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ENDORSED
FILED
San Francisco County Superior Court

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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 CITY AND COUNTY OF SAN FRANCISCO

13 NANCY M. VANDELL, LAURIE E. NARDINELLI,)
14 and CYNTHIA S. HERD, on behalf of themselves)
and all others similarly situated,)

15 Plaintiffs,)

16 vs.)

17 CHEVRON CORPORATION; CHEVRON USA,)
18 INC.; CHEVRON INDUSTRIES, INC.; CHEVRON)
INFORMATION TECHNOLOGY COMPANY; and)
19 DOES 1 through 50, inclusive,)

20 Defendants.)

21 CLAIRE ANN LEWIS, an individual,)

22 Plaintiff,)

23 vs.)

24 CHEVRON CORPORATION; CHEVRON USA,)
25 INC.; CHEVRON INDUSTRIES, INC.; CHEVRON)
INFORMATION TECHNOLOGY COMPANY; and)
26 DOES 1 through 50, inclusive,)

27 Defendants.)

28

No. 945302

SETTLEMENT AGREEMENT, SUBJECT
TO COURT ORDER OF APPROVAL

RECEIVED

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1 1. INTRODUCTION

2

3 1.1 Plaintiffs Nancy Vandell, Laurie Nardinelli, Cynthia Herd and Claire Lewis, on
4 behalf of themselves and all other persons similarly situated, filed this lawsuit in San Francisco
5 Superior Court on August 19, 1992, under California's Fair Employment and Housing Act,
6 Gov't Code Section 12940 et seq., against Chevron Corporation, Chevron USA, Inc., Chevron
7 Industries, and Chevron Information Technology Company (hereinafter collectively "the
8 Company"). The complaint alleges that the Company systematically discriminated against the
9 plaintiffs and all women employees within Chevron Information Technology Company
10 ("CITC") with respect to pay, promotions, evaluations, ranking and assignments. The
11 complaint further alleges that the Company tolerated a sexually hostile work environment for
12 CITC women employees.

13

14 1.2 Defendants filed answers, denying the allegations of the complaint.

15

16 1.3 Plaintiffs filed a motion for class certification on September 24, 1993. The
17 motion sought certification based on claims of sex discrimination claims as well as sexual
18 harassment. On February 2, 1994, the Court granted class certification of the sex
19 discrimination claims, but denied class certification with respect to the sexual harassment
20 claims.

21

22 1.4 In May 1994, the case was assigned to San Francisco Superior Court Judge
23 John E. Munter for all purposes. Judge Munter redefined the date for class membership as
24 June 5, 1991 and ordered that notice be sent to the class. The class received notice of the
25 pendency of the class action in November 1994. Of the approximately 868 class members,
26 137 women chose to opt out. A second notice of the pendency of the class action was sent to
27 newly hired class members in September 1996. Of the 46 new class members, three chose to
28 opt out. As a result, there are now approximately 774 class members.

1 1.5 Judge Munter ordered the named plaintiffs' individual claims of sexual
2 harassment to trial in January 1995. Those claims were resolved. In mid-1995, named
3 plaintiff Claire Lewis's status was changed from class representative to individual plaintiff (a
4 non-class member).

5
6 1.6 Discovery in this litigation has been completed and the case was set for trial
7 on October 15, 1996. The named plaintiffs and their counsel have vigorously prosecuted the
8 litigation, and defendants and their counsel have vigorously defended. The parties agree that
9 the voluminous discovery exchanged during the more than four years of this litigation is
10 sufficient for the parties to evaluate the claims and defenses and to reach a fair and equitable
11 settlement. At the request of the Court, the parties have engaged in settlement mediation.
12 Approximately four weeks of mediation have been held before Stuart Herman, an experienced
13 employment class action mediator with JAMS/Endispute. This settlement agreement is the
14 result of those efforts.

15
16 2. JURISDICTION

17
18 2.1 The Court has jurisdiction over the parties and the subject matter of this
19 action.

20
21 2.2 The Court retains jurisdiction throughout the duration of the Agreement to
22 adjudicate any breach of this Agreement and for the purposes delineated below.

23
24 3. EFFECTIVE DATE AND DURATION OF AGREEMENT

25
26 3.1 This Agreement shall become effective upon the date of final approval of the
27 Agreement and shall remain in effect for four years from the date of the response referred to
28 in Section 13.1(G)(1) or five years from the date of final Court approval, whichever is earlier.

1 The date of final approval (hereinafter the "Effective Date") means the date upon which the
2 Court approves the Agreement following a fairness hearing.

3
4 4. SETTLEMENT CLASS - The settlement class is defined as follows: All women
5 employees who are or were employed by CITC in California at any time from June 5, 1991
6 through September 1, 1996 and who did not opt out of the class. Inasmuch as class members
7 have been previously afforded an opportunity to opt out of the class, the parties agree that no
8 further opt-out procedure is necessary or appropriate and this settlement agreement is entered
9 into on this basis. This section shall not be subject to Section 31 below.

10
11 5. EFFECT OF REORGANIZATION, RESTRUCTURING, MERGER, DISSOLUTION
12 OR OUTSOURCING OF CITC

13 5.1 Nothing in this Agreement shall limit the right of the Company to reorganize,
14 restructure, merge or dissolve, or outsource CITC.

15
16 5.2 It is the intention of the parties that class members shall retain the full benefits
17 of the Prospective Relief provisions of the Agreement notwithstanding any reorganization,
18 restructuring, merger, dissolution or outsourcing of CITC work. In the event the Company
19 outsources CITC work to a non-Chevron entity, that entity shall not be bound by the
20 prospective relief provisions of this Agreement. "Non-Chevron entity" means an entity in
21 which Chevron has neither: (1) management interest, or (2) an ownership interest of 10% or
22 more.

23
24 5.3 In the event the Company reorganizes, restructures, merges, dissolves or
25 outsources CITC, it shall notify Class Counsel within fifteen days of any such action. The
26 Company and Class Counsel will promptly meet and confer to determine the impact on the
27 Prospective Relief provisions of this Agreement of the reorganization, restructuring, merger,
28 dissolution or outsourcing. The parties will attempt to negotiate necessary modifications of the

1 Prospective Relief provisions of the Agreement to take into account the changed
2 circumstances. No modification of the Agreement pursuant to this subpart shall be adopted
3 unless it is agreed upon in writing and approved by the Court.
4

5 5.4 In the event the parties are unable to reach agreement regarding necessary
6 modifications of the Agreement as described in Section 5.3 above, the Court shall have
7 authority to order appropriate modifications, if any, after a noticed motion and hearing with
8 the purpose of retaining the full benefit of the prospective relief to the extent reasonable and
9 practical.
10

11 5.5 The Monetary Relief provisions of the Agreement and any required payments
12 thereunder will not be affected by any reorganization, restructuring, merger, dissolution or
13 outsourcing of CITC. The Company will continue to be bound by those provisions.
14

15 6. SELECTION OF MEDIATORS AND ARBITRATORS
16

17 6.1 Procedures - The following procedures shall apply for the selection of
18 Mediators and Arbitrators for the Monetary Relief proceedings discussed below:
19

20 6.2 Qualifications for Mediators and Arbitrators - A Mediator or Arbitrator shall
21 be an experienced and neutral attorney who has experience in employment discrimination
22 litigation and alternative dispute resolution.
23

24 6.3 Selection of Mediators - The parties shall attempt to mutually agree on two
25 persons to act as Mediators for the Wage Claim Arbitration Procedure. Should more than fifty
26 claimants be subject to the Wage Claim Arbitration Procedure, the parties shall attempt to
27 mutually agree on three persons to act as Mediators. In the event the parties are unable to
28 agree on the Mediators, the Court shall appoint the necessary number of Mediator(s) after

1 receiving suggestions from the parties and holding a hearing or status conference. The
2 Mediator(s) designated by the Court shall be the persons who best fit the Qualifications for
3 Mediators.

4
5 6.4 Selection of Arbitrators - The parties shall attempt to mutually agree on three
6 persons to act as Arbitrators for the Wage Claim Arbitration Procedure and the Emotional
7 Distress Arbitration Procedure. Should more than one hundred claimants be subject to the
8 Wage Claim Arbitration Procedure and the Emotional Distress Arbitration Procedure
9 combined, the parties shall attempt to mutually agree on four persons to act as Arbitrators. In
10 the event the parties are unable to agree on the Arbitrators, the Court shall appoint the
11 necessary number of Arbitrator(s) after receiving suggestions from the parties and holding a
12 hearing or status conference. The Arbitrator(s) designated by the Court shall be the persons
13 who best fit the Qualifications for Mediators.

14
15 6.5 Replacement of Mediator or Arbitrator - In the event a Mediator or Arbitrator
16 selected under Section 6.3 or 6.4, above, becomes unavailable or otherwise unable to fulfill his
17 or her duties under this Agreement, the parties shall meet and confer in an attempt to agree on
18 a replacement. If the parties are unable to agree on a replacement, the Court shall appoint a
19 replacement after receiving suggestions from the parties and holding a hearing or status
20 conference. The replacement Mediator or Arbitrator designated by the Court shall be the
21 person who best fits the Qualifications for Mediators and Arbitrators.

22
23 6.6 Removal of Mediator or Arbitrator - Any Mediator or Arbitrator may be
24 removed by agreement of Class Counsel and the Company, or by petition from either party to
25 the Court. The Court will grant the petition for removal only upon a showing of extraordinary
26 cause. If a Mediator or Arbitrator is removed, the parties shall meet and confer in an attempt
27 to agree on a replacement. If the parties are unable to agree on a replacement, the Court shall
28 appoint a replacement after receiving suggestions from the parties and holding a hearing or

1 status conference. The replacement Mediator or Arbitrator designated by the Court shall be
2 the person who best fits the Qualifications for Mediators and Arbitrators.

3
4 6.7 Time for Selection of Mediators/Arbitrators - The parties will select the
5 Mediators and Arbitrators within thirty (30) days of the date on which CITC exercises its
6 challenges under Section 7.5(B) below, unless the parties agree to a longer period.

7
8 7. MONETARY RELIEF

9
10 7.1 Class Member Relief - Class members are entitled to make two types of claims
11 for monetary relief: (1) Wage Claim; and (2) Emotional Distress Claim. The procedures and
12 entitlement to these forms of compensation are set forth below.

13
14 7.2 Wage Claim - If class members desire to seek this category of compensation,
15 they may do so in one of two ways. Class members may seek compensation through the
16 Wage Claim Formula Procedure or through the Voluntary Wage Claim Arbitration Procedure
17 by submitting a wage claim form pursuant to Section 23.2, in which they elect to proceed
18 under one of the two procedures.

19
20 7.3 Wage Claim Formula Procedure

21
22 7.3(A) Formula: Settlement compensation for class members electing the
23 Wage Claim Formula method will be paid according to the formula below. An individual
24 class member's Wage Formula Award is determined by totalling the number of points that
25 correspond to: (1) her years of service; (2) her highest base salary; and (3) her class member
26 status (one point only for all class members). The minimum number of points that a class
27 member may receive is four (4); the maximum number of points is nine (9). The total number
28

of points under the Formula is then multiplied by the value per point to obtain her Formula Award Amount, and then augmented by the amount set forth in Section 7.3(B).

Class Member Status

1 point

Highest Base Salary

Less than \$40,000

2 points

\$40,000 - \$59,999

3 points

\$60,000 or more

4 points

Years of Service

0 - 2.99 years

1 point

3 - 8.99 years

2 points

9 - 14.99 years

3 points

15 years or more

4 points

The value per point is calculated based upon a total wage formula settlement to the class of seven million dollars (\$7,000,000), in the event that all class members were to claim and receive the wage formula. The approximate value per point is \$1,323.50. The parties will finalize the point value or or before November 13, 1996.

7.3(A)(1) For purposes of this Formula: "Class Member Status"

means a member of the Class; as defined in Section 4 above. "Highest Base Salary" means the highest annual base salary for any period of time during the class member's employment with CITC, as determined by the company payroll records. "Years of Service" means the number of years employed by the Company, as determined by Company records, commencing with the most recent "Continuous Service Date" as that term is used by the Company and ending with the date of separation or October 15, 1996, whichever is earlier.

