

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION,

Plaintiff,

v.

TRANS WORLD AIRLINES, INC.,

Defendant

FILED
IN CLERKS OFFICE
U.S. DISTRICT COURT ED. N.Y.
★ MAY 24 2001
P.M. 5/24
TIME A.M. [Signature]

Civil Action No. CV 98-4142 (CLP)

SETTLEMENT AGREEMENT, STIPULATION AND ORDER

1. This Settlement Agreement, Stipulation and Order (hereinafter "Agreement") is entered into voluntarily by the parties, the Equal Employment Opportunity Commission (hereinafter "EEOC") and Trans World Airlines, Inc. (hereinafter "TWA").
2. This Agreement resolves all matters relating to, and all claims that were asserted in: (i) EEOC Charge Nos. 160-98-0168, 0169, 0170 and 160-99-2630 (and the EEOC agrees that it will take no further action with respect to such charges); and (ii) the amended complaint herein, including all claims for back pay, compensatory and punitive damages, interest, injunctive relief, and attorney's fees. The EEOC agrees that (i) it will not take any action adverse to TWA based upon any charge of discrimination filed by any member of the Potential Claimant Pool (as defined below in paragraph 9) alleging sexual harassment and/or retaliation occurring at any time during the Claim Period (as defined below in paragraph 8); and (ii) it will not bring any legal action against TWA on behalf of itself and/or any member of the Potential Claimant Pool based upon any claim of alleged sexual harassment and/or retaliation occurring at any time during the Claim Period.

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3. Each party shall bear its own attorneys' fees and costs incurred in this action; provided, however, that no claimant taking money from the Claim Fund (as defined below in paragraph 7) shall be deemed to be a prevailing party under the law with respect to this case.
4. This Agreement constitutes the complete understanding among the parties hereto. No other promises or agreements shall be binding unless agreed to in writing and signed by these parties. No waiver, modification or amendment of any provision of this Agreement shall be effective unless made in writing, approved by all parties to this Agreement and approved by the Court or ordered by the Court.
5. All parties hereto have participated, through their respective counsel, in the drafting of this Agreement, and this Agreement shall not be construed more strictly against any party. Paragraph headings have been added for convenience only, and shall not affect the construction of the Agreement.

Monetary Settlement

6. Pursuant to a separate confidential agreement, the above-referenced matter (and all claims asserted by the plaintiff-intervenors in EEOC et. al. v. TWA et al., 98 Civ. 4138 (NGG)(CLP), and in Joanne Geskie v. Trans World Airlines, Inc. and Ino Sylman, Index No. 98-014403 (Supreme Court of New York, New York County)), has been settled for a total of Two Million Six Hundred Thousand Dollars (\$2,600,000.00).
7. As part of the settlement, One Million One Hundred Thousand Dollars (\$1,100,000.00) (hereinafter "the Claim Fund") will be used to compensate those as yet unidentified female employees who the EEOC believes were subjected to sexual harassment and/or

retaliation by TWA from January 1, 1988 through the date of the Court's approval of this Agreement, or to otherwise effectuate the purposes of Title VII, in the EEOC's sole discretion. The EEOC shall determine the appropriate amount of monetary relief that shall be awarded to each Eligible Claimant, as defined in paragraph 8, from the Claim Fund. The EEOC may utilize the Settlement Administrator, as designated in paragraph 12, to assist the EEOC in the apportionment and distribution of funds from the Claim Fund. Payments from the Claim Fund shall be made to Eligible Claimants by Proskauer Rose LLP ("Proskauer") as Escrow Agent, pursuant to the April 2, 2001 Escrow Agreement between EEOC, TWA and Proskauer, attached as Exhibit A. Unless otherwise specified by the EEOC, a governmental taxing authority or a court of competent jurisdiction, each settlement payment to an Eligible Claimant shall be deemed for tax purposes to be made in respect of a claim for compensatory damages and not for back pay, will not be subject to any withholding, and will therefore be reported to the IRS by Proskauer on a Form 1099.

Class Membership

8. Eligible Claimants shall be entitled to receive payments from the Claim Fund in accordance with the procedures set forth herein. Eligible Claimants shall be those women from among the Potential Claimant Pool (as defined below in paragraph 9) who were employed by TWA between January 1, 1988 and the date of the Court's entry of this Agreement (the "Claim Period"), whose claims of sexual harassment and/or retaliation have not been previously resolved in another administrative, quasi-judicial or judicial forum, and for whom the EEOC, in its sole discretion determines there is sufficient and

satisfactory evidence and/or information to establish that they were subjected to a pattern or practice of sexual harassment and/or retaliation in TWA's facilities in the JFK Airport. The EEOC's determination of Eligible Claimants will be based upon its review of such individuals' submission of evidence and/or information in response to the EEOC's Notice Letter ("the Submissions"), supplementary information regarding such individuals' employment that the EEOC may hereafter request from TWA ("Supplementary Information"), and upon the EEOC's assessment of those Submissions and Supplementary Information, based upon factors including, but not limited to, credibility and consistency with the EEOC's own evidence and/or with other Submissions recounting the same or related incident(s).

TWA Obligations

9. Within ten (10) business days after the Court's approval of this Agreement, TWA shall provide to the EEOC a list of the names, last known addresses and social security numbers for each present and former female employee who was, during the Claim Period provided in paragraph 8, employed by TWA at JFK International Airport, excluding all flight-related crew, i.e., pilots, first officers, flight engineers, and cabin attendants (hereinafter the "Potential Claimant Pool"). Within ten (10) business days thereafter, the EEOC shall send to the Potential Claimant Pool a Notice and Information Form in the form attached hereto as Exhibit B (hereinafter "the EEOC Notice Letter" and "the EEOC Information Form"). Information Forms received by the EEOC from members of the Potential Claimant Pool shall be treated as confidential and not disclosed to TWA or any other person or entity, except that certain relevant information from such Information

Forms may, in the EEOC's discretion, be submitted confidentially to the Settlement Administrator or the Court in accordance with the claims process set forth in this Agreement.

