

**Conciliation Agreement**  
**Between the United States Department of Labor**  
**Office of Federal Contract Compliance Programs**  
**And**  
**Allens, Inc.**  
**305 Main Street**  
**Siloam, Arkansas 72761**

**PART I: General Provisions**

1. This Agreement is between the Office of Federal Contract Compliance Programs (~~hereinafter OFCCP~~) and Allens, Inc. (~~hereinafter Allens~~).
2. The violations identified in this Agreement were found during a compliance evaluation of Allens at its establishment located at 5900 Turkey Highway, Turkey, North Carolina 28303, which began on October 19, 2009, and they were specified in a Notice of Violation issued December 8, 2010. OFCCP alleges that Allens has violated Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212), and their implementing regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by Allens of any violation of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212), and their implementing regulations.
4. The provisions of this Agreement will become part of Allens' Affirmative Action Programs (AAPs). Subject to the performance by Allens of all promises and representations contained herein and in its AAPs, all named violations in regard to the compliance of Allens with all OFCCP programs will be deemed resolved. However, Allens is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
5. Allens agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to Allens' compliance. Allens shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Allens from the obligation to comply with the requirements of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212), and their implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Allens agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceedings under Executive Order

**Allens, Inc.**  
**Conciliation Agreement**

11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).

8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Regional Director for OFCCP, unless the Director, OFCCP, indicates otherwise within 45 days of the Regional Director's signature on this Agreement.
9. If, at any time in the future, OFCCP believes that Allens has violated any portion of this Agreement during the term of this Agreement, Allens will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide Allens with 15 days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes that Allens has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

Liability for violation of this Agreement may subject Allens to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-300.66, 41 CFR 60-741.66 and/or other appropriate relief.

**PART II: Specific Provisions**

1. **VIOLATION:** Personnel activity data provided by Allens for the period January 1, 2008 through September 30, 2009, revealed that Allens failed to afford qualified female hires and qualified female incumbent Laborer employees placement opportunities equal to those afforded similarly situated men when filling higher paying Production Operative positions. Additionally, Allens failed to maintain data on the pool of Production Operative applicants. Allens hired <sup>206</sup> Production Operatives, of whom (7)(E) were male. When availability data for female Production Operatives in the local recruiting area is considered, the disparity between male (7)(E) and female (7)(E) selection rates is statistically significant at the level of (7)(E) standard deviations with a shortfall of three women not hired.

Accordingly, OFCCP finds that Allens has discriminated against female incumbent Laborers comprising 27 qualified Class Members by failing to place them initially or subsequently into higher paying Production Operative positions because of their gender, in violation of 41 CFR 60-1.4(a)(1).

**REMEDY:** Allens will attempt to locate the 27 Class Members whose names are listed on Attachment A to this Agreement. Within 15 days of the signing of this Agreement by the Regional Director, OFCCP, Allens will contact the Class Members at Attachment A by "Certified Mail, Return Receipt Requested" and by regular mail, using Attachment B, "Notice to Class Members," Attachment C, "Employment Interest Verification Form," and Attachment D, "Release of Claims under the Executive Order." Class Members will have 30 calendar days

**Allens, Inc.**  
**Conciliation Agreement**

from the date they receive the "Notice to Class Members" to mail or return by other means to Allens the completed "Employment Interest Verification Form" and "Release of Claims under the Executive Order."

Allens will notify OFCCP, Raleigh Area Office, in writing of all the Class Members it has not located and of all the Class Members, it has located within 60 days after the signing of this Agreement by the Regional Director, OFCCP.

OFCCP will attempt to locate Class Members not located by Allens. Within 30 days of receiving the lists of Class Members located and not located by Allens, OFCCP will provide Allens, in writing, a list of addresses OFCCP obtained for Class Members not located by Allens. ~~Allens will have an additional 60 days from receiving the list of Class Members~~ located by OFCCP to notify them of their status as Class Members and to determine their interest in employment, using Attachments B, C and D, as described above.