1 7.3(A)(2) At the time each class member receives her Class Action
2 Claim Form, she will also receive an individual Formula calculation prepared by CITC, and
3 approved by Class Counsel, which calculates her Formula Award based on the information
4 contained in Company records. If a class member believes that the information used for the
5 calculation is inaccurate, she may submit a proposed correction with any supporting
6 documentation or explanation along with her claim form, pursuant to section 23.2.

7
8 7.3(A)(3) In the event any error in the agreed-upon computation of
9 the point value is discovered, the parties shall meet and confer to agree on the appropriate
10 modification of the point value to achieve the agreed-upon value. In the event the parties do
11 not agree on modification, the Court shall resolve any such dispute.

12
13 7.3(B) Interest on Formula Payments - CITC shall pay to each class member
14 electing the Formula Procedure an additional amount (i.e., over and above her Wage Claim
15 Formula Award), equivalent to six percent (6%) of that class member's individual Formula
16 Award. The total interest amount would equal four hundred and twenty thousand dollars
17 (\$420,000) in the event all class members were to claim and receive the Wage Formula
18 amount.

19
20 7.3(C) Procedure For Claiming Wage Formula Award - To seek compensation
21 under the Wage Claim Formula Procedure a class member must state under oath in her Claim
22 Form that she believes that, at some point during the period from 1989 to December 31, 1996,
23 while employed at CITC, she was discriminated against (i.e., treated less favorably because of
24 her gender) with respect to any of the following: evaluations, pay, promotions, ranking or
25 assignments.

26
27 7.3(D) When Formula Award Paid - Except where CITC challenges a Wage
28 Formula claimant pursuant to Section 7.5(B), below, within forty-five (45) days of the deadline

1 for submission of formula claims, CITC shall send by priority mail directly to any class
2 member who elects the Formula Procedure, that class member's Formula Award, plus the
3 Interest Payment. CITC shall use the address provided by the claimant on her claim form,
4 unless the claimant has provided an alternative address for payment.

5
6 7.3(E) Unclaimed Formula Awards - CITC shall have no obligation to pay
7 any sums under the Wage Claim Formula Procedure for class members who do not submit a
8 timely claim form electing that procedure or for class members who elect the Arbitration
9 Procedure.

10
11 7.3(F) Attorneys Fees and Costs - Class Counsel shall be entitled to
12 reasonable fees and costs for services relating to advice to claimants on whether to elect the
13 formula or arbitration procedures, not to exceed the total sum of \$40,000.

14
15 7.4 Voluntary Wage Claim Arbitration

16
17 7.4(A) General Description of Procedure - Instead of accepting the Wage
18 Claim Formula amount, a class member may elect to proceed under the Voluntary Wage
19 Claim Arbitration Procedure as described below, and may recover her actual wage loss, if any,
20 provided that her entitlement to such relief and the amount of her actual damages can be
21 established under the procedures and standards of proof set forth below.

22
23 7.4(B) Commencement of Procedure - Class members who elect to proceed
24 under the Voluntary Wage Claim Arbitration Procedure ("Voluntary Arbitration Claimants")
25 shall commence the procedure by paying an application fee and by serving upon CITC a
26 Statement of Claim.

1 7.4(C) Application Fee - Each Voluntary Arbitration Claimant ("VAC") shall
2 pay an application fee of \$400. In the event the claim proceeds to mediation or arbitration, the
3 fee shall be paid to the Mediator or Arbitrator to offset the cost of the mediation or arbitration.
4 In the event the claimant is ultimately entitled to attorneys' fees and costs incurred in
5 connection with the arbitration pursuant to the provisions of this Agreement, the application
6 fee shall be considered a recoverable cost. If the claim is resolved prior to mediation the
7 application fee shall be returned to the VAC.

8
9 7.4(D) Schedule for Claims and Responses - Within fourteen (14) days after
10 CITC exercises its challenge right under Section 7.5(B), the parties shall meet and confer
11 regarding a schedule for submission of the Statement of Claims by claimants, CITC's
12 Responses and CITC's Initial Disclosure pursuant to Section 7.4(G). If the parties cannot
13 reach agreement, the dispute regarding the scheduling issue(s) will be submitted to Stuart
14 Herman for resolution.

15
16 7.4(E) Statement of Claim - The Statement of Claim shall set forth the
17 general nature of the VAC's claim of gender discrimination, including a statement of the
18 supporting facts in as much detail as possible including the specific act(s) of discrimination,
19 the date, or approximate date, and names of males who allegedly received more favorable
20 treatment, if any. Based on this submission, CITC will in good faith attempt to make an
21 assessment of the claim for purposes of pursuing a quick resolution. The Statement of Claim
22 shall also include the names of all "male comparators" whose personnel records the VAC is
23 requesting as part of the pre-mediation discovery process. If the claim proceeds to mediation
24 or arbitration, the claimant shall not be bound by the statement of facts in the claim form and
25 it shall not be admissible at arbitration.

26
27 7.4(F) CITC's Response - CITC shall serve on Class Counsel its Response to
28 the Statement of Claim. The Response shall state the general nature of CITC's response to the

1 Statement of Claim, and in as much detail as possible shall set forth specific responses to the
2 allegation(s) of discrimination and the facts supporting those responses. CITC shall not be
3 bound by the Response and it shall not be admissible at arbitration.
4

5 7.4(G) CITC's Initial Disclosure - CITC shall serve on Class Counsel the
6 VAC's personnel files; the personnel files of all male "comparators" listed in the Statement of
7 Claim or in CITC's Response; updated personnel and payroll database records for the VAC
8 and her male comparators through October 15, 1996; and all documents pertaining to any
9 personnel decision challenged by the VAC. For purposes of this section, "personnel files" is
10 defined to include both the central file maintained by Human Resources and all supervisor
11 desk files pertaining to the claimant or comparator(s).
12

13 7.4(H) Mediation - As soon as practicable following service of the Statement
14 of Claim, the parties shall attend a mediation before a neutral mediator selected pursuant to the
15 procedures described in section 6, above. Prior to commencement of the mediation, the
16 mediator will be provided with, and only with, the Statement of Claim, CITC's Response and
17 Sections 6 and 7 of this Agreement. The mediation shall not exceed one day, unless the
18 parties otherwise agree.
19

20 7.4(I) Mediator's Settlement Proposal - In the event the parties are unable to
21 resolve the claim during the mediation, the Mediator shall make a mediator's proposal at the
22 conclusion of the mediation, setting forth the total amount, if any, for wage loss (i.e., back pay
23 and front pay) proposed by the Mediator. The Mediator's proposal shall also include an
24 amount for reasonable attorneys' fees to be paid to VAC's attorney and reasonable costs
25 (including the \$400 application fee) in the event the proposal is accepted by the parties. Each
26 party shall notify the Mediator, in writing, within two (2) business days of the conclusion of
27 the mediation, whether they accept or reject the Mediator's proposal. Once the Mediator has
28

1 received such notification from both parties, the Mediator shall advise the parties in writing of
2 the decision of the opposing party.

3
4 7.4(J) Effect of Acceptance or Rejection of Mediator's Settlement Proposal

5
6 7.4(J)(1) - If both parties accept the Mediator's settlement proposal,
7 CITC shall, within ten (10) business days, send by priority mail directly to the VAC at the
8 address set forth in her Wage Claim form (unless she has provided an alternative address) the
9 amount specified in the Mediator's settlement proposal for wage loss and application fee (if
10 included in the proposal). Any attorneys' fees and other costs included in the Mediator's
11 proposal shall be paid pursuant to Section 16 below.

12
13 7.4(J)(2) - If either party rejects the Mediator's settlement proposal, the
14 parties proceed to the Wage Claim Arbitration Procedure described below.

15
16 7.4(K) Right to Counsel Through the Mediation Procedure - Voluntary Wage
17 Claim Arbitration Claimants will be represented at no cost to themselves by Class Counsel up
18 to the date of the Mediator's Proposal, although Class Counsel may seek reasonable fees from
19 CITC as part of a settlement prior to or at mediation. Thereafter, if the VAC rejects the
20 Mediator's Proposal and goes to an Arbitration Hearing, Class Counsel is not required to
21 provide legal services to the VAC. Class Counsel may offer to represent a VAC under terms
22 to be negotiated. Alternatively, a VAC may retain counsel of her choice. A VAC who
23 prevails in her arbitration as described in section 7.4(P)(2) below will be entitled to reasonable
24 attorneys' fees and costs to be paid by CITC.

1 7.4(L) Post-Mediation Discovery To Complete Preparation for Arbitration

2
3 7.4(L)(1) Listing of Decision-Makers - Within ten (10) business days
4 after written notice from the Mediator of rejection of the Mediator's Proposal by either or both
5 parties, CITC shall serve on Class Counsel a listing of the decision-makers involved in the
6 personnel decisions challenged by the claimant as allegedly discriminatory, and a brief
7 summary of their involvement.

8
9 7.4(L)(1)(a) Initial Witness Disclosure Lists - Within five (5)
10 business days after service of the decision-makers listing, the parties shall mutually exchange
11 their initial witness disclosure lists for arbitration. Except upon agreement of the parties, or a
12 showing of good cause, the number of witnesses at arbitration shall be limited to four (4)
13 percipient witnesses per party and a backpay/frontpay damages expert. CITC's initial witness
14 disclosure shall list all percipient witnesses CITC intends to call and its expert witness, if any.
15 The claimant's initial witness disclosure list shall list two percipient witnesses (unless the
16 claimant intends to call only one) and her damages expert, if any. The claimant shall be
17 allowed to add two additional percipient witnesses to her initial disclosure list to constitute her
18 final list of witnesses served pursuant to section 7.4(L)(1)(b).

19
20 7.4(L)(1)(b) Final Witness Disclosure - Within forty-five (45)
21 days of the initial witness disclosure, the claimant shall serve her final list of witnesses on
22 CITC pursuant to section 10.4(L)(1)(a). At its option, CITC may thereafter amend its initial
23 disclosure of witnesses by substituting one newly-listed witness for one of the four witnesses
24 originally listed in CITC's initial witness disclosure. The claimant shall have the right to take
25 the deposition of any such newly-listed witness, not to exceed three (3) hours in length, and
26 independent of the limitations on discovery set forth in Section 7.4(L)(2), below. Absent
27 agreement or a showing of good cause, CITC must serve its final witness list, including any
28 substitution made, within fourteen (14) days of service of the claimants' final witness list.

1 arbitration the claimant will serve a statement identifying, in good faith, those claims or issues
2 raised in her initial Statement of Claims that she does not intend to pursue at the arbitration.
3 Ten (10) days before the arbitration, CITC shall serve a statement identifying, in good faith,
4 those defenses or issues raised in its initial Response that it does not intend to pursue at
5 arbitration. These Statements shall not be admissible at arbitration except to the extent
6 necessary to resolve a dispute over either party's good faith.

7
8 7.4(L)(5) Exchange of Exhibits - Not later than seven (7) days before
9 the arbitration, the parties will exchange copies of all exhibits that they intend to introduce in
10 the arbitration. No later than three (3) business days before the arbitration, the parties will
11 exchange any data from the database that they intend to introduce at the arbitration.

12
13 7.4(L)(6) Disputes - If disputes arise between the parties with regard
14 to the discovery provisions of this Agreement, or any discovery requests or responses, the
15 parties must first meet and confer to resolve any such disputes. Any unresolved disputes shall
16 be submitted to the Arbitrator assigned to the VAC's case, who shall establish procedures for
17 resolution such as informal conference, simultaneous letter briefs, or other expeditious and
18 efficient procedures. The Arbitrator shall have the authority to issue subpoenas and discovery
19 orders, including all forms of sanctions consistent with the purposes of this Agreement.

20
21 7.4(M) Wage Claim Arbitration Hearing

22
23 7.4(M)(1) Scheduling of Hearing - Within one hundred (100) days of
24 the date upon which the Mediator sends his or her notice that the Mediator's Settlement
25 Proposal has been rejected, a hearing will be held before a neutral Arbitrator selected by the
26 procedure described in Section 6 above, unless the parties otherwise agree to a longer time, or
27 the Arbitrator otherwise so orders.

1 7.4(M)(2) Location of Hearing - The Arbitration Hearing shall take
2 place at a location to be mutually agreed by the parties.

