to each individual identified by the Office of Special Counsel as being entitled to back pay compensation in the amount identified by the Office of Special Counsel.
4. Respondent shall not discriminate on the basis of citizenship status or national origin in violation of 8 U.S.C. § 1324b.
5. Respondent will treat all individuals equally, without regard to citizenship or immigration status, or national origin, during the hiring, firing, and employment eligibility verification and re-verification processes. Respondent shall avoid discrimination in the employment eligibility verification and re-verification processes by (a) honoring documentation that on its face reasonably appears to be genuine, relates to the person, and satisfies the requirements of 8 U.S.C. § 1324a(b); (b) not requesting more or different documents than are required by law; and (c) permitting all employees to present any document or combination of documents acceptable by law.

6. Respondent will not intimidate, threaten, coerce, or retaliate against any person for his or her participation in this matter or the exercise of any right or privilege secured by 8 U.S.C. § 1324b.
7. Unless it has already done so as a condition for its access to the Department of Homeland Security's E-Verify program, Respondent shall post an English and Spanish version of the Office of Special Counsel "If You Have The Right to Work" poster ("OSC Poster"), in color and measuring no smaller than 18" x 24", an image of which is available at <http://www.justice.gov/crt/about/osc/htm/worker.php#>, in all places where notices to employees and job applicants are normally posted. The Notice will be posted within fourteen (14) business days from the effective date of this Agreement and will remain posted for one (1) year thereafter.
8. Respondent shall ensure that Respondent's HR Director (position currently vacant), HR Manager, and Personnel Coordinators ("Verifying Personnel"), are in possession of the most current version of the Form I-9, USCIS Employment Eligibility Verification Handbook for Employers (M-274) ("Handbook"), available at www.uscis.gov/I-9Central, and the most current USCIS E-Verify Manual (M-775) ("Manual"), available at www.uscis.gov/USCIS/Verification/E-Verify/E-Verify_Native_Documents/manual-employer_comp.pdf. Copies of these documents and future revisions of the Form I-9, Handbook, and Manual can be obtained from the United States Citizenship and Immigration Services at www.uscis.gov.
9. Within thirty (30) calendar days of receipt of a fully signed copy of this Agreement, Respondent will modify its employment policies as they relate to nondiscrimination on the basis of citizenship status and national origin to:
 - (a) Prohibit (1) requesting employment eligibility verification documents from any individual prior to making an offer of employment; (2) discriminating on the basis of citizenship status or national origin in the hiring and firing process; and (3) discriminating on the basis of citizenship status or national origin during the Form I-9 employment eligibility verification and re-verification process.
 - (b) Refer applicants and employees who complain, formally or informally, of discrimination in the hiring, firing, or Form I-9 employment eligibility verification and re-verification process immediately to the Office of Special Counsel by directing the affected individual to the OSC Poster and the Office of Special Counsel's worker hotline and website, and advise the affected individual of his or her right to file a charge of discrimination with the Office of Special Counsel.
 - (c) Provide that Respondent shall not take any reprisal action against an employee for having opposed any employment practice made unlawful by

8 U.S.C. § 1324b, or for filing any charge, or participating in any lawful manner in any investigation or action under 8 U.S.C. § 1324b.

Respondent shall comply with the aforementioned policy.

During the eighteen (18) months following Respondent's receipt of a fully signed copy of this Agreement (the "Reporting Period"), Respondent shall provide any changes in employment policies as they relate to nondiscrimination on the basis of citizenship status and national origin to the Office of Special Counsel for review at least thirty (30) calendar days prior to the effective date of such revised policies.

10. Within ninety (90) calendar days of receipt of a fully signed copy of this Agreement, the Office of Special Counsel shall provide all Verifying Personnel with training on their responsibilities to comply with 8 U.S.C. § 1324b, the appropriate use of E-Verify, and the employment eligibility verification and re-verification process as it relates to discrimination on the basis of citizenship status or national origin.
 - (a) The training will consist of viewing a remote webinar presentation. A recording of the webinar shall be provided by the Office of Special Counsel.
 - (b) All employees will be paid their normal rate of pay, and the training will occur during their normally scheduled workdays and work hours. Respondent shall bear all costs associated with these training sessions.
 - (c) For a period of one year from the effective date of this Agreement, all new Verifying Personnel hired by Respondent after the training described in this paragraph has been conducted shall attend an Office of Special Counsel Employer/HR webinar within sixty (60) business days of hire.
 - (d) Respondent's Verifying Personnel will register for one of the Office of Special Counsel's remote webinar presentations entitled "OSC Employer/HR Representative webinar" at <http://www.justice.gov/crt/about/osc/webinars.php>.
 - (e) Respondent shall compile attendance records listing the individuals who attend the training described in this paragraph, in the form of Attachment "B," including their full name, title, signature, and the date of the training, and send the form via email to joann.sazama@usdoj.gov within ten (10) business days of the training session.
11. During the Reporting Period, the Office of Special Counsel reserves the right to make reasonable inquiries to Respondent necessary to determine Respondent's compliance with this Agreement. As a part of such review, the Office of Special Counsel may require written reports concerning compliance, inspect Respondent's premises, examine

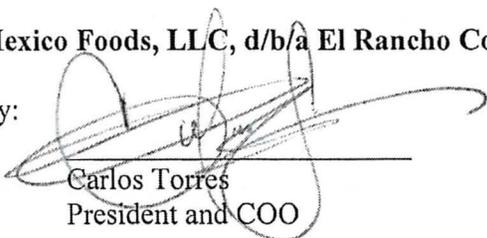
witnesses, and examine and copy Respondent's documents at the expense of the Office of Special Counsel.