Subject to the screening process referenced below, Allens will make written Production Operative job offers to Class Members listed on Attachment A until a total of 3 Class Members have accepted job offers or until Attachment A is exhausted, whichever occurs first. Allens will make job offers to Class Members who sign and return the "Employment Interest Verification Form" and "Release of Claims under the Executive Order" that states an interest in employment. Employment is contingent upon each interested Class Member successfully completing Allens' selection and screening process. It is understood that such selection and screening process includes, a successful background check and passage of a drug test. In addition, the Class Member, if a former Allens employee, must be eligible for rehire. The criteria for selecting or rejecting any Class Member will be no more stringent than those used by Allens during the review period January 1, 2008 through September 30, 2009.

Allens will make all job offers in writing as vacancies occur, but no later than 180 days after the Regional Director, OFCCP signs this Agreement. New hires must agree upon a start date no more than 14 days from the date of receiving the written job offer. Any new hire who fails to report to work on the start date and time scheduled, without prior approval by Allens, will be treated as having rejected the job offer. All hiring decisions, including job offers made and documentation of reasons for rejection, will be submitted to OFCCP for review as required in Part III of this Agreement.

Allens will hire Class Members at the current starting rate of pay for the Production Operative positions into which they are hired. Allens will provide hired Class Members with the retroactive company service date of February 1, 2008 and benefits in keeping with that service date, which are valued at 27% of the hourly pay rate, subject to standard eligibility requirements.

Allens will disburse \$11,448 in back pay, \$2,669.76 in back benefits and \$862.76 in interest, for a total financial settlement of \$14,980.52 to the located Class Members who, execute the "Release of Claims under the Executive Order" in Attachment A to this Agreement.

The total financial settlement will be divided equally among these Class Members and paid to each Class Member in lump sum, less appropriate legal deductions. Each Class Member's share of this payment will be reduced by withholding for federal income tax, state, and/or local

**Allens, Inc.**  
**Conciliation Agreement**

income tax, and the Class Member's share of FICA. Each Class Member shall receive an IRS Form W-2 for their share of the back pay and benefits which totals \$14,117.76. \$862.76 of this payment constitutes interest, and each Class Member will receive an IRS Form 1099 for their share of this interest amount. Disbursement of money will not be contingent upon acceptance by a Class Member of Allens' job offer.

Allens will distribute the monetary settlement to the Class Members no sooner than 45 days and no later than 210 days after the Regional Director signs this Agreement and all efforts to locate Class Members have been exhausted by the parties in accordance with this Agreement. Allens will complete the process of monetary disbursement and hires, and will provide OFCCP with evidence of job offers, hires, copies of pay slips showing legal deductions and cancelled checks, as indicated in Part III of this Agreement.

Allens will not retaliate, harass, or engage in any form of reprisal or other adverse action against any Class Member based on or in relation to the terms or provisions of this Agreement.

Within 120 days of the Regional Director's signature on this Agreement, Allens will provide training on its equal employment opportunity programs for all persons involved in Allens' application, selection and job placement procedures. Thereafter, Allens will update this training annually.

To ensure that this violation ceases, Allens will immediately modify its record maintenance and selection procedures for Production Operative positions, including those Allen directly hires and those Allen initially fills through temporary agencies. In addition, Allens will review at least annually and revise, as needed, its selection procedures to ensure that this violation does not recur.

2. **VIOLATION:** Allens failed to preserve all personnel and employment records for a period of not less than two years from the date of a) the making of the record or b) the personnel action involved, whichever occurred later. Specifically, Allens did not preserve its application and selection data. 41 CFR 60-1.12(a), 41 CFR 60-300.80 and 41 CFR 60-741.80.

**REMEDY:** Allens will preserve all personnel and employment records it makes or keeps in either electronic or hard copy format, including all application and selection data, for a period of not less than two years, if applicable, from a) the date of the making of the record or b) the personnel action involved, whichever occurs later. Where a compliance evaluation has been initiated by OFCCP, Allens will preserve all employment and personnel records beyond the two-year period, if applicable, until OFCCP makes a final disposition in the matter.

3. **VIOLATION:** Allens failed to identify in the personnel records it keeps, where possible, the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, whichever is applicable to the particular position. 41 CFR 60-1.12(c)(1) (ii).

