

LAURA HESTER; SIFIYA H. DANIELS;  
JAMES GARRISON, III; JONATHAN A.  
GILES, II; ZENA GURLEY; LAQUAN L.  
HUDSON; BRIAN M. SHIRDEN;  
THOMAS SPRINGS; MELVIN L. WEBB;  
and JOSE MARTINEZ, on behalf of  
themselves and others similarly situated,

Plaintiffs,

v.

NEW JERSEY TRANSIT; CHIEF JOSEPH  
BOBER, in an individual and corporate  
capacity; DEPUTY CHIEF JOSEPH  
KELLY, in an individual and corporate  
capacity; CAPTAIN EDWARD IANDOLI,  
in an individual and corporate capacity; and  
JOHN AND JANE DOES 1-20,

Defendants.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: ESSEX COUNTY  
DOCKET NO.: ESX-L-2614-11

Civil Action

**NEGOTIATED SETTLEMENT AGREEMENT  
AND GENERAL RELEASE**

1. The parties to this Negotiated Settlement Agreement and General Release (the "Agreement") are Laura Hester, Safiya H. Daniels, James Garrison, III, Jonathan A. Giles, II, Zena Gurley, Laquan L. Hudson, Brian M. Shirden, Thomas Springs, Melvin L. Webb, and Jose Martinez ("Plaintiffs") and New Jersey Transit ("Defendant"), Joseph Bober, Joseph Kelly and Edward Iandoli ("Individual Defendants"). The Agreement is the product of negotiation and compromise between Plaintiffs and Defendant.

2. Plaintiffs and Defendants have chosen to enter into this Agreement in order to avoid further proceedings with respect to certain claims Plaintiffs have made against Defendant and Individual Defendants in the Superior Court of New Jersey, Law Division, Essex County, Docket No.: ESX-L-2614-11 (the "Litigation").

3. Plaintiffs and Defendant understand and agree that Defendant and Individual Defendants deny every allegation of wrongdoing made by Plaintiffs in the Litigation including but not limited to Plaintiffs' claims of retaliation; harassment on the basis of gender and race; and discrimination on the basis of gender and race.

4. Plaintiffs understand and agree that the making of this Agreement shall not, in any way, be construed or considered an admission by Defendant or Individual Defendants of guilt or non-compliance with any federal, state or local law, or of any other wrongdoing whatsoever.

5. Defendant represents that this Agreement, and any consideration provided in exchange for the resolution of the Litigation, does not include or involve New Jersey Transit funds, State funds or any public monies whatsoever.

6. In exchange for the promises made by Defendant herein, Plaintiffs, Plaintiffs' heirs, executors, administrators, fiduciaries, successors and/or assigns:

a. agree to the dismissal, with prejudice and without an award of costs or attorneys' fees, of the complaint filed in the Litigation; and

b. agree to dismiss the pending matters of Laquan Hudson v. New Jersey Transit Police Department OAL Docket No. NJT 11453-08 and Laquan Hudson v. New Jersey Police Department in the Supreme Court of New Jersey M-1263 September term 2011 070351.

c. unconditionally and irrevocably give up and release, to the full extent permitted by law, Defendant, Defendant's past, present and future direct or indirect parent organizations, subsidiaries, divisions, affiliated entities, and its and their partners, officers, directors, trustees, administrators, fiduciaries, employment benefit plans and/or pension plans or

funds, executors, attorneys, employees (including but not limited to Individual Defendants), insurers, reinsurers and/or agents and their successors and assigns individually and in their official capacities (collectively referred to herein as “Released Parties” or “Released Party”), jointly and severally, of and from all claims, known or unknown, that Plaintiffs have or may have against Released Parties up to the date of execution of this Agreement including, but not limited to, those claims set forth in the Litigation, or otherwise arising out of Plaintiff’s employment or termination of employment, or any alleged violation of:

- Title VII of the Civil Rights Act;
- Civil Rights Act of 1991;
- Sections 1981 through 1988 of Title 42 of the United States Code;
- The Employee Retirement Income Security Act;
- The Fair Credit Reporting Act;
- The Family and Medical Leave Act;
- The Equal Pay Act;
- The Immigration Reform Control Act;
- The Americans with Disabilities Act;
- The Rehabilitation Act;
- The Age Discrimination in Employment Act;
- The Occupational Safety and Health Act;
- The Uniformed Services Employment and Reemployment Rights Act;
- Worker Adjustment and Retraining Notification Act;
- Employee Polygraph Protection Act;
- The employee (whistleblower) civil protection provisions of the Corporate and Criminal Fraud Accountability Act (Sarbanes-Oxley Act);
- The New Jersey Law Against Discrimination;
- The New Jersey Civil Rights Act;
- The New Jersey Family Leave Act;
- The New Jersey State Wage and Hour Law;
- The Millville Dallas Airmotive Plant Job Loss Notification Act;
- The New Jersey Conscientious Employee Protection Act;
- The New Jersey Equal Pay Law;
- The New Jersey Occupational Safety and Health Law;
- The New Jersey Smokers’ Rights Law;
- The New Jersey Genetic Privacy Act;
- The New Jersey Fair Credit Reporting Act;
- The New Jersey Statutory Provision Regarding Retaliation/Discrimination for Filing a Workers’ Compensation Claim;

- The New Jersey Public Employees' Occupational Safety and Health Act;
- New Jersey laws regarding Political Activities of Employees, Lie Detector Tests, Jury Duty, Employment Protection, and Discrimination;
- any other federal, state or local civil rights law, whistle-blower law or any other local, state or federal law, regulation or ordinance;
- any public policy, contract (oral, written or implied), tort, constitution or common law;
- any claims for vacation, sick or personal leave pay, short term or long term disability benefits, or payment pursuant to any practice, policy, handbook or manual of Employer; or
- any basis for costs, fees, or other expenses including attorneys' fees.

Plaintiffs understand this release includes all claims related in any manner to Plaintiffs' employment up to the date of this Agreement.

d. affirm that Plaintiffs are not a party to, and that Plaintiffs have not filed or caused to be filed, any claim, complaint, or action against Released Parties in any forum or form, except the referenced lawsuit.

7. In exchange for the promises made by Plaintiffs and execution of this Agreement, Plaintiffs shall receive the sum of Five Million, Eight Hundred Thousand Dollars and Zero Cents (\$5,800,000.00), as set forth in paragraph 8 below, in full satisfaction of all claims for personal physical injury and illness as represented by Plaintiffs.

8. The sum referred to in paragraph 7 shall be paid within thirty (30) days of the date counsel for Defendant receives the Agreement signed by Plaintiffs, an executed stipulation of dismissal of the Litigation with prejudice (which shall be filed with the Court following Plaintiffs' counsel's receipt of the monies discussed in Paragraph 7), and IRS Forms W-9 properly completed by Plaintiffs' counsel. Said payment shall be made to Smith Mullin as attorneys for all Plaintiffs. Only Smith Mullin will receive an IRS Form 1099 for said amount.

9. Plaintiffs agree that Plaintiffs are responsible for all applicable taxes, if any, as a result of the receipt of these monies. Plaintiffs understand and agree Released Parties

(as defined herein) are providing Plaintiffs with no representations regarding the tax obligations or consequences that may arise from this Agreement. Plaintiffs agree to indemnify Released Parties and hold Released Parties harmless for all taxes, penalties and interest, withholding or otherwise, for which Released Parties may be found liable as a consequence of having paid monies to Plaintiffs pursuant to this Agreement. It is expressly agreed that if Released Parties are required to provide payments for taxes or interest or penalties to any taxing authority, Plaintiffs shall reimburse Released Parties for such payments to such taxing authority within forty-five (45) days after Released Parties notify Plaintiffs, in writing, via certified mail, return receipt requested, that it has incurred such liability.

10. The resolution of this matter is based upon a good faith determination of the parties to resolve a disputed claim. The parties have not shifted responsibility of medical treatment to Medicare in contravention of 42 U.S.C. Section 1395y(b). The parties resolved this matter in compliance with both state and federal law. The parties made every effort to adequately protect Medicare's interests and incorporate such into the settlement terms. Plaintiffs acknowledge their duty to cooperate with Released Parties in order to allow Responsible Reporting Entity(ies) to fulfill the obligation to comply with Section 111. Plaintiffs (and Plaintiffs' counsel) agree to provide Released Parties with any and all information necessary for Released Parties to comply with Section 111 of the Medicare, Medicaid & SCHIP Extension Act of 2007.