3
4 7.4(M)(3) Length of Hearing - The Arbitration Hearing shall be
5 scheduled for three (3) days unless the parties have agreed otherwise. Additional dates will be
6 scheduled upon a showing of good cause to the Arbitrator by either party or at the Arbitrator's
7 discretion.

8
9 7.4(M)(4) Opening Statement - Each party shall have the right to give
10 an opening statement, not to exceed twenty (20) minutes in length. The opening statement
11 shall be in lieu of a pre-Arbitration brief, and neither party shall file a pre-Arbitration brief.

12
13 7.4(M)(5) Evidence - The parties may offer such evidence as is
14 relevant and material to the dispute and shall produce such evidence as the Arbitrator deems
15 necessary to an understanding and determination of the dispute. The Arbitrator shall be the
16 judge of the relevance and materiality of the evidence offered and the Arbitrator may be
17 guided by the California Rules of Evidence, however conformity to those rules of evidence
18 shall not be necessary, except that the Arbitrator shall apply the law relating to privileges and
19 work product. The Arbitrator may limit testimony to exclude evidence that would be
20 immaterial or unduly repetitive. The Arbitrator may receive and consider witnesses'
21 deposition testimony recorded by transcript or videotape. The Arbitrator may in his or her
22 discretion consider witness affidavits or other recorded testimony (from individuals listed on a
23 party's final witness list) but will give that evidence only such weight as the Arbitrator deems
24 appropriate.

25
26 7.4(M)(6) Expert Testimony - Prior to the first arbitration case to be
27 heard, Class Counsel and CITC counsel may each present to the Arbitrators up to four (4)
28 hours of live expert testimony regarding CITC's policies and practices, and statistical analyses.

1 The parties may submit briefs summarizing the experts' opinion and supporting facts with
2 citations to the depositions or data. Or, either party may present live testimony of an
3 expert(s). If CITC elects to present an expert(s) by live testimony, plaintiffs may call a
4 corresponding expert(s) and CITC will pay plaintiffs' reasonable attorneys' and experts' fees
5 and costs incurred. Any expert who presents live testimony at the arbitration shall be subject
6 to cross-examination at this proceeding. No other expert testimony or submissions shall be
7 admissible in any arbitration under part 7.4 except for an expert regarding the amount of back
8 pay/front pay.

9

10 7.4(M)(7) Scope of Arbitration - The Arbitrator shall determine:

11 (1) the claimant's entitlement to relief under the Legal Standards described below; (2) the
12 amount of actual back pay damages to be awarded, if any, for the period from June 5, 1989
13 through October 15, 1996; (3) for current employees, the amount of two years' front pay if the
14 Arbitrator finds that the claimant has not currently reached the level of compensation she
15 would otherwise be at but for gender discrimination; (4) the amount of pre-judgment interest
16 on any back pay award, calculated at the rate of seven percent (7%) simple interest;
17 (5) reasonable attorneys' fees and costs, pursuant to section 7.4(P), below. The Arbitrator shall
18 not have authority to grant any award or relief for alleged wrongful termination, constructive
19 discharge or sexual harassment, injunctive relief, exemplary or punitive damages, or any
20 remedy apart from those described above.

21

22 7.4(M)(8) Legal Standards - For the sole purpose of the arbitration,
23 the VAC shall be presumed to have been discriminated against unless CITC proves by a
24 preponderance of the evidence that gender was not a motivating factor in the employment
25 decision(s) challenged by the VAC. The VAC has the burden of proving by a preponderance
26 of the evidence the amount of her wage loss (i.e., the amount of back pay and, for current
27 employees, front pay, if applicable). CITC may not raise as a defense the argument that, in
28 the absence of discrimination, someone other than the VAC or the individual who actually

1 received the favorable treatment, would have received the favorable treatment the VAC is
2 challenging.

3
4 7.4(M)(9) Closing Statement - Each party may present an oral closing
5 statement of no more than thirty (30) minutes, absent a determination by the arbitrator that
6 good cause exists for a longer statement in a particular case. Neither side shall submit written
7 argument or briefs.

8
9 7.4(M)(10) Arbitrator's Decision - The Arbitrator shall issue his or her
10 decision in writing within thirty (30) days of the close of the hearing. The decision will be
11 final and binding with no right of appeal unless the Arbitrator purports to grant relief other
12 than stated in section 7.4(M)(7).

13
14 7.4(M)(11) Confidentiality of Proceeding - In order to protect the
15 privacy rights of the claimants and other employees, the mediations and arbitrations conducted
16 pursuant to the Agreement, and their outcomes, shall be confidential. However, claimants may
17 disclose the amount of an award they receive by mediation or arbitration to their spouse or
18 legal or financial advisors who agree to keep the information confidential.

19
20 7.4(N) Payment of Wage Award Following Arbitration - If the Arbitrator
21 finds in favor of the VAC and awards any amount for wage loss, within ten (10) business days
22 from CITC's receipt of the Arbitrator's decision, CITC shall send the award by priority mail
23 directly to the VAC. CITC shall use the address provided by the VAC on her claim form,
24 unless the VAC has subsequently provided an alternative address for payment.

25
26 7.4(O) Effect of Election of Voluntary Arbitration Procedure - Any class
27 member who elects to proceed under the Wage Claim Arbitration Procedure, forfeits her right
28 to obtain the Wage Claim Formula award.

1 7.4(P) Attorneys' Fees and Costs for Voluntary Arbitration Procedure

2
3 7.4(P)(1) Claims Resolved through Mediation - Where both parties

4 accept the Mediator's Settlement Proposal, CITC shall pay to Class Counsel the amount of any
5 fees and costs proposed by the Mediator's Settlement Proposal. The amount of any attorneys'
6 fees and costs shall be paid pursuant to Section 16 below.

7
8 7.4(P)(2) Claims Resolved through Arbitration - Where the parties

9 proceed to arbitration, CITC shall pay all reasonable attorneys' fees and costs incurred by the
10 VAC's counsel for all work performed for the mediation and arbitration (including the
11 claimant's expert fees for up to ten (10) hours at a rate not to exceed \$200 per hour plus costs)
12 if:

13
14 7.4(P)(2)(a) - the VAC accepted the Mediator's Settlement

15 Proposal, but CITC rejected it, and she recovers more by the Arbitrator's Decision than the
16 amount of compensation she would have been entitled to under the Wage Claim Formula;

17
18 7.4(P)(2)(b) - the VAC rejected the Mediator's Settlement

19 Proposal, and she recovers more in wage loss by the Arbitrator's Decision than she would
20 have recovered in wage loss under the Mediator's Settlement Proposal.

21
22 7.4(P)(3) The amount of any attorneys' fees and costs shall be paid

23 pursuant to Section 16 below.

24
25 7.4(Q) Costs of Mediator and/or Arbitrator - Except as provided in Section

26 7.4(C), above, CITC shall bear all fees and costs of the Mediator and Arbitrator.

1 7.5 Involuntary Wage Claim Arbitration Procedure

2
3 7.5(A) Identification of Wage Claimants - Within ten (10) days following the
4 deadline for filing Wage Claims, CITC shall receive a list of the names of all Wage Claimants.
5 The list will indicate the number of Wage Formula claimants and the number of Voluntary
6 Wage Arbitration claimants, but will not identify which claimants elected which procedure.
7 CITC shall have twenty-one (21) days in which to exercise any challenges pursuant to
8 Section 7.5(B), below, by serving on Class Counsel a list of all claimants being challenged.
9

10 7.5(B) Company's Right To Challenge Wage Claimants - The Company may
11 elect to challenge no more than 10% of Wage Claims filed. In the event fewer than 5% of all
12 Wage Claimants elect the Voluntary Wage Arbitration Procedure, the Company may challenge
13 only that number of Wage Claimants equal to the number of Voluntary Arbitration Claimants.
14 Claimants challenged by the Company will be deemed Involuntary Arbitration Claimants
15 ("IAC"). The Company shall exercise its challenges in good faith and shall not, for example,
16 disproportionately challenge class members who were actively involved in the litigation or
17 class members with the largest wage formula awards for those reasons.
18

19 7.5(C) Involuntary Wage Arbitration Procedures - The procedures for the
20 Involuntary Wage Claim Arbitration Procedure shall be the same as those of the Voluntary
21 Wage Claim Arbitration Procedure, except as follows.
22

23 7.5(C)(1) Amount of IAC's Wage Recovery - If the Arbitrator finds
24 that the IAC is entitled to relief, the Arbitrator shall award to the IAC her actual wage loss or
25 double her Wage Claim Formula Award, whichever is greater.
26

27 7.5(C)(2) IAC's Attorneys' Fees and Costs - Class Counsel will
28 represent the IAC, unless she elects alternative counsel. CITC will bear the IAC's reasonable

1 attorneys' fees and costs for the mediation and arbitration, regardless of the outcome of those
2 proceedings (including the claimant's expert fees for up to ten (10) hours at a rate not to
3 exceed \$200 per hour plus costs, and the fees paid to CITC's expert for deposition, whose fees
4 shall not exceed \$200 per hour). If the IAC is represented by Class Counsel the amount of
5 any attorneys fees and costs will be paid pursuant to Section 16.

6

7 7.5(D) Treatment of Payments - The back pay and front pay payments
8 pursuant to this Agreement shall be paid as wages subject to applicable withholding and
9 payroll tax deductions (employee's share only) and will be reported on W-2 forms. The
10 interest paid pursuant to Sections 7.3(B) and 7.4(M)(7), and payments for emotional distress,
11 shall be reported on IRS Form 1099.

12

13 8. EMOTIONAL DISTRESS COMPENSATION

14

15 8.1 Introduction - Any class member may seek compensation for emotional
16 distress under the procedures set forth below. A class member's right to seek compensation
17 for emotional distress, and the procedures for doing so, are independent of the rights and
18 procedures discussed above, relating to compensation for wage loss. A class member may
19 obtain compensation for emotional distress only if she meets the requirements set forth below.

20

21 8.2 Stipulation Re Waiver Of Emotional Distress Claims - Class members who
22 waived their emotional distress claims at any time up to the Effective Date of the Agreement
23 in order to prevent the disclosure of their private medical and therapy records to the Company
24 shall not be precluded from seeking compensation under Category A below.

25

26 8.3 Levels of Compensation - Class members may seek compensation for
27 emotional distress at any one of the following three levels if they meet the requirements set
28 forth below:

1 Category A - \$5,000 (or pro rata amount described in Section 8.4(A) below)

2 Category B - \$20,000

3 Category C - \$50,000

4
5 8.4 Category A Claims Procedure

6
7 8.4(A) Emotional Distress Claim Fund - CITC shall establish an Emotional
8 Distress Claim Fund in the amount of \$1 million. This fund shall be used to compensate class
9 members who satisfy the requirements for Category A claims, described below. In the event
10 more than two hundred (200) class members satisfy the Category A requirements, the amount
11 paid to each Category A claimant shall be reduced pro rata, so that they each receive an equal
12 amount, totaling \$1 million. In the event there are fewer than two hundred (200) class
13 members who satisfy the Category A requirements, any amount remaining in the Fund after all
14 Category A claims have been paid, shall remain with CITC.

15
16 8.4(B) Category A Requirements - A class member shall be entitled to receive
17 compensation at the Category A level, upon submission of the following.

18
19 1. A written statement by the class member, under oath, stating
20 that:

21
22 (a) she suffered emotional distress that she believed, at or
23 near the time, was caused by gender discrimination at CITC at some time during the period
24 from 1989 through December 31, 1996, in one or more of the following areas: evaluations,
25 pay, promotion, ranking or assignments; which discrimination is identified in the written
26 statement to the best of her recollection (although no particular level of specificity is required);

1 (b) her distress was over and above normal job-related
2 stress;

3
4 (c) her emotional distress was not caused by the fact or
5 fear of any reorganization or downsizing in and of itself (i.e., independent of any
6 discrimination);

7
8 (d) she suffered some physical or otherwise observable
9 manifestation of distress (e.g., frequent or severe headaches, sleep disruption, loss of appetite,
10 significant weight fluctuation, etc.), which is identified in the written statement; and

11
12 (e) she discussed her symptoms with a doctor, therapist,
13 counselor, EAP representative or other health care provider, or a religious or spiritual
14 counselor or advisor, at or near the time (unless the claimant meets the requirements of
15 Section 8.4(C) below);

16
17 2. A written statement under oath by another person (who is not a
18 family member with a financial interest in the class member's claim) stating that the class
19 member mentioned, at or near the time, that she was suffering distress or related physical
20 manifestations from what the class member said she believed to be gender discrimination at
21 CITC, and describing the conversation to the best of his or her recollection (although no
22 particular level of specificity is required); and

23
24 3. A written statement by a doctor, therapist, counselor, EAP
25 representative, or other health care provider, or a religious or spiritual counselor or advisor,
26 stating that the class member mentioned that she was experiencing some form of job-related
27 stress or distress, at or near the time. A claimant shall be relieved of the requirement to
28 provide this statement if she can establish that the individual (whom she must specifically

1 identify by name and last known address) is deceased or is otherwise unavailable to provide
2 the statement, despite the claimant's good faith and best efforts to locate and contact the
3 individual (which efforts shall be described in the claimant's statement under oath).

