

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (“the Agreement”) is entered into between, on the one hand, the California Senate Committee on Rules, acting on behalf of the California Senate (hereinafter collectively referred to as the “Senate”) and, on the other hand, Karri Velasquez (“Ms. Velasquez”). The Senate and Ms. Velasquez are sometimes collectively referred to as “the parties” and all promises and releases referred to as having been made between the parties are intended to be between Ms. Velasquez and the Senate.

WHEREAS Ms. Velasquez, has been and remains employed by the Senate; and

WHEREAS a grievance by Ms. Velasquez was brought to the attention of the Senate, and related claims were brought by Ms. Velasquez before the California Department of Fair Employment & Housing (“DFEH”); and

WHEREAS all parties now agree that all disputes whether or not contained in any of Ms. Velasquez’s grievances or claims have been settled; and

WHEREAS in consideration for this Agreement, Ms. Velasquez now wishes to resign from her employment with the Senate and to release the Senate and its current and former members, employees, and agents from any and all liabilities and obligations related to or arising out of any matter whatsoever, and the Senate wishes to release Ms. Velasquez from any and all liabilities and obligations related to or arising out of any matter whatsoever while denying any and all liability of fault in any matter respecting Ms. Velasquez;

WHEREAS each of the parties hereto declares and affirms that this Agreement is entered into voluntarily and that they have read this Agreement and are fully aware of its contents and of its effect;

NOW THEREFORE, for valuable consideration of the mutual covenants and Agreements described in this Agreement, the parties agree as follows:

GENERAL RELEASE

(1) The parties hereby fully release and discharge each other, and their respective employees, agents, attorneys, affiliated entities, heirs, estates, executors, administrators, successors and assigns, and each of them, from all actions, causes of action, claims, judgments, obligations, damages and liabilities, of whatsoever kind and character, occurring at any time prior to the date of this release including, but not limited to, any such claims arising out of or relating to Ms. Velasquez's relationship with the Senate and/or any acts or events involving her and the Senate or its members, employees, or agents. The parties also warrant that they have not assigned any such claim as is covered by this release. Further, the parties agree that by this release they waive any claim for damages or other remedy incurred at any time after the date of this release because of alleged continuing effects of any alleged acts or omissions involving Ms. Velasquez's relationship with the Senate and/or any acts or events involving her and the Senate or its members, employees, or agents that occurred on or before the date of this release.

(2) The parties understand and expressly agree that this release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, whether raised in the grievance or not, which existed before the execution of this release including, but not limited to, any and all federal, state or local law claims. The parties further understand and agree that this release extends to all forms of damages or other relief of any kind whatsoever, including back-pay or benefits, punitive damages, compensation for emotional distress or other personal injury of any kind, injunctive or administrative relief, or any other remedy whatsoever.

WAIVER OF SECTION 1542

(3) The parties hereby expressly waive and relinquish all rights and benefits under section 1542 of the California Civil Code which provides:

Section 1542. A general release does not extend to claims which the creditor does not know or 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.

(4) The parties understand the language of section 1542 of the California Civil Code but nevertheless elect to release each other from all claims, whether known or unknown, arising from the subject matter of this Agreement, and specifically waive any rights which the parties may have under that Civil Code section. It is further agreed and stipulated by the parties that each fully understands that if the facts or law with respect to this Agreement are later found to be different from the facts now believed by them to be true, each expressly accepts and assumes the risk of such possible differences and agrees that this Agreement shall be and remain effective, regardless of any such differences.

WAIVER OF RIGHTS TO REINSTATEMENT

(5) The parties agree that by entering into this Agreement, Ms. Velasquez waives and relinquishes her rights to reinstatement to her position or to any other position with the Senate or her right to apply or otherwise seek employment with the Senate for a period of four (4) years, commencing January 1, 1999, and ending December 31, 2002.

