

CAPRI MADDOX
GENERAL MANAGER

CLAUDIA LUNA
ASSISTANT GENERAL MANAGER

KIM KASRELIOVICH
ASSISTANT GENERAL MANAGER

**CITY OF LOS ANGELES
CALIFORNIA**



**KAREN BASS
MAYOR**

**CIVIL + HUMAN RIGHTS
AND EQUITY DEPARTMENT**

201 N. LOS ANGELES ST., SUITE 6
LOS ANGELES, CA 90012

(213) 978-1845

civilandhumanrights.lacity.org

NOTICE OF VIOLATION

Date: January 19, 2023

INVESTIGATION NO.: DISINV0001044

Compliance Date: February 18, 2024

NOTICE NO.: DISENF0001007

RESPONDENT: Smart & Final Stores, LLC

ADDRESS: 600 Citadel Drive, Commerce, CA 90040

VIOLATION DATE: September 22, 2022

Violation. The Los Angeles Department of Civil + Human Rights and Equity conducted an investigation based on an allegation of discrimination by Respondent and found the following act(s) in violation of Los Angeles Municipal Code Section 51.03:

1. On or about September 22, 2022, Complainant, Corey Brown, an African-American male, entered the Smart & Final Extra ("Smart & Final") grocery store at 845 S. Figueroa St. #100, Los Angeles, CA 90017, at approximately 8:30 pm, and was told by security personnel that if he wanted to enter and shop, he must remove his backpack and leave it at the front of the store on the floor. Mr. Brown was a frequent customer of Smart & Final and had never encountered this request before. Mr. Brown declined to leave his backpack on the floor and went home to drop off his bag. Mr. Brown returned to the store less than one hour later and observed customers of different races shopping with their backpacks on. When Mr. Brown inquired with a shopper, who was shopping with his backpack, about the no-backpack rule, the shopper stated he was not aware of such a rule.

2. In interviews, staff at the specific Smart & Final location confirmed the existence of a “bag policy” requiring some customers to leave their belongings at the front of the store. However, the bag policy had no formal application and was applied selectively.
3. In addition, security staff at the Smart & Final location confirmed the existence of a bag policy implemented based on the appearance of a customer. The owner of the security company admitted that this situation involved race-based discrimination.
4. After this incident was brought to the attention of Smart & Final, they withdrew the bag policy.

By the foregoing actions, Smart & Final Stores, LLC engaged in discrimination based on race in violation of Los Angeles Municipal Code Section 51.03.

Administrative Penalties. Pursuant to Los Angeles Municipal Code Section 51.07(A) an administrative penalty of \$5,000 is imposed. You are ordered to pay the administrative penalty on or before the Compliance Date.

Compensatory Penalties. Pursuant to Los Angeles Municipal Code Section 51.07(A) a compensatory penalty of \$5,000 is imposed. You are ordered to pay the compensatory penalty on or before the Compliance Date.

Total Penalties Imposed: \$10,000
Due by February 18, 2024

ADMINISTRATIVE HEARING NOTICE:

You may file an appeal of this Notice of Violation by requesting an administrative hearing pursuant to Los Angeles Municipal Code Section 51.08(A). Your request for an administrative hearing/appeal must be postmarked or received by the Los Angeles Commission on Civil Rights within 15 calendar days of the mailing of this Notice. The request for hearing must: 1) be in writing; 2) specify in detail the objections to the notice of violation; and 3) indicate your preferred return mailing address. In order to request a hearing, please complete and return the attached Request for Hearing either by mail to the Commission on Civil Rights, 201 N. Los Angeles Street, Suite 6, Los Angeles, CA 90012, Mail Stop: 1500-010 or by email to CRE@lacity.org.

If the Commission on Civil Rights does not receive a timely request for a hearing or you fail to appear at the hearing that will be scheduled, the Notice of Violation

will be considered final. Please refer to Los Angeles Municipal Code Section 51.08 and Commission on Civil Rights Administrative Rules and Procedures (<https://civilandhumanrights.lacity.org/commissions/commission-civil-rights>) for more information regarding the appeal process.

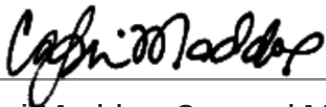
WARNING

Failure to respond to this notice will result in the Notice of Violation becoming final.

Failure to timely pay a penalty will result in the assessment of a late fee, assessed daily at a rate of 7 percent per annum of the outstanding amount of the penalty and late fees, if any. The City may collect any unpaid penalty, including the late fee, by means of a civil action, injunctive relief, specific performance, and the recordation of a lien against real property in accordance with applicable law.