10. TWA shall cooperate with the EEOC in the EEOC's effort to determine which individuals from the Potential Claimant Pool are Eligible Claimants by using its best efforts to respond to reasonable requests from the EEOC for Supplementary Information in a timely manner and making such Supplementary Information as exists and can be located upon a reasonable search by TWA available to the EEOC. The EEOC will request and use the Supplementary Information solely for the purpose of assessing whether individuals from the Potential Claimant Pool are Eligible Claimants.
11. TWA will have no other or further responsibilities than those stated above and specifically, will not have to pay for, aid in the administration of or otherwise participate in the administration of the settlement, the Claim Fund or any disbursement(s) made from the Claim Fund.

The Settlement Administrator

12. The Settlement Administrator, David Ross, Esq. and/or his staff or designee, has been jointly selected by the parties. Absolute quasi-judicial immunity shall attach to any and all actions taken by the Settlement Administrator within the scope of his official duties pursuant to this Decree. Fees and expenses of the Settlement Administrator (to a maximum of \$25,000) shall be paid out of the claim fund.
13. Within sixty (60) days after the deadline set forth in the EEOC Notice Letter for members of the Potential Claimant Pool to respond with any relevant information, the EEOC shall

notify the Settlement Administrator as to the names of all Eligible Claimants whom the EEOC has determined are entitled to receive a payment from the Claim Fund, and the gross amount proposed to be received by each. The EEOC and the Settlement Administrator shall keep confidential the names of all Eligible Claimants and the gross sum that each Eligible Claimant was offered and/or received.

14. Within ten (10) business days after receiving notification from the EEOC as to the names of all Eligible Claimants, the Settlement Administrator shall send a notice in either the form annexed hereto as Exhibit C-1 or the form annexed hereto as Exhibit C-2 (hereinafter referred to as the "Notification of Payment Amount"), a Question and Answer Sheet in the form annexed hereto as Exhibit D (hereinafter referred to as the "Q&A Sheet"), and a release in the form annexed hereto as Exhibit E (hereinafter "release"), by certified mail-return receipt requested, to each Eligible Claimant (as defined above) whom the EEOC has determined is entitled to receive a payment from the Claim Fund. Each Eligible Claimant must submit her executed release to the Settlement Administrator within 30 calendar days of the date of the Settlement Administrator's Notification of Payment Amount to her in order to receive a payment from the Claim Fund. The Settlement Administrator shall, upon request by an Eligible Claimant, advise such Eligible Claimant of the legal effect of executing the release in a manner consistent with the information set forth in Exhibit D and may provide related factual information of general applicability. The Settlement Administrator shall forward to TWA all duly executed Agreements received from Eligible Claimants and shall promptly notify TWA if any Eligible Claimant timely revokes a previously executed Agreement, in which case such Eligible Claimant will not be entitled to receive any payment under this Agreement.

15. Any Eligible Claimant whose duly executed release is not delivered to the Settlement Administrator within the time period specified in the Settlement Administrator's Notification of Payment Amount shall be ineligible for, and forever barred from receiving, any payment from the Claim Fund, except at the discretion of the EEOC. Nothing in this Paragraph is intended, or shall be construed, to allow any Eligible Claimant to receive a payment from the Claim Fund without first submitting to the Settlement Administrator her duly executed release which Release shall not have been timely revoked.

Fairness Hearing

16. If any Eligible Claimant wishes to challenge the amount awarded, she shall do so in writing mailed to the Settlement Administrator within thirty (30) days of the date of the Settlement Administrator's Notification of Payment Amount to her. The Settlement Administrator shall provide copies to the EEOC of each such challenge received. Any such challenge received from an Eligible Claimant shall be treated as confidential by the Settlement Administrator and the EEOC and shall not be disclosed to any other person or entity, with the exception of the Court, to which such information shall be provided, as necessary, under seal.
17. The Honorable Cheryl L. Pollak will hold a fairness hearing on Tuesday, November 27, 2001 at 9:30 a.m. in the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201 in Courtroom 519.
18. Within ten (10) business days after the entry of a Court Order following the fairness hearing: (a) the EEOC shall compile a final settlement distribution list which shall

contain the name, address and Final Gross Settlement Amount for each Eligible Claimant; (b) the Settlement Administrator shall notify by certified letter, return receipt requested, any Eligible Claimant who has had her Claim Fund payment reallocated by the Court of the amount of the reallocated payment to be received by such Eligible Claimant. In the event that any Eligible Claimant has had her payment adjusted by Order of the Court, such Eligible Claimant shall execute a new release, to be provided by the Settlement Administrator with notice of the reallocated amount, within thirty (30) days after receiving such notice and release from the Settlement Administrator. Within ten (10) business days after receiving any such newly executed Agreement, the Settlement Administrator shall thereafter forward the original of such release to TWA.

Order of Dismissal

19. At the conclusion of the fairness hearing process, the Court will issue an Order dismissing the case with prejudice.

20. Attached as Exhibit F is a Stipulation of Dismissal executed by plaintiff-intervenors.

Dated: New York, New York
May 18, 2001

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
New York District Office
7 World Trade Center, 18th Floor
New York, New York 10048
(212) 748-8512

By: Katherine E. Bissell by SA
Katherine E. Bissell, Esq.
Regional Attorney

TRANS WORLD AIRLINES, INC.

By: [Signature]
Allen I. Fagin, Esq.
Proskauer Rose LLP
1585 Broadway
New York, New York 10036-8299
(212) 969-3030
Attorneys for Trans World Airlines, Inc.

SO ORDERED.

By: Cheryl L. Pollak
Cheryl L. Pollak, U.S.M.J.
5/21/01

ESCROW AGREEMENT

The parties to this Escrow Agreement (the "Agreement") are Trans World Airlines, Inc. ("TWA"), the Equal Employment Opportunity Commission ("EEOC") and Proskauer Rose LLP (the "Escrow Agent").

