# SETTLEMENT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND

## AMERICAN LASER CENTER, LLC UNDER THE AMERICANS WITH DISABILITIES ACT

#### **BACKGROUND**

- 1. The parties to this Settlement Agreement ("Agreement") are the United States of America and American Laser Centers, LLC ("American Laser Centers").
- 2. This matter is based upon a complaint filed with the United States Department of Justice ("Department") by Mr. Howard Orlick, in which Mr. Orlick alleged that American Laser Centers discriminated against him on the basis of his disability in violation of title III of the Americans with Disabilities Act ("ADA"), 42 U.S.C. §§ 12181, et seq. Specifically, Mr. Orlick alleges that American Laser Centers refused to shave him as part of his proposed hair removal treatment, because of his HIV status.
- 3. In March 2009, Mr. Orlick sought a consultation for laser hair removal services from American Laser Centers at their clinic located at 80 5th Avenue, Suite 1203, New York, N.Y., 10011. At this consultation, Mr. Orlick alleges that he was informed that the area to be treated must be pre-shaved, and that these shaving services were not provided to clients who have HIV.
- 4. In March 2010, Mr. Orlick sought a consultation for laser hair removal services, this time from American Laser Centers' clinic located at 161 Madison Avenue, New York, N.Y., 10016. Mr. Orlick was again informed that the area to be treated must be pre-shaved,

and that these shaving services were not provided to clients who have HIV.

5. The parties have reached agreement that it is in the parties' best interests, and the United States believes that it is in the public interest, to resolve this dispute without engaging in protracted litigation. The parties have therefore voluntarily entered into this Agreement, agreeing as follows:

#### TITLE III COVERAGE

- 6. The Attorney General is responsible for administering and enforcing title III of the ADA, 42 U.S.C. §§ 12181-12189, and the relevant regulations implementing title III, 28 C.F.R. pt. 36.
- 7. An individual who is HIV-positive has a disability within the meaning of 42 U.S.C. § 12102 and 28 C.F.R. § 36.104. A disability is a physical impairment that substantially limits one or more major life activities, including major bodily functions such as the functions of the immune system. 42 U.S.C. § 12102(2)(B).
- 8. American Laser Centers is a Delaware company, with its principal location at 24555 Hallwood Court, Farmington Hills, Mich., 48335. American Laser Centers owns individual Limited Liability Companies in all states in which it operates.
- 9. American Laser Centers leases and operates a place of public accommodation within the meaning of 42 U.S.C. § 12182(a); is a private entity within the meaning of 42 U.S.C. § 12181(6); and is considered a place of public accommodation because it affects commerce and operates service establishments within the meaning of 42 U.S.C. § 12181(7). See also 28 C.F.R. § 36.104.
- 10. Under title III of the ADA, no person who owns, leases (or leases to), or operates a place of public accommodation may discriminate against an individual on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of a place of public accommodation. 42 U.S.C. §

12182(a).

#### **FINDINGS**

- 11. On November 4 and 5, 2010, representatives from the Department interviewed three current or former Managers at three different clinics in New York, N.Y. All three confirmed that they were verbally advised during their training by a nurse trainer not to shave clients who disclose that they have HIV.
- 12. American Laser Centers produced relevant training material and protocols and procedures ("ALC Production") related to the services sought by Mr. Orlick. The ALC Production discusses the requirement to practice universal precautions with all clients to prevent exposure to bloodborne pathogens, known or unknown. The ALC Production did not indicate a policy to not shave clients with HIV.
- 13. American Laser Centers discriminated against Mr. Orlick by denying him the opportunity to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations of American Laser Centers in violation of 42 U.S.C. § 12182 and 28 C.F.R. § 36.201. American Laser Centers denies that it discriminated against Mr. Orlick.

