

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

JEFFREY C. LAKE and VICKIE
PATTERSON, Administratrix of the Estate
of Gerald Patterson
and
EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,

Plaintiff,

v.

AK STEEL CORPORATION,

Defendant.

CIVIL ACTION NO. 03-517

Judge David Stewart Cercone

SETTLEMENT AGREEMENT

INTRODUCTION

A. This action was instituted by the United States Equal Employment Opportunity Commission ("the EEOC") on September 8, 2003 at Civil Action No. 03-1321 (hereinafter "Complaint"), against AK Steel Corporation to enforce provisions of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.* ("Title VII"). This Complaint has been consolidated for purposes of trial under the above caption. In its Complaint, the EEOC alleged that Defendant, AK Steel Corporation, subjected Jeffrey C. Lake, Gerald Patterson (now deceased), Eric C. Cook, William Jackson, III, David Potts, Derek Potts, Ronald Edwards, and George Holmes, all current or former African-American employees of AK Steel Corporation, to a hostile work environment based on race. AK Steel Corporation denies the same.

B. This Settlement Agreement is entered into by the EEOC and AK Steel Corporation. This Settlement Agreement shall be final and binding between the EEOC and AK Steel Corporation, its directors, officers, agents, employees, successors or assigns and all persons in active concert or participation with it (hereinafter collectively referred to as "AK Steel Corporation").

C. The EEOC and AK Steel Corporation do hereby agree to the entry of this Settlement Agreement, which shall fully and finally resolve all claims which were raised by the EEOC in its Complaint. This Settlement Agreement shall not constitute an adjudication of or finding on the merits of the case and shall not be construed as an admission by AK Steel Corporation of any violation of Title VII.

SETTLEMENT AGREEMENT

NON-DISCRIMINATION AND NON-RETALIATION

1. This Court has jurisdiction over the parties and the subject matter of this action.

2. AK Steel Corporation shall not engage in any employment practice which constitutes unlawful discrimination under Title VII within the jurisdiction of the Court. Specifically, AK Steel Corporation shall not create, foster or tolerate a hostile work environment based on race within the jurisdiction of the Court.

3. AK Steel Corporation shall not engage in any employment practices which retaliate in any manner against any person, including but not limited to, because of that person's opposition to any practice alleged or believed to be unlawful under Title VII, or because of the filing of a charge, the giving of testimony or assistance, or the participation in any manner in any investigation, hearing or proceeding under Title VII within the jurisdiction of the Court.

4. AK Steel Corporation shall not divulge, directly or indirectly, to any employer or potential employer of Jeffrey C. Lake, Eric C. Cook, William Jackson, David Potts, Derek Potts, Ronald Edwards, and George Holmes, any of the facts or circumstances related to the charge of discrimination against AK Steel Corporation or any of the events relating to Jeffrey Lake, Eric C. Cook, William Jackson, David Potts, Derek Potts, Ronald Edwards, and George Holmes's participation in the litigation of this matter.

5. AK Steel Corporation shall comply fully with all provisions of Title VII. Nothing in this Settlement Agreement, either by inclusion or exclusion, shall be construed to limit the obligations of AK Steel Corporation under Title VII or the EEOC's authority to process or litigate any charge of discrimination which may be filed against AK Steel Corporation in the future.

MONETARY RELIEF

6. The amount of One Hundred Sixty Thousand Dollars and No Cents (\$160,000.00) in compensatory damages shall be paid to **Jeffrey C. Lake**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Mr. Lake must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Lake reflecting this payment.

7. The amount of One Hundred Thousand Dollars and No Cents (\$100,000.00), in compensatory damages shall be paid to the **Estate of Gerald Patterson**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Ms. Vickie Patterson, the Administratrix of the Estate of Gerald Patterson must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Patterson's Estate reflecting this payment.

8. The amount of One Hundred Thousand Dollars and No Cents (\$100,000.00), in compensatory damages shall be paid to **William Jackson, III**, in full settlement of the claims

against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Mr. Jackson must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Jackson reflecting this payment.