12. During the Reporting Period, the Office of Special Counsel may conduct a random audit of Respondent's Forms I-9, including attachments, and require the production of its E-Verify transaction history. Respondent will provide the documents within fifteen (15) business days of its receipt of the Office of Special Counsel's request, and shall produce such documents in electronic form unless requested otherwise.
13. If the Office of Special Counsel has reason to believe that Respondent is in violation of any provision of this Agreement, the Office of Special Counsel shall promptly notify Respondent of the purported violation. Respondent will then be given a thirty (30) day period from the date it is notified by the Office of Special Counsel in which to cure the violation to the Office of Special Counsel's satisfaction before Respondent is deemed by the Office of Special Counsel to be in violation of this Agreement.
14. This Agreement resolves any and all differences between the parties relating to the OSC Investigation through the date this Agreement is signed by the parties.
15. The provisions of paragraph 1 notwithstanding, the Office of Special Counsel shall not seek from Respondent any additional civil penalty for the pattern or practice of unfair documentary practices that are or could have been the subject of the OSC Investigation into alleged violations of 8 U.S.C. § 1324b(a)(6) from March 28, 2010, through the date this Agreement is signed by all parties.
16. This Agreement may be enforced in the United States District Court for the Northern District of Texas.
17. The Office of Special Counsel and Respondent agree that, as of the effective date of this Agreement, litigation concerning the violations of 8 U.S.C. § 1324b that the Office of Special Counsel has reasonable cause to believe that Respondent committed is not reasonably foreseeable. To the extent that either party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to this matter, the party is no longer required to maintain such a litigation hold. Nothing in this paragraph relieves either party of any other obligations imposed by this Agreement.
18. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement. Respondent and the Office of Special Counsel agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is invalid.

19. This Agreement is neither an admission by Respondent of any act in violation of 8 U.S.C. § 1324b nor an admission by the United States of the merits of any of Respondent's defenses.
20. The Office of Special Counsel and Respondent agree to bear their own costs, attorneys' fees and other expenses incurred in this action.
21. This Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. The parties agree to be bound by facsimile signatures.

Mexico Foods, LLC, d/b/a El Rancho Corp.

By:



Carlos Torres
President and COO

Dated:

4-22-14

Office of Special Counsel for Immigration-Related Unfair Employment Practices

By:



Alberto Ruisanchez
Acting Deputy Special Counsel

Dated:

4-24-14

C. Sebastian Aloit
Special Litigation Counsel

Joann Sazama
Equal Opportunity Specialist

[ATTACHMENT A]

Date:

Name
Address
State/City Zip

RE: NOTICE OF SETTLEMENT AND POSSIBLE COMPENSATION

Dear Mr./Ms. [last, name];

I am writing because Mexico Foods, LLC, d/b/a El Rancho Corp. (also known as "Supermercado El Rancho") and the Civil Rights Division of the U.S. Department of Justice, Office of Special Counsel for Immigration-Related Unfair Employment Practices (Office of Special Counsel) recently entered into a settlement agreement regarding the company's alleged improper reverification of lawful permanent residents' Permanent Resident cards and the company's alleged request for Permanent Resident cards during the hiring process. You have been identified as an individual who **may** have been affected by Supermercado El Rancho's alleged discrimination.

As part of the settlement agreement, the company has agreed to compensate eligible individuals for lost wages, called "back pay." You may be entitled to compensation for back pay if:

1. You were a lawful permanent resident who worked for the company from January 1, 2012, to August 21, 2013;
2. After you were hired, a company official asked you to provide your Permanent Resident card renewal because your previous card expired or was about to expire; and
3. You lost any work during the process of trying to provide the company with your renewed Permanent Resident card.

You may also be entitled to compensation for back pay if:

1. You applied for a job at the company from January 1, 2012, to August 21, 2013;
2. A company official asked you to provide your Permanent Resident card during the hiring process;
3. You missed work or were not hired because you did not have your Permanent Resident card with you when it was requested; and
4. You had other documents which you may have used to show your eligibility to work in the United States instead of the Permanent Resident card (for example, I.D., driver's license, Social Security card).

If you believe that you are entitled to compensation, please contact Joann Sazama, Equal Opportunity Specialist in the Office of Special Counsel at 1-800-255-7688 (toll free) or 202-307-3092 (direct line) no later than 60 days from the date you receive this letter. If you do not contact Ms. Sazama by [DATE], you may lose the right to obtain compensation.