4
5 8.4(C) Exception for Religious/Cultural Reasons - In the event a class
6 member otherwise meets the requirements for Category A but did not speak with a doctor,
7 therapist, counselor, EAP representative, other health care provider or religious or spiritual
8 counselor or advisor, for recognized religious or cultural reasons, the class member shall be
9 entitled to recover under Category A provided she or he states in her written statement under oath
10 and explains the basis therefor. As used herein, "religious reasons" means a tenet of an
11 organized religion. The parties agree that, on request, an arbitrator may determine the
12 applicability of this provision for individual class members.

13
14 8.4(D) Time for Submission of Category A Claims - Claimants seeking
15 compensation at the Category A level must submit to CITC the statements described in Section
16 8.4(B), above, no later than thirty (30) days after the deadline for the submission of claims
17 described in Section 23.2 below.

18
19 8.4(E) Documentation Challenges to Category A Claims - CITC may not
20 challenge Category A level claims except as follows (and as noted in Section 8.4(C)). If CITC
21 believes in good faith that a claimant has failed to provide the documentation required for
22 Category A level compensation, CITC shall so notify the claimant and Class Counsel in
23 writing within thirty (30) days of the deadline for submission of claims and shall specify the
24 alleged deficiency. The claimant shall have twenty-one (21) days from receipt of CITC's
25 notification to correct the deficiency (i.e., the corrected documentation must be post-marked on
26 or before the 21st day following receipt of CITC's notification). If CITC agrees that the
27 deficiency has been corrected, it shall pay the claimant, pursuant to Section 8.4(F)(1) below, as
28 if there had been no deficiency. If CITC believes the deficiency has not been fully corrected,

1 it shall so notify the claimant and Class Counsel in writing within ten (10) days of receipt of
2 the claimant's re-submission of the documentation. As soon thereafter as practicable, the
3 parties shall meet and confer and attempt to resolve any remaining dispute regarding the
4 adequacy of the documentation. If the parties are unable to reach agreement, the matter shall
5 be submitted to one of the agreed upon Arbitrators, in the form of a written Joint Statement of
6 Dispute. Within ten (10) days of the parties' submission of the Joint Statement of Dispute, the
7 Arbitrator shall notify the parties of its decision in writing, which shall be final and binding.
8 If the Arbitrator determines that the claimant's documentation is sufficient, CITC shall pay the
9 claimant pursuant to Section 8.4(F)(2), below. Class Counsel shall be entitled to reasonable
10 attorneys' fees for time spent responding to challenges under this subsection, not to exceed
11 three hours per challenge.
12

13 8.4(F) Payment of Category A Claim
14

15 8.4(F)(1) Undisputed Documentation Claims
16

17 8.4(F)(1)(a) The following applies if there are two hundred
18 (200) or fewer Category A claims: In those instances where CITC does not dispute the
19 adequacy of the claimant's documentation, CITC shall send by priority mail directly to each
20 Category A claimant her Category A Level Award, within thirty (30) days of the deadline for
21 submission of claims for emotional distress relief. In those instances in which initial
22 deficiency in documentation has been corrected, CITC shall mail the payment within thirty
23 (30) days of the deadline for submission of claims or upon reaching agreement that the
24 deficiency has been corrected, whichever is later.
25

26 8.4(F)(1)(b) The following applies if there are more than two
27 hundred (200) Category A claims: In those instances where CITC does not dispute the
28 adequacy of the claimant's documentation or where CITC agrees that an initial deficiency in

1 documentation has been corrected, the deadline for payment shall be thirty (30) days from the
2 date on which the total number of Category A claimants to be paid is determined.

3
4 8.4(F)(1)(c) CITC shall use the address provided by the
5 claimant on her claim form, unless the claimant has provided an alternative address for
6 payment.

7
8 8.4(F)(2) Disputed Documentation Claims

9
10 8.4(F)(2)(a) The following applies if there are two hundred
11 (200) or fewer Category A claims submitted: In those instances where CITC disputes the
12 adequacy of the claimant's documentation, the matter is submitted to the Arbitrator for
13 resolution, and the Arbitrator determines that the claimant's documentation meets the standards
14 set forth in Section 8.4(B), above, within ten (10) days from CITC's receipt of the Arbitrator's
15 decision, CITC shall send the Category A Award by priority mail directly to the claimant.
16 CITC shall use the address provided by the claimant on her claim form, unless the claimant
17 has provided an alternative address for payment.

18
19 8.4(F)(2)(b) The following applies if there are more than 200
20 Category A claims: The deadline for payment shall be thirty (30) days from the date on which
21 the total number of Category A claimants to be paid is determined.

22
23 8.5 Category B Claims Procedure

24
25 8.5(A) Category B Criteria - Absent a challenge by CITC and upon
26 submission of the documentation described below, a class member shall be entitled to receive
27 compensation at the Category B level for emotional distress meeting the following criteria:
28 (a) emotional distress that the claimant believed at or near the time was caused by gender

1 discrimination in evaluation, ranking, assignment, pay or promotion at CITC, at some time
2 during the period from 1989 through December 31, 1996; (b) which distress or resulting
3 physical manifestation had a significant impact on the claimant's daily life activities; (c) which
4 distress was not caused by the fact or fear of any reorganization or downsizing in and of itself
5 (i.e., independent of any alleged discrimination); and (d) for which the claimant sought
6 treatment from a therapist, doctor or other health care provider.

7
8 8.5(B) Documentation - In order to obtain compensation at the Category B
9 level, the claimant must submit the following:

10
11 1. A written statement under oath by the class member:
12 (a) attesting that she satisfies each of the criteria for Category B; and (b) describing the
13 emotional distress and any resulting physical manifestation; identifying the significant impact
14 on her daily life activities, including severity and duration; identifying the specific alleged
15 discrimination that caused the emotional distress; describing the type and duration of treatment;
16 and identifying the health care provider(s) who provided the treatment or from whom the
17 claimant sought treatment.

18
19 2. A declaration under oath by another person (who is not a
20 family member with a financial interest in the class member's claim) stating that the class
21 member mentioned, at or near the time, that she was suffering distress or related physical
22 manifestations from what the class member said she believed to be gender discrimination, and
23 describing the conversation to the best of his or her recollection (although no particular level
24 of specificity is required); and

25
26 3. A written statement by a doctor, therapist, counselor, EAP
27 representative or other health care provider, or a religious counselor or advisor, stating that the
28 class member mentioned that she was experiencing some form of job-related stress or distress,

1 at or near the time. A claimant shall be relieved of the requirement to provide this statement
2 if she can establish that the individual (whom she must specifically identify by name and last
3 known address) is deceased or is otherwise unavailable to provide the statement, despite the
4 claimant's good faith and best efforts to locate and contact the individual (which efforts shall
5 be described in the claimant's statement under oath).

6
7 4. Any records supporting her claim including without limitation
8 the records of the health care provider(s) identified in the claimant's written statement. If
9 there are no such records, the claimant must so state in her written statement.

10
11 8.5(C) Time for Submission of Claim - Claimants seeking compensation at
12 the Category B level must submit to CITC the statements and documents described in Section
13 8.5(B), above, no later than thirty (30) days after the deadline for the submission of claims
14 described in Section 23 below.

15
16 8.5(D) Challenges to Category B Claims

17
18 8.5(D)(1) Method of Challenge - If CITC challenges the claim solely
19 on the grounds that the documentation is inadequate, the procedures set forth in Section 8.4(E)
20 shall apply. If CITC challenges the claim on any other ground, CITC shall so notify the
21 claimant and Class Counsel in writing within thirty (30) days of the deadline for submitting
22 claims, and shall specify in the notice the specific grounds on which the claim is being
23 challenged.

24
25 8.5(D)(2) CITC's Right To Seek Medical Records - Upon notification
26 to the claimant and Class Counsel that the claim is being challenged and that further medical
27 records are requested, the claimant shall obtain and provide CITC with copies of all other
28 records in the possession of the health care provider(s) identified in the claimant's written

1 statement that refer or relate to emotional distress, or any of the physical manifestations, of the
2 type which the class member claims to have suffered as a result of discrimination at CITC, for
3 the period from two years before to two years following the period during which the class
4 member alleges the discrimination occurred. In the event class counsel believes, in good faith,
5 that redactions in the submitted records are necessary to protect the privacy rights of the
6 claimant or third parties, counsel shall indicate where such redactions have been made, and
7 shall provide CITC with a brief explanation of the basis for the redaction. If CITC objects to
8 the redaction, the parties shall meet and confer in an effort to resolve any dispute. If the
9 parties are unable to resolve the dispute, the matter shall be submitted to one of the
10 Arbitrators.

11
12 8.5(D)(3) Effect of Challenge - If CITC challenges a Category B
13 claimant on any grounds other than (or in addition to) the adequacy of the documentation, the
14 claimant shall have the right to seek and recover compensatory damages for emotional distress,
15 if any, without limitation to the amounts set forth in Section 8.3 in an amount to be
16 determined by the Arbitrator following the hearing procedure described below.

17
18 8.5(D)(4) Hearing

19
20 8.5(D)(4)(a) Standard of Proof - If challenged, the claimant
21 must prove by a preponderance of the evidence that she suffered the specified level of
22 emotional distress from conduct she in fact believed at the time was discriminatory. If also
23 challenged on the ground that her belief was not reasonable, the claimant must prove by a
24 preponderance of the evidence that her belief was reasonable judged by the reasonable woman
25 standard, in light of the information she had at the time.

1 8.5(D)(4)(b) Hearing Procedure

2
3 8.5(D)(4)(b)(i) - If CITC's challenge is based on the
4 ground that the claimant did not in fact believe that the conduct causing her distress was
5 discriminatory or that her belief was not reasonable, the arbitration procedures described above
6 in Section 7.4(D)-(G), and 7.4(L) et seq. shall apply with respect to that aspect of her
7 emotional distress claim and the procedures set forth in Section 8.5(D)(4)(b)(ii), below, shall
8 apply to the remaining aspects of her claim.
9

10 8.5(D)(4)(b)(ii) - If CITC's challenge does not include
11 the grounds noted in Section 8.5(D)(4)(b)(i), above, the following procedures shall apply. The
12 parties shall exchange a list of witnesses whose testimony will be presented at the arbitration,
13 and shall provide the direct testimony of all witnesses other than the claimant in written form.
14 At the hearing, the direct testimony of all witnesses other than the claimant shall be submitted
15 to the arbitrator in the written form earlier provided to the opposing party. All witnesses for
16 whom written direct testimony is submitted shall be made available for cross-examination by
17 the opposing party at the hearing. If the claimant was not previously deposed in this litigation
18 (and is not deposed pursuant to Section 8.5(D)(4)(b)(i) above), she shall also submit written
19 testimony to CITC, but may present her direct testimony at the hearing through live testimony.
20 At its option, CITC may choose to depose the claimant (if not previously deposed on that
21 issue) for up to three hours instead of receiving her written testimony. If a claimant who has
22 previously been deposed wishes to provide her direct testimony in written form at the hearing,
23 rather than through live testimony, she may do so but only if she has provided CITC with her
24 direct testimony in written form.
25

26 8.5(B)(4)(b)(iii) - If the claimant is seeking at the
27 hearing more than the Category C amount or is seeking compensation for emotional distress of
28 a continuing nature, the parties shall meet and confer in good faith about further discovery

1 including without limitation an independent medical examination, and shall submit any
2 disagreement to the Arbitrator, who may permit such further discovery upon a showing of
3 good cause.