**REMEDY:** Allens will identify in the personnel records it keeps, where possible, the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, whichever is applicable to the particular position

**Allens, Inc.**  
**Conciliation Agreement**

4. **VIOLATION:** Allens failed to perform annual adverse impact determinations of its selection processes for hires. 41 CFR 3.4 and 41 CFR 60-3.15A (2)

**REMEDY:** Allens will perform adverse impact determinations of its selection process for hiring each applicant and/or Internet Applicant, to determine whether it produces adverse impact against gender, racial and ethnic groups identified in 41 CFR 60-3.4B. Allens will perform these analyses by job or job group, separately for a) minorities, b) racial or ethnic groups constituting at least two percent of the Allens' relevant labor area or two percent of Allens' workforce compared with the favored racial or ethnic group in the personnel activity analyzed and c) women. Allens will undertake corrective action, if and as needed, based on the results of these analyses. Allens will carry out such analyses, at least annually, thereafter.

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**FUTURE CONDUCT:** Allens will not repeat the above violations.

**PART III: Reporting**

Allens shall submit **three reports** as stated below to Carley Hicks Jr., Assistant District Director—Raleigh, United States Department of Labor, Office of Federal Contract Compliance Programs, 4407 Bland Road, Suite 270, Raleigh, North Carolina 27609.

The **first report** shall be due 60 days after the date on which the Regional Director, OFCCP signs this Agreement. The first report will contain the following information:

1. Documentation of attempts to contact all Class Members in Attachment A, the current disposition of each applicant contacted and copies of the notification letters sent; and
2. Copies of all letters returned by Class Members as well as those returned as undeliverable.

The **second report** shall be due 240 days after the date on which the Regional Director, OFCCP signs this Agreement. The second report will contain the following information:

1. Documentation of attempts to contact those Class Members in Attachment A not initially located and for whom OFCCP provided Allens with addresses, including the current disposition of each of these Class Members, copies of the notification letters sent, and copies of all letters returned by Class Members, as well as those returned as undeliverable;
2. Documentation of all job offers and efforts made to hire three Class Members into Production Operative job group positions. This documentation shall include written evidence of job offers and hires and a list of all Class Members who expressed an interest in employment, annotated to indicate those offered a position and those hired. Documentation of any offer declined by a Class Member;
3. Documentation of monies disbursed to each Class Member who executed the "Release of Claims under the Executive Order," including copies of the canceled checks and pay slips, or other documentation verifying payment, showing legal deductions and the gross amount of each of the two lump sums: a) the first lump sum comprising back pay and benefits; and b) the second lump sum comprising interest;

**Allens, Inc.**  
**Conciliation Agreement**

4. Documentation that Allens reviewed and corrected its applicant selection procedures. Description of any modification made, if needed, to ensure that Violation 1 of Part II of this Agreement ceased and will not recur; and
5. Documentation of training that Allens provided on its equal employment opportunity programs for all employees involved in Allens' application/selection and hiring processes, including the date(s) of training, and names and titles of recipients.

The **third report** will cover the 12-month period after the Regional Director, OFCCP, signs this Agreement and shall be mailed 30 days after the close of that 12-month period. The third report will contain the following information:

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1. Separate analyses for those persons a) working as temporary Laborers whom Allens hires onto its payroll as an employee into a Production Operative job group position and b) those Laborers who are already employees of Allens who are promoted into a Production Operative job group position. These separate analyses of hiring and promotions into the Production Operative job will include the following:
  - a) The total number of applicants/candidates and hires/promotions for the reporting period;
  - b) The breakdown of applicants/candidates and hires/promotions by applicable race, gender and ethnic group, as identified in 41 CFR 60-3.4b;
  - c) The results of Allens' analysis as to whether its total selection process has an adverse impact, as defined in 41 Executive Order 60-3.4d, on those members of groups identified in 41 CFR 60-3.4b;
  - d) Where the total selection process has an adverse impact, the qualification(s) that Allens used, if any, and the stage at which Allens used the qualification(s) as a screening device;
  - e) Where the total selection process has an adverse impact, as defined in 41 CFR 60-3.4d, the results of Allens' evaluation of the individual components of the selection process for adverse impact; and
  - f) The actions taken by Allens where action is appropriate, after determining that any component of the selection process has an adverse impact on members of groups identified in 41 CFR 60-3.4b; and
  - g) In addition, Allens will submit results of its adverse impact analysis as described in a-f above for all other job groups where hiring and/or promotions occurred during the review period.
2. Copy of applicant flow logs (including those who applied for promotion) covering the 12-month period indicated above for the Laborer and Production Operative job groups. The report will include, at a minimum, the following variables: applicant name, gender, job title applied for, date of application, hired or not hired, promoted, not promoted, job title hired/promoted into, job group hired/promoted into, date of hire/promotion, and reason not hired/promoted.

