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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
(SAN FRANCISCO DIVISION)

SHIRLEY "RAE" ELLIS, LEAH
HORSTMAN, ELAINE SASAKI et al.,

Plaintiffs,

v.

COSTCO WHOLESALE CORPORATION

Defendant.

Case No. C04 3341 MHP

**DECLARATION OF KATHLEEN
OLSON IN SUPPORT OF
PLAINTIFFS' MOTION FOR
CLASS CERTIFICATION**

1 I, Kathleen Olson, declare:

2 1. I am a thirty-nine (39) year-old woman currently residing in Wasilla, Alaska.

3 2. I have personal knowledge of the facts set forth in this declaration and could and
4 would testify competently under oath if called as a witness. I understand that a class action
5 lawsuit alleging employment discrimination has been filed against Costco Wholesale
6 Corporation (“Costco”), and that this Declaration will be used by the plaintiffs in connection
7 with that case.

8 3. Before I was hired by Costco in September 1998, I had extensive experience in
9 retail management. I worked for Eagle Hardware store (“Eagle”), a chain of home improvement
10 stores, from 1992 to 1997, where I rose quickly through the managerial ranks and was a hard-
11 working, dependable employee. I was promoted quickly through several lower level managerial
12 positions and then promoted to Assistant Store Manager, a position I held from 1994 to 1997.
13 After leaving Eagle in 1997, I was hired as the Assistant Store Manager for Home Depot, where
14 I worked from 1997 until September 1998, when I was recruited to work at Costco.

15 4. Trevor Destatoff, who was at that time an Assistant Warehouse Manager at
16 Costco, recruited me to work for Costco in the fall 1998. Mr. Destatoff had been a customer at
17 Eagle when I was the Assistant Store Manager, and I had assisted him when one of his home
18 repair projects went awry. He told me he was impressed with the way I handled his problem
19 and he went out of his way to keep me updated on the status of his project. By the time he had
20 finished his home repair project, I was working at Home Depot. He approached me at Home
21 Depot to update me on his project and thanked me for my help. He asked me if I would be
22 interested in working for Costco. Shortly after Mr. Destatoff’s solicitation, I submitted my
23 resume and was called in for an interview with Todd Young, a Warehouse Manager. At that
24 interview, Mr. Young informed me that I had the position on the condition that I passed a
25 mandatory drug test. I then completed the application form and took and passed the drug test. I
26 was assigned to the Assistant Front End Manager position at the Anchorage I Warehouse (“South
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1 Anchorage Warehouse”).

2 5. When I accepted the position with Costco, I believed that Mr. Young had offered
3 me a position that was equivalent to my previous Assistant Store Manager positions. More
4 specifically, I believed that I would report to the Warehouse Manager. During my first meeting
5 with my new employees, however, I learned that my new position reported to the Front End
6 Manager instead of to the Warehouse Manager. The Front End Manager position was vacant
7 when I arrived at the store, so I was surprised to learn that, given my previous experience, I was
8 not hired into either that position or into the Assistant Warehouse Manager position. Because the
9 Front End Manager position was vacant when I began, I only learned that I was to report to the
10 Front End Manager because my subordinates informed me of the fact during our first meeting. I
11 immediately expressed my concern to the Warehouse Manager, Tom Edwards, who told me he
12 would telephone Mr. Young to inquire about the misunderstanding. Mr. Young met with me the
13 following week and apologized for the confusion. He told me I would easily move up through
14 the company as soon as I got to know the company and the company got to know me. During
15 this meeting, I reiterated that I was unhappy with the position he had given me and that my goal
16 was to become an Assistant Warehouse Manager.

17 6. Warehouse Manager Edwards filled the Front End Manager with a male
18 candidate, Lee Baxter, a few weeks after I arrived at the South Anchorage Warehouse. During
19 my first year with Costco, while I remained the Assistant Front End Manager, the position of
20 Front End Manager position was filled three (3) separate times, each time by male candidates.
21 Each of these men, Lee Baxter, Sterling Bob Ripley, and Aaron Lahnum, held the position for a
22 few months without fully performing the duties of the Front End Manager. Instead, they
23 continued with the tasks of Merchandising Manager, while being given the title of Front End
24 Manager. Out of necessity, I assumed most of the duties of the Front End Manager without
25 receiving the title or the pay of a staff level manager. I became frustrated that there was no
26 application process for the Front End Manager position. I felt that my qualifications and
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1 experience were being overlooked. I expressed this frustration to Warehouse Manager Young in
2 the spring 2000. He informed me that I was next in line for the position. In June 2000, however,
3 Aaron Lahnum was promoted to the Front End Manager position while I on my days off. I
4 returned to find my desk cleaned out and by belongings put into a closet underneath a stairwell.
5 I telephoned Mr. Young at home to convey my disappointment. He told me that Mr. Lahnum
6 was not going to be in the position for long because he was being fast-tracked to the Assistant
7 Warehouse Manager position. He then reassured me that I was next in line for a promotion. Mr.
8 Lahnum did, in fact, hold the title of Front End Manager for only a few months before being
9 promoted.