4
5 8.5(B)(4)(b)(iv) - To minimize duplication, it is agreed
6 that the arbitration for emotional distress shall be held after any arbitration for wage loss for
7 the same claimant, and that the same arbitrator will preside over both arbitrations.

8
9 8.5(D)(5) Arbitrator's Decision - The Arbitrator shall issue his or her
10 decision in writing within thirty (30) days of the conclusion of the hearing. The decision will
11 be final and binding with no right of appeal.

12
13 8.5(D)(6) Payment of Category B Claim

14
15 8.5(D)(6)(a) Unchallenged Claims - In those instances where
16 CITC does not challenge the claim, CITC shall send by priority mail directly to the claimant
17 her Category B Level Award, within thirty (30) days of the deadline for submission of claims
18 for emotional distress relief. CITC shall use the address provided by the claimant on her
19 claim form, unless the claimant has provided an alternative address for payment.

20
21 8.5(D)(6)(b) Disputed Documentation Claims - In those
22 instances where CITC disputes only the adequacy of the claimant's documentation, the matter
23 is submitted to the Arbitrator for resolution, and the Arbitrator determines that the claimant's
24 documentation meets the standards set forth in Section 8.5(B), above, within ten (10) days
25 from CITC's receipt of the Arbitrator's decision, CITC shall send the Category B Award by
26 priority mail directly to the claimant. CITC shall use the address provided by the claimant on
27 her claim form, unless the claimant has provided an alternative address for payment.

1 8.5(D)(6)(c) Arbitrated Claims - In those instances where the
2 Category B claim is arbitrated and the Arbitrator awards any amount to the claimant, within
3 ten (10) days from CITC's receipt of the Arbitrator's decision, CITC shall send the award by
4 priority mail directly to the claimant. CITC shall use the address provided by the claimant on
5 her claim form, unless the claimant has provided an alternative address for payment.

6

7 8.5(D)(7) Attorneys' Fees and Costs - In the event CITC challenges a
8 Category B claim, the claimant shall be entitled to reasonable attorneys' fees and costs
9 (including the claimant's expert fees for up to ten (10) hours per expert at up to \$250 per hour
10 plus costs) incurred by her attorneys in connection with pursuing her claim if she prevails.
11 The amount of any attorneys' fees and costs shall be paid pursuant to Section 16 below.

12

13 8.6 Category C Claims Procedure

14

15 8.6(A) Category C Criteria - Absent a challenge by CITC and upon
16 submission of the documentation described below, a class member shall be entitled to receive
17 compensation at the Category C level for emotional distress meeting the following criteria:
18 (a) the claimant had a diagnosed or diagnosable medical or psychological condition for which
19 claimant sought treatment from a health care provider; (b) that she believed at or near the time
20 was caused by gender discrimination in evaluation, ranking, assignment, pay or promotion at
21 CITC at some time during the period from 1989 through December 31, 1996; (c) which
22 condition had a significant impact on her daily life activities; and (d) for which she took
23 prescription medication for a significant period of time.

24

25

26

27

28

1 8.6(B) Documentation - In order to obtain compensation at the Category C
2 level, the claimant must submit the following:

3
4 1. A written statement under oath by the class member:
5 (a) attesting that she satisfies each of the criteria for Category C; and (b) describing the
6 condition; identifying the significant impact on life activities, including severity and duration;
7 identifying the specific alleged discrimination that caused the condition and her basis for
8 believing at or near the time that it was discriminatory; describing the type and duration of
9 treatment and medication; and identifying the health care provider(s) who provided the
10 treatment.

11
12 2. A written statement under oath by another person (who is not a
13 family member with a financial interest in the class member's claim) stating that the class
14 member mentioned, at or near the time, that she was suffering distress or related physical
15 manifestations from what the class member said she believed to be gender discrimination, and
16 describing the conversation to the best of his or her recollection (although no particular level
17 of specificity is required)

18
19 3. A written statement by a health care provider (including, for
20 example, a doctor, therapist, counselor, EAP representative), or religious or spiritual counselor
21 or advisor, stating that the class member mentioned that she was experiencing some form of
22 job-related stress or distress, at or near the time. A claimant shall be relieved of the
23 requirement to provide this statement if she can establish that the individual (whom she must
24 specifically identify by name and last known address) is deceased or is otherwise unavailable
25 to provide the statement, despite the claimant's good faith and best efforts to locate and contact
26 the individual (which efforts shall be described in the claimant's statement under oath).

27
28

1 4. Records from any health care provider from whom the
2 claimant sought or received treatment for emotional distress, or any of the physical
3 manifestations, of the type which the class member claims to have suffered as a result of
4 discrimination at CITC, for the period from two years before to two years following the period
5 during which the class member alleges the discrimination occurred. In the event class counsel
6 believes, in good faith, that redactions in the submitted records are necessary to protect the
7 privacy rights of the claimant or third parties, counsel shall indicate where such redactions
8 have been made, and shall provide CITC with a brief explanation of the basis for the
9 redaction. If CITC objects to the redaction, the parties shall meet and confer in an effort to
10 resolve any dispute. If the parties are unable to resolve the dispute, the matter shall be
11 submitted to one of the Arbitrators.

12
13 8.6(C) Time for Submission of Claim - Claimants seeking compensation at
14 the Category C level must submit to CITC the statements and documents described in Section
15 8.6(B), above, no later than sixty (60) days after the deadline for the submission of claims
16 described in Section 23 below.

17
18 8.6(D) Challenges to Category C Claims

19
20 8.6(D)(1) Method of Challenge - If CITC challenges the claim solely
21 on the grounds that the documentation is inadequate, the procedures set forth in Section 8.4(E)
22 shall apply. If CITC challenges the claim on any other ground, CITC shall so notify the
23 claimant and Class Counsel in writing within thirty (30) days of CITC's receipt of the
24 claimant's documentation, and shall specify in the notice the specific grounds on which the
25 claim is being challenged.

26
27 8.6(D)(2) Effect of Challenge - If CITC challenges a Category C
28 claimant on any grounds other than (or in addition to) the adequacy of the documentation, the

1 claimant shall have the right to seek and recover the compensatory damage for her emotional
2 distress, if any, without limitation to the amounts set forth in 8.3 in an amount to be
3 determined by the Arbitrator following the hearing procedure described below.

4
5 8.6(D)(3) Hearing

6
7 8.6(D)(3)(a) Standard of Proof - If challenged, the claimant
8 must prove by a preponderance of the evidence that she suffered the specified level of
9 emotional distress from conduct she in fact believed at the time was discriminatory. If also
10 challenged on the ground that her belief was not reasonable, the claimant must prove by a
11 preponderance of the evidence that her belief was reasonable judged by the reasonable woman
12 standard, in light of the information she had at the time.

13
14 8.6(D)(3)(b) Hearing Procedure

15
16 8.6(D)(3)(b)(i) - If CITC's challenge is based on the
17 ground that the claimant did not in fact believe that the conduct causing her distress was
18 discriminatory or that her belief was not reasonable, the arbitration procedures described above
19 in Section 7.4(D-(G), and 7.4(L) et seq. shall apply with respect to that aspect of her emotional
20 distress claim and the procedures set forth in Section 8.5(D)(4)(b)(ii), below, shall apply to the
21 remaining aspects of her claim.

22
23 8.6(D)(3)(b)(ii) - If CITC's challenge does not include
24 the grounds noted in Section 8.5(D)(3)(b)(i), above, the following procedures shall apply. The
25 parties shall exchange a list of witnesses whose testimony will be presented at the arbitration,
26 and shall provide the direct testimony of all witnesses other than the claimant in written form.
27 At the hearing, the direct testimony of all witnesses other than the claimant shall be submitted
28 to the arbitrator in the written form earlier provided to the opposing party. All witnesses for

1 whom written direct testimony is submitted shall be made available for cross-examination by
2 the opposing party at the hearing. If the claimant was not previously deposed in this litigation
3 (and is not deposed pursuant to Section 8.5(D)(3)(b)(i) above), she shall also submit written
4 testimony to CITC, but may present her direct testimony at the hearing through live testimony.
5 At its option, CITC may choose to depose the claimant (if not previously deposed on that
6 issue) for up to three hours instead of receiving her written testimony. If a claimant who has
7 previously been deposed wishes to provide her direct testimony in written form at the hearing,
8 rather than through live testimony, she may do so but only if she has provided CITC with her
9 direct testimony in written form.

10
11 8.6(D)(3)(b)(iii) - If the claimant is seeking at the
12 hearing more than the Category C amount or is seeking compensation for emotional distress of
13 a continuing nature, the parties shall meet and confer in good faith about further discovery
14 including without limitation an independent medical examination, and shall submit any
15 disagreement to the arbitrator, who may permit such further discovery upon a showing of good
16 cause.

17
18 8.6(D)(3)(b)(iv) - To minimize duplication, it is agreed
19 that the arbitration for emotional distress shall be held after any arbitration for wage loss for
20 the same claimant, and that the same arbitrator will preside over both arbitrations.

21
22 8.6(D)(4) Arbitrator's Decision - The Arbitrator shall issue his or her
23 decision in writing within thirty (30) days of the conclusion of the hearing. The decision will
24 be final and binding with no right of appeal.

1 8.6(D)(5) Payment of Category C Claim

2
3 8.6(D)(5)(a) Unchallenged Claims - In those instances where

4 CITC does not challenge the claim, CITC shall send by priority mail directly to the claimant
5 her Category C Level Award, within thirty (30) days of the deadline for submission of claims
6 for emotional distress relief. CITC shall use the address provided by the claimant on her
7 claim form, unless the claimant has provided an alternative address for payment.

8
9 8.6(D)(5)(b) Disputed Documentation Claims - In those

10 instances where CITC disputes only the adequacy of the claimant's documentation, the matter
11 is submitted to the Arbitrator for resolution, and the Arbitrator determines that the claimant's
12 documentation meets the standards set forth in Section 8.6(B), above, within ten (10) days
13 from CITC's receipt of the Arbitrator's decision, CITC shall send the Category C Award by
14 certified mail directly to the claimant. CITC shall use the address provided by the claimant on
15 her claim form, unless the claimant has provided an alternative address for payment.

16
17 8.6(D)(5)(c) Arbitrated Claims - In those instances where the

18 Category C claim is arbitrated and the Arbitrator awards any amount to the claimant, within
19 ten (10) days from CITC's receipt of the Arbitrator's decision, CITC shall send the award by
20 priority mail directly to the claimant. CITC shall use the address provided by the claimant on
21 her claim form, unless the claimant has provided an alternative address for payment.

22
23 8.6(D)(6) Attorneys' Fees and Costs - In the event CITC challenges a

24 Category C claim, the claimant shall be entitled to reasonable attorneys' fees and costs
25 (including the claimant's expert fees for up to ten (10) hours per expert at up to \$250 per hour
26 plus costs) incurred by her attorneys in connection with pursuing her claim if she prevails.
27 The amount of any attorneys' fees and costs shall be paid pursuant to Section 16 below.

1 9. RELIEF FOR NAMED PLAINTIFFS

2

3 9.1 Wage Claim Compensation

4

5 9.1(A) Named plaintiffs Cynthia Herd and Nancy Vandell agree to resolve
6 their wage loss claims by either accepting three times their Wage Claim Formula Amount or
7 electing the Wage Claim Arbitration Procedure, at their option (to be exercised at the time and
8 in the manner provided for class members generally). Named plaintiff Laurie Nardinelli
9 agrees to resolve her wage loss claim by either accepting the Wage Claim Formula Amount or
10 by electing the Wage Claim Arbitration Procedure, at her option (to be exercised at the time
11 and in the manner provided for class members generally).

12

13 9.1(B) In the event plaintiffs Herd or Vandell elect to accept three times their
14 Wage Claim Formula Amount, or plaintiff Nardinelli elects to accept her Wage Claim Formula
15 Amount, the Company shall not have the right to challenge those awards and shall pay them in
16 the manner and at the time provided for class members, generally, who elect to proceed under
17 the Wage Claim Formula Procedure.

18

19 9.2 Emotional Distress Compensation - Each of the named plaintiffs shall have the
20 right to seek Emotional Distress compensation, pursuant to Section 8 above.