**Allens, Inc.**  
**Conciliation Agreement**

**TERMINATION DATE:** This Agreement will expire 90 calendar days after OFCCP receives the second and final report required in Part III above or on the date that the District Director gives notice to Allens that it has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies Allens in writing prior to the end of the 90-day period that Allens has not satisfied its reporting requirements pursuant to this Agreement.

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**Allens, Inc.  
Conciliation Agreement**

**PART IV: Signatures**

The person signing this Conciliation Agreement on behalf of Allens, Inc. personally warrants that he or she is fully authorized to do so, that Allens, Inc. has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Allens, Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Allens, Inc.

Date: 3/31/11

**(6), (7)(C)**

**Mr. James W. Phillips**  
Vice President, Corporate Services  
Allens, Inc.  
305 East Main Street  
Siloam, Arkansas 72761

Date: 4/1/11

**(6), (7)(C)**

**Carley Hicks, Jr.**  
Assistant District Director—Raleigh  
Office of Federal Contract Compliance  
Programs

Date: 6 April 2011

**(6), (7)(C)**

**Bradley A. Anderson**  
District Director—Raleigh  
Office of Federal Contract Compliance  
Programs

Date: 8 Apr 2011

**(6), (7)(C)**

**Evelyn League**  
Regional Director—Southeast  
Office of Federal Contract Compliance  
Programs

NOTICE TO CLASS MEMBERS

Allens, Inc. (hereinafter Allens) and the United States Department of Labor's Office of Federal Contract Compliance Programs have entered into a Conciliation Agreement to resolve alleged disparities in selecting candidates for Production Operative job group positions at its establishment in Turkey, North Carolina from the period January 1, 2008 through September 30, 2009. You were identified as an applicant for such a position during that time period.

As part of this Agreement you are eligible to receive a distribution of no less than \$554, subject to all lawful payroll deductions. Under the terms of this Agreement, you may receive the award after the process of locating eligible candidates has been completed in approximately six months. To be able to participate in this settlement, you must complete, sign and, no later than 30 days from your receiving this Notice, return to the following address **BOTH** of the documents sent with this Notice: the (1) *Employment Interest Verification Form* and (2) *Release of Claims under the Executive Order*:

Allens, Inc.  
5900 Turkey Highway  
Turkey, North Carolina 28303  
Attention: (7)(C)

In addition to the monetary distribution, Allens will be making Production Operative job group offers to some individuals who are receiving this Notice. It is not certain that you will receive such a job offer. However, if you are interested in employment with Allens in a Production Operative position, please indicate so in the enclosed Employment Interest Verification Form.

Allens will offer employment at its Turkey, North Carolina establishment to Class Members who return the *Employment Interest Verification Form* and the *Release of Claims under the Executive Order* to the above address. Employment is conditioned upon successful completion of the same Allens' selection and screening process in effect during the period of January 1, 2008 through September 30, 2009. It is understood that such selection and screening process includes, a successful background check and passage of a drug test. In addition, the Class Member, if a former Allens employee, must be eligible for rehire. Class Members must agree on a start date no more than 14 days from the date of receiving the written job offer.

If you fail to respond within the 30-day period, you will not be entitled to receive any monetary distribution and will not be considered for employment in a Production Operative position under this Agreement. You are eligible for a monetary distribution even if you are not currently interested in employment in a Production Operative job group position at Allens' Turkey establishment.

