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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MARISOL A., by her next friends, Rev. Dr. James Alexander Forbes, Jr., and Raymunda Cruz; LAWRENCE B., by his next friend, Dr. Vincent Bonagura; THOMAS C., by his next friend, Dr. Margaret T. McHugh; SHAUNA D., by her next friend, Nedda De Castro; OZZIE E., by his next friends, Jill Chaifetz and Kim Hawkins; DARREN F., by their next friends, Juan A. Figueroa and Rev. Marvin J. Owens; BILL G. and VICTORIA G., by their next friend, Sister Dolores Gartanutti; BRANDON H., by his next friend, Thomas J. Moloney; and STEVEN I., by his next friend, Kevin Ryan, on their own behalf and on behalf of all others similarly situated,

Plaintiffs,

and

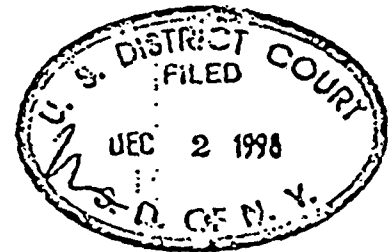
DANIELLE J., by her next friend, Angela Lloyd; and WALTER AND REMY S., by their next friends, W.N. and N.N., on behalf of themselves and all others similarly situated,

Intervening Plaintiffs,

- against -

RUDOLPH W. GIULIANI, Mayor of the City of New York;
JASON TURNER, Administrator of the Human Resources Administration and Commissioner of the Department of Social Services of the City of New York;
NICHOLAS SCOPPETTA, Commissioner of the New York City Administration for Children's Services;
GEORGE E. PATAKI, Governor of the State of New York;
and JOHN JOHNSON, Commissioner of the Office of Children and Family Services of the State of New York;

Defendants.
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SETTLEMENT
AGREEMENT

95 CV 10533 (RJW)

SETTLEMENT AGREEMENT

The Settlement Agreement is entered into by and between MARISOL A., by her next friends Rev. Dr. James Alexander Forbes, Jr., and Raymunda Cruz; LAWRENCE B., by his next friend Dr. Vincent Bonagura; THOMAS C., by his next friend, Dr. Margaret T. McHugh; SHAUNA D., by her next friend, Nedda DeCastro; OZZIE E., by his next friends, Jill Chaifetz and Kim Hawkins; DARREN F. and DAVID F., by their next friends, Juan A. Figueroa and Rev. Marvin J. Owens; BILL G. and VICTORIA G., by their next friend, Sister Dolores Gartanutti; BRANDON H., by his next friend, Thomas H. Maloney; STEVEN I., by his next friend, Kevin Ryan; DANIELLE J., by her next friend, Angela Lloyd; and RICHARD S. and WALTER S., by their next friends, W.N. and N.N.; on their own behalf and on behalf of all others similarly situated (the "Plaintiffs") and GEORGE E. PATAKI, Governor of the State of New York; and JOHN JOHNSON, Commissioner of the New York State Office of Children and Family Services (formerly the Department of Social Services of the State of New York) (hereinafter collectively the "State Defendants").

This Settlement Agreement does not and shall not pertain to or affect in any manner the liability of the remaining defendants in the litigation: Rudolph W. Giuliani, Mayor of the City of New York; Jason A. Turner, Administrator of the Hu-

man Resources Administration and Commissioner of the Department of Social Services of the City of New York; and Nicholas Scopetta, Commissioner of the Administration for Children's Services of the City of New York (the "City Defendants").

WHEREAS, Plaintiffs commenced and are maintaining a class action lawsuit entitled Marisol A. et al. v. Rudolph W. Giuliani, et al., No. 95 Civ. 10533 (RJW), in the United States District Court for the Southern District of New York, seeking declaratory and injunctive relief for the alleged deprivation by the State Defendants and each of them of the constitutional rights of liberty and property of the Plaintiffs guaranteed to them by the Fourteenth Amendment to the United States Constitution and Plaintiffs' alleged rights under federal law (the "Litigation").

