

SETTLEMENT AGREEMENT

WHEREAS, DANIEL M. GRAY (“Plaintiff”), and Defendants THOMAS W. CORBETT, GOVERNOR OF THE COMMONWEALTH OF PENNSYLVANIA; PENNSYLVANIA DEPARTMENT OF LABOR AND INDUSTRY; JULIA K. HEARTHWAY, SECRETARY OF PENNSYLVANIA DEPARTMENT OF LABOR & INDUSTRY; DAVID L. KESSLER, DIRECTOR OF THE BUREAU OF COMMONWEALTH PAYROLL OPERATIONS (“the Commonwealth Defendants”), and SEIU LOCAL 668 (“Local 668”), are parties to litigation pending in the United States District Court for the Eastern District of Pennsylvania, styled *Gray v. Corbett et al.*, Case No. 5:12-CV-005202-JS (“the Action”); and

WHEREAS, Plaintiff has alleged certain violations of his constitutional and/or statutory rights, as set forth in his Complaint (Docket No. 1); and

WHEREAS, Defendants deny all claims against them, but wish to resolve the issues raised by the Action; and

WHEREAS, recognizing the uncertainties of litigation, Plaintiff and Defendants have agreed to settle and resolve such litigation;

WHEREFORE, the Parties agree as follows:

1. In full and final settlement of all claims against all Defendants raised in this action, including those which are or could have been asserted in the Action for declaratory and injunctive relief and for any monetary relief, including actual damages, restitution, compensatory damages, punitive damages, and interest, Local 668 shall refund to Plaintiff all monies deducted from his wages for the benefit of Local 668, plus interest, since the pay period ending 11 May 2012, and, in anticipation of continued deductions until the end of calendar year 2012, an advance refund of an additional \$200. Said payment shall be made by delivery of a check, in the full amount, made payable to Plaintiff, and delivered to his counsel at his address listed below.

Should an amount greater than \$200 be deducted from Plaintiff's wages during the period from 1 September through 31 December 2012 (inclusive), Local 668 shall refund to Plaintiff the difference within seven days of its receipt of such an amount.

2. In full and final settlement of Plaintiffs' claim for attorneys' fees, costs, and expenses pursuant to 42 U.S.C. § 1988, in this Action, Local 668 shall pay to Plaintiff's attorney a total of five thousand dollars (\$5,000.00). Said payment shall be made by delivery of a check in the full amount, made payable to the "National Right to Work Legal Defense Foundation, Inc.," delivered to W. James Young, Esq., at his address listed below, not later than 31 October 2012.

3. In exchange for the promises and agreements contained herein, Plaintiff irrevocably and unconditionally, on behalf of himself, his heirs, administrators, executors, and assigns, releases Defendants, and each of them, their officers, agents, representatives, employees, members, assigns, and any and all persons acting by, through, or in concert with any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, attorneys' fees, costs, and expenses of any nature or character whatsoever, known or unknown, suspected or unsuspected, with respect to any and all matters of any character whatsoever arising from his membership or nonmembership in Local 668, the acceptance or rejection of his resignation from membership in Local 668, any and all fair share fee/agency fee process or procedures, and the deduction of monies from his wages for the benefit of Local 668 from the beginning of time until the date of final execution of this Settlement Agreement.

4. In exchange for the promises and agreements contained herein, Local 668 irrevocably and unconditionally, on behalf of itself and its successors and assigns and all of its

affiliates, releases Plaintiff from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, and expenses of any nature or character whatsoever, known or unknown, suspected or unsuspected, with respect to enforcement of union dues and/or agency fees from the beginning of time until the date of final execution of this Settlement Agreement.

5. Nothing herein shall be deemed or construed to limit Defendants' authority to enforce the "Union Security" and/or "Dues Deduction" articles of the current or any subsequent collective bargaining agreement by means of payroll deduction from the wages of Plaintiff after 1 January 2013, and after a notice from Local 668 in conformity with applicable Federal and/or state law is served upon Plaintiff, whichever is later. Nothing herein shall be deemed or construed to limit the right of Plaintiff to challenge in any court of competent jurisdiction any future action of any Defendant to enforce against Plaintiff the "Union Security" and/or "Dues Deduction" articles of the current or any subsequent collective bargaining agreement.

6. Contemporaneously with the signing of this Settlement Agreement, all parties will sign and promptly file, upon payment of the agreed amounts, a Stipulation of Dismissal with the Court, dismissing the Action with prejudice, in the form attached hereto. Said Stipulation shall be filed by Plaintiffs' counsel within fifteen (15) days after full compliance with the payment terms and actions set forth in ¶¶ 1-2, *supra*.

7. Nothing in this Settlement Agreement shall be construed as an admission of liability by any of the Defendants.

8. This Settlement Agreement sets forth all of the terms and conditions of the settlement agreed to by the parties hereto and for the resolution of the action. This Settlement

Agreement may be modified, amended or supplemented only in writing executed by the parties or their counsel.

9. This Agreement is not a consent decree, nor is it to be construed as such. This Agreement will not be submitted to the Court for formal approval, signed by the Court, or filed with the Court. It is not enforceable in a contempt proceeding and does not operate as an adjudication on the merits.

10. This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

11. The undersigned counsel for all parties represent that they are authorized by their respective clients to execute this Settlement Agreement on behalf of their clients.

Dated: __ October 2012

Dated: __ October 2012

W. JAMES YOUNG
c/o National Right to Work
Legal Defense Foundation, Inc.
8001 Braddock Road, Suite 600
Springfield, Virginia 22160
(703) 321-8510

ATTORNEY FOR PLAINTIFF

Dated: __ October 2012

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ATTORNEYS FOR DEFENDANT SEIU
LOCAL 668

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LABOR AND INDUSTRY; JULIA K. HEARTHWAY,
SECRETARY OF PENNSYLVANIA DEPARTMENT OF
LABOR & INDUSTRY; DAVID L. KESSLER, DIRECTOR
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OPERATIONS