By entering into this Agreement, Allens has not admitted nor has there been any adjudicated finding that Allens violated any laws when it did not hire you as a Production Operative.

If you have any questions, you may contact (7)(C). You may also contact Compliance Officer (7)(C), (7)(E) at the Department of Labor at 919-790-8248.

Sincerely,

James W. Phillips  
Vice President, Corporate Services  
Allens, Inc.

Enclosures: *Employment Interest Verification Form*  
*Release of Claims under the Executive Order*

**EMPLOYMENT INTEREST VERIFICATION FORM**

You must complete all sections of this form and the *Release of Claims under the Executive Order* in order to be eligible for the monetary distribution and/or employment opportunities under the terms of the Conciliation Agreement between Allens, Inc. (hereinafter Allens) and the United States Department of Labor's Office of Federal Contract Compliance Programs (hereinafter OFCCP). Please print legibly, and sign your name where indicated.

Name: \_\_\_\_\_

I confirm that the address on the cover letter is correct.

The address on the cover letter is not correct. My correct address and telephone number are:

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

**Notify Allens at the address below if your address changes within the next 12 months.**

Your Social Security Number is required for tax purposes: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Please check whether you are currently interested in a Production Operative position with Allens. If you complete and return this *Employment Interest Verification Form* and the *Release of Claims under the Executive Order*, you are eligible for the monetary distribution, whether or not you are interested at this time in a Production Operative position with Allens.

Yes, I am still interested in a Production Operative position with Allens.

No, I am not currently interested in a Production Operative position with Allens.

You must complete all sections of this form or it will be disregarded and you will not be eligible to participate in the settlement between Allens and OFCCP. Return this completed form and the *Release of Claims under the Executive Order* within 30 days of your receiving them to:

**Allens, Inc.  
5900 Turkey Highway  
Turkey, North Carolina 28303  
Attention: (7)(C)**

"I certify that the information I have provided above is true and correct."

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**RELEASE OF CLAIMS UNDER THE EXECUTIVE ORDER**

In consideration of the payment to me of at least \$554.00 (minus deductions required by law) by Allens, Inc. (hereinafter Allens), which I agree is acceptable, and also in consideration of the Conciliation Agreement between Allens and the Office of Federal Contract Compliance Programs (hereinafter OFCCP), I, \_\_\_\_\_ agree to the following:

I.

I understand that the amount of \$554.00 set forth above is the minimum gross amount of my portion of the monetary settlement between OFCCP and Allens, and that the actual payment to me will be reduced, in part, to account for legally required payroll deductions such as income tax withholding and Social Security contributions. I understand that this payment will be reflected on an Internal Revenue Service Form W-2 and a Form 1099 at the end of the calendar year in which the payment is made. ~~Monies reported on the Form 1099 will not be reduced for taxes or other payroll deductions~~ and I understand that I may owe income taxes on the amounts reported to me on the Form 1099.

II.

In exchange for the monetary amount set forth above, I hereby waive, release and forever discharge Allens, its predecessors, related entities, subsidiaries, and organizations, and its and their directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of the Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to my selection for employment by Allens at any time prior to the effective date of the Release.

III.

I understand that Allens denies that it treated me unlawfully or unfairly in any way and that Allens entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and to bring closure to the Compliance Evaluation initiated by OFCCP on October 19, 2009. I further agree that the payment of the aforesaid sum by Allens to me is not to be construed as an admission of any liability by Allens.

IV.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors. I further declare that I have decided of my own free will to sign this Release.

V.

I understand that if I do not sign this Release and return it and the completed *Employment Interest Verification Form* to Allens at the address shown below within 30 days of my receiving the *Notice to Class Members*, I will not be entitled to receive any of the financial or other relief provided in the Conciliation Agreement

**Allens, Inc.**  
**5900 Turkey Highway**  
**Turkey, North Carolina 28303**  
Attention: (7)(C)

IN WITNESS WHEREOF, I have set my hand to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
Day Month Year

Signature