TWA and EEOC have entered into a Settlement Agreement, Stipulation and Order dated as of April 2, 2001 (the "Settlement Agreement"), in connection with the settlement of *EEOC v. TWA*, 98 Civ. 4142 (GGN) (CLP) (the "EEOC Action"). Pursuant to a separate confidential agreement, the sum of \$1,378,000 (that amount, in whatever form invested and reinvested, together with all interest and other amounts from time to time held by the Escrow Agent under this Agreement, being referred to below as the "Escrow Deposit") shall be delivered to the Escrow Agent on or about March 26, 2001, to be held by the Escrow Agent in escrow in accordance with the terms of this Agreement.

Accordingly, the parties agree as follows:

1. **Appointment of Escrow Agent.**

TWA and EEOC appoint Proskauer Rose LLP as Escrow Agent, and Proskauer Rose LLP accepts that appointment and agrees to hold and dispose of the Escrow Deposit in accordance with the terms of this Agreement.

2. **Investment.**

The Escrow Deposit shall be deposited by the Escrow Agent in an interest-bearing account as directed by the EEOC.

3. **Release of Escrow Deposit.**

The Escrow Agent shall deliver the Escrow Deposit as follows:

A. **Payments to Identified Claimants**

(i) Within ten (10) business days of the Effective Date of a duly executed general release in the form attached as Exhibit E to the Settlement Agreement (the "Release"), the Escrow Agent shall pay the gross amount of \$55,600, less any applicable withholding deductions, to each of the following five individuals previously identified by the EEOC as a

claimant in the EEOC Action: Janet Winship (previously Janet Jackson), Allyn Egiziano, Kismet Kanatous, Ann Prokop and Marie Soullier.¹

(ii) In the event that any of the above-named claimants does not sign and deliver a Release to TWA, the Escrow Agent shall not make any payment to such claimant(s) from the Escrow Deposit.

(iii) Unless otherwise specified by the EEOC, a governmental taxing authority or a court of competent jurisdiction, each settlement payment made pursuant to Paragraph 3(A)(i) shall be deemed for tax purposes to be made in respect of a claim for compensatory damages and not for back pay, will not be subject to any withholding, and will therefore be reported by the Escrow Agent to the IRS on a Form 1099.

B. Payments to Eligible Claimants from the Claim Fund

(i) \$1,100,000.00 of the Escrow Deposit (hereinafter the "Claim Fund") shall be designated pursuant to Paragraph 7 of the Settlement Agreement as funds to be used to compensate those as yet unidentified female employees who the EEOC believes were subjected to sexual harassment and/or retaliation by TWA from January 1, 1988 through the date of the Court's entry of the Settlement Agreement, or to otherwise effectuate the purposes of Title VII, in the EEOC's sole discretion.

(ii) EEOC shall determine the appropriate amount of monetary relief to be awarded to each Eligible Claimant, as defined in Paragraph 8 of the Settlement Agreement, from the Claim Fund. EEOC may utilize the Settlement Administrator (as designated in Paragraph 12 of the Settlement Agreement) to assist the EEOC in the apportionment and distribution of funds from the Claim Fund. EEOC and TWA agree that the Escrow Agent shall pay the fees and expenses of the Settlement Administrator (to a maximum of \$25,000) out of the Claim Fund, pursuant to Paragraph 12 of the Settlement Agreement.

(iii) Within ten (10) business days after entry of the Court's Order following a fairness hearing held pursuant to Paragraphs 16-17 of the Settlement Agreement, or within ten (10) business days of the Court's determination that it is not necessary to hold a fairness hearing, EEOC will provide to the Escrow Agent a final and complete list of all Eligible Claimants and the amounts to be paid to each Eligible Claimant from the Claim Fund. The Escrow Agent shall issue a check from the Claim Fund to each Eligible Claimant who submitted to the Settlement Administrator a general release in the form attached as Exhibit E to the Settlement Agreement (the "Release") and who did not timely revoke such Release, within three (3) business days of the Effective Date of such Release (as defined therein) and shall advise the EEOC that such

¹"Effective Date" is used herein in accordance with its definition in Paragraph 4 of the Release.

payments have been made. In the event that any Eligible Claimant does not sign and deliver a Release to the Settlement Administrator, the Escrow Agent shall not make any payment to such claimant(s) from the Claim Fund.

(iv) Unless otherwise specified by the EEOC, a governmental taxing authority or a court of competent jurisdiction, each settlement payment made pursuant to Paragraph 3(B)(iii) shall be deemed for tax purposes to be made in respect of a claim for compensatory damages and not for back pay, will not be subject to any withholding, and will therefore be reported by the Escrow Agent to the IRS on a Form 1099.

(v) The Escrow Agent shall not have any responsibility for the administration of the Escrow Deposit and/or the Claim Fund, except to make or tender the payments provided for and in accordance with the terms of Paragraph 3(A)(i), 3(B)(ii) and 3(B)(iii) of this Agreement. Upon making or tendering the payments provided for in Paragraphs 3(A)(i), 3(B)(ii) and 3(B)(iii) of this Agreement, the Escrow Agent shall be released and discharged from any further obligation under this Agreement.

C. Amounts Remaining in the Escrow Deposit

With respect to any amount of the Escrow Deposit remaining after the Escrow Agent has made or tendered the payments provided for in Paragraphs 3(A)(i), 3(B)(ii) and 3(B)(iii) of this Agreement, the Escrow Agent shall deliver such funds pursuant to written instructions from the EEOC, which shall be promptly provided by the EEOC to the Escrow Agent following the payments provided for by Paragraphs 3(A)(i), 3(B)(ii) and 3(B)(iii). The Escrow Agent shall have no responsibility for distribution of any amounts remaining in the Escrow Deposit after making or tendering the payments provided for in Paragraphs 3(A)(i), 3(B)(ii) and 3(B)(iii) except as instructed by EEOC.