21

22 9.3 The named plaintiffs' agreement to the provisions of this Section are expressly
23 conditioned upon the Court's final approval of this Agreement. Laurie Nardinelli does not
24 support some of the class-wide relief portions of this Agreement. However, she wants the
25 Settlement Agreement to be presented to the class. If, after it is presented to the class it is
26 finally approved, she will support the Agreement and agrees to be bound by this section and
27 section 14 below.

28

10. NON-DETERRENCE OF CLAIMS - The Company and its officers, managers, agents, supervisors and employees are prohibited from taking any action to discourage or deter any class member from filing a Wage Claim or an Emotional Distress Claim. The Court shall have authority to enjoin any such conduct upon a showing by Class Counsel that such conduct has occurred or is likely to occur.

11. CLAIMS INFORMATION NOT TO BE INCLUDED IN PERSONNEL FILES - The Company and its officers, managers, agents, supervisors and employees are prohibited from including any information regarding the filing of a claim pursuant to this Agreement in any personnel files of any of the class members including, but not limited to, the central Personnel File or any Supervisor Desk File.

12. CHARITABLE CONTRIBUTION

12.1 As a part of this settlement, the Company and Class Counsel have agreed to make charitable contributions in the total amount of \$200,000 as follows: Association for Women in Science (\$25,000); American Association of University Women (\$25,000); Business and Professional Women's Conference (\$25,000); Society of Women Engineers (\$50,000); Women Work (\$15,000); Alumni Resources (\$40,000); and Catalyst (\$20,000). The Company will contribute a total of \$150,000 and Class Counsel will contribute a total of \$50,000. The Company and Class Counsel will each contribute one-half of their total contribution by December 31, 1997, and the remaining half by December 31, 1998.

12.2 In the event the Company wishes to publicize or otherwise make known its contribution (for any purpose other than required financial accounting purposes), the Company shall make clear that its contribution was made as part of the settlement of this action.

1 13. PROSPECTIVE RELIEF

2

3 13.1 Independent Consultant

4

5 13.1(A) Role of the Independent Consultant - The role of the Independent
6 Consultant is to conduct an in-depth examination of the CITC existing policies and practices,
7 and make recommendations for improvements, if warranted, in the following areas of study:
8 (a) the Performance Management Process ("PMP"), which includes performance evaluations,
9 salary administration, ranking if applicable, and promotions; (b) the Open Position Process
10 ("OPP"); (c) sexual harassment and discrimination policies and complaint procedures and
11 practices; and (d) "family friendly" policies and practices (including, but not limited to, part-
12 time work, flexible or alternative work schedules, family leave for child-birth or family
13 member illness, or other leaves, dependent care assistance, and telecommuting). Compensation
14 structures, benefit plans, the determination of salary ranges and midpoints for particular salary
15 grade levels, and salary scales for exempt, office and technician classifications are not within
16 the scope of review but may be considered, at the Consultant's discretion, in connection with
17 his or her evaluation of the study areas. At the Consultant's discretion or request the
18 Consultant will have access to work force data, but the Consultant's role shall not include the
19 conducting of any statistical analyses on that or other data.

20

21 The work of the Independent Consultant shall be broader than a study of the various
22 CITC policies as they appear on paper; the role of the Independent Consultant is to examine,
23 and make recommendations regarding the identified CITC processes as they actually function
24 in practice. However, it is not the role of the Independent Consultant to re-evaluate individual
25 employment decisions.

26

27 If, during the course of its work, the Independent Consultant determines that it would
28 be important to look at subject areas in CITC other than the above specified areas of study in

1 order to understand or improve upon policies or practices in the stated areas of study, the
2 Independent Consultant may make suggestions for further review to CITC or Class Counsel.
3 CITC and Class Counsel shall jointly meet with the Independent Consultant to discuss any
4 such suggestion by the Consultant. CITC retains the right to reject the Independent
5 Consultant's suggestions to expand its scope of examination beyond the areas of study
6 identified above. Any such suggestion, and the rejection of such suggestion, shall be described
7 in the Independent Consultant's report and CITC's written response, discussed below.

8

9 13.1(B) Independence and Authority of Consultant - The Independent
10 Consultant shall be truly independent, and shall not be subject to the authority or control of
11 either party. The Independent Consultant may in his discretion contact the Ombuds, and the
12 members of the Diversity Council, as well as CITC management, Class Counsel, and the
13 named plaintiffs and class members, directly or through counsel, in order to gather information
14 relevant to the work performed under this Agreement. The Independent Consultant shall be
15 granted reasonable access to CITC information the Consultant deems relevant for the areas of
16 study, whether in the form of interviews with employees, documents, data, or direct
17 observations regarding the policies and practices themselves.

18

19 13.1(C) Selection of Independent Consultant - The parties agree that the
20 consultant will be Watson Wyatt Worldwide ("WWW") with the understanding that Rick Beal
21 will serve as Project Manager, and that the work will be reviewed in the normal course of
22 WWW business. WWW has stated that it can begin work promptly.

23

24 13.1(D) Class Counsel Briefing of Consultant Regarding Class Concerns -
25 Following retention of the Independent Consultant, CITC and Class Counsel separately may
26 have a meeting with the Independent Consultant in order to discuss matters within the areas of
27 review.

28

1 13.1(E) Scoping Meetings - Class Counsel shall receive advance notice of,
2 and shall have the right to attend any meetings at which the scope of the Independent
3 Consultant's work is to be discussed.

4
5 13.1(F) Cooperation - CITC, through its employees, agents and
6 representatives, will cooperate fully with the Independent Consultant.

7
8 13.1(G) Consultant's Report - At the conclusion of its examination of the
9 areas of study, the Independent Consultant will submit to CITC a detailed written report
10 regarding its work and recommendations. The written report will include a description of the
11 review steps taken by the Independent Consultant in the course of its work and the reasons for
12 recommendations made. The written report will be provided to CITC, to Class Counsel, to the
13 Ombuds, and to the Diversity Council, which in turn may submit their written comments or
14 suggestions to CITC management regarding the Independent Consultant's report within forty-
15 five (45) days. All such written comments received from the Ombuds or the Diversity Council
16 by CITC management will be included as an Appendix to CITC's response, described below.

17
18 13.1(G)(1) CITC's Response - CITC agrees that within ninety (90)
19 days of the receipt of the Independent Consultant's report, CITC will prepare a detailed written
20 response regarding the Independent Consultant's recommendations, a copy of which will be
21 provided to Class Counsel. CITC's written response will indicate which of the Consultant's
22 recommendations will be followed in full, and which recommendations will be followed in
23 part or not at all. For all recommendations which CITC indicates it will follow in part, or not
24 at all, CITC will give a detailed explanation of its decision not to adopt the Independent
25 Consultant's recommendation in full. The Independent Consultant's report, and CITC's
26 written response will be made available to all employees. All employees will be notified by e-
27 mail and posting on bulletin boards of the availability of the report and response and how
28 copies can be obtained. Full copies will be provided to Human Resources, the Ombuds, the

1 Diversity Council, and any CITC employee who requests a copy. In the event CITC feels it
2 needs more than ninety (90) days to adequately prepare its response, such extension may be
3 approved by consent of Class Counsel which will not be unreasonably withheld.

4

5 13.1(G)(2) Consultant's follow-up - CITC agrees to meet with the
6 Consultant thirty (30) months after receipt of the Consultant's written report. At the meeting,
7 CITC will discuss the Consultant's recommendations as stated in the Consultant's previously
8 submitted written report, and discuss the status and disposition of each such recommendation,
9 including those not accepted; answer all questions from the Consultant pertaining to those
10 matters; and provide any existing CITC data requested by the Consultant relating to the
11 recommendations in the Consultant's previous written report. The Consultant will prepare a
12 report of the meeting to be distributed in the manner of the original report. The Consultant
13 will not do any new investigation or interviews except he may meet with the Ombuds and/or
14 the Diversity Council before meeting with CITC management. The Consultant may also meet
15 jointly with Class Counsel and CITC counsel before the Consultant's meeting with CITC
16 management.

17

18 13.1(H) Payment of the Independent Consultant - The Independent Consultant
19 shall be entitled to charge reasonable rates and expenses for work performed under this
20 Agreement. The fees and costs of the Independent Consultant shall be borne by CITC.

21

22 13.2 Ombuds

23

24 13.2(A) Appointment/Selection of Ombuds - No later than thirty (30) days
25 from the Effective Date of this Agreement, a full-time CITC "Ombuds" shall be appointed who
26 will be someone respected by employees and management. CITC will use GO-JOBS and
27 CNOW in combination with the Open Position Process to solicit candidates Company-wide.
28 The Ombuds shall be selected by a selection team consisting of L.I. Beebe; M.J. Stone; J.E.

1 Pasluszne; G.M. Masada; and R.C. Kiskis. The Ombuds so selected shall have an initial term
2 of a minimum of two years. If the job becomes vacant in less than two years, the selection
3 team identified above shall select a successor. Successors thereafter will be selected by use of
4 GO-JOBS and CNOW in conjunction with OPP, the selection to be made by a Selection Team
5 comprised of the CITC PDC and three members of the Diversity Council. The criteria for
6 candidates for the position are: (1) significant supervisory experience; (2) person may be
7 working outside CITC at present; (3) minimum level Group 2; (4) meeting current job
8 responsibilities; (5) strong skills in communication, facilitation, and teamwork; (6) committed
9 to valuing diversity; (7) demonstrated ability to exercise independent thought and judgment;
10 and (8) at Class Counsel's request, for the first two years the Ombuds will be a woman.

11

12 13.2(B) Purpose of Ombuds - The purpose of the Ombuds is:

13

14 1. To provide a visible and effective avenue for employees who
15 feel they are treated unfairly, and with whom employees can speak in total confidence about
16 work-related problems except when disclosure is required by law and/or company policy (e.g.,
17 commission of a crime, regulatory violation or life threatening situation).

18

19 2. To provide a high level company official outside the normal
20 chain of command who is authorized to respond to, investigate, and facilitate resolution of
21 employee complaints and concerns;

22

23 3. To provide visible support within CITC for actively managing
24 diversity;

25

26 4. To supply an informal process to facilitate fair, quick and
27 equitable resolution of work-related concerns;

28

5. To provide employees an opportunity to report violations of law and the company's principles of conduct without fear of retribution;

6. To gather facts and evaluate employees' questions and concerns; and

7. To serve as one of the "early warning systems" in CITC to detect and report upon recurring workplace problems.

13.2(C) Authority - The Ombuds shall have the following authority:

1. To receive and facilitate resolution of any employee complaint including, but not limited to: conflicts with supervisors, disputes over evaluations, promotions, rankings, pay, job placement or assignments; and claims of discrimination, harassment or retaliation (subject to No. 2 below).

2. Complaints regarding current promotion decisions or current improper grade placement of a placed job will be within the Ombud's purview, if brought to the Ombuds, but not past promotion or pay decisions. However, employees who believe they are disadvantaged for current job openings or promotions due to a relatively low current grade level resulting from alleged past discrimination may raise such matters with the Ombuds who may consider this information in addressing the employee's concern regarding the current job opening or promotion, including communicating the employee's concerns to the appropriate selection team for their consideration and appropriate action which may, in their discretion, include consideration of the employee for the job opening or promotion along with other candidates.

- 1 3. To interview any employee, upon reasonable notice, for the
2 purpose of investigating and or seeking to resolve employee complaints.
3
- 4 4. To attend any PDC, OPP or salary administration sessions.
5
- 6 5. To have full access to any and all information and data
7 necessary and appropriate to evaluate and facilitate resolution of an employee's complaint.
8 This would include, without limitation, access to relevant personnel files, supervisor desk files,
9 PDC minutes, OPP selection data and skill sheets, and salary information.
10
- 11 6. To have full access to information received on the Chevron
12 Hotline regarding employees of CITC on matters which are within the Ombuds' areas of
13 authority.
14
- 15 7. To have reasonable access to high level CITC management,
16 including but not limited to the President of CITC and his or her direct reports (or any
17 successors to these managers) regarding employee complaints, concerns, or inequities within
18 the Ombuds' areas of responsibility.
19
- 20 8. To prepare and maintain confidential records concerning
21 his/her activities and to prepare, and distribute an Annual Report described in Section 13.6(B)
22 of this Agreement, including to Class Counsel.
23
- 24 9. To maintain a confidential record of all employee calls and
25 complaints.
26
- 27 10. To institute procedures necessary to the full and effective
28 implementation of the mandate of the Ombuds.

