

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
FILED
FEB 07 2005

Michael N. Milby, Clerk

AUGUSTINE DUBE, ET AL,

Plaintiffs,

V.

EAGLE GLOBAL LOGISTICS A/K/A
EAGLE U.S.A. AIRFREIGHT, INC.

Defendants.

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CIVIL ACTION NO.

H-01-0900

JOINT MOTION REGARDING DISTRIBUTION OF CLASS FUND ACCOUNT

I.

The EEOC and EGL have nearly completed the claims administration process established by the Consent Decree. The parties are in agreement that a significant excess amount will remain in the Class Fund Account following the payment of claims to eligible claimants. The parties also agree that an amount in addition to the initial \$500,000 commitment is necessary to fully fund the Leadership Development Program through the remainder of the Consent Decree.¹ After extensive discussions, the parties have agreed to an appropriate and reasonable disbursement of monies from the Class Fund Account. The parties ask the Court to enter an Order adopting their proposal as discussed below.

II.

FUNDING ELIGIBLE CLAIMS

The Consent Decree established a fund of \$8.5 Million for payment of claims to eligible claimants ("Class Fund Account"). Of the over 2,000 claims received, the parties agree that 200

¹ The Consent Decree will expire on October 3, 2005.

Claimants are eligible for monetary distribution from the Class Fund². The total amount necessary to fund the claims deemed to be eligible at this time is approximately \$886,000. The parties recognize that additional claims may be determined to be eligible out of the group of 38 which are currently under consideration by the Claims Monitor. Additional claims may be determined to be eligible as a part of the objection process set forth in the Consent Decree.

The parties are in agreement that the sum of \$1,125,000 will be retained in the Class Fund to cover not only the approximate \$886,000 disbursement which is known, but also any disbursements which are necessary to be made to claimants determined to be eligible by the Claims Monitor or through the objection process. The parties agree that this \$1,125,000 Class Fund Account will be maintained in an interest-bearing account for the payment of claims.

EGL has also agreed that in the unlikely event the \$1,125,000 Class Fund is exhausted before payment is made to all additional eligible claimants, EGL will indemnify this fund for any amount in excess of the \$1,125,000 Class Fund which may be necessary to pay those additional claims. In the event that the entire \$1,125,000 Class Fund is not exhausted by the payment of claims, the parties agree that any remainder in that fund shall be deposited into the Leadership Development Fund.

III. **LEADERSHIP DEVELOPMENT PROGRAM**

The Consent Decree established a Leadership Development Program which was initially funded with \$500,000. The parties have agreed that an additional amount is necessary to fully fund the program through the remainder of the Consent Decree and to reimburse EGL for money it has spent from its general funds to support LDP programs.

² There are an additional 38 adverse treatment claims which are currently pending before the Claims Monitor. It is anticipated that the Claims Monitor will render a final decision with regard to eligibility on that group of claims in the very near future.

As of December 31, 2004, \$450,000 had been expended from the initial \$500,000 Leadership Development Fund (LDF) for the Leadership Development Program. In addition, EGL spent another \$582,471 from its general funds to supplement the funding of the LDP. With nine months remaining on the term of the Decree, over \$1,000,000 has been spent on the LDP, substantially more than was provided in the Consent Decree.

The parties agree that \$1,400,000 from the original Class Fund should be immediately transferred to the LDP Fund. From that amount, EGL will be permitted to reimburse the Company \$582,471 for the expenses that were incurred from EGL's general funds. The remaining amount in the LDF (approximately \$868,000) will fund the ongoing LDP.

IV. DISPOSITION OF EXCESS CLASS FUNDS

The Class Fund Account was initially established with \$8,500,000. Under the proposal set forth above, which calls for \$1,125,000 to be retained in that account for the payment of claims and \$1,400,000 to be transferred to the LDP, there remains an excess of \$5,975,000, plus interest, in the account. The parties agree that upon entry of the attached Order, that excess amount of \$5,975,000, plus interest, will be returned EGL for its general use.

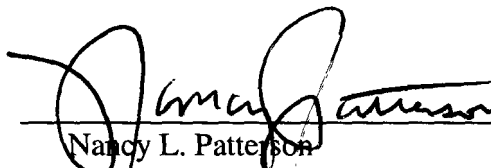
V. CONCLUSION

In light of the information which has become available since the Consent Decree became effective, it is clear that modification of the Decree is appropriate as outlined herein.. The proposal set forth in this Motion fully achieves the purposes of the Consent Decree by comepensating all eligible claimants and fully funding the Leadership Development Program including providing a significant increase in the initial LDP Fund. Since these purposes have

been achieved, it is equitable to return to EGL the remaining excess funds which have not been allotted for claims or the LDP.

The parties jointly ask the Court to enter the attached Order.

Respectfully submitted,



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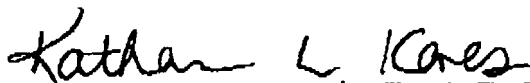
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