### **ACTIONS TO BE TAKEN BY AMERICAN LASER CENTERS**

- 14. American Laser Centers will not exclude persons with disabilities from participation in or deny them the benefits of full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations in violation of section 302 of the ADA, 42 U.S.C. § 12182, and the relevant implementing regulations, 28 C.F.R. pt. 36.
- 15. As of the effective date of this Agreement, American Laser Centers will no longer deny any portion of their treatments to clients based on HIV status, including, but not limited to, shaving clients prior to hair removal services. Nothing in this agreement prevents American Laser Centers from refusing to provide treatment or services determined to be

a contraindication by a client's medical provider.

- 16. Within 30 days of the effective date of this Agreement, American Laser Centers will draft a policy stating that it does not discriminate in the provision of services to persons with disabilities, including persons who are HIV-positive. Once it has been approved by the United States, this policy statement will be conspicuously posted in the waiting area of all clinics and on the main company webpage at http://www.americanlaser.com for the duration of this Agreement.
- 17. Within 30 days of the effective date of this Agreement, American Laser Centers will provide training on title III of the ADA to all American Laser Centers employees, including training about HIV discrimination.
- 18. All training manuals or written materials dealing with American Laser Centers' policies and practices used in the training required in paragraph 17 or revised or created after the effective date of this Agreement shall be consistent with the provisions of this Agreement, and approved in advance by counsel for the United States.
- 19. Within 30 days of the effective date of this Agreement, American Laser Centers agrees to pay \$12,000 to Mr. Orlick, as authorized by 42 U.S.C. § 12188(b)(2)(B) and 28 C.F.R. § 36.504(a)(2), contingent on his execution of a release of all claims, to compensate him for the harm he has endured (including, but not limited to, emotional distress, pain and suffering, inconvenience, and other consequential injury) as a result of American Laser Centers' refusal to provide services.
- 20. Within 30 days of the effective date of this Agreement, American Laser Centers shall pay a civil penalty in the amount of \$5,000 as authorized by 42 U.S.C. § 12188(b)(2)(C) and 28 C.F.R. § 36.504(a)(3), as amended, in order to vindicate the public interest.
- 21. American Laser Centers will notify counsel for the United States when it has completed the actions described in paragraphs 16, 17, and 19.

#### **OTHER PROVISIONS**

- 22. In consideration for the Agreement set forth above, the United States will not institute any civil action alleging discrimination based on the allegations raised in DJ # 202-51-330, except as provided in paragraph 23, below.
- 23. The United States may review American Laser Centers' compliance with this Agreement or title III of the ADA at any time. If the United States believes that this Agreement or any portion of it has been violated, it will raise its concerns with American Laser Centers and the parties will attempt to resolve the concerns in good faith. The United States will give American Laser Centers 30 days from the date it notifies American Laser Centers of any breach of this Agreement to cure that breach before instituting an enforcement action.
- 24. Failure by the United States to enforce this entire Agreement or any of its provisions shall not be construed as a waiver of its right to do so with regard to other provisions of this Agreement.
- 25. A signatory to this document in a representative capacity for either party represents that he or she is authorized to bind that party to this Agreement.
- 26. This Agreement constitutes the entire agreement between the United States and American Laser Centers on the matters raised herein and no other statement, promise or agreement, either written or oral, made by any party or agents of any party, that is not contained in this written agreement, including any attachments, shall be enforceable.
- 27. This Agreement is not intended to remedy any other potential violations of the ADA or any other law that is not specifically addressed in this Agreement. Nothing in this Agreement changes American Laser Centers' obligation to otherwise comply with the requirements of the ADA.

#### **EFFECTIVE DATE/TERMINATION DATE**

- 28. The effective date of this Agreement is the date of the last signature below.
- 29. The duration of this Agreement will be three years from the effective date.

AGREED AND CONSENTED TO:

RHYTHM MANANI General Counsel American Laser Centers, LLC 24555 Hallwood Court Farmington Hills, MI 48335 (248) 426-8250 Ext. 10273 THOMAS E. PEREZ Assistant Attorney General SAMUEL R. BAGENSTOS Deputy Assistant Attorney General

<u>6/20/11</u> Date: ALLISON J. NICHOL, Chief
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Date

June 28, 2011