

Restaurant to settle 7 lawsuits, pay \$8.7 million

By Edward Iwata, USA TODAY

The Cracker Barrel ([CBRL](#)) restaurant chain has agreed to settle for several million dollars five lawsuits that accused the company of discriminating against black diners and workers, the company and plaintiffs' attorneys said Thursday.

Filed in recent years on behalf of 100 plaintiffs and the NAACP, the lawsuits alleged that Cracker Barrel denied service to black diners, subjected blacks to racial slurs and gave jobs such as dishwashing to black employees. (**Related:** [Cracker Barrel customer says bias was 'flagrant'](#))

In a filing Thursday with the Securities and Exchange Commission, Cracker Barrel says it agreed to pay \$8.7 million to plaintiffs and attorneys to settle the racial discrimination lawsuits and two separate labor cases alleging that Cracker Barrel did not pay workers adequate wages. (**Related:** [Cracker Barrel settles bias suit](#))

It's unclear how much of the \$8.7 million went to settle the racial discrimination lawsuits. In 2001, Cracker Barrel reserved \$3.5 million to settle the labor cases, but the offer was rejected, according to the company's filings with the SEC.

Under court order, Cracker Barrel and the NAACP cannot discuss the settlement.

"It's a fair settlement for everybody after years of hard-fought litigation," says attorney David Sanford at Sanford Wittels & Heisler, which represented many plaintiffs.

In statements released by Cracker Barrel President Donald Turner and NAACP President Kweisi Mfume, the two said: "This matter has been resolved to everyone's satisfaction and the parties are now ready to move forward."

Four months ago, Cracker Barrel settled a Justice Department lawsuit alleging discrimination against blacks. While admitting no wrongdoing, the company agreed to a consent decree to improve its policies and training, and to hire an independent auditor to monitor its practices.

Cracker Barrel still faces a lawsuit in Chicago by the U.S. Equal Employment Opportunity Commission and 10 women who accuse male employees of racial discrimination and sexual harassment at restaurants in Illinois.

In trading Thursday, the stock price of CBRL Group, the parent corporation of Cracker Barrel, climbed \$2.61, or 8%, to \$35.08. Cracker Barrel, which runs 505 restaurants and retail stores in 41 states, had \$1.9 billion in sales last year.