10 7. I was promoted to Front End Manager, a staff-level management position, on
11 August 24, 2000, nearly two full years after my hire date. The position was not posted. I did not
12 formally apply for the position. I did not interview for the position. Warehouse Manager Young
13 simply approached me on the floor and asked me if I would like to be Front End Manager. I
14 formally assumed Front End Manager duties a few days later.

15 8. After I was promoted to staff level management, I reiterated my interest in
16 becoming an Assistant Warehouse Manager. I approached Mr. Young informally to ask him
17 what I needed to do in this position and how long I needed to hold this position before I would be
18 ready to become an Assistant Warehouse Manager. Rather than provide me with specific
19 benchmarks that I needed to reach in order to advance my Costco career, Mr. Young simply told
20 me to wait and be patient. Then, in February 2001, Mr. Young approached me and asked me to
21 move to Receiving Manager, another staff level management position. He informed me that
22 accepting this position would mean that I had held two of the three staff-level management
23 positions necessary for promotion to Assistant Warehouse Manager. Until this conversation, I
24 had never been informed that rotating through the staff level management positions was a
25 prerequisite for promotion to Assistant Warehouse Manager. I had never been told this, and I
26 had been given nothing in writing that indicated this. I understood Mr. Young's statement to
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1 mean that I would be eligible for promotion to Assistant Warehouse Manager after successfully
2 performing the duties of Receiving Manager. Soon after Mr. Young rotated me into the
3 Receiving Manager position, he was transferred to another warehouse and Dick Snyder became
4 the Warehouse Manager of the South Anchorage Warehouse.

5 9. During my career the South Anchorage Warehouse, several Assistant Warehouse
6 Manager positions became vacant due to rotations between buildings and out of state transfers
7 and promotions. Though I believed myself to be qualified for the Assistant Manager position
8 due to my prior experience and job performance, to my knowledge I was never considered for
9 these positions. I was not given the opportunity to apply or interview for these positions. The
10 positions were not posted. Each Assistant Warehouse Manager was filled by a male candidate.

11 10. During my tenure as a staff-level manager, I never participated in “the walk”
12 with regional staff members. During “the walk,” regional staff members, including Regional
13 Vice Presidents and other top managers who are the superiors of the Warehouse Managers, tour
14 the warehouse and speak with the staff-level managers and Assistant Managers. When I was a
15 Front End Manager, I maintained the Front End during the walk so as not to disrupt the review
16 and reflect negatively on the warehouse. As the regional vice presidents walked with and spoke
17 with the other staff-level managers and Assistant Managers, I stayed behind, performing my
18 normal tasks. When I was the Receiving Manager, my crew and I worked hard to prepare the
19 receiving dock for review before the visit. However, the regional managers did not take “the
20 walk” through the receiving dock during the entire year I worked as a Receiving Manager. I
21 approached Warehouse Manager Snyder and expressed my frustration with the situation. I told
22 him that my crew and I were upset that we were expected to prepare for the visit without being
23 acknowledged for our hard work. He assured me that he would make sure the regional
24 management visited the receiving dock during the next walk. However, even subsequent to my
25 discussion with Mr. Snyder, “the walk” always took place after my shift had ended and, to my
26 knowledge, did not visit the receiving dock. Neither my crew nor I were acknowledged during
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1 the post-inspection meetings. I was never included in “the walk.”

2 11. I served as Receiving Manager at the South Anchorage Warehouse from February
3 2001 until approximately December 2001. During this time, I had considerable difficulty
4 obtaining the support I needed from Dick Snyder, the Warehouse Manager who replaced Mr.
5 Young. Although Mr. Snyder acknowledged in conversation with me that the receiving dock
6 employees were the most difficult in the warehouse, he refused to allow me to discipline them.
7 This severely hampered my ability to effectively manage my department. I was not aware of
8 similar restrictions placed on male staff-level managers with respect to disciplining employees.
9 It was very difficult for me to successfully complete my duties under these circumstances.

10 12. On May 25, 2001, Mr. Snyder suspended me, with pay, because an employee
11 [name unknown] wrote a letter alleging accusing me of misconduct. Mr. Snyder refused to
12 discuss the allegations with me until an investigation had been completed. On May 29, 2001, I
13 telephoned Mr. Snyder for an update. He informed me that the letter had been signed by an
14 employee and that the investigation was still on-going. I decided to use the Open Door to
15 express my concerns about the investigation and inform the regional office that I felt
16 unsupported by management. The Open Door is a Costco policy that permits an employee to go
17 up the chain of command to seek resolution of issues. The policy promises the Open Door may
18 be used without fear of retaliation. I telephoned Executive Vice President Craig Jelinek and left
19 a message. A few hours later, I received a phone call from a Regional Vice President, Dave
20 Harruff, who informed me that Mr. Snyder would allow me back to work the next day. When I
21 returned to work, Mr. Snyder told me that the allegations against me included the allegation that
22 I had called Mr. Snyder a “dick,” that I had said an employee was on my “shit list,” and that I
23 had called Assistant Warehouse Manager Alan Demers a “baby.” I had not made these
24 comments. On June 4, 2001, Mr. Snyder wrote a disciplinary note that concluded that I had
25 acted inappropriately and violated Costco’s Standard of Ethics, despite acknowledging that I had
26 not intended my actions to be offensive. My difficulties with Mr. Snyder and the receiving crew
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1 continued for six (6) months. After this employee complaint and discipline, there was a strained
2 managerial relationship between Mr. Snyder and me. Mr. Snyder refused to support my
3 managerial decisions and refused to allow me to participate in the walks with regional
4 management. Mr. Snyder gave me a negative review on December 17, 2001. The review stated
5 that I had sixty (60) days to improve my performance. On December 19, 2001, Frank Farcone,
6 the Regional Vice President, telephoned me and informed me that he had arranged for me to
7 transfer to the Front End Manager position at the Anchorage II Warehouse (“North Anchorage
8 Warehouse”). Throughout my tenure at the South Anchorage Warehouse, there were no female
9 managers.

