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U.S. DISTRICT COURT
SAN JUAN, P.R.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

<p>BENITO A. COLON ORTIZ, Plaintiff, v. INTERNATIONAL ETHICAL LABORATORIES, INC., Defendant.</p>
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Civil Action No. 05-cv-1267 (HL)

SETTLEMENT AGREEMENT

This matter is before the Court for entry of this Settlement Agreement ("Agreement") by consent of the parties to effectuate a compromise and settlement of all claims stemming from plaintiff Benito A. Colón Ortiz's ("Colón") employment with defendant International Ethical Laboratories, Inc. ("IEL").

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1. Colón commenced the above entitled action in the United States District Court for the District of Puerto Rico, alleging that IEL violated the Uniformed Services Employment and Reemployment Rights Act of 1994, 43 U.S. C. § 4301 *et seq.* ("USERRA"), by terminating his employment following his return from active military service with the National Guard.

2. As a result of settlement discussions, Colón and IEL have resolved their differences and have agreed that this action should be settled by entry of this Agreement. It is the intent of the parties that this Agreement be a final and binding settlement in full disposition of all claims stemming from Colón's employment with IEL, including those claims alleged in the Complaint filed in this case.

STIPULATIONS

3. The parties acknowledge the jurisdiction of the United States District Court for the District of Puerto Rico over the subject matter of this action and of the parties to this case for the purpose of entering this Agreement and, if necessary, enforcing this Agreement.

4. Venue is proper in this district for purposes of this Agreement and any proceedings related to this Agreement only. IEL agrees that all statutory conditions precedent to the institution of this lawsuit have been fulfilled.

5. The parties waive findings of fact and conclusions of law.

DETERMINATIONS

6. Having examined the terms and provisions of this Agreement and based on the pleadings, record, and the stipulations of the parties, the Court determines the following:

- a. The Court has jurisdiction over the subject matter of the action and the parties to this action;
- b. The terms and provisions of this Agreement are fair, reasonable, and just;
and
- c. This Agreement conforms with the Federal Rules of Civil Procedure and USERRA, and is not in derogation of the rights and privileges of any person. The entry of this Agreement will further the objectives of the USERRA and will be in the best interests of the parties.

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NON-ADMISSION

7. This Agreement, being entered with the consent of Colón and IEL, shall not constitute an adjudication or finding on the merits of the case and shall not be construed as an admission by IEL of any violations of USERRA. IEL denies any wrongdoing and is entering into this Agreement to avoid the costs of further litigation.

NON-RETALIATION

8. IEL shall not take any action against any person which constitutes retaliation or interference with the exercise of such person's rights under USERRA, or because such person gave testimony or assistance or participated in any manner in any investigation or proceeding in connection with this case.

REMEDIAL REQUIREMENTS

9. Within five (5) days from the date of entry of this Agreement, IEL shall pay Colón an amount the parties have agreed to keep confidential and have executed a letter agreement reflecting such amount. Of such amount, Colón shall be responsible for payment of all employee income taxes associated with the back pay portion. IEL shall separately be responsible for paying all applicable federal and state employer taxes on the portion that represents back pay. Colón and IEL agree to hold each other harmless for any determinations made by federal, state or local governments with respect to the tax or other fiscal implications of this payment. Within ten (10) days from the date of the entry of this Agreement, IEL shall provide documentary evidence of having fully paid Colón by mailing the same to the following address:

Diana L. Embrey
Senior Trial Attorney
United States Department of Justice
950 Pennsylvania Avenue NW
Civil Rights Division
Employment Litigation Section, PHB, Room 4918
Washington, D.C. 20530

10. Within thirty (30) days from the date of entry of this Agreement, IEL shall correct all IEL records, including those contained in Colón's personnel file, to reflect that Colón resigned voluntarily from IEL; and IEL shall remove from its records all references, if any, to Colón being terminated or permitted to resign in lieu of termination.