4. Concerning the Escrow Agent

(a) The Escrow Agent shall not have any liability to any of the parties to this Agreement or to any third party arising out of its services as Escrow Agent under this Agreement, except for damages directly resulting from the Escrow Agent's gross negligence or willful misconduct. Without limiting the generality of the preceding sentence, in no event shall the Escrow Agent have any liability arising out of losses resulting from its investment or reinvestment of the Escrow Deposit, including, but not limited to, any loss of principal or failure to earn interest on the Escrow Deposit, any claim that a higher rate of return could have been obtained, or any loss of principal or interest resulting from any delay in the investment or reinvestment of the Escrow Deposit.

(b) TWA shall indemnify the Escrow Agent and hold it harmless against any loss, liability, damage or expense (including reasonable attorneys' fees) that the Escrow Agent may incur as a result of acting as escrow agent under this Agreement, except for any loss, liability, damage or expense arising from its own gross negligence or willful misconduct. Without waiver of the foregoing indemnity, the Escrow Agent shall be reimbursed from the Escrow Deposit for any such losses, liabilities, damages or expenses (including reasonable attorneys' fees). For this purpose, the term "attorneys' fees" includes fees payable to any counsel retained by the Escrow Agent in connection with its services under this Agreement and, with respect to any matter arising under this Agreement as to which the Escrow Agent performs legal services, its standard hourly rates and charges then in effect.

(c) The Escrow Agent shall be entitled to rely upon any judgment, notice, instrument or other writing delivered to it under this Agreement without being required to determine the authenticity of, or the correctness of any fact stated in, that document and irrespective of any facts the Escrow Agent may know or be deemed to know in any other capacity. The Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give any notice or receipt or advice or make any statement or execute any document in connection with this Agreement has been duly authorized to do so.

(d) The Escrow Agent shall have no duties or responsibilities except those expressly set forth in this Agreement. The Escrow Agent shall not have any obligations arising out of, or be bound by, the provisions of any other agreement, written or oral.

(e) EEOC acknowledges that it knows that the Escrow Agent has represented TWA in connection with the EEOC Action, the Settlement Agreement and this Agreement, and that it may continue to represent TWA in various capacities, including in connection with the transactions contemplated by those agreements, including, but not limited to, in connection with any disputes that may arise under any of those agreements. The Escrow Agent shall not be precluded from or restricted from representing TWA or otherwise acting as attorneys for TWA in any matter, including, but not limited to, any court proceeding or other matter related to the Settlement Agreement or the transactions contemplated by the Settlement Agreement or this Agreement, whether or not there is a dispute between TWA and EEOC with respect to any such matter; EEOC irrevocably consents to any such representation and waives any conflict or appearance of conflict with respect to any such representation.

(f) The Escrow Agent shall report as taxable income any interest income resulting from the investment of the Escrow Deposit. The Escrow Agent may deduct or withhold from the Escrow Deposit or any payment under this Agreement any amount that it in good faith estimates is owed to the Internal Revenue Service or to any other taxing authority by any party with an interest in the Escrow Deposit, and the Escrow Agent may in its discretion pay over to the Internal Revenue Service or such other taxing authority all or part of the amount so deducted or withheld. The Escrow Agent shall notify EEOC at least five (5) business days prior to making

any deductions, withholdings and/or payments to any taxing authorities pursuant to this Paragraph 4(f) and shall consult in good faith with EEOC regarding any objections to such deductions, withholdings and/or payments.

(g) The Escrow Agent's rights of indemnification provided for in this Agreement shall survive the resignation of the Escrow Agent, its replacement by a successor Escrow Agent, its delivery or deposit of the Escrow Deposit in accordance with this Agreement, the termination of this Agreement, and any other event that occurs after this date.

(h) The Escrow Agent shall have no responsibility with respect to the sufficiency of the arrangements contemplated by this Escrow Agreement to accomplish the intentions of the parties.

5. **Representations.**

TWA and EEOC each represents and warrants to the Escrow Agent that it has full power and authority to enter into and perform this Agreement; that the execution and delivery of this Agreement was duly authorized by all necessary corporate action; and that this Agreement is enforceable against it in accordance with its terms.

6. **Resignation and Termination; Successor Escrow Agent.**

(A) The Escrow Agent (and any successor escrow agent) may at any time resign as such upon 60 days prior notice to TWA and EEOC. Upon receipt of a notice of resignation from the Escrow Agent, EEOC shall use its best efforts to select a successor agent within 30 days, and, at TWA's election, shall consult in good faith with TWA regarding the choice of such successor agent. If, within that 30 day period, the Escrow Agent has not received a notice from EEOC appointing a successor escrow agent and setting forth its name and address, the Escrow Agent may (but shall not be obligated to) select a bank or trust company to act as successor escrow agent, for such compensation as that bank or trust company customarily charges and on such terms and conditions not inconsistent with this Agreement as that bank or trust company reasonably requires. A successor escrow agent selected by the resigning Escrow Agent may become the Escrow Agent by confirming in writing its acceptance of the position. EEOC shall sign such other documents as the successor escrow agent reasonably requests in connection with its appointment. The Escrow Agent shall deliver the Escrow Deposit to the successor escrow agent selected pursuant to this provision; upon such delivery, the successor escrow agent shall become the Escrow Agent for all purposes under this Agreement and shall have all of the rights and obligations of the Escrow Agent under this Agreement unless otherwise agreed to in writing by the successor agent and EEOC, and the resigning Escrow Agent shall have no further responsibilities or obligations under this Agreement.

(B) EEOC may at any time terminate the Escrow Agent's services as such and appoint a successor agent of the EEOC's choosing upon written notice to the Escrow Agent. At TWA's election, EEOC shall consult in good faith with TWA regarding the appointment of such successor agent. Upon receiving notice from the EEOC of the appointment of a successor agent, the Escrow Agent shall deliver the Escrow Deposit to the successor escrow agent; upon such delivery, the successor escrow agent shall become the Escrow Agent for all purposes under this Agreement and shall have all of the rights and obligations of the Escrow Agent under this Agreement unless otherwise agreed to in writing by the successor agent and EEOC, and the Escrow Agent shall have no further responsibilities or obligations under this Agreement.