9. The amount of Thirty-eight Thousand Dollars and No Cents (\$38,000.00), in compensatory damages shall be paid to **Eric C. Cook**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Mr. Cook must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Cook reflecting this payment.

10. The amount of Thirty-eight Thousand Dollars and No Cents (\$38,000.00), in compensatory damages shall be paid to **Derek Potts**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Mr. Potts must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Potts reflecting this payment.

11. The amount of Thirty-eight Thousand Dollars and No Cents (\$38,000.00), in compensatory damages shall be paid to **David W. Potts**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the

monetary relief, Mr. Potts must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Potts reflecting this payment.

12. The amount of Thirty-eight Thousand Dollars and No Cents (\$38,000.00), in compensatory damages shall be paid to **Ronald Edwards**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Mr. Edwards must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Edwards reflecting this payment.

13. The amount of Thirty-eight Thousand Dollars and No Cents (\$38,000.00), in compensatory damages shall be paid to **George Holmes**, in full settlement of the claims against AK Steel Corporation which were raised in the EEOC's Complaint. In order to receive the monetary relief, Mr. Holmes must execute a Release. Within thirty (30) business days of receipt of the signed Release, a check for this monetary relief will be mailed to John W. Murtagh, Jr., 110 Swinderman Road, Wexford, PA 15090, and a copy of said check will be mailed to M. Jean Clickner, Senior Trial Attorney, EEOC, 1001 Liberty Avenue, Suite 300, Pittsburgh, PA 15222. An IRS Form 1099 will be issued to Mr. Holmes reflecting this payment.

POSTING OF NOTICE

14. Within ten (10) business days after the signing of this Settlement Agreement, AK Steel Corporation shall post one (1) same-sized copy of the Notice attached as Exhibit 1 to this Settlement Agreement at each of the following locations at its Butler facility: (1) Hill Top Processing, (2) the Melt Shop, (3) the Maintenance Building, (4) the Main Gate, (5) the Human Resources office, and (6) the Union Hall, at a location usually used by AK Steel Corporation for communicating with employees. The Notice shall remain posted for two (2) years from the date of the signing of this Settlement Agreement. Counsel for AK Steel Corporation shall provide a copy of the Notice, and an indication of the date and location of its posting, to the EEOC's Pittsburgh Office, attention, M. Jean Clickner, Senior Trial Attorney, within ten (10) days of the posting. AK Steel Corporation shall permit a representative of the EEOC to enter its premises, only in accordance with all AK Steel safety rules, for purposes of verifying compliance with this Paragraph at any time during normal business hours without prior notice. AK Steel Corporation shall take all reasonable steps to ensure that the posting is not altered, defaced or covered by any other material. Should the posted copies become defaced, removed, marred, or otherwise illegible, AK Steel Corporation agrees to immediately post a readable copy in the same manner as heretofore specified.

RECORD KEEPING

15. For a period of three (3) years following the signing of this Settlement Agreement, AK Steel Corporation shall maintain and make available for inspection and copying by the EEOC records of each complaint of any incident of racial harassment occurring at its Butler, Pennsylvania location. Each such report shall indicate the date the complaint of racial harassment was made, who made it, what was alleged, and what actions AK Steel Corporation took to resolve the matter. AK Steel Corporation also agrees to create and make available a complaint form for the voluntary use of employees. AK Steel Corporation shall also make

records of all actions it takes to prevent racial harassment at its Butler, Pennsylvania facility during the duration of this Agreement.

16. AK Steel Corporation shall make all documents or records referred to in Paragraph 15, above, available for inspection and copying within ten (10) business days after the EEOC so requests. The EEOC agrees to limit such requests to no more than every six (6) months, unless there is a reasonable basis to believe that AK Steel Corporation has been noncompliant with the provisions of Paragraph 15. In addition, AK Steel Corporation shall make available for interview all persons within its employ who the EEOC reasonably requests for purposes of verifying compliance with this paragraph and shall permit a representative of the EEOC to enter its premises for such purposes on five (5) business days advance notice by the EEOC.