11. Within thirty (30) days from the date of entry of this Agreement, IEL shall provide Colón with twelve (12) original signed copies of a reference letter, the text of which is set forth below, printed on IEL letterhead and signed by IEL President Samuel Diaz. Six (6) copies of the letter shall be written in Spanish and six (6) in English. The signed reference letter shall be made a part of Colón's personnel file at IEL.

a. **English:**

To whom it may concern:

This letter confirms that Benito Colón Ortiz was employed as a Pharmaceutical Sales Representative for International Ethical Laboratories, Inc., from January 2003 until April 2004. As a Sales Representative, Mr. Colón was responsible for meeting with physicians and pharmacies in Puerto Rico to promote a variety of pharmaceutical products. Mr. Colón's performance at IEL was good. He resigned voluntarily on April 2, 2004.

b. Spanish:

A quien pueda interesar:

Por este medio queremos confirmar que Sr. Benito Colón Ortiz se desempeñó como Representante de Ventas de Productos Farmacéuticos de International Ethical Laboratories, Inc., desde enero de 2003 hasta abril de 2004. Como Representante de Ventas, el Sr. Colón tenía la responsabilidad de visitar médicos y farmacias en Puerto Rico para promover una amplia gama de productos farmacéuticos. El desempeño laboral del Sr. Colón fue bueno. El renunció voluntariamente el 2 de abril de 2004.

12. If IEL is contacted by anyone regarding Colón's employment with IEL, including prospective employers requesting an employment reference or verification of employment for Colón, that person must be referred to Rafael Santos, Colón's former supervisor, or, in the event Santos is no longer employed by IEL, Nelson Irizarry, IEL's General Manager, to ensure that IEL's response complies with the terms of this Agreement. IEL shall provide only the following information about Colón: dates of employment with IEL, salary, job title and that his performance was good. IEL may not provide any negative information about Colón, his work performance, the circumstances surrounding his departure from IEL (other than to state, if asked, that Colón resigned voluntarily), or Colón's claims against IEL related to his termination. If asked for a written reference or verification regarding Colón, IEL will provide only a copy of the neutral reference letter described in paragraph 11 above (or the same substantive information on a form provided by the person requesting the information).

13. Within thirty (30) days from the date of entry of this Agreement, IEL shall prepare, and submit to the United States for its prompt review and approval, a draft USERRA policy and procedures that shall be written and, at a minimum, include the following:

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- a. A clear statement of the IEL's commitment to USERRA's non-discrimination and re-employment requirements;
 - b. A clear statement of an employee's rights and obligations under USERRA;
 - c. A clearly described complaint and investigation process to address, in a prompt, thorough and impartial manner, any claims of unlawful activity under USERRA; and
 - d. An assurance that IEL shall not take any action against any person which constitutes retaliation or interference with the exercise of such person's rights under USERRA, or because such person gave testimony or assistance or participated in any manner in any investigation or proceeding in connection with this case.

14. Within sixty (60) days from the date of entry of this Agreement, IEL shall distribute its approved written USERRA policy and complaint procedures to all IEL officers and employees, and provide training to all IEL officers and employees regarding the rights of employees and employers under USERRA. IEL shall require all attendees at this training to sign-in on a sign-in sheet acknowledging their receipt of IEL's USERRA policy and complaint procedures, and their attendance at the training. IEL shall provide the United States with copies of these sign-in sheets within ten (10) days of their execution. IEL shall maintain all original sign-in sheets for at least one (1) year. At the time of hire, IEL shall provide every new employee a copy of its USERRA policy and complaint procedures. IEL shall require every new employee to sign an acknowledgment form confirming that s/he has received the USERRA

policy and complaint procedures, and IEL shall maintain all original acknowledgment pages for at least one (1) year.

RELEASE OF ALL CLAIMS

15. By executing this Agreement and accepting the above-described monetary and non-monetary relief, Colón on behalf of himself and his heirs, successors and assigns, expressly releases and discharges IEL, as well as its current, former and future officials, employees, agents, and successors, from all legal and equitable claims that were or could have been brought as of the date of entry of this Agreement relating to Colón's employment with IEL, including but not limited to the claims identified in the Complaint filed in Benito Colón Ortiz v. International Ethical Laboratories, Inc., Civil Action No. 05-cv-1267 (HL), and USERRA Case No. 02-PR-2004-00012-10-G, filed with the United States Department of Labor.

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DISPUTE RESOLUTION AND COMPLIANCE

16. The Court shall retain jurisdiction and will have all available equitable powers, including injunctive relief, to enforce this Agreement. Upon motion of either party, the Court may schedule a hearing for the purpose of reviewing compliance with this Agreement. The parties shall engage in good faith efforts to resolve any dispute concerning compliance prior to seeking review by the Court. The parties shall be required to give notice to each other twenty (20) days before moving for review by the Court. The parties may conduct expedited discovery under the Federal Rules of Civil Procedure for the purpose of determining compliance with this Agreement or defending a claim of non-compliance.

EFFECTIVE DATE

17. The effective date of this Agreement shall be the date upon which it is entered by the Court.

18. This Agreement shall expire, and this action shall be dismissed with prejudice, without further order of this Court one (1) year from the date of entry of this Agreement.