1 11. To insure that any records or files containing confidential
2 client identities are safe from unauthorized inspection or disclosure.

3
4 12. The Ombuds has the responsibility to behave in a professional
5 manner at all times and to maintain credibility of the Ombuds function.

6
7 13. The Ombuds process is an alternative to, and not a substitute
8 for, current processes or existing policies and procedures.

9
10 14. Union represented employees will be encouraged to follow
11 guidelines of collective bargaining agreement dispute resolutions concerning issues covered by
12 the collective bargaining agreement, e.g., wages, hours and employee working condition issues.
13 Issues pertaining to sexual harassment, discrimination, environment and product safety when
14 reported via 800 ALERTLINE by Union represented employees will be handled by the Office
15 of Ombuds.

16
17 15. Issues related to benefits under Employee Benefit Plans will be
18 handled under the existing claims procedures for the plans. Drug and alcohol issues, and
19 accounting issues shall also be excluded from the Ombuds' charter.

20
21 13.2(D) Specification of Position

22
23 13.2(D)(1) CITC shall create and fund an Office of Ombuds that is
24 adequate to insure implementation of the purposes and functions set forth above.

25
26 13.2(D)(2) The Ombuds shall report to the President of CITC ("the
27 President"). The Ombuds will be a full participant in the CITC Upward Feedback for the
28 President which will be reviewed by the President's immediate supervisor.

1 13.2(D)(3) The job and salary classification for the Ombuds shall be IC
2 for the length of this Agreement, subject to CITC's right to place it at another level thereafter.

3
4 13.2(D)(4) CITC shall provide the Ombuds with a private office and a
5 part-time confidential administrative assistant or secretary. The Ombuds will be consulted as to
6 office location in an effort to maximize employee access and confidentiality.

7
8 13.2(E) Employee Access to the Ombuds

9
10 13.2(E)(1) Any employee or group of employees shall have the right to
11 provide information to or file a complaint with the Office of the Ombuds.

12
13 13.2(E)(2) CITC shall prepare a flyer with a brief description of the role
14 of the Ombuds, her photograph, and how employees may contact her. This flyer shall be
15 distributed to all employees via e-mail and posted in a prominent place on all CITC bulletin
16 boards.

17
18 13.2(E)(3) All CITC employees will be encouraged to cooperate with the
19 Ombuds and any failure to cooperate shall be reported to CITC management.

20
21 13.2(E)(4) Any act of retaliation against an employee for complaining to
22 the Ombuds and/or assisting her in the performance of her duties may be grounds for disciplinary
23 action, including dismissal.

24
25 13.3 Annual Leadership Conference

26
27 CITC agrees to conduct Annual Leadership Conferences for CITC employees, the
28 purpose of which is to provide opportunities to employees to obtain information from, gain

1 exposure to, and develop contact with high-level managers from throughout the Chevron
2 organizations, and to develop skills which will enhance their ability to become leaders. The
3 Diversity Council and the Ombuds will meet to determine criteria and a process for selecting
4 employees to attend the Annual Leadership Conference, as well as to develop formats and
5 programs for each Annual Leadership Conference. The Annual Leadership Conference shall be
6 conducted for a full day at CITC's expense, and shall be heavily focused on women's issues for
7 at least the first two years. It is anticipated that the Diversity Council and Ombuds may invite
8 high level women managers from Chevron organizations to participate in each Annual Leadership
9 Conference either as speakers or seminar leaders. CITC agrees that for at least the first two years
10 the Annual Leadership Conference will include at least one seminar to be led by a high level
11 woman manager from a Chevron organization as well as a recognized specialist in effective
12 communications in a corporate setting, who will explore issues relating to the interplay between
13 corporate culture and the successful advancement of women.

14

15 13.4 Diversity Council

16

17 13.4(A) Establishment of Diversity Council - CITC agrees to create, support and
18 maintain a CITC Diversity Council, to be sponsored by the President of CITC.

19

20 13.4(B) Composition of Diversity Council - The first Diversity Council shall
21 have nine members, two of whom shall be managers. The non-manager Diversity Council
22 members shall include both exempt and non-exempt employees. Diversity Council members shall
23 serve staggered two year terms, such that every year certain members of the Diversity Council
24 will be replaced with new members. Participation on the Diversity Council shall be regarded as a
25 key job responsibility for Diversity Council members. The Diversity Council may invite the
26 Ombuds to participate in its meetings and programs.

27

28

1 13.4(C) Selection of Members - An Initial Selection Team shall be established to
2 select the founding members of the Diversity Council. The Selection Team shall be comprised of
3 four people involved in Diversity Councils in other Chevron organizations--two of whom shall be
4 selected confidentially by Class Counsel and communicated to CITC by November 27, 1996, and
5 two selected by CITC. The Selection Team shall develop selection criteria. The Selection Team
6 shall inform and invite all employees to volunteer to be considered for Diversity Council
7 membership. The Selection Team, at their discretion, may conduct interviews and shall select the
8 initial Diversity Council members. Thereafter, the founding Diversity Council members shall
9 determine the criteria and process for selecting members to serve on the Diversity Council. The
10 founding Diversity Council members shall also create the charter for the Diversity Council.

11
12 13.4(D) General Authority/Role of Diversity Council - The general purpose of
13 the Diversity Council will be to provide a forum for management and employees to explore and
14 promote diversity issues throughout CITC. CITC agrees that the Diversity Council may develop,
15 sponsor, recommend and, where authorized, implement activities which further its goals, including
16 at their discretion, without limitation, educational forums, professional diversity training
17 conducted by qualified individuals, developing metrics, fostering cross-organizational employee
18 networking opportunities, and mentoring programs. A short-term goal of the Diversity Council
19 shall be to provide meaningful input regarding the report of the Independent Consultant, as
20 discussed above in Section 13.1(G). The Diversity Council shall be authorized to create Council
21 subteams (which may include non-Council members subject to approval for work time release) to
22 carry out the projects of the Council. The Diversity Council shall be encouraged to communicate
23 with all employees on a regular ongoing basis regarding its work and activities.

24
25 13.4(E) Management Support - The Diversity Council shall have the full support
26 of CITC management, including but not limited to reasonable release time from work duties for
27 members, volunteers and participants in its activities; reasonable budgeting for its activities; use of
28 company facilities; and the ability to broadly communicate with employees regarding its activities

1 through vehicles such as E-mail and bulletin board postings. The Diversity Council shall have
2 access to CITC's Affirmative Action plans and reports and, upon request, will be provided with
3 the following regularly generated workforce information: monthly reports regarding hiring, use of
4 the Open Position Process, and voluntary terminations.

5
6 13.5 Career Counselling Program - CITC agrees to institute a CITC Career Counselling
7 Program to provide one-on-one career development advice and feedback. The program will be
8 sponsored by the President of CITC and will be administered by one of his or her direct reports.
9 The Program will consist of volunteers from CITC who will set aside times for career counselling
10 appointments, depending on their schedules. All CITC employees are eligible to schedule an
11 appointment with the volunteers. It is anticipated that the volunteers will be a cross-section of
12 CITC employees from various grade levels, including high-level managers. It is also anticipated
13 that the volunteers will have a wide range of skills, expertise and career experience allowing for a
14 dynamic and meaningful exchange of ideas and advice. The volunteers will highlight their
15 participation in the Program as a PMP accomplishment.

16
17 13.6 Meetings and Reports

18
19 13.6(A) Meeting Schedule - CITC representatives shall meet with Class Counsel
20 on a mutually agreeable date approximately six (6) months after final approval of this Agreement,
21 and shall meet with Class Counsel at least once annually thereafter during the pendency of this
22 Agreement. The purpose of such meetings is to review the implementation of the Agreement's
23 provisions.

24
25 13.6(B) Reports and Reporting Schedule - CITC shall submit the following
26 reports to Class Counsel in accordance with the schedules set forth below.

1 1. Independent Consultant Review and Reports. The Independent
2 Consultant's initial and follow-up reports, and CITC's responsive report are discussed separately
3 in Section 13.1. In addition, CITC shall prepare and submit to Class Counsel, on an annual basis,
4 a report summarizing the status of the development and implementation of recommendations
5 made by the Independent Consultant that CITC has agreed to adopt or follow. This report also
6 shall be made available to interested employees.

7
8 2. Workforce Report - CITC shall submit the following workforce
9 report to Class Counsel at the point at which the Ombuds and the Diversity Council members
10 have been selected or the Independent Consultant has been retained, whichever is later in time.
11 The details of this report shall remain confidential to Class Counsel. The workforce report shall
12 contain the following:

13
14 (a) composition of the CITC workforce for each grade by
15 gender (by actual count, or actual count and percentages);

16
17 (b) promotions into each grade by gender with an
18 identification of the number of promotions which occurred through the Open Position Process,
19 and the number that occurred through other processes (by actual count, or actual count and
20 percentages);

21
22 (c) any layoffs for each grade by gender (by actual count, or
23 actual count and percentages);

24
25 (d) average salary increases (expressed in dollar amount), and
26 average end-point base salary for each grade by gender (excluding individuals who were
27 promoted into a grade during the reporting period); and

28

1 (e) the number of positions filled through the OPP process for
2 each grade by gender, including the bid rates by gender (by actual count, or actual count and
3 percentages).

4

5 The workforce report period shall include the period from the date of preliminary
6 Court approval of this Agreement through the date the Ombuds and the Diversity Council have
7 been selected and the Independent Consultant has been retained.

8

9 3. Diversity Council Annual Report. The Diversity Council shall
10 prepare an Annual Report of the Council's activities for submission to CITC management. Class
11 Counsel shall receive a copy. The precise scope of the Annual Report shall be determined by the
12 Diversity Council, but at a minimum shall include the composition of the Council, a summary of
13 its activities for the year, and any recommendations to management. The report also shall be
14 made available to any interested employees who will be informed by E-mail and posting on
15 bulletin boards of the availability of the report.

16

17 4. Ombuds Annual Report. The Ombuds will prepare an Annual
18 Report of her activities for submission to CITC management. Class Counsel shall receive a copy.
19 The precise scope of the Annual Report will be determined by the Ombuds, but at a minimum
20 will include a summary of her activities for the year, any process recommendations to
21 management, and a summary by category of the types of complaints submitted. This report also
22 will be made available to any interested employees who will be informed by E-mail and posting
23 on bulletin boards of the availability of the report.

24

25 5. Annual Leadership Conference Report - Copies of the agenda for
26 the Annual Leadership Conference, any written output related to the conference, and a list of the
27 number and gender of attendees will be provided to Class Counsel within sixty (60) days after the

28

close of the conference. The agenda and written output from the conference also will be provided to any interested employees.

6. Career Counselling Program Annual Report. An Annual Report on the Career Development Program will be prepared and provided to CITC management. Class Counsel will receive a copy. The report also will be made available to any interested employees. The Annual Report will contain, at a minimum:

(a) a description of the program, or changes to the program for each year after the initial report; and

(b) any recommendations for changes or modifications to the program.

14. RELEASE OF CLAIMS BY PLAINTIFFS, THE CLASS AND CLASS MEMBERS -The negotiation, execution and approval of this settlement Agreement have been undertaken by the parties for the purpose of settling any and all individual and class claims by or on behalf of the plaintiffs and class members ("Releasors") for gender discrimination in pay, promotions, evaluations, ranking and assignments, as set forth below. Upon final approval of this Agreement by the Court, Chevron Corporation, Chevron U.S.A. Inc., Chevron Industries, Inc., Chevron Information Technology Company, their respective current and former directors, officers, agents, employees, insurers, affiliates, successors, assigns and anyone acting in concert with them (hereinafter "Chevron") shall be, and hereby are, fully released and forever discharged by the Releasors, and each of them, from any and all claims, demands, charges, complaints, rights and causes of action of any kind, known or unknown, including punitive and exemplary damages, for gender discrimination in pay, promotions, evaluations, ranking and assignments at CITC and its predecessors occurring prior to the Court's preliminary approval of this Agreement, including any

1 and all emotional distress or personal injury allegedly caused thereby or any effect on employee
2 benefits from those employment actions, or any of them.