(C) The fees and charges of any successor escrow agent shall be payable out of the Escrow Deposit.

7. **Notices.**

All notices, instructions, objections or other communications under this Agreement shall be in writing and shall be deemed given when sent by United States registered mail, return receipt requested, to the respective parties at the following addresses (or at such other address as a party may specify by notice given in accordance with this paragraph):

If to EEOC, to it at:

New York District Office
7 World Trade Center, 18th Floor
New York, New York 10048
(212) 748-8509
Attn: Elizabeth Grossman, Esq.

If to TWA, to it at:

TWA Legal Department
515 North 6th Street
St. Louis, Missouri 63101
(314) 589-3225
Attn: David Luce, Esq.

If to the Escrow Agent:

Proskauer Rose LLP
1585 Broadway
New York, New York 10036
(212) 969-3030
Attention: Allen I. Fagin, Esq.

8. **Miscellaneous.**

(a) The Escrow Agent shall serve under this Agreement without fee. TWA and EEOC agree that the Escrow Agent shall be reimbursed for its reasonable expenses (including, but not limited to, the cost of preparing and mailing checks and issuing tax reporting forms in connection with the payments referenced in Paragraphs 3(A)(i) and 3(B)(iii) of this Agreement) incurred in performing its services under this Agreement, in an amount not to exceed \$10,000.

(b) If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid or unenforceable in any jurisdiction the remaining provisions of this Agreement shall not be affected thereby, and the invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction. It is understood, however, that the parties intend each provision of this Agreement to be valid and enforceable and each of them waives all rights to object to any provision of this Agreement.

(c) This Agreement shall be binding upon and inure solely to the benefit of the parties and their respective successors and permitted assigns, and shall not be enforceable by or inure to the benefit of any third party. No party may assign its rights or obligations under this Agreement or any interest in the Escrow Deposit without the written consent of the other parties, and any other purported assignment shall be void. In no event shall the Escrow Agent be required to act upon, or be bound by, any notice, instruction, objection or other communication given by a person or entity other than EEOC, nor shall the Escrow Agent be required to deliver any funds from the Escrow Deposit in any manner or to any person other than as specified in this Agreement.

(d) This Agreement shall be governed by and construed in accordance with the law of the State of New York applicable to agreements made and to be performed in New York.

(e) The United States District Court for the Eastern District of New York shall have exclusive jurisdiction over the parties (and the subject matter) with respect to any dispute or controversy arising under or in connection with this Agreement. A summons or complaint or other process in any such action or proceeding served by mail in accordance with section 7 of this Agreement or in such other manner as may be permitted by law shall be valid and sufficient service.

(f) This Agreement contains a complete statement of all of the arrangements among the parties with respect to its subject matter and cannot be changed or terminated orally. Any waiver must be in writing.

(g) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

(h) The section headings used herein are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Dated: April 2, 2001
New York, New York

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
New York District Office
7 World Trade Center, 18th Floor
New York, New York 10048
(212) 748-8509

By: Elizabeth Grossman
Elizabeth Grossman, Esq.

TRANS WORLD AIRLINES, INC.
515 North 6th Street
St. Louis, Missouri 63101
(314) 589-3225

By: David Luce
David Luce, Esq.

PROSKAUER ROSE LLP
1585 Broadway
New York, New York 10036
(212) 969-3000

By: Allen Fagin / C/S
Allen I. Fagin, Esq.

EXHIBIT B

[Letterhead of U.S. Equal Opportunity Commission]
[New York District Office]

[date]

[name]

[address]

Dear Madam:

The United States Equal Employment Opportunity Commission ("the EEOC") is the federal government agency charged with enforcing employment discrimination laws, including Title VII of the Civil Rights Act of 1964 ("Title VII"). As you may be aware, the EEOC filed a lawsuit against Trans World Airlines, Inc., in case number CV 98 4142 in the United States District Court for the Eastern District of New York. The lawsuit alleged that TWA discriminated against a class of women at its JFK Airport facilities in violation of Section 703(a) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e-2(a), by subjecting them to a pattern and practice of retaliation and frequent, pervasive sexual harassment.

The EEOC and TWA recently resolved the lawsuit by entering into a Settlement Agreement. The Settlement Agreement was entered into voluntarily by TWA and does not represent a finding or admission that TWA has violated any law or committed any wrongdoing.

This letter and the enclosed form, which have been approved by Magistrate Cheryl L. Pollak as part of the Settlement Agreement, are being sent to you pursuant to the agreement between the EEOC and TWA. The EEOC is attempting to determine whether you have information relevant to this litigation. If you believe you have experienced sexual harassment and/or retaliation at JFK Airport between January 1, 1988 and the present, please provide the information regarding your experience(s) on the enclosed form. Submit the completed form to Andrée M. Peart at Equal Employment Opportunity Commission, 7 World Trade Center, 18th Floor, New York, New York, 10048. Any relevant information must be received at the above address not later than [insert date: 30 days from date of letter] in order to preserve any rights that you may have under the Settlement Agreement. If you have a question, you may call the EEOC at (212) 748-8415.

TWA has committed that it will not take adverse action against any individual because she has responded to this letter.

Very truly yours,

Andrée M. Peart

Enclosure

Return to: Attention, Andree Peart, Esq., EEOC, not later than _____, 2000.