WHEREAS, the District Court, in an Order dated June 18, 1996, has determined that the Litigation can proceed as a class action pursuant to Rule 23(b)(2) of the Federal Rules of Civil Procedure and this decision was affirmed by the Second Circuit Court of Appeals in an Order dated September 26, 1997.

WHEREAS, each of the State Defendants denies any wrongdoing or any liability to Plaintiffs in the Litigation;

WHEREAS, Plaintiffs and State Defendants, and each of them, desire to avoid incurring any further time, costs and expense and the uncertainty of litigation and seek to resolve all matters embraced in the Litigation as between the Plaintiffs and the State Defendants in an amicable fashion;

WHEREAS, the New York State Office of Children and Family Services (as successor to the Department of Social Services), pursuant to Sections 20 and 34 of the New York Social Services Law, has the authority and responsibility to monitor and supervise the operations of local social services districts and officials within New York State, including but not limited to the New York City Administration for Children's Services ("ACS"), and to establish rules, regulations and policies to accomplish the foregoing, consistent with the above referenced statutory provisions of the New York Social Services law.

NOW, THEREFORE, in consideration of the covenants and undertakings set forth herein and intending to be legally bound thereby, Plaintiffs and State Defendants, and each of them, agree to the terms and conditions set forth herein.

I. ESTABLISHMENT BY THE OFFICE OF CHILDREN AND FAMILY SERVICES OF THE NEW YORK CITY REGIONAL OFFICE

1. The New York State Office of Children and Family Services ("OCFS") shall, as soon as is reasonably possible, es-

establish and maintain a Regional Office in New York City to be known as the New York City Regional Office ("NYCRO"), the primary function of which shall be the statutorily mandated function of monitoring and supervising New York City's child welfare system. This office shall monitor and supervise child welfare services in the five boroughs of New York City only, and OCFS shall notify the Plaintiffs in writing when the NYCRO is restructured as set forth above.

2. The Director of the NYCRO shall report on all child welfare, budgetary, personnel and financial matters pertaining to child welfare activities to the Commissioner of OCFS, and may report on all matters not encompassed within the above as determined by the Commissioner of OCFS.

3. The Director of the NYCRO shall possess appropriate management competence, knowledge and skills in child and family practice and regulations in New York State, as determined by OCFS, so as to be able to effectively advise the OCFS Commissioner of the needs, progress and resources required if the NYCRO is to adequately monitor and supervise the operations and practices of ACS.

4. The Director of the NYCRO shall have the initial responsibility for the development and organization of the NYCRO's annual budget. The Director shall have the authority to

adjust, in conjunction with and under the direction of the Commissioner of OCFS or his/her designee, the NYCRO budget during the calendar/fiscal year within the appropriated budget so as to meet the evolving and changing needs of the NYCRO.

5. The Director of the NYCRO shall have the authority, subject to applicable State law and in consultation with and under the direction of the Commissioner of OCFS or his/her designee, to allocate and use the fiscal and human resources of the NYCRO as he/she determines to be necessary to sufficiently monitor and supervise the operations and practices of ACS.

6. The number of full-time staff authorized for the NYCRO will be forty-one (41), which OCFS believes is the appropriate staffing currently needed to operate the NYCRO in a professional manner. OCFS will make reasonable efforts to fill and maintain these positions. The NYCRO, in conjunction with and under the direction of the OCFS Commissioner or his/her designee, will reevaluate its staffing levels on a regular basis and, if necessary, OCFS will propose and support, as part of the budget process, to adjust the staffing of the NYCRO as needed. Plaintiffs will be notified within fifteen (15) business days if the number of forty-one (41) full-time authorized employee positions at the NYCRO is reduced below forty-one (41), and the reason(s) therefor.

7. The Director of the NYCRO, in conjunction with and under the direction of the Commissioner of OCFS or his/her designee, shall have the authority and responsibility to approve, modify, oversee, review and monitor the development and implementation of any plan for corrective action that ACS adopts or is directed to adopt in order to correct non-compliance and case work practice problems in any of the various aspects of ACS's operations that are found to exist by the NYCRO, e.g., in case record review(s) conducted as provided for herein (hereinafter "Corrective Action").

