



Civil Rights Department

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Court grants preliminary approval of landmark \$100 million settlement of California Civil Rights' Department (formerly the Department of Fair Employment and Housing or DFEH) case against Riot Games, Inc.

The consent decree will require comprehensive injunctive relief including workplace reforms and independent monitoring

A Los Angeles Superior Court judge today granted preliminary approval of a landmark \$100 million settlement to resolve claims brought by the Civil Rights' Department (CRD – formerly the Department of Fair Employment and Housing or DFEH) against Riot Games, Inc. (Riot).

The complaint will resolve claims brought by CRD and the California Division of Labor Standards Enforcement (DLSE) in the first case jointly prosecuted by CRD and DLSE.

CRD had alleged that Riot engaged in systemic sex discrimination and harassment. CRD (then DFEH) notified Riot in October 2018 of its Director's complaint investigation into allegations of sexual harassment, discrimination, and retaliation against women employees and temporary agency contractors in its workplace.

In November 2018, former Riot employees filed a putative class action in Los Angeles Superior Court with private counsel and entered a proposed \$10 million settlement of that action soon thereafter. In January 2020, both DFEH and DLSE objected to the proposed \$10 million settlement. Both state entities then successfully intervened in the pending private action to protect the interests of the State and the women workers and to ensure the fairness of the resolution of the claims. If finally approved, the \$100 million consent decree and settlement will also settle the private plaintiffs' class action against Riot.

If given final approval by the court, the consent decree requires Riot to pay more than \$100 million to remedy violations against approximately 1,065 women employees and 1,300 women contract workers.

The decree also requires comprehensive injunctive relief in the form of workplace reforms, independent expert analysis of Riot's pay, hiring, and promotion practices, and independent monitoring of sexual harassment and retaliation at Riot's California offices for three years. The decree will also resolve claims brought by the California Division of Labor Standards Enforcement (DLSE) in the first case jointly prosecuted by DFEH and DLSE.

Under the consent decree, Riot has agreed to:

- Pay \$100 million, of which a minimum of \$80 million is dedicated to compensating workers. This amount includes \$4 million in penalties under the Private Attorney General Act (PAGA), one of the largest such penalties assessed by the DLSE in its history.
- Create a \$6 million dollar cash reserve for each year of the three-year term of the consent decree (for a total of \$18 million) to make pay adjustments and to fund diversity, equity, and inclusion programs.

- Make available 40 full-time positions in engineer, quality assurance, or art-design roles to qualified class members who worked as temporary contractors in a competitive process.

- Hire and pay for an independent third-party expert approved by DFEH to conduct a gender-equity analysis of employee pay, job assignments, and promotions each year for three years and remedy disparities that cannot be explained by bona fide, legitimate reasons.

- Hire and pay for an independent third-party monitor approved by DFEH to audit compliance with workplace protections, including a review of complaint investigations and outcomes, each year for three years

The court's preliminary approval starts the process wherein a claims administrator will send a Notice Packet to group/class members by August 31, 2022. Women who worked as direct employees or contractors, or temporary contractors who applied for permanent positions, for Riot from November 6, 2014 through December 27, 2021 may be eligible to receive compensation. The Notice Packet will explain to each individual their rights to relief. The claims administrator will also set up a website to provide information and communicate with the group/class members. Additional information on how to reach the claims administrator will be posted on DFEH's website when it becomes available.

A final approval hearing has been set by the court for December 1, 2022.

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The CRD is the state agency charged with enforcing California's civil rights laws. The mission of the CRD is to protect the people of California from unlawful discrimination in employment, housing and public accommodations and from hate violence and human trafficking. For more information, visit the CRD's web site at www.dfeh.ca.gov.