3

4 The named plaintiffs release any and all claims for equitable relief referenced in the
5 judgments entered on February 23, 1995 in San Francisco Superior Court action No. 945302.

6

7 The Releasors hereby expressly waive the provisions of California Civil Code section
8 1542, to the extent, if any, that it applies, which provides as follows:

9

10 "A general release does not extend to claims which the creditor does not know or
11 suspect to exist in his favor at the time of executing the release, which if known
by him must have materially affected his settlement with the debtor,"

12

13 and acknowledge and agree that a good and valuable part of the consideration provided to the
14 Releasors under this Agreement is given specifically in exchange for the above waiver.

15

16 The parties agree that the complaint will be dismissed with prejudice upon termination of
17 this Agreement. In the interim, the complaint will remain pending for the purpose of permitting
18 the Court to retain jurisdiction for the purposes specifically stated herein. Nothing in this section
19 releases CITC or the Company of the obligations created by this Agreement.

20

21 This Release shall survive the termination of this Agreement and continue in effect.

22

23 Subject to the foregoing, this Agreement shall not act as a bar to, and shall have no
24 preclusive effect upon, individual or class claims brought after the date of preliminary approval of
25 this Agreement.

26

27

28

1 15. PROHIBITION ON ATTRIBUTING ADVERSE FINANCIAL CONSEQUENCES TO
2 SETTLEMENT - The Company and its officers, managers, agents and supervisors are prohibited
3 from explicitly or implicitly stating to employees that the provisions of this Agreement have or
4 will result in cutbacks, lay-offs, reduced salary adjustments or other budgetary consequences.

5

6 16. ATTORNEYS' FEES AND COSTS

7

8 16.1 CITC agrees to pay to Class Counsel reasonable fees and costs incurred in
9 litigating the individual and class gender discrimination claim through final approval of this
10 Agreement, except to the extent plaintiffs have previously sought compensation for such fees and
11 costs. The amount shall be determined by the Court.

12

13 16.2 Class Counsel shall also be entitled to reasonable attorneys' fees and costs as
14 provided elsewhere in this Agreement and for the following: Defending the Agreement against
15 third-party challenges; work in connection with alleged breaches of the Agreement where
16 plaintiffs prevail; work relating to meeting and conferring on modifications (e.g., pursuant to
17 Section 5, and where elsewhere expressly provided in this Agreement); work relating to any
18 dispute(s) regarding such modifications unless the Court finds that plaintiffs' position was
19 frivolous or in bad faith; work relating to reasonable review of medical records for purposes of
20 privacy redactions at a rate of \$150 per hour; and work relating to monitoring and administering
21 this Agreement, for which Class Counsel will be entitled to reasonable attorneys' fees and costs
22 up to the following number of attorney hours, absent a showing of good cause: (a) first year—
23 120 hours; (b) second year—40 hours; (c) third year—40 hours; (d) fourth year—40 hours; and
24 (e) fifth year—40 hours.

25

26 Class Counsel will provide an itemized monthly statement of fees and costs to the
27 Company, which will be paid within thirty (30) days. Late payments will be subject to a one
28 percent (1%) monthly charge.

1 If the Company disputes any of the fees and costs, it shall pay all undisputed sums and
2 shall meet and confer with Class Counsel regarding any disputed sums. If the parties are unable
3 to resolve such disputes, the Company may withhold payment of disputed sums, except that under
4 no circumstances shall the Company pay Class Counsel less than 75% of any monthly statement.
5 Within thirty (30) days following the meet and confer, the Company must seek review by Judge
6 Munter or his designee. The one percent (1%) monthly late charge shall apply to any amounts
7 that the Company withholds that are ultimately determined to have been proper charges.

8

9 16.3 The Company shall bear its own attorneys' fees and costs incurred in connection
10 with this Agreement, including all attorneys' fees and costs incurred by the Company in
11 connection with any claims proceedings regardless of their outcome.

12

13 17. NON-RETALIATION The Company and its officers, agents, management and
14 supervisory employees shall not retaliate against any member of the Settlement Class because she
15 assisted or participated in any way in the prosecution of this lawsuit.

16

17 18. APPOINTMENT OF CLASS COUNSEL - The law firms of Dickson, Ross & Honig and
18 Ryu, Dickey & Larkin and their successors, if any, are appointed to serve as Class Counsel for
19 purposes of this Agreement.

20

21 19. MODIFICATION OF AGREEMENT - Except as specifically provided herein, this
22 Agreement may be modified only by written agreement by the parties and approval by the Court.

23

24 20. CALCULATION OF TIME - In computing any period of time prescribed by this
25 Agreement, unless otherwise stated, such computation or calculation shall be consistent with
26 California Code of Civil Procedure Sections 12 and 13.

27

28

1 21. ESCROW AGENT FOR PURPOSES OF NOTICE AND CLAIMS

2

3 The parties agree to appoint Gilardi & Co. as Escrow Agent for purposes of the class
4 notice and claims procedure. All fees and costs for the Escrow Agent shall be borne by CITC.

5

6 22. PROCEDURE FOR CLASS NOTICE AND COURT APPROVAL

7

8 22.1 Preliminary Approval - Class counsel and CITC shall jointly apply to the Court
9 for preliminary approval of the Agreement. Class counsel shall prepare necessary motion papers
10 for submission to the Court. The motion will be heard on November 14, 1996.

11

12 22.2 Class Member Addresses - Within five (5) days of the Court's order granting
13 preliminary approval, CITC shall provide to Class Counsel and the Escrow Agent a computer disk
14 containing the names and last known addresses of all class members. Class counsel will have
15 three (3) days to review the information and provide any updated or corrected information to the
16 Escrow Agent.

17

18 22.3 Mailed Notice - Upon receipt of the updated class member information, the
19 Escrow Agent shall immediately send by first-class mail an agreed upon Notice of Proposed
20 Settlement, to all class members at the addresses provided by CITC and updated by Class
21 Counsel.

22

23 22.4 Tracing of Mailed Notice - For each notice mailed to a person on the Class List
24 which is returned as undeliverable, the Escrow Agent shall, not later than seven (7) days after
25 receipt of the undeliverable notice, arrange through IRSC or a comparable service, for a computer
26 database trace for such class member, and re-mail the notice to any additional address obtained
27 for such class member. The cost of the IRSC or other comparable service shall be paid by CITC.

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1 22.5 Objections to Settlement Fairness - Any class member wishing to file an objection
2 to the Settlement ("Objector") must do so by submitting the objection to the Court in writing no
3 later than fourteen (14) days in advance of the date of the Fairness Hearing. If the Objector
4 wants to appear (either in person or through counsel) at the Fairness Hearing, she must include
5 such request in her written objection.

6
7 22.6 Court Approval of Settlement Fairness - CTC and Class Counsel shall jointly
8 seek final court approval of the Settlement's Fairness. Class counsel shall prepare any necessary
9 motion papers or declarations and shall respond to any objections, if necessary. The Fairness
10 Hearing will be held on January 31, 1997.

11

12 23. NOTICE OF FINAL APPROVAL AND CLAIMS PROCESS

13

14 23.1 Class Action Claims Forms - Within seven (7) days of the Court's determination
15 of the Settlement's Fairness, the Escrow Agent shall send to all class members by first-class mail
16 (return receipt requested) the agreed upon: (a) notice of the final settlement and claims process;
17 (b) Confidential Class Action Claim Form and Instructions; and (c) individualized Formula Wage
18 Award calculation.

19

20 23.2 Time for Submission of Claim Forms - Class members will have ninety (90) days
21 from the date of the mailing set forth in Section 23.1 to submit the completed claim forms. Class
22 members who disagree with the calculation of their individualized Formula Wage Award
23 calculation shall submit a written explanation for any correction and supporting documentation
24 with their Claim Form. Any dispute about the timely filing of claim forms and formula
25 corrections may be submitted to the Court.

26

27

28

1 24. DECEASED CLASS MEMBERS

2

3 24.1 Entitlement to Class Relief - The estate of any deceased class member shall be
4 entitled to receive that class member's Wage Claim Formula amount plus interest payment
5 pursuant to Sections 7.3(A) and 7.3(B). There shall be no entitlement to any other relief under
6 the Agreement, such as the Wage Arbitration Procedure or emotional distress compensation.

7

8 24.2 Procedure for Estate Claims - In lieu of submitting the Class Action Claim form,
9 the representative of the deceased class member's estate shall submit to the Escrow Agent
10 documentation adequate to substantiate the identity and address of the beneficiary of the class
11 member's estate. The Formula Amount will be paid to the beneficiary as provided in
12 Section 7.3(D). Any dispute concerning estate claims shall be submitted to the Court.

13

14 25. LIMITATION ON DISCLOSURE OF INFORMATION RE CLAIMANTS - The
15 Company shall not directly or indirectly disclose to its management or non-management
16 employees the identity of those class members who file claims for wage loss and/or emotional
17 distress compensation, or information regarding the claims, except to the extent necessary for
18 CITC to exercise its challenges, to administer the claims and to the extent defense counsel, in
19 good faith, believes such disclosure is necessary to enable defense counsel to evaluate claims or
20 to litigate claims that proceed to mediation or arbitration, or to respond to plaintiffs' discovery
21 requests in connection with such claims. In such instances, the disclosure shall be limited to
22 those individuals and to that information which defense counsel, in good faith, believes is
23 necessary for the stated purposes.

24

25 26. INTEREST ON LATE PAYMENT OF CLAIMS - In the event CITC fails to pay a claim
26 within the time specified for such a claim in this Agreement or such later time to which the
27 parties agree, the Company shall pay to the claimant an additional interest payment calculated at
28 the rate of 10% simple interest. Interest shall accrue from the date on which the payment was

1 due until the date on which the claim is fully paid, and shall be calculated based on the full
2 amount of the payment due.

3
4 27. PUBLICITY - External communications by the Company, Class Counsel, and named
5 plaintiffs shall be limited to the class notice and the approved joint press release and any agreed
6 upon further statement to the press. Internal Company communications shall not be inconsistent
7 with those communications. Class Counsel will use their best efforts to explain to class members
8 the reasons underlying the agreement to limit comment.

9
10 28. NO THIRD-PARTY BENEFICIARIES OR ADMISSIONS - For purposes of interpreting
11 this Agreement, individual class members shall not be deemed to be third-party beneficiaries of
12 this Agreement, and shall have no right to enforce its terms individually. Only Class Counsel
13 may seek to enforce the terms of this Agreement as provided herein. The Company's entry into
14 this Agreement is not and may not be used by any person as an admission or evidence that the
15 Company has on any occasion engaged in discriminatory employment practices, and liability for
16 any such claims is expressly denied.

17
18 29. TREATMENT OF CONFIDENTIAL DISCOVERY DOCUMENTS - Within sixty (60)
19 days following expiration of the five-year period following Final Approval, the parties shall either
20 return or destroy all copies of documents they received from the opposing party which were
21 designated Confidential or Highly Confidential pursuant to the Stipulation and Protective Order
22 governing discovery in this litigation. At that time, each party shall certify to the opposing party
23 that it has made a diligent search of its records and that all such documents have been returned or
24 destroyed. Notwithstanding any termination date contained in the Stipulation and Protective
25 Order, the parties agree that they will continue to abide by the terms of the Stipulation and
26 Protective Order with regard to Confidential and Highly Confidential documents, until such
27 documents are returned or destroyed.

1 30. CONSTRUCTION - This Agreement has been jointly drafted by counsel for all parties.
2 The rule of construction that any ambiguity or uncertainty in a writing shall be interpreted against
3 the party drafting the writing shall not apply to this Agreement or any part thereof.

4

5 31. SEVERABILITY - Whenever possible, each provision in this Agreement shall be
6 interpreted in such a manner as to be valid and enforceable. In the event that any provision
7 should be determined to be or rendered invalid or unenforceable (by any Act of the Legislature or
8 otherwise), all other provisions shall remain unaffected to the extent permitted by law and the
9 invalid or unenforceable provision, as well as the remainder of this Agreement, shall, to the extent

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1 possible, be deemed amended and given such interpretations as to achieve the intent of this
2 Agreement.

3

4 Dated: November 6, 1996.

5

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Attorneys for Plaintiffs Nancy M. Vandell,
Cynthia S. Herd and the Class; and for
Laurie E. Nardinelli as to Sections 9 and 14
only

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