

Civil Rights Department

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Civil Rights Department Secures Court Approval of \$100 Million Settlement Against Riot Games Over Alleged Discrimination

Settlement is the largest agreement of its kind in CRD's history and resolves allegations related to systemic sex discrimination, harassment, and retaliation

SACRAMENTO – The California Civil Rights Department (CRD) today secured final court approval of a landmark \$100 million consent decree to resolve allegations against Riot Games related to systemic sex discrimination, harassment, and retaliation. The consent decree requires Riot Games to take a range of corrective actions — subject to independent monitoring — to prevent similar future civil rights violations and to pay \$100 million into a settlement fund to remedy violations against approximately 1,600 women employees, including contract workers. The case was jointly prosecuted with the California Division of Labor Standards Enforcement (DLSE) and the settlement is the largest of its kind in CRD's history.

"The court's final approval of this consent decree ensures that women workers who suffered serious and pervasive violations of their right to a workplace free from discrimination will be entitled to relief," **said CRD Director Kevin Kish.** "Today's decision is a critical step forward for healing and the rights of all Californians. My office is proud of the cross-agency collaboration that led to this consent decree, which will put in place important structural changes at Riot Games to ensure that women workers won't suffer similar harms in the future."

"In this case, we were successful in addressing systemic discrimination, making workers whole, and requiring Riot Games to implement reforms that will promote a workplace free of discrimination," said California Labor Commissioner Lilia García-Brower. "This case exemplifies effective government enforcement and collaboration. The consent decree sends a strong message to the industry that discrimination will not be tolerated and that employers must be vigilant in ensuring that all workers are free from discrimination. We applaud CRD for their leadership in this field."

In October 2018, CRD notified Riot Games that it had filed a Director's Complaint against the company as part of a civil pattern-or-practice investigation into allegations of sexual harassment, discrimination, and retaliation against women employees and temporary agency contractors in its workplace. The next month, private counsel filed a putative class action on similar claims in the Los Angeles County Superior Court and entered into a proposed \$10 million settlement with Riot Games. However, CRD and DLSE objected to the proposed \$10 million settlement and successfully intervened in the pending private action to protect the interests of the state and the company's workers, as well as to ensure the fairness of the resolution of the claims. On behalf of the State of California and the impacted workers, CRD, in partnership with DLSE, has now secured final court approval of the historic consent decree. In

the first case jointly prosecuted by CRD and DLSE under California's Equal Pay Act, the settlement resolves claims from both state agencies, as well as the private plaintiffs' class action against Riot Games.

In total, the consent decree provides for a \$100 million settlement fund, \$80 million of which is dedicated to compensating workers. The fund includes \$4 million in penalties under the Private Attorneys General Act, one of the largest such penalties assessed by the DLSE in its history. The consent decree also requires comprehensive workplace reforms and independent monitoring of sexual harassment, discrimination, and retaliation at Riot Games' California offices for three years. As part of the settlement, Riot Games will also:

- Create a \$6 million dollar cash reserve for each year of the three-year term of the consent decree, totaling \$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 to conduct a gender-equity analysis of employee pay, job assignments, and promotions each year for three years.

Additional information for women who may be class members is also available at <u>www.RiotSettlement.com</u> and <u>https://calcivilrights.ca.gov/readingroom/</u>.

A copy of the consent decree, as filed with the court, is available <u>here</u>. A copy of the complaint is available <u>here</u>.

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The California Civil Rights Department is the state agency charged with enforcing California's civil rights laws. The mission of CRD is to protect the people of California from unlawful discrimination in employment, housing, public accommodations, and state-fund programs and activities, and from hate violence and human trafficking. For more information, visit <u>calcivilrights.ca.gov</u>.

