

## SETTLEMENT AND RELEASE OF CLAIMS

This Settlement Agreement ("Agreement") is made and entered into by and between Charles Chathas, Ed McGuire, Jim Hastings, Bernie Hickey, Jr., and Bob Pitlock (collectively referred to as "Plaintiffs"), and Local 134 International Brotherhood of Electrical Workers, Unified Social Club, Mike Fitzgerald, Larry Crawley, Ed Buettner, Bob Parrilli, Marty Moylan, Mike Caddigan, Charles Dunne, and Rich Rioux (collectively referred to as "Defendants"), collectively referred to as the "Parties".

**WHEREAS**, the Plaintiffs have filed a complaint against the Defendants, in *Chathas, et al. v. Local 134, et al.*, Case 99 C 0400, in the United States District Court for the Northern District of Illinois, Eastern Division ("Complaint"); and

**WHEREAS**, the Court, by Judge James B. Zagel, entered a preliminary injunction in this case on February 12, 1999, and a permanent injunction on October 7, 1999, with respect to allegations in Count I of the Complaint, and by Order, dated March 14, 2002, dismissed all damages claims against Defendant Local 134, International Brotherhood of Electrical Workers ("Local 134"), and Defendant Unified Social Club ("USC"), directing, however, that Local 134 and USC remain party defendants solely for equitable purposes, *i.e.*, enforcement of the permanent injunction; and

**WHEREAS**, the Parties recognize the costs incurred and that will be incurred in further litigation and wish to resolve any and all disputes between them with respect to the Complaint and to settle fully and finally any and all claims and controversies that may exist between them as well as any and all issues of law and fact that were raised or could have been raised in this matter;

**NOW, THEREFORE**, in consideration of the promises hereinafter set forth, the Parties agree as follows:

1. The Defendants agree that they will continue to comply with the terms of the preliminary injunction entered in this case on February 12, 1999, and of the permanent injunction entered on October 7, 1999, and will continue to comply with the law with respect to the acceptance and solicitation of contributions from employers who employ members of Local 134. The prohibition on accepting and soliciting employer contributions will not preclude Local 134, its officers and/or employees from engaging in fund raising for organizations (including charities) organized under 26 U.S.C. §501(c)(3), to which employers contribute, provided that Local 134, its officers and/or employees obtain no benefit or thing of value, such as credit for or in exchange for such contributions.

2. The individual Defendants agree that they will not take any action against any of the Plaintiffs in reprisal or retaliation for the Plaintiffs' participation in the litigation of *Chathas, et al. v. Local 134, et al.*, that adversely affects the Plaintiff's employment and/or membership in Local 134. This provision does not extend or apply to any employment or disciplinary action taken by any employer for just cause. Further, the Defendants are not precluded from pursuing matters that properly are subject to adjudication under the International Brotherhood of Electrical Workers' Constitution or Local 134's Bylaws.

For a period of six (6) years from the date of this Agreement or until a majority of the current elected officers of Local 134 are replaced, whichever date is sooner, any complaint by a Plaintiff of reprisal or retaliation prohibited by this Agreement shall be submitted to arbitration. The matters submitted to arbitration under this provision shall not include matters or disputes that more appropriately are subject to resolution or adjudication under an applicable collective bargaining agreement. The arbitrator shall have exclusive authority to determine whether he has jurisdiction over a Plaintiff's complaint.

The complaining Plaintiff shall give written notice to the individual Defendant(s) alleged to have violated this provision within seven (7) calendar days from the date he knew or reasonably should have known of the alleged act of reprisal or retaliation. The notice, a copy of which shall be sent to the parties' counsel, shall detail the alleged act of reprisal or retaliation. The complaint shall be submitted to an arbitrator selected by mutual agreement of the complaining Plaintiff and individual Defendant(s) from the following list (which may be added to upon the Parties' agreement): MARTIN MALIN, ROBERT PERKOVICH, STEPHEN B. GOLDBERG. If the parties are unable to agree upon the arbitrator, they shall strike one name each and the remaining name shall be the arbitrator.

The arbitrator shall hear the complaint within thirty (30) days of his selection. No lawyers who are not members of Local 134 shall be permitted to present the case of either party. Each party shall bear his own costs of arbitration. Local 134 shall pay the fees and expenses of the arbitrator for the first two (2) complaints each Plaintiff submits to arbitration; thereafter, the losing party pays the arbitrator's fees and expenses.

The arbitrator shall issue an oral bench decision at the close of the hearing; however, if either party requests after the

bench decision is issued, the arbitrator will issue a written decision within thirty (30) days after the close of the hearing. The arbitrator shall have the authority to order the complaining Plaintiff to pay the costs incurred by the individual Defendant(s), including the fees and expenses of the arbitrator, if he finds that the complaint was frivolous or brought in bad faith. The decision of the arbitrator shall be final and binding on the parties. However, the Parties shall retain all rights and remedies under federal law, including but not limited to Title I of the Labor Management Reporting and Disclosure Act.

A party to the arbitration may seek review of the arbitrator's decision by a Court of competent jurisdiction under the standards applicable to the review of arbitral decisions pursuant to §301 of the Labor Management Relations Act, 29 U.S.C. §301.

