

1 I, Elaina Wales, declare:

2 1. I am currently an Assistant Warehouse Manager at the Costco Warehouse in Livonia,
3 Michigan. I have been a Costco employee since November 1999.

4 2. Prior to my employment at Costco, I had many years of experience in the retail field,
5 including ten years at Sam's Club, where I worked my way up from stocker to Assistant
6 Warehouse Manager. Sam's Club, a division of Wal-Mart, is a membership based warehouse
7 store, similar to Costco. I left Sam's Club in 1999 for the opportunity to work at Costco.

8 3. In early 1999, Shirley "Rae" Ellis, who had been my manager when I worked at Sam's
9 Club and had since become an Assistant Manager at Costco, told me about the many
10 opportunities at Costco. I decided to apply for a position at Costco. After several interviews,
11 Costco's Regional Vice President Richard Webb and Warehouse Manager Wendy Davis hired
12 me in November 1999 as the Membership Marketing Manager, a junior-level management
13 position, in Costco's Bloomfield, Michigan warehouse. Although this was two steps down from
14 my position as Assistant Manager at Sam's Club, I hoped to move up quickly in the Costco
15 system. I had made clear in my interviews with Mr. Webb and Ms. Davis that my ultimate goal
16 was to become a Warehouse Manager at Costco. Both Mr. Webb and Ms. Davis told me during
17 my interviews that I was on the "fast track" for promotion.

18 4. At the Bloomfield warehouse, I reported to Ms. Davis and Ms. Ellis, who was the
19 Assistant Manager. As she was at Sam's Club, Ms. Ellis was an excellent manager with high
20 standards and was always professional; I never heard her swear around her subordinates. Ms.
21 Ellis transferred to Colorado in August 2000.

22 5. In 2000, I made a lateral move into Assistant Front End Manager. I continued to tell
23 Ms. Davis of my desire to be promoted and my ultimate goal of becoming a Warehouse
24 Manager. For example, in my performance review I stated, "My primary goal is to earn the
25 position of Warehouse Manager within 5 years." Attached as Exhibit 1 is a true and correct copy
26 of my performance review, entitled "3 C's – Capability – Compatibility – Character," dated
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1 March 11, 2001. I also repeatedly told Ms. Davis that I wanted to gain merchandise experience.
2 Ms. Davis continued to support my goal and to tell me I was on the “fast track” to promotion.

3 6. In 2001, the Center Manager position opened. Ms. Davis told me she would rotate me
4 into that position even though it is not normally the first floor position held. She told me that it
5 was the most difficult floor position and that, if I served as Center Manager, I would gain the
6 necessary merchandising experience for promotion to Assistant Manager and would not have to
7 rotate through the Hardlines or Fresh positions. I became Center Manager in June 2001.

8 7. In late 2001, Ms. Davis left the warehouse and Mark Frederickson became the
9 Warehouse Manager. In February 2002, Mr. Frederickson told me I had to rotate to Hardlines
10 Manager because a male employee needed Center Manager experience in order to get promoted.
11 Soon after, I was rotated.

12 8. In August 2002, I was promoted to Receiving Manager, a senior staff level position. I
13 remained in that position for more than one year. I continued to receive excellent reviews and to
14 make clear my ultimate goal of becoming Warehouse Manager. Attached as Exhibit 2 is a true
15 and correct copy of my performance review, entitled “Performance Appraisal,” dated October 1,
16 2002. In November 2003, I made a lateral move to Merchandise Manager. I again received an
17 above average review. Attached as Exhibit 3 is a true and correct copy of my performance
18 review, entitled “Performance Evaluation,” dated February 12, 2004. Though I do not recall
19 whether the Receiving Manager position was posted, the Merchandise Manager position was not.
20 In each of these positions I had the same schedule; I arrived for work at 4:00 a.m. and finished
21 my shift at 1:00 p.m.

22 9. During this time, I continued to tell my supervisors of my interest in being rotated into
23 different staff level positions and in being promoted to Assistant Manager. I could not apply for
24 any other staff level positions or any Assistant Manager openings in any other warehouse as
25 these positions were not posted. I would have applied for other positions at other warehouses to
26 improve my chances for promotion if I had known about these openings. There is no procedure
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1 at Costco for finding out about openings at warehouses around the region and the country. It
2 seemed that one's access to information about openings depended mostly on who you knew.

3 10. I did not always receive support from Warehouse Managers. On one occasion, I
4 expressed an interest in advancement to Warehouse Manager Mark Frederickson. He chuckled
5 and told me "you are never going to get it."

6 11. In June 2003, there was an opening for Assistant Manager in my warehouse. The
7 position was not posted, nor was there a formal application procedure. Though I expressed
8 interest to Mr. Frederickson, had the required experience, and had always received above
9 average scores on my performance reviews, the position went to a male employee, David Pierce,
10 who transferred from another store

11 12. Frustrated by my lack of progress at Costco despite my excellent reviews and
12 repeated expressions of interest, I filed a Charge of Discrimination with the Equal Employment
13 Opportunity Commission (EEOC) through my attorney. Attached as Exhibit 4 is a true and
14 correct copy of the EEOC charge dated, September 30, 2003. Attached as Exhibit 5 is a true and
15 correct copy of the Notice of Right to Sue which I received from the EEOC.

16 13. In September 2004, Mr. Webb approached me about an opening at the Livonia
17 warehouse for Assistant Manager. The position was not posted. Mr. Webb told me I would be
18 interviewing with Warehouse Manager Melodie McCoy for the position and asked me not to tell
19 anyone about the opening. I do not know why I was to keep the opening a secret. I interviewed
20 for the position and received the promotion. After over five years at Costco, I had only reached
21 the management level that I had when I left Sam's Club/Wal-Mart. Far from being "fast-
22 tracked" to my goal of Warehouse Manager, I felt like I had been made to start over from
23 scratch at Costco.

24 14. Throughout my career at Costco, I have repeatedly told my supervising managers of
25 my interest in promotion, both in face-to-face meetings and in my performance reviews. I was
26 given very little information about how to get promoted or how to gain the necessary experience
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1 for promotion. I know of no written policy on the process for promotion at Costco. Each
 2 Warehouse Manager gave me different information about what was required to become an
 3 Assistant Warehouse Manager. One Warehouse Manager, Wendy Davis, told me I needed
 4 experience as an Administration Manager, while another, Mr. Frederickson, told me I needed
 5 experience as a Merchandise Manager. However, there was no clear path to get experience in
 6 either of those positions, as they were not posted. No Warehouse Manager gave me a timeline
 7 on how long it took to gain the experience necessary to become a Warehouse Manager. Without
 8 any kind of system or rules or posting of openings, it seemed like my chances at promotion
 9 depended mostly upon whether I was in the good graces of upper management. It was less
 10 about how well you performed and more about who you knew.

11 15. I decided to become involved in this action because I have been unfairly denied
 12 promotional opportunities. My primary goal is to ensure that the employment practices at
 13 Costco, which hinder the progress of women wishing to enter management, be changed to ensure
 14 fair and equitable treatment of female employees.

15 16. I have personal knowledge of the facts contained in this declaration and, if called as a
 16 witness, am competent to testify to those facts. I declare under penalty of perjury under the laws
 17 of the United States of America that the foregoing is true and correct.

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 19 This Declaration was signed by me on 8-22, 2006, at
 20 Chelsea, Michigan.

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