II. THE ISSUANCE OF ANNUAL CUMULATIVE FATALITY REPORTS PREPARED BY THE OCFS

8. The 1998 annual cumulative fatality report due June 1999 and the 1997 annual cumulative fatality report will both be completed and released no later than June, 1999, and the OCFS shall complete and release subsequent annual cumulative fatality reports in a timely manner as required by law, and shall, with the participation of the Director of the NYCRO, review annually at the next regularly scheduled quarterly meeting with ACS following the release of the annual cumulative fatality report: a) the findings in the annual cumulative fatality report that relate to fatalities of children in ACS's custody or care; and b) the need for Corrective Action, if any, as referred to in Paragraph 9, below. Plaintiffs shall be fur-

nished with copies of annual cumulative fatality reports within fifteen (15) business days after they are available for public distribution.

III. THE ISSUANCE OF INDIVIDUAL FATALITY
REPORTS PREPARED BY THE NYCRO

9. The NYCRO shall complete and release all individual fatality reports regarding ACS's operations in New York City during the year 1997 by January 1, 1999; for fatalities that occur or have occurred during the year 1998, the individual fatality report for such fatality shall be completed and released either (i) by March 1, 1999, or (ii) within six months from the date of the fatality as required by law, whichever date occurs later; and future fatality reports shall be completed in a timely manner as required by law. OCFS and/or NYCRO shall direct ACS to adopt Corrective Action when it deems necessary (particularly where repetitive activity or conduct contributing to the fatality is occurring) and OCFS, including the NYCRO, shall monitor such Corrective Action(s) for compliance and review them with ACS, at a minimum, on a quarterly basis. The OCFS or the NYCRO shall provide to Plaintiffs copies of all individual fatality reports within fifteen (15) business days of forwarding these reports to ACS. These individual fatality reports shall comply with the provisions of Section 20 of the Social Services Law, including but not limited to, rec-

ommendations for local or state administrative or policy changes.

IV. ACCEPTANCE OF REPORTS OF EDUCATIONAL
NEGLECT BY THE STATE CENTRAL REGISTER

10. The State Central Register ("SCR") shall review and evaluate its policy of accepting calls regarding educational neglect and it shall continue to: a) accept reports from mandated reporters and others regarding educational neglect (as defined in Article 10 of the Family Court Act) when the reporter makes allegations which if true would constitute a report of child abuse or maltreatment, even when actual harm to the child is not claimed; and b) clarify to SCR personnel the policy on accepting reports of educational neglect as set forth in this paragraph.

11. OCFS shall, within a reasonable time after the effective date of this Agreement, issue a policy statement reminding school-based mandated reporters of OCFS's policy on the acceptance by the SCR of reports of educational neglect, and will take appropriate steps to enlist the support and cooperation of the New York City Board of Education and the New York State Education Department regarding the dissemination and implementation of this policy. A copy of this OCFS policy state-

ment shall be provided to Plaintiffs within fifteen (15) business days of its dissemination.

V. ACCEPTANCE OF REPORTS OF DOMESTIC VIOLENCE BY THE STATE CENTRAL REGISTER

12. The SCR shall continue to: a) accept reports from mandated reporters and others regarding domestic violence when the reporter makes allegations which if true would constitute a report of child abuse or maltreatment, even when actual physical harm to the child is not claimed; and b) clarify to SCR personnel the policy on accepting reports of domestic violence as set forth in this paragraph.

13. OCFS shall, within a reasonable time after the effective date of this Agreement, include in the policy statement referred to in Paragraph 11, above, a statement reminding mandated reporters of OCFS' policy on the acceptance by the SCR of reports of domestic violence.

VI. THE SCR'S REVIEW OF CALLS TO THE SCR AND A REVIEW OF SUCH CALLS THAT ARE REJECTED

14. The SCR shall make reasonable efforts to determine that calls are not screened out inappropriately, including the use of its current procedure for periodic spot checks on the screening out of such calls. SCR shall make reasonable ef-

forts to determine how to upgrade its technical capacity to receive calls consistent with its policies.