Any questions regarding this Notice of Violation can be directed to Civil + Human Rights and Equity Department, 201 N. Los Angeles Street, Suite 6, Mail Stop: 1500-010, Los Angeles, CA 90012, (213) 978-1845, or CRE@lacity.org.

Signed:



Capri Maddox, General Manager
Civil + Human Rights and Equity Department

01-19-2024

Date

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SETTLEMENT AGREEMENT

Date: June 18, 2024

INVESTIGATION NO.: DISINV0001044

NOTICE OF VIOLATION NO.: DISENF0001007

RESPONDENT: Smart & Final, LLC

ADDRESS: 600 Citadel Drive, Commerce, CA 90040

AGREEMENT

It is hereby stipulated and agreed to that Smart & Final, LLC ("Respondent") and the City of Los Angeles, by and through the Civil + Human Rights and Equity Department ("the Department," collectively, "the Parties") hereby agree to resolve the above-listed Notice of Violation filed by the Department through this Settlement Agreement ("Agreement") pursuant to following terms and conditions:

1. Respondent is fully aware of its legal rights in this matter, including the right to a hearing on the charges in the Notice of Violation; the right to confront and cross-examine the witnesses against it; the right to present evidence and to have testimony presented on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded under the City of Los Angeles Civil and Human Rights Law and other applicable laws. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.
2. By signing this Agreement, no party is admitting liability, wrongdoing, or the truth of any facts alleged in the Notice of Violation.

3. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Agreement, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.
4. This Agreement is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Agreement may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.
5. If any provision of this Agreement is held to be invalid and/or unenforceable, the remaining provisions will be considered valid and enforceable as if the invalid and/or unenforceable portion did not exist.
6. In consideration for the Department's promises in this Settlement Agreement, Respondent agrees:
 - a. The Department will hereby be paid the total gross sum of Ten Thousand Dollars (\$10,000.00) in administrative and compensatory penalties, which will be paid either by: (1) check payable to the City of Los Angeles, Attn: Civil + Human Rights Department - Civil Rights Enforcement, 201 N. Los Angeles Street, Suite 6, Los Angeles, CA 90012, OR (2) electronic payment at <https://dpwpay.lacity.org/PayInvoice?Tid=L0qtd5LdPk6vJim2TGviF7jHlplCKVKdUNTyrPONnk%3d> within fourteen (14) days of the Effective Date of this Agreement;
7. In exchange for Respondents' promises in this Agreement, the Department agrees:
 - a. To the closure of the investigation resulting from the Notice of Violation referenced above.
8. The existence, terms, and conditions of this Settlement Agreement and Notice of Violation are not confidential, and the Settlement Agreement is a public document.
9. The Parties agree and understand that the Department has the authority to investigate compliance with this Agreement, to enforce the Agreement in Court, or, in the event of a breach of this Agreement by any party, to reopen the case, continue its investigation, and pursue the Notice of Violation process to the full extent of the Department's legal authority.
10. This Agreement shall be interpreted under the laws of the State of California.

11. For this Settlement, which includes claims that may be unknown at present, the Parties acknowledge that they have read and understand Section 1542 of the California Civil Code, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.” The Parties hereby expressly waive and relinquish all rights and benefits only related to Investigation No. DISINV0001044 and any law or legal principle of similar effect in any jurisdiction with respect to the releases granted herein, including but not limited to the release of unknown and unsuspected claims granted in this Agreement.

CONTINGENCY

Pursuant to Los Angeles Municipal Code section 51.05(c), this Agreement shall be subject to approval by the Commission on Civil Rights (“the Commission”). Respondent understands and agrees that counsel and staff for the Department may communicate directly with the Commission regarding this Agreement without notice to or participation by Respondent or his counsel. If the Commission fails to adopt this Agreement, the Agreement shall be of no force or effect, except for this paragraph; it shall be inadmissible in any legal action between the parties, and the Department shall not be disqualified from further action by having considered this matter.

Pursuant to the Municipal Code, a settlement disapproved by the Commission shall be remanded to the Department, which shall resume enforcement authority over the matter, including the authority to present a new settlement to the Commission.

ACCEPTANCE


By executing this Settlement Agreement, each Party acknowledges that:

- a. They have carefully read and fully understand the provisions of this Agreement;
- b. They have knowingly and freely entered into this Agreement, without coercion; and
- c. The undersigned individuals, agents, or counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

This Agreement may be executed in counterparts, each of which constitutes an original, and all of which constitute one and the same Agreement.

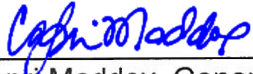
This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date").

SIGNED:

Date: 8/27/24 
On behalf of Smart & Final, LLC

Date: _____

Laura Reathafor
Counsel for Smart & Final, LLC

Date: 9-9-24 

Capri Maddox, General Manager
Civil + Human Rights and Equity Department