17. Nothing contained in this Settlement Agreement shall be construed to limit any obligation AK Steel Corporation may otherwise have to maintain records under Title VII or any other law or regulation.

TRAINING

18. AK Steel Corporation shall provide training on the requirements of Title VII on the following terms:

(a) AK Steel Corporation agrees to provide training to all of its employees at the Butler, Pennsylvania location by a trainer or vendor approved by the EEOC to provide training on an employee's rights and the employer's obligations under Title VII. This training will emphasize AK Steel Corporation's policy prohibiting harassment and what constitutes unlawful racial harassment in the workplace, how to keep the company free of any such form of discrimination, and what constitutes unlawful retaliation.

(b) The training will be provided to all AK Steel Corporation employees employed in its Butler, Pennsylvania location, including temporary employees employed at the time of the training. In the event an employee is hired after the date of the required training session, AK Steel Corporation agrees that, as part of the new employee orientation, it will show the training required by this Settlement Agreement by way of videotape, CD rom, or on-line training. Records of the new employee orientation will be maintained and will be made available to the EEOC for inspection and copying at the EEOC's request. A registry of attendance shall be retained by AK Steel Corporation for the duration of the Settlement Agreement.

(c) AK Steel Corporation shall first provide training in accordance with Paragraph 18(a) on or before October 1, 2007.

19. In addition to the training described in Paragraph 18, AK Steel Corporation shall provide training to all appropriate supervisory and management personnel regarding conducting a prompt and effective investigation into allegations, complaints, or charges of employment discrimination.

20. AK Steel Corporation shall use an EEOC-approved trainer for each training session. AK Steel Corporation shall submit the name, address, telephone number and resume of the proposed trainer, together with the date(s) of the proposed training sessions to the EEOC within forty-five (45) calendar days prior to the first day of the proposed date(s) of training. The EEOC shall have ten (10) calendar days from the date of receipt of the information described above to accept or reject the proposed trainer(s) and approval of the proposed trainer will not be unreasonably denied. In the event, however, that the EEOC does not approve AK Steel Corporation's designated trainer(s), AK Steel Corporation shall have ten (10) calendar days to identify an alternate trainer. The EEOC shall have ten (10) calendar days from the date of receipt of the information described above to accept or reject the alternate trainer. In the event

the EEOC does not approve AK Steel Corporation's alternate trainer, the EEOC shall designate a trainer, consistent with AK Steel's cost parameters for such training.

21. AK Steel Corporation agrees to provide the EEOC with any and all copies of pamphlets, brochures, outlines or other written materials provided to the participants of the training sessions. Even though the EEOC has approved of or designated a trainer to provide training for one year, it is not required to approve of or designate the same trainer for future training sessions.

22. AK Steel Corporation shall certify to the EEOC in writing within five (5) business days after the training sessions required by Paragraphs 18 and 19 above have occurred that the training has taken place and that the required personnel have attended. Such certification shall include: (i) the dates, location and duration of the training session; (ii) a copy of the registry of attendance, which shall include the name and position of each person in attendance; and (iii) a listing of all current employees, including temporary employees, as of the date of the training.

DISPUTE RESOLUTION

23. In the event that either party to this Settlement Agreement believes that the other party has failed to comply with any provision(s) of the Settlement Agreement, the complaining party shall notify the other party of the alleged non-compliance within ten (10) days of the alleged non-compliance and shall afford the alleged non-complying party ten (10) business days to remedy the non-compliance or to satisfy the complaining party that the alleged non-complying party has complied. If the alleged non-complying party has not remedied the alleged non-compliance or satisfied the complaining party that it has complied within ten (10) business days, the complaining party may apply to the Court for appropriate relief.

MISCELLANEOUS PROVISIONS

24. Each party to this Settlement Agreement shall bear its own expenses, costs and attorneys' fees.

25. The terms of this Settlement Agreement are and shall be binding upon the present and future representatives, agents, directors, officers, assigns, and successors of AK Steel Corporation in their capacities as representatives, agents, directors and officers of AK Steel Corporation, and not in their individual capacities. This paragraph shall not be construed as placing any limit on remedies available to the Court in the event that any individual is found to be in contempt for a violation of this Settlement Agreement.