15. The SCR shall review its policies concerning the acceptance and rejection of calls and, whenever it determines that the policies need to be clarified or updated, shall make the changes it determines necessary. Plaintiffs shall, within fifteen (15) business days of the policy change(s), be informed of any material changes in SCR policies in this regard.

VII. IMPROVING THE SCR'S RATE OF ANSWERING
CALLS OF CHILD ABUSE AND NEGLECT

16. OCFS shall continue to make reasonable efforts to make improvements, within a reasonable time after the effective date of this Agreement, toward the goal of answering all calls to the SCR of abuse and neglect within one (1) minute or less from the time the call is received. OCFS shall provide Plaintiffs reports regarding such efforts toward achievement of this goal no later than five (5) business days prior to the meetings set forth in Paragraph 30, below.

VIII. THE OCFS SHALL ADVERTISE THE
PURPOSES AND GOALS OF THE SCR

17. OCFS shall develop a plan, within a reasonable time after the effective date of this Agreement, on how to advertise the purposes of the SCR hotline (created to receive

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calls of suspected child abuse or neglect), including but not limited to publicizing the use of the existing toll-free number, and shall implement that plan as soon as practicable. A copy of that plan shall be furnished to Plaintiffs within fifteen (15) business days of its development.

IX. PERIODIC CASE RECORD REVIEWS
TO BE CONDUCTED BY OCFS

18. OCFS shall undertake case record review(s) of ACS records in the following substantive areas to determine ACS's compliance with applicable laws and reasonable case work practice, and these case record reviews shall use both qualitative and quantitative measures:

- (a) child protective services cases;
- (b) open indicated cases;
- (c) cases receiving protective supervision in the home;
- (d) cases receiving mandated preventive services;
- (e) cases of children in placement with a goal of return home;
- (f) cases of children in placement with a goal of adoption;
- (g) cases of children in placement with a goal of independent living;
- (h) cases of children in placement for more than four years; and

(i) frequency of visitations to the home and child during investigations and in custody.

19. OCFS shall complete case record reviews covering the areas identified in Paragraph 18, above, at least once prior to the expiration of this Agreement, and thereafter as determined by OCFS to be appropriate and/or as circumstances warrant. Copies of the case review report(s) shall be provided to Plaintiffs within ten (10) business days after each report(s) is prepared and reviewed with ACS, but in no event less than ninety (90) days prior to the expiration of this Agreement.

20. OCFS shall conduct face-to-face interviews with a sub-set of the relevant ACS personnel and/or others involved in the case record review(s) identified in Paragraph 18, above.

21. If, after completing its case record review(s), OCFS determines that ACS is in substantial non-compliance with applicable laws, regulations and/or reasonable case work practice, OCFS shall direct ACS to take Corrective Action designed to improve ACS's performance in the specific areas of non-compliance. The NYCRO will use reasonable efforts to provide technical assistance and exercise its monitoring authority as it deems necessary and appropriate. OCFS shall meet with Plaintiffs as provided for in Paragraph 30, below, to report

such efforts towards achievement of this objective and the last such meeting shall occur at least sixty (60) business days prior to the expiration of this Agreement.

X. THE IMPLEMENTATION OF
CONNECTIONS BY OCFS

22. OCFS shall use reasonable efforts and means available to it to develop and implement in New York State, at the earliest practicable date, an accurate and reliable state-wide computer system (now referred to as "CONNECTIONS") to provide information concerning: a) child welfare case activity necessary to manage and supervise the child welfare system and determine compliance with fiscal and legal standards; and b) child welfare case management reports sufficient to create aggregate data on issues including but not limited to: timeliness of investigations; re-occurrence of indicated reports; timeliness of case plans; time in care; number of placements; number of re-entries into care; and adoption statistics. Plaintiffs will be provided with the monthly reports on the status of CONNECTIONS issued by the Commissioner of OCFS or the OCFS Coordinator of CONNECTIONS which are addressed to County Commissioners/Executive Directors. Should the monthly reports be discontinued, Plaintiffs nevertheless shall receive similar reports on a quarterly basis.