3. The Parties agree that they will not disclose, distribute, reproduce or quote from, or permit the disclosure, distribution or reproduction of or quotation from any records or other documents obtained, disclosed or produced during this litigation.

The Parties further agree and acknowledge that the foregoing nondisclosure provision is a material term of this Agreement.

In addition, the Parties shall return to their counsel any documents or records, including copies thereof, obtained, disclosed, or produced during this litigation that they have or had in their possession or control.

4. Plaintiffs' attorneys shall receive by September 15, 2003, One Hundred and Eighty Thousand and No/100 Dollars (\$180,000.00) for attorneys' fees and costs related to this litigation.

5. The individual Defendants agree that the sum total of One Hundred Thousand and No/100 (\$100,000.00) will be paid to charities or charitable organizations, which have been certified or approved by the Internal Revenue Service, that are dedicated to serving children, the indigent, or medical research within ninety (90) days of the signing of this Agreement. The individual Defendants agree to provide Plaintiffs' counsel with reasonable notice of such contributions and, upon request, with evidence, *i.e.*, cancelled check(s), that such amount was paid. The individual Defendants will not accept any collateral or indirect benefit as a result of such contributions.

6. The Plaintiffs shall dismiss with prejudice Counts III and (correctly numbered) IV of the complaint in *Chathas, et al. v. Local 134, et al.*, Case 99 C 0400, within a reasonable time

after the payments referred to in ¶4 and ¶5 have been made. The Plaintiffs shall, and hereby do, release the Defendants, their members past and present, officers, employees, agents, attorneys, heirs and successors from any and all claims of every kind and description, known and unknown, including but not limited to claims arising under the Labor Management Relations Act, 29 U.S.C. §§141, *et seq.*, and Labor-Management Reporting and Disclosure Act of 1959 LMRDA, 29 U.S.C. §§401, *et seq.*, which Plaintiffs now have or ever had, both known or unknown, or which their attorneys, agents, executors, administrators, successors and assigns hereinafter shall or may have, both known or unknown.

7. By entering into this Agreement, the Defendants do not admit, do not intend to admit and expressly deny any liability, guilt, act or omission in violation of any statute, law, or ordinance as to any of Plaintiffs' claims, made or not. The Parties agree that this Agreement is a settlement agreement and shall not be admissible or used in any proceeding as evidence of improper action by any of the Defendants, their attorneys, agents, executors, administrators, successors and assigns, or anyone acting in concert with them.

8. This Agreement shall be governed by the laws of the State of Illinois. Except as otherwise provided in this

Agreement, in the event of a breach of any term of this Agreement, the non-breaching party shall be entitled to all remedies or damages allowed under the law and, in addition, shall be entitled to recover from the breaching party all costs and expenses, including reasonable attorneys' fees, incurred in enforcing his rights hereunder.

9. The Parties agree that this Agreement contains the full, complete, and final agreements and understandings between the Plaintiffs and the Defendants on the matters covered by this Agreement, and that it supersedes any other written or oral understandings or representations, express or implied. The Parties further agree that if any provision of this Agreement or application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement.

10. The Parties enter into this Agreement having received the advice of their respective legal counsel, understanding the obligations imposed by the Agreement, having had full opportunity to consider the Agreement, and with the full intention of being bound by and adhering to the Agreement in all respects.

11. The Parties warrant and covenant that each has taken all action necessary to authorize execution of this Agreement, that this Agreement and each of its terms is binding, and that

the undersigned signatories have full force and authority to bind that party to this Agreement.

12. This Agreement may be executed in counterparts, separately by each signatory or combination of signatories, each of which counterpart shall be deemed an original, but all of which, taken together, shall constitute one and the same Agreement.

**IN WITNESS THEREOF**, the undersigned Parties have executed this Agreement on the dates stated below.

**Plaintiffs:**

Charles J. Chathas  
Charles Chathas  
Dated: 8-12-03

Ed McGuire  
Ed McGuire  
Dated: 8-12-03

Jim Hastings  
Jim Hastings  
Dated: 8/12/03

Bernard R. Hickey, Jr.  
Bernie Hickey, Jr.  
Dated: 8-19-03

**Defendants:**

Local 134, I.B.E.W.  
By: Michael Fitzgerald  
Dated: 8-28-03

Unified Social Club  
By: Roy W. Ford  
Dated: 8/28/03

Mike Fitzgerald  
Mike Fitzgerald  
Dated: 8-28-03

Larry Crawley  
Larry Crawley  
Dated: 8-28-03

Bob Pitlock  
Bob Pitlock  
Dated: 8/12/3

Ed Buettner  
Ed Buettner  
Dated: 9-3-03

Bob Parrilli  
Bob Parrilli  
Dated: 8-28-03

Marty Moylan  
Marty Moylan  
Dated: 8-28-03

Mike Caddigan  
Mike Caddigan  
Dated: 8-28-03

Charles Dunne  
Charles Dunne  
Dated: 8-29-03

Rich Rioux  
Rich Rioux  
Dated: 8/28/03