INFORMATION FORM

(please feel free to staple extra sheets to this information for your responses if necessary)

1. Name (indicating any changes to your name during your employment with TWA):

Address: _____ City: _____

County: _____ State: _____ Zip Code: _____

Social Security No. _____

Home Phone () _____ Best Time to Call: _____

2. Please state your dates of employment with TWA:

3. Have you ever been the victim of what you believe to be sexual harassment (as sexual harassment is defined on the attached "Definitions" page) at TWA in the JFK Airport:

4. If the answer to question 3 is yes, please describe the incident(s), including who was harassing you, where the incident(s) occurred, the names of any witnesses and the approximate dates:

Return to: Attention, Andree Peart, Esq., EEOC, not later than _____, 2000.

Incident	Harasser	Where	Witnesses	Date

5. Did you complain or in any other way inform anyone about the incident(s):

6. If the answer to question 5 is yes, please state who you informed and what you said:

Incident	Who complained to	What you said

Return to: Attention, Andree Peart, Esq., EEOC, not later than _____, 2000.

7. If the answer to question 5 is no, please explain if there was a reason for not making TWA aware of the incident(s):

8. Did you complain about sexual harassment to anyone outside TWA, including any attorney; organization; or federal, state or local government agency? If so, when, what did you complain about? Did that entity resolve your complaint? How?

Attorney, Organization, Agency	When	What Complained about?	Resolved?	How?

Return to: Attention, Andree Peart, Esq., EEOC, not later than _____, 2000.

9. If you objected, protested, refused to tolerate or complained about sexual harassment, do you believe that TWA retaliated against you (as retaliation is defined on the attached "Definitions" page) as a result?

10. If the answer to question 9 is yes, describe the action, when it occurred and who took the action?

Action taken	When?	Who did it?	What did (s)he do?

11. If you are no longer employed with TWA, please state why. Also indicate whether you are presently employed and, if so, name your employer, its address and your position:

Reason no longer employed with TWA:

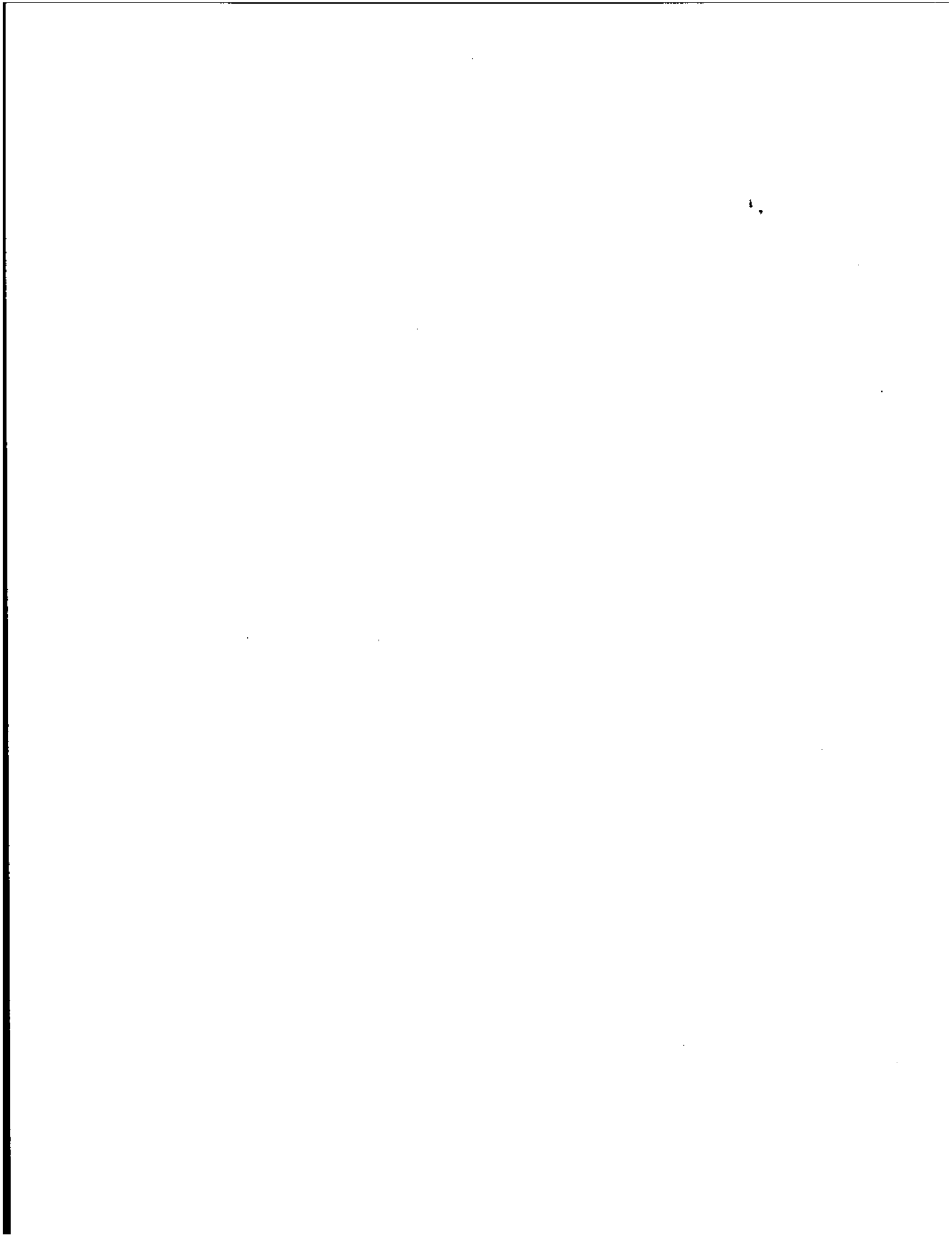
Present Employer	Employer's Name	Address	Your Position

Return to: Attention, Andree Peart, Esq., EEOC, not later than _____, 2000.

12. What positions did you hold during your employment with TWA. For each such position, please provide the departments in which you worked, your immediate supervisor in each position and the dates for which you held each position:

Position Held at TWA	Department in Which Worked	Immediate Supervisor	Dates You Held Position

13. Please enclose any documents, papers, notes, diaries, etc. which you believe support or corroborate any of your answers on this form. Please list here the documents you are enclosing.