23. OCFS shall continue to use reasonable efforts to correct any deficiencies or problems that currently exist or arise from time to time in the operation of the CONNECTIONS computer system/SACWIS (State Automated Child Welfare Information System) or any aspect thereof.

24. OCFS shall develop and implement a training program so that current ACS workers are trained on the use of CONNECTIONS and, thereafter, shall work with ACS and the Saturday Training Academy to incorporate CONNECTIONS into their ongoing SACWIS training. Documentation of any new OCFS CONNECTIONS training program shall be provided to Plaintiffs within fifteen (15) business days of its preparation, and/or other new materials on such training shall be made available to Plaintiffs upon request within this same time period.

XI. NOTIFICATION OF CHANGES REGARDING MAXIMUM STATE AID RATES FOR FOSTER CARE PROGRAMS OR BED CAPACITY

25. If during the term of this Agreement the OCFS changes the maximum state aid rates for foster care programs in New York City, or approves an increase or decrease in the bed capacity of any such foster care programs, Plaintiffs will be notified of these changes within fifteen (15) business days of their being approved.

XII. OCFS SHALL REVIEW AND EVALUATE TRAINING FOR CHILD
PROTECTIVE SERVICES CASEWORKERS AND SUPERVISORS

26. OCFS shall monitor the training of Child Protective Services caseworkers and supervisors at the Satterwhite Training Academy and shall establish, within one hundred and twenty (120) days from the effective date of this Agreement, procedures for the review and evaluation of ACS's training curriculum for Child Protective Services caseworkers and supervisors at the Satterwhite Training Academy, including risk assessment training and the content of Child Protective Services caseworker examinations and, if such review and evaluation warrants, recommend changes in such training curriculum and examinations. Copies of the procedures for review and evaluation and any recommended changes shall be provided to Plaintiffs within fifteen (15) business days of their transmittal to ACS.

XIII. OCFS EXAMINATION OF
RISK ASSESSMENT

27. OCFS shall discuss with Plaintiffs at the meetings provided for in Paragraph 30, below, of this Agreement the current status of Risk Assessment in New York City including any plans of OCFS to review its effectiveness as a means of determining the likelihood of abuse or neglect to a child.

XIV. AUDITS BY NYCRO OF LICENSED
CONGREGATE FOSTER CARE FACILITIES

28. The NYCRO shall continue to conduct as frequently as practicable audits of licensed congregate foster care facilities to review compliance with applicable regulations and policies.

XV. INFORMATION TO BE FURNISHED TO
AND MEETINGS WITH PLAINTIFFS

29. OCFS shall provide Plaintiffs copies of the documents or information identified in Paragraphs 1, 6, 8, 9, 11, 13, 15, 16, 17, 19, 21, 22, 24, 25, 26 and 27, above, as specified therein, during the duration of this Agreement as provided for in Paragraph 37, below.

30. The Commissioner of OCFS and his/her designee(s) and the Director of the NYCRO shall meet with Plaintiffs' counsel during the duration of this Agreement to review compliance with the existing provisions of this Agreement. These meetings shall occur on or about the following dates:

April 1, 1999;
September 1, 1999;
March 1, 2000; and
October 7, 2000

31. During the duration of this Agreement as provided for in Paragraph 37, below, OCFS shall provide Plain-

tiffs, upon reasonable request, with non-privileged documents or information that are reasonably related to OCFS' efforts to comply with the terms and conditions of this Agreement and which are identified in the course of the meetings specified in Paragraph 30, above.

XVI. PAYMENT OF PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES

32. State Defendants and Plaintiffs shall attempt to agree on the amount of attorneys' fees and costs to be paid to Plaintiffs. If the parties are unable to agree on the amount of attorneys' fees and costs to be paid to Plaintiffs, that issue shall be submitted to the Court for determination or to mediation as the parties agree. Payment of Plaintiffs' attorneys' fees and costs is subject to the provisions for indemnification in Section 17.3(b) of the New York Public Officers Law, and the Court's approval of this Agreement.