10 13. When I transferred to the North Anchorage Warehouse, I arranged a meeting
11 with Mark Sjoboen, the Warehouse Manager, to discuss the reason for my transfer and to start
12 off on the right foot. During this meeting, Mr. Sjoboen assured me that I would have a clean
13 slate at the North Anchorage Warehouse. He then asked me what my goals were. I informed
14 him that I wanted to be promoted to Assistant Warehouse Manager. He told me to prove myself
15 on the Front End and that he would see what he could do to help me reach the Assistant
16 Warehouse Manager level. During the next year, Mr. Sjoboen gave me several new procedures
17 to implement. I completed each assignment. I implemented a new review process and began
18 holding regular supervisor meetings. He praised me for my efforts. Despite reaching every
19 benchmark that Mr. Sjoboen set for me, I remained a staff level manager. Mr. Sjoboen kept me
20 as a Front End Manager for more than 14 months, never offering a promotion or even a rotation.
21 He never told me what more, if anything, I needed to do to be promoted. Throughout my time at
22 the North Anchorage Warehouse, there were no female managers.

23 14. While I served as a Front End Manager at the North Anchorage Warehouse, I was
24 never included in “the walk” with regional managers. On one occasion, Regional Vice President
25 Frank Farcone visited the warehouse for “the walk” while I was waiting in the office. I expected
26 to be introduced; however, Warehouse Manager Sjoboen simply rushed Mr. Farcone by me
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1 without an introduction. Throughout my career as a staff-level manager at Costco, at both the
2 North Anchorage and South Anchorage locations, I was never included in “the walk.”

3 15. While I served as a Front End Manager under Mark Sjoboen, I learned that the
4 Area Manager – Center Merchandise position had become open. I had worked with a woman,
5 Shalmarie Wilson, whom I considered a hard-working, dependable employee who was well
6 qualified for the position. She had recently transferred to a Costco warehouse on the East Coast
7 and was eager to relocate back to Alaska. She had earned her forklift certification while working
8 for Costco on the East Coast. Despite her qualifications and my recommendation, Mr. Sjoboen
9 was reluctant to consider Ms. Wilson for the position. When I first told him that I believed she
10 would be a good person for the position, he remarked, “well, she’s a girl, do you think that she’ll
11 be able to do the job?” This indicated to me that Mr. Sjoboen had a low opinion of women’s
12 merchandising skills and their ability to work hard. After interviewing several other candidates
13 and offering the position to a man [name unknown] who did not accept the position, Mr. Sjoboen
14 hired Ms. Wilson.

15 16. On Wednesday, February 26, 2003, I asked Jesus Nava, an hourly employee who
16 I believed had not yet begun his shift, if he wanted to pick up lunch for the other supervisors in
17 the building. This was a common practice, and I had seen male managers ask hourly employees
18 to pick up their lunch on several occasions. Mr. Sjoboen terminated me on Friday February 28,
19 2003 for using a Costco employee for personal gain. As mentioned above, I had been disciplined
20 once for inappropriate language, which I denied using, over one (1) year and eight (8) months
21 before my termination. Because I did not know that Mr. Nava was on the clock, and because I
22 had witnessed similar behavior from male managers, I believed that this termination was unfair.

23 17. During my career with Costco, I was the only female staff level manager at the
24 two Costco warehouses in Anchorage. My male warehouse managers did not give me the same
25 support as other staff level managers, which hindered my ability to do my job. I completed each
26 task assigned to me. I often expressed my desire of becoming an Assistant Warehouse Manager
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1 and requested information on how to achieve this goal. However, I was neither rotated nor
2 promoted. I was not told what I needed to do to achieve promotion, while I watched men who
3 were fast-tracked move past me into Assistant Manager positions. I did not observe any women
4 receive promotions into the Assistant Manager position. The Assistant Manager positions were
5 not posted and there was no procedure to follow to express interest in promotions. I did
6 consistently express such an interest, but was stalled at the Front End, supervising cashiers.

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8 I declare under penalty of perjury under the laws of the United States and the State of
9 California that the foregoing is true and correct.


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Executed this 22 day of August 2006, in Wasilla, Alaska.

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Kathy Olson

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