SENATE'S PROMISES

(6) The Senate agrees to pay Ms. Velasquez the lump sum of One Hundred and Two Thousand Five Hundred Dollars (\$102,500). The Senate will deliver a check in the amount of

\$102,500, made payable to "Sloan/Pratt LLP - Client Trust Account" within ten (10) business days of receipt of a copy of the Agreement executed by Ms. Velasquez. One hundred percent (100%) of this amount shall be regarded and treated as compensation for emotional and physical injuries, because it is agreed by all parties that Ms. Velasquez is entitled to no amount of back-pay damages, with the exception of the separate amount described in paragraph seven (7) below.

(7) The Senate further agrees to pay Ms. Velasquez the sum of \$4,085.25 in backpay, subject to applicable payroll withholdings. The Senate will deliver a check in this amount, made payable to Ms. Velasquez, within ten (10) business days of receipt of a copy of the Agreement executed by Ms. Velasquez. Ms. Velasquez shall be reclassified as Executive Assistant retroactive to February 1, 1998.

(8) The Senate further agrees to provide to Ms. Velasquez's counsel, Sloan/Pratt LLP, executed copies of the letter attached hereto as Exhibit A, upon execution of this Agreement. Inquiries regarding Ms. Velasquez's employment shall be directed to Ms. Dina Hidalgo who will only provide information regarding Ms. Velasquez's most recent title (Executive Assistant), her length of employment, and her most recent salary (\$42,500 annually).

(9) It is further understood and agreed that Ms. Velasquez shall be on paid administrative leave from the Senate between October 1, 1998, and December 31, 1998, and that during said leave shall be paid at the monthly salary rate of \$3,541.66. All benefits, health, etc., shall remain intact during this leave period. Ms. Velasquez hereby resigns from the Senate, effective December 31, 1998, and agrees not to reapply for employment with the Senate for the period specified in paragraph (5) above. At the time of Ms. Velasquez's resignation, she will be eligible for COBRA benefits, and/or other transitional benefits generally available to a departing Executive Assistant.

ADDITIONAL DOCUMENTS

(10) Each of the parties agrees to execute and provide, at the request of any other party, any other documents or other written instruments as may be reasonably necessary to effectuate the purposes of this Agreement.

CONFIDENTIALITY

(11) The parties agree that neither they nor their counsel, employees, representatives, or agents shall disclose or seek to publicize any of the terms and conditions of this Agreement, including, but not limited to, the fact of the settlement payments made to Ms. Velasquez under this Agreement or any information concerning the amount or size of such payments. The parties further agree that they will not reveal or seek to publicize any of the claims asserted by Ms. Velasquez. If asked about the subject matter of this Agreement, Ms. Velasquez agrees to limit her responses to a statement indicating that the matter was resolved, and the terms are confidential. Notwithstanding this provision, the parties may disclose the terms and conditions of the settlement to the extent required by applicable laws or regulations, or for necessary tax, banking and accounting purposes, or to the extent compelled by court process.

APPLICABLE LAW

(12) This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

PARTIAL INVALIDITY

(13) If for any reason any provision of this Agreement shall be determined to be invalid or inoperative, the validity and effect of the other provisions of this Agreement shall not be affected thereby.

SUCCESSORS AND ASSIGNS

(14) All promises, covenants, releases, and obligations referred to in this Agreement shall bind and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties. Nothing in this settlement effects any benefits received pursuant to California Workers Compensation Law.

MERGER

(15) This Agreement incorporates the entire understanding among the parties, and recites the sole considerations for the promises exchanged in this Agreement. In reaching this Agreement, no party has relied upon any representation or promise except those expressly set forth herein.

(16) This Agreement may be executed in counterparts, and facsimile signatures shall be binding as originals.

(17) THE PARTIES TO THIS AGREEMENT AFFIRM THAT THIS AGREEMENT IS ENTERED INTO VOLUNTARILY AND WITH THE AID OF LEGAL COUNSEL AND THAT THEY HAVE READ THIS AGREEMENT AND ARE FULLY AWARE OF ITS CONTENTS AND OF ITS EFFECT.

DATED: October 24, 1998

KARRI VELASQUEZ



DATED: October __, 1998

CALIFORNIA STATE SENATE RULES COMMITTEE

By:



Greg Schmidt
Chief Executive Office