33. The State Defendants agree that, solely for the purposes of this Litigation, they will not contest that Plaintiffs are the prevailing parties for the purpose of determining reasonable attorneys' fees and expenses pursuant to 42 U.S.C. § 1988 and are entitled to apply to the Court for such determination. If the amount of Plaintiffs' attorneys' fees to be paid to Plaintiffs by the State Defendants is submitted to the Court

or an arbitrator for determination, Plaintiffs' counsel agree that they shall not seek to recover from the State Defendants more than 35% of the total fees awarded against both the State and City Defendants.

XVII. CONSULTATION BETWEEN THE PLAINTIFFS
AND THE OCFS TO RESOLVE DISPUTES

34. Prior to taking any action against OCFS arising out of an alleged breach of this Agreement, Plaintiffs shall provide reasonable notice to counsel for OCFS (as provided for herein) of the area(s) of alleged non-compliance. Thirty (30) days after receipt of said notice, OCFS shall provide to Plaintiffs information sufficient to establish OCFS' reasonable good-faith efforts toward compliance with the term(s) of the Agreement for which non-compliance is alleged. Within fifteen (15) business days after OCFS' response, the parties shall meet and make a good-faith effort to resolve any differences or disputes arising from or out of this Agreement.

35. State Defendants will not contest Plaintiffs' entitlement to attorneys' fees and costs incurred by Plaintiffs as a result of their monitoring of State Defendants' compliance with the terms and conditions of this Agreement and such monitoring fees and costs sought by Plaintiffs shall not exceed \$75,000.

XVIII. DISMISSAL OF THE ACTION

36. Upon the Approval of this Agreement by the Court, an Order of Dismissal dismissing with prejudice all claims raised or which could have been raised in the Complaint and Pre-Trial Order against State Defendants (specifically reserving Plaintiffs' rights against other defendants and each of them) shall be entered, except that the Court shall retain jurisdiction for the sole purpose of enforcing any specific terms and conditions of this Agreement against the Commissioner of OCFS for which Plaintiffs allege non-compliance and the parties have been unable to resolve as provided for in Paragraph 34, above. The terms and conditions of this Agreement shall not take effect until the Court enters its Order of Dismissal dismissing State Defendants.

37. In the event that Plaintiffs seek judicial enforcement of the term(s) of this Agreement, Plaintiffs will in the first instance seek an order directing compliance with this Agreement and thereafter may, if necessary, seek further judicial remedies to enforce the terms and conditions of this Agreement in dispute.

XIX. DURATION OF THE
SETTLEMENT AGREEMENT.

38. All terms and provisions in this Agreement shall take effect upon the entry of an Order of Dismissal as referred to in Paragraph 36, above. This Agreement shall expire and terminate twenty-one (21) months after the entry of an Order of Dismissal except for Sections IX, X, XIII, XV and XVII, all of which shall expire and terminate twenty-four (24) months after the entry of an Order of Dismissal.

XX. USE OF THIS AGREEMENT

39. Neither this Settlement Agreement nor any of its terms may be offered or used in any way whatsoever in any future action or proceeding in any court or other tribunal except for the purpose of seeking enforcement of its terms or any subsequent orders entered pursuant thereto.

XXI. COVENANT NOT TO SUE

40. Plaintiffs agree not to sue State Defendants, during the duration of this Agreement, in a class action for injunctive or declaratory relief, on any cause of action based upon any statutory or constitutional claim set forth in the Pre-Trial Order in the Litigation dated July 16, 1998 or for any individual claim(s) alleging system-wide violations arising

out of such claims(s) based upon new facts or circumstances that occur during the duration of this Agreement.

41. All class-wide or systemic claims arising from new facts and/or circumstances that occur during the duration of this Agreement and which relate in any way to any claim raised in the Pre-Trial Order are resolved by this Agreement, except that this Agreement shall not preclude any individual class member from filing an action on their own behalf against State Defendants or either of them during the duration of this Agreement for the purpose of seeking damages and/or equitable relief to protect the rights, well-being and interests of such present or future class members; provided, however, that: 1) such equitable relief must be limited to that which is necessary or appropriate to redress the individual class member's injury, and 2) this Agreement shall not constitute, be construed as or be read as a consent by the State Defendants, or either of them, to be sued in federal court, or as a waiver of any defense of sovereign immunity the State Defendants, or either of them, may seek to raise, including an Eleventh Amendment immunity from suit in federal court.