26. This Settlement Agreement shall fully and finally resolve all claims which were raised by the EEOC in its Complaint.

27. This Settlement Agreement shall be filed in the United States District Court for the Western District of Pennsylvania and shall continue to be in effect for a period of three (3) years. Any application by any party to modify or vacate this Settlement Agreement during such period shall be made by motion to the Court on no less than thirty (30) days notice to the other party.

28. The Court retains jurisdiction over this case in order to enforce the terms of the Settlement Agreement.

Stephanie Bisselberg
AK STEEL CORPORATION

RONALD S. COOPER
GENERAL COUNSEL

JAMES L. LEE
DEPUTY GENERAL COUNSEL

GWENDOLYN YOUNG REAMS
ASSOCIATE GENERAL COUNSEL

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION

Jacqueline H. McNair (TRC)
JACQUELINE H. MCNAIR
REGIONAL ATTORNEY

Judith D. Boyle (TRC)
JUDITH O'BOYLE
SUPERVISORY TRIAL ATTORNEY

M. Jean Clickner
M. JEAN CLICKNER
SENIOR TRIAL ATTORNEY
Pa. I.D. No. 42738
EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION
1001 Liberty Avenue, Suite 300
Pittsburgh, PA 15222
(412) 644-6439

IT IS SO ORDERED:

BY THE COURT: _____
DAVID S. CERONE
UNITED STATES DISTRICT JUDGE

DATE: _____

EXHIBIT 1

NOTICE TO AK STEEL CORPORATION BUTLER WORKS EMPLOYEES

This Notice is being posted pursuant to a Settlement Agreement entered by the federal court in *EEOC v. AK Steel Corporation*, Civil Action Number 03-CV-0517 (W.D. PA.), resolving a lawsuit filed by the Equal Employment Opportunity Commission ("EEOC") against AK Steel Corporation.

Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, *et seq.*, as amended, ("Title VII"), prohibits discrimination against employees and applicants for employment based upon race, color, sex, religion, or national origin. Title VII further prohibits retaliation against employees or applicants who avail themselves of the rights under Title VII by engaging in protected activities, such as filing a charge of discrimination and/or testifying or participating in a Commission investigation. The EEOC is the federal agency which investigates charges of unlawful employment discrimination. The EEOC has the authority to bring lawsuits in federal court to enforce Title VII.

In its lawsuit, the EEOC alleged that AK Steel Corporation subjected African-American employees to harassment based on race in violation of Title VII of the Civil Rights Act of 1964 ("Title VII"). AK Steel Corporation denies these allegations.

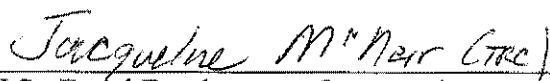
This case has been resolved. AK Steel Corporation will not retaliate against any person because he or she opposed any practice made unlawful by Title VII, filed a Title VII charge of discrimination, participated in any Title VII proceeding, or asserted any rights under the Settlement Agreement. AK Steel Corporation will train all employees regarding racial harassment and AK Steel Corporation's policy prohibiting racial harassment. In accordance with its policy, AK Steel will not to discriminate on the basis of race, color, sex, religion, national origin or any protected category.

AK Steel Corporation's policy is posted at multiple locations around the plant and is available, upon request, from the Human Resources office.

If you believe you have been discriminated against, you may contact the EEOC at (800)669-4000. The EEOC charges no fees and has employees who speak languages other than English.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE

This Notice must remain posted for two years from the date below and must not be altered, defaced or covered by any other material. Any questions about this Notice or compliance with its terms may be directed to the: Regional Attorney, EEOC Philadelphia District Office, 21 South 5th Street, Philadelphia, PA 19106.



U.S. Equal Employment Opportunity
Commission

DATED: 1/30/07



AK Steel Corporation

DATED: 1/25/07