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Return to: Attention, Andree Peart, Esq., EEOC, not later than _____, 2000.

Definitions:

Sexual Harassment: Sexual harassment is a form of sex discrimination which is prohibited by federal law.

Conduct which is considered sexual harassment includes:

- unwelcome sexual advances;
- unwelcome requests for sexual favors; and/or
- unwelcome verbal or physical conduct of a sexual nature.

Sexual harassment may include a range of subtle and not-so-subtle behaviors. Whether certain behavior constitutes sexual harassment depends upon the specific circumstances, including whether the recipient of the behavior finds it unwelcome or offensive, and whether the behavior is severe and pervasive, *e.g.*, whether it is extreme and continuous in nature. The following are specific examples of behaviors, which, depending upon the circumstances, may be considered sexual harassment:

- derogatory or vulgar statement regarding one's sexuality or gender;
- unnecessary touching or attention to one's body;
- subtle or overt pressure for sexual favors;
- physical assault;
- strip search;
- making unwanted sexual compliments, innuendos, suggestions or jokes;
- telling lies or spreading rumors about a person's sex life;
- turning work discussions into sexual topics;
- displaying sexually suggestive visual materials; or
- sexually suggestive remarks about a person's physical anatomy or characteristics.

Conduct as described above can constitute sexual harassment when that conduct affects an individual's employment, interferes with the individual's work performance or creates an intimidating, hostile or offensive work environment.

Retaliation: Retaliation is a form of employment discrimination prohibited by federal law. Retaliation occurs when an employee formally or informally complains, protests or opposes sexual harassment and the employer takes a negative or adverse employment action against the employee because of his or her complaint, protest or opposition.

[JAMS STATIONERY]

[date]

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

[name]

[address]

Dear Madam:

I have been appointed to assist the Equal Employment Opportunity Commission (the "EEOC") with the claims procedure established in EEOC v. Trans World Airlines, Inc. in the United States District Court for the Eastern District of New York. I am affiliated with a neutral dispute resolution organization known as JAMS. Enclosed is a Question and Answer Sheet that more fully explains the settlement process and my role as the Settlement Administrator.

I write in response to your submission regarding the Settlement Agreement entered in EEOC v. Trans World Airlines, Inc. Based on a thorough review of the information you have provided, and after careful deliberation, the EEOC has determined that you are eligible to share in the settlement and are entitled to receive a payment in the gross amount of \$ _____ from the Claim Fund to Eligible Claimants (the "Claim Fund").

If you accept the EEOC's allocation of damages, you must execute (sign and date before a notary public) and return to me the enclosed release by [insert date thirty days from date of letter] in order to receive your monetary award.

Under the Settlement Agreement, the EEOC has the sole discretion to allocate monetary awards from the Claim Fund. Nonetheless, the Court will hold a fairness hearing on Tuesday, November 27, 2001 at 9:30 a.m. in the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201 in Courtroom 519 to address any challenge(s) to the apportionment of the Claim Fund. If you wish to challenge the EEOC's allocation of monetary awards, you must notify me in writing by [insert date thirty days from date of letter]. Please include a full explanation as to the reason(s) why you are challenging the EEOC's allocation.

If I do not receive either your executed release or your written explanation of your challenge by [insert date thirty days from date of letter], you will be barred from receiving any monetary award pursuant to the Settlement Agreement. For your convenience, a self-addressed envelope is enclosed.

Please be advised that your payment amount may be modified by order of the Court. You will receive your settlement check within two weeks of the conclusion of the fairness hearing process.

You should understand that by signing the release in exchange for a monetary award, you are waiving any and all legal claims that you may have against TWA related to your TWA employment through and including the date of your executed release. If you have any questions about the legal effect of signing the release, you may contact me at (212) 751-2700. You should also feel free to consult with an attorney of your choice.

Sincerely,

David S. Ross
Settlement Administrator

[JAMS STATIONERY]

[date]

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

[name]

[address]

Dear Madam:

I have been appointed to assist the Equal Employment Opportunity Commission (the "EEOC") with the claims procedure established in EEOC v. Trans World Airlines, Inc. in the United States District Court for the Eastern District of New York. I am affiliated with a neutral dispute resolution organization known as JAMS. Enclosed is a Question and Answer Sheet that more fully explains the settlement process and my role as the Settlement Administrator.

I write in response to your submission regarding the Settlement Agreement entered in EEOC v. Trans World Airlines, Inc. Based on a thorough review of the information you have provided, and after careful deliberation, the Equal Employment Opportunity Commission (the "EEOC") has determined that you are not eligible to share in the settlement and are not entitled to receive a payment from the Claim Fund to Eligible Claimants (the "Claim Fund"). The EEOC has made this conclusion because _____.

Under the Settlement Agreement, the EEOC has the sole discretion to allocate monetary awards from the Claim Fund. Nonetheless, the Court will hold a fairness hearing on Tuesday, November 27, 2001 at 9:30 a.m. in the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201 in Courtroom 519 to address any challenge(s) to the apportionment of the Claim Fund. If you wish to challenge the EEOC's allocation of monetary awards, you must notify me in writing by [insert date thirty days from date of letter]. Please include a full explanation as to the reason(s) why you are challenging the EEOC's allocation.

If you have any questions, you may contact me at (212) 751-2700.

Sincerely,

David S. Ross
Settlement Administrator

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What is the EEOC?

The Equal Employment Opportunity Commission ("EEOC") is the federal agency that enforces Title VII of the Civil Rights Act of 1964. Title VII is a federal law that prohibits, among other things, sexual harassment in the workplace.

Who is the Settlement Administrator?

The Settlement Administrator is David Ross, Esq. Mr. Ross is affiliated with a neutral dispute resolution organization known as JAMS. Mr. Ross has been designated jointly by the EEOC and TWA to assist with the claims procedure established in this case.

Must I do anything in order to receive a monetary award?

Yes. In order to receive a monetary award, you will have to sign a release. This release requires that you release any and all legal claims that you may have against TWA as of the date you sign the release.

Which claims will I be giving up?

All claims, except those that are brought under the workers' compensation law in your state. (However, by signing the release, you acknowledge that you have suffered no injury that could serve as the basis of a claim under the workers' compensation law in your state based upon any alleged incident(s) of sexual harassment or retaliation during your TWA employment, up to and including the date that you sign the release.) For example, you will be waiving all claims for unlawful discrimination — including, but not limited to, discrimination on the basis of race, age, creed, color, national origin, sex, disability, and sexual orientation. In addition to discrimination claims, you will be waiving all other claims that are related in any way to your employment with TWA (except for workers' compensation claims).

What about my vacation time, industrial leave time and other TWA benefits?

If you are a current TWA employee, your current benefits will not be affected by the Release. If you are a former TWA employee, your retirement benefits, if any, will not be affected by the Release. (Such benefits, if any, are subject to the terms of any TWA pension plan in which you are a participant and applicable law.)

What if I have more questions?

If you have additional questions about the legal effect of signing the release, you may contact David Ross at (212) 751-2700. With respect to any other questions, you should feel free to consult with an attorney of your choice within the thirty (30) day time period provided to you to sign and return the Release to the Settlement Administrator.

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GENERAL RELEASE

1. In consideration of the payments, covenants and agreements received simultaneously with my signing this Release, I irrevocably and forever and unconditionally waive for myself, my attorneys, heirs, executors, administrators, successors and assigns fully and forever any claim against TWA, its partners, any related or parent company, their predecessors, successors, assigns, officers, directors, current or former employees, agents, representatives, benefit plan administrators and trustees, attorneys, and Proskauer Rose LLP, as escrow agent for the EEOC, for any action or inaction, loss, expense or any damages of whatever nature arising from an occurrence or occurrences, from the beginning of time until the date of this Release. Without limitation, I specifically waive any claim arising under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, et seq., the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621, et seq., New York State Executive Law, New York City Administrative Code, and all other federal, state and local laws and regulations prohibiting employment discrimination or claims growing out of TWA's employment policies or practices.
2. This release is binding upon and shall inure to the benefit of the parties' respective heirs, successors and assigns.
3. I acknowledge that I have been advised by the Settlement Administrator to consult with independent legal counsel of my own choosing with respect to the terms and conditions of this Release and that I have had an adequate opportunity to do so; that I have had the opportunity to consider the terms of this Release for a period of at least 21 days; that I have carefully read this Release in its entirety; that I have had an adequate opportunity to consider the Release and to consult with any advisor(s) of my choice about it; that I understand all the terms of the Release and their significance; that I knowingly and voluntarily assent to all the terms and conditions contained herein; and that I am signing the Release voluntarily and of my own free will.
4. I understand that this Release shall not become effective until the eighth (8th) day following my signing of the Release ("the Effective Date"). I may at any time prior to the Effective Date revoke this Release by delivering written notice of revocation to David S. Ross, Esq., JAMS, 45 Broadway, 28th Floor, New York, NY 10006, no later than the close of business on the seventh (7th) day following the date I sign this Release. In the event that I revoke this Release prior to the eighth (8th) day after its execution, the

Release, and the promises contained in it, shall automatically be null and void.

Date: _____

By _____

STATE OF NEW YORK)
COUNTY OF _____) ss.:

On this ____ day of _____, before me personally came _____, known to me to be the person described in and who executed the foregoing Release, and she duly acknowledged to me that she executed the same.

Notary Public

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

----- x
EQUAL EMPLOYMENT OPPORTUNITY :
COMMISSION, :
:

Plaintiff, :
:

v. :
:

TRANS WORLD AIRLINES, INC., :
:

Defendant. :
:

----- :
VERONICA SAUNDERS, JOANNE GESKIE and :
SUSAN CONGEMA, :
:

Plaintiff-Intervenors, :
:

v. :
:

TRANS WORLD AIRLINES, INC., :
INO SYLMAN, GEORGE CINTRON and :
GARFIELD HARRIS, :
:

Defendants. :
----- x

98 Civ. 4142 (NGG) (CLP)

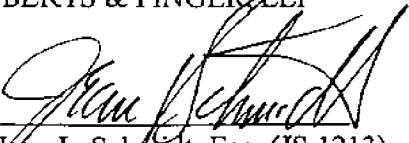
**STIPULATION AND ORDER OF
DISMISSAL WITH PREJUDICE**

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned attorneys for the parties to the above-captioned action, that all claims of the Plaintiff-Intervenors in the above-captioned action, as well as all claims asserted in *Saunders et al. v. TWA et al.*, 98 Civ. 4138 (DGT) (CLP), be, and the same hereby are, dismissed with prejudice and without costs or attorney's fees to any party.

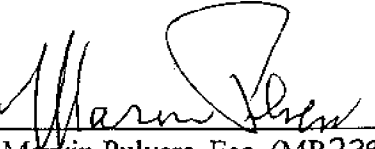
Dated: New York, New York
March 21, 2000

ROBERTS & FINGER LLP

By

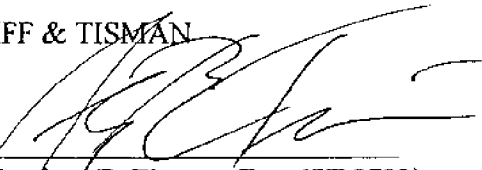

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By


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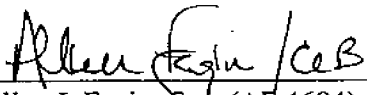
SHIFF & TISMAN

By


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PROSKAUER ROSE LLP

By



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LIPMAN & PLESUR, LLP

By:


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Veronica Saunders, Susan Congema,
Joanne Geskie and Berdette Thompson
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Jericho, NY 11753
(212) 661.0085

SO ORDERED:


U.S. MJ. 5/24/01