XXII. OTHER PROVISIONS

42. Nothing contained in this Agreement shall be deemed to be an admission by State Defendants that they have in

any manner violated Plaintiffs' rights as contained in the Constitution, Statutes, Ordinances, and Regulations of the United States, the State of New York, or the City of New York.

43. Notice, when due to Plaintiffs or State Defendants, shall be given by delivering it, in person or by United States certified first-class mail, to their counsel in the Litigation as follows:

To the Plaintiffs:

Marcia Robinson Lowry, Esq.
Children's Rights Inc.
404 Park Avenue South
New York, New York 10016

Tel No. (212) 683-2210
Fax No. (212) 683-4015

To the State Defendants

Judith T. Kramer, Esq.
Assistant Attorney General
State of New York
Office of Attorney General
Litigation Bureau
120 Broadway
New York, New York 10271

Tel No. (212) 416-8603
Fax No. (212) 416-6075

44. This Agreement constitutes the full and complete understanding and agreement of Plaintiffs and State Defendants and, upon execution, supersedes and renders null and void any

and all prior undertakings or agreements, written or oral, between Plaintiffs and State Defendants.

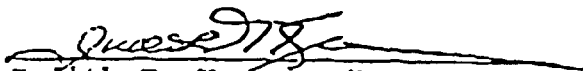
45. All of the terms of this Agreement are contractual and not merely recitals, and none may be modified or changed except by a writing signed by Plaintiffs and State Defendants or their respective legal counsel.

46. If any of the provisions, terms or clauses of this Agreement are declared illegal, unenforceable, or ineffective in a legal forum, those provisions, terms and clauses shall be deemed severable, such that all other provisions, terms and clauses of this Agreement shall remain valid and binding on the Plaintiffs and State Defendants.

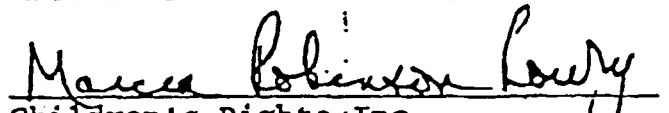
47. This Agreement shall inure to the benefit of and be binding upon the legal representatives and any successor of Plaintiffs and State Defendants and each of them.

IN WITNESS WHEREOF, the Plaintiffs and the State Defendants hereto, intending to be legally bound hereby, have executed this Settlement Agreement on the 1st day of December, 1998.

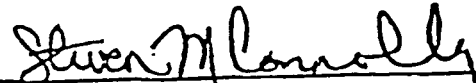
ATTORNEYS FOR THE STATE
DEFENDANTS

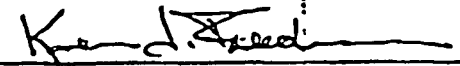

Judith T. Kramer, Esq.
(JK-4548)

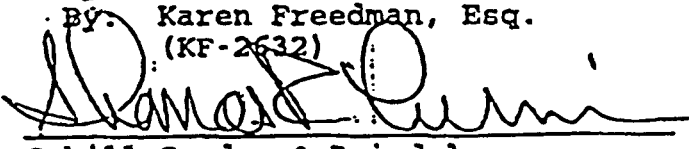
ATTORNEYS FOR PLAINTIFFS

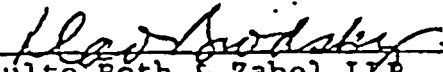

Children's Rights Inc.
By Marcia Robinson Lowry, Esq.
(ML-5501)

Assistant Attorney General


Steven M. Connolly, Esq.
(SC-3009)
Assistant Attorney General


Lawyers For Children
By: Karen Freedman, Esq.
(KF-2632)


Cahill Gordon & Reindel
By: Thomas F. Curnin, Esq.
(TC-7972)


Schulte Roth & Zabel LLP
By: David Brodsky, Esq.
(DB-6623)