MISCELLANEOUS

19. The parties shall bear their own costs and expenses of litigation, including attorneys' fees.

20. This Agreement constitutes the entry of final judgment within the meaning of Rule 54 of the Federal Rules of Civil Procedure on all claims asserted in or that could have been asserted by Colón in this action. The Court retains jurisdiction over this matter, however, for the purpose of entering appropriate orders interpreting and enforcing this judgment.

21. By executing this Agreement, Colón expressly acknowledges that he has had sufficient time to review the terms of this Agreement with his attorneys, that he has in fact reviewed the Agreement, and that he has voluntarily entered into this Agreement.

22. If any provision of this Agreement is found to be unlawful, only the specific provision in question shall be affected and the other provisions will remain in full force and effect.

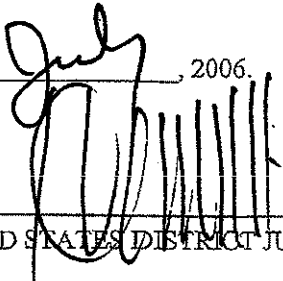
23. The terms of this Agreement are and shall be binding upon the present and future owners, officers, directors, employees, creditors, agents, trustees, administrators, successors,

representatives, and assigns of IEL and upon the heirs, successors, and assigns of Colón.

24. This Agreement constitutes the entire agreement and commitments of the parties.

Any modifications to this Agreement must be mutually agreed upon and memorialized in writing, signed by Colón and IEL.

APPROVED and ORDERED this 24th day of July, 2006.


UNITED STATES DISTRICT JUDGE

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DAVID J. PALMER (DC Bar No. 417834)
Chief



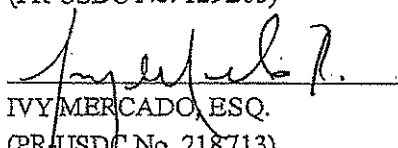
JOHN M. GADZICHOWSKI
Principal Deputy Chief
(WI Bar No. 1014294)



DIANA L. EMBREY
Senior Trial Attorney

(DC Bar No. 457470/PR- USDC No. G00310)
MARIA HORTENSIA RIOS
(PR-USDC No. 205602)
U.S. Department of Justice
Civil Rights Division
Employment Litigation Section
950 Pennsylvania Avenue, NW

Gregory T. Usera / by Ivy Mercado
GREGORY T. USERA, ESQ.
(PR-USDC No. 129205)




IVY MERCADO, ESQ.
(PR-USDC No. 218713)
Usera Law Offices, P.S.C.
Edificio Polo Norte
Tetuán 261, Old San Juan
P.O. Box 9022487
San Juan, Puerto Rico 00902-2487

Telephone: (787) 725-8080
Facsimile: (787) 725-8860

Attorneys for Defendant
International Ethical Laboratories, Inc.

Patrick Henry Building, Room 4918
Washington, DC 20530
Telephone: (202) 353-2510
Facsimile: (202) 514-1105

Attorneys for Plaintiff
Benito A. Colón Ortiz



Benito A. Colón Ortiz
Plaintiff

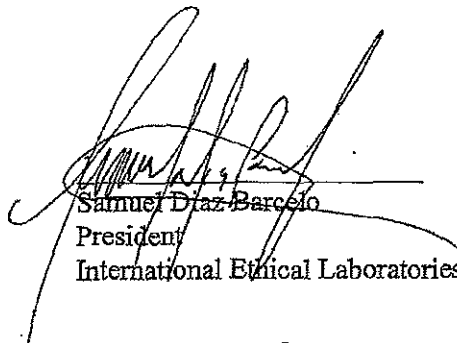
Affidavit # 1666

Handwritten initials

Sworn to and subscribed before me by Benito A. Colón Ortiz, of legal age, single and
resident of San Juan, Puerto Rico, who I have identified by his driver's license #
1775076 in San Juan Puerto Rico, on this 17th day of July 2006.




AGNES I. CORDERO MELENDEZ
Notary Public


 Samuel Diaz Barcelo
 President
 International Ethical Laboratories, Inc.

Affidavit # 163

Sworn to and subscribed before me by ^{Carlos (Mr)} Samuel Diaz Barcelo, of legal age, single and
 resident of San Juan, Puerto Rico, who I have identified by his driver's license #
0370648; in San Juan, Puerto Rico, on this 20th day of July 2006.

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 NOTARY PUBLIC