11. Plaintiffs warrant that Plaintiffs are not Medicare beneficiaries as of the date of the resolution of this matter. Because Plaintiffs are not Medicare recipients as of the date of this Agreement, no conditional payments have been made by Medicare.

12. Plaintiffs represent and warrant that all bills, costs or liens resulting from or arising out of Plaintiffs' alleged injuries, claims or lawsuits are Plaintiffs' responsibility to pay, Plaintiffs agree to assume responsibility for satisfaction of any and all rights to payment, claims or liens of any kind, that arise from or are related to payments made for services provided to Plaintiffs or on Plaintiffs' behalf. Plaintiffs agree to assume responsibility for all expenses, costs, or fees incurred by Plaintiffs related to Plaintiffs' alleged injuries, claims or Litigation, including without limitation, all Medicare conditional payments, subrogation claims, liens, or other rights to payment, relating to medical treatment or lost wages that have been or may be asserted by any health care provider, insurer, governmental entity, employer or other person or entity. Further, Plaintiffs will indemnify, defend and hold Released Parties harmless from any and all damages, claims and rights to payment, including any attorneys' fees, brought by any person, entity or governmental agency to recover any of these amounts.

13. In the event either Plaintiffs or Defendant breach any provision of this Agreement, Plaintiffs and Defendant agree that either may institute an action against the other to specifically enforce any term or terms of this Agreement, in addition to any other legal or equitable relief permitted by law. In the event that any provision of this Agreement is declared illegal or unenforceable by a court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

14. Defendant agrees to reinstate Plaintiff Laquan L. Hudson to his former position as a detective in the New Jersey Transit Police Department. Within 3 business days of the filing of the stipulation of dismissal in this litigation, Laquan L. Hudson will be reinstated and begin employment in his former position as a detective in the New Jersey Transit Police

Department with seniority and full eligibility for promotion. Defendant agrees that Plaintiff's Laquan L. Hudson's time off will be treated as an unpaid leave of absence. This reinstatement is conditional upon Plaintiff Hudson being removed from the State Police Central Drug Registry and fully complying with the requirements of the Police Training Commission (PTC) as determined by the PTC.

15. Defendant agrees to appoint, for a period of two (2) years following execution of this Agreement, an ombudsman, who is authorized and charged with ensuring that complaints of discrimination, retaliation, or other alleged illegal treatment in the New Jersey Transit Police Department, are investigated impartially and fairly. The ombudsman will be a New Jersey Transit employee chosen solely by New Jersey Transit who is not under the supervision or control of New Jersey Transit's Police Department, including Internal Affairs, and New Jersey Transit's Human Resources Department and EEO Office. The Ombudsman will submit semi-annual reports to New Jersey Transit's Executive Director regarding all complaints of discrimination, retaliation, or other alleged illegal treatment.

16. Counsel for Defendant agrees to train employees, ranked Captain and above, on equal employment opportunity practices.

17. Defendant agrees to pay the mediation expenses for the services of the Honorable Stephen M. Orlofsky.

18. Plaintiffs acknowledge that Plaintiffs have not relied on any representation, promises, or agreements of any kind made in connection with the decision to sign this Agreement, except for those set forth in this Agreement.

19. This Agreement may not be modified except upon express written consent of both parties wherein specific reference is made to this Agreement.

20. This Agreement sets forth the entire agreement between the Plaintiffs and Released Parties and fully supersedes any prior or contemporaneous agreements and understandings between Plaintiffs and Released Parties.

21. Plaintiffs acknowledge and agree that Plaintiffs have been given a reasonable period of time to consider the terms of this Agreement. Plaintiffs have reviewed the terms of this Agreement and the effect of signing this Agreement with legal counsel of Plaintiffs' choosing. Plaintiffs understand and agree that this Agreement settles, bars and waives any and all claims that Plaintiffs, Plaintiffs' heirs, executors, administrators, fiduciaries, successors and/or assigns has or could possibly have against Released Parties as of the date of the execution of this Agreement:

22. This Agreement shall be governed and conformed in accordance with the laws of the State of New Jersey without regard to its conflict of laws provisions.

23. This agreement may be executed in one or more counterparts, each of which will be deemed original copies to the fullest extent permitted by law.

IN WITNESS WHEREOF, the Plaintiffs and Defendant hereto knowingly and voluntarily executed this Agreement as of the date set forth below: