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RANSOM BLACKMAN LLP

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

PRISON LEGAL NEWS, a Washington non-profit organization,

Plaintiff,

v.

DAVID SCHUMACHER, et al.,

Defendants.

Case No. 02-428-MA

STIPULATION OF DISMISSAL AND
SETTLEMENT AGREEMENT

Pursuant to F.R.C.P. 41(a)(1), Plaintiff Prison Legal News (PLN) and Defendants David Schumacher, David S. Cook, Ben de Haan, Rich Holder and Jacy Duran hereby agree that this

case shall be dismissed with prejudice on the following terms, and request that the clerk enter the case as dismissed without mandate or other process in accordance with this agreement and close the file:

1. For and in consideration of the provisions of this agreement, Prison Legal News (PLN) does hereby settle with and release the Defendants, the State of Oregon, the Oregon Department of Corrections (ODOC), their officers, agents, employees, and departments, for any and all existing claims, damages, and causes of action of any nature whatsoever, known or unknown, arising out of these certain incidents, occurrences, casualties, or events which are described in the complaint in case 02-0428-MA which is the source of these claims; provided, however, that nothing in the foregoing settlement agreement and release shall be construed to prevent or limit PLN from moving to enforce the terms of this settlement agreement.
2. Defendants acknowledge that the magazine Prison Legal News, renewal notices, book fliers ("catalogs"), and similar types of mail are permitted types of mail into all Oregon prisons, regardless of postal class by which the magazine or other mail is sent. Defendants agree that PLN can send its properly addressed magazine, renewal notices, book fliers ("catalogs"), and books to inmates in all Oregon prisons, without proof of payment, registration by an inmate of his or her subscription, or any further requirements not already in the OAR.
3. Defendants agree that PLN is an approved book distributor and/or vendor and will provide written confirmation of this status to PLN. Books distributed by PLN are permitted mail at all Oregon prisons, regardless of postal class by which the books are sent.

4. Nothing in this settlement agreement and release shall be construed to prevent or limit Defendants, the State of Oregon, ODOC, or their officers, agents, employees, and departments from continuing to review, reject, process, and dispose of inmate mail for reasons of prohibited content in accordance with ODOC's administrative rules governing the sending receipt, and processing of inmate mail, OAR 291-131. This reserves the prisons' authority to review content (OAR 291-131-0025(9)) for reasons such as mail containing escape plans which therefore would be rejected due to its specific content, with a violation notice and administrative review of such rejection in accordance with OAR.

5. As part of ODOC's next regular administrative rule review cycle, ODOC will agree to propose OAR amendments which include an addition of a sentence to OAR 291-131-0025(6) at the end of the current rule as follows: "Catalogs for books, magazines, and other literature are not prohibited by this rule."

6. PLN is entitled to receive notice of every mail rejection or undelivered item, together with a statement or indication of the reason for rejection or non-delivery. If the rejection or non-delivery is for non-content reasons such as address error or insufficient address, return of the envelope with indication of the reason written or stamped on the envelope is adequate. If PLN receives a mail rejection for which administrative review is not provided for, PLN may call or write to the Central Mail Administrator or his/her designee within 30 days, attaching a copy of the rejection notice and stating the reasons for believing that the rejection was wrong. The Central Mail Administrator or his/her designee shall respond within 30 days, either recommending a resolution or explaining why the rejection was proper. The Central Mail Administrator or his/her designee shall

endeavor to identify steps that PLN can take to re-mail the item in compliance with ODOC rules.

- Mail rejected for structural defects by ODOC should be returned to the sender with the defect clearly identified thereby providing the sender "notice" of the defect.
- Mail rejected for "content" reasons will be processed as provided for under OAR 291-131-0025(9) and 291-131-0050.
- ODOC will pay the costs of re-delivery of PLN subscription mail if a review initiated to the Central Mail Administrator or his/her designee as described above results in the determination that the item mailed complied with ODOC rules and should have been delivered.

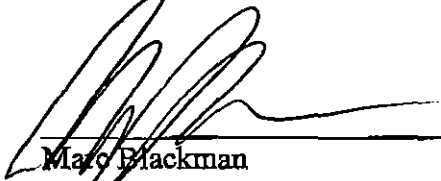
7. ODOC will purchase and maintain in all Oregon prison law libraries the monthly PLN magazine for two years from the date of a settlement agreement. ODOC currently maintains thirteen prison law libraries. ODOC will receive PLN's two-year subscription rate, which provides 28 issues for the price of two years (24 issues). Upon purchase of said subscription ODOC will announce contemporaneously and one month thereafter the purchase of the PLN magazine in the ODOC inmate monthly newsletter and its availability in the prison law library. ODOC will make one similar announcement at the beginning of the second year of PLN subscription.

8. Attorneys fees and costs. Defendants agree to pay plaintiff's Attorneys Michael Gendler's fees in the amount of \$33,675.00 and costs of \$ 863.59 and Marc Blackman's fees in the amount of \$5,024.00 and costs of \$351.72 calculated on January 16, 2003. Payment will be made by the defendants within thirty days of entry of dismissal.

9. Defendants will pay plaintiff \$15,500 within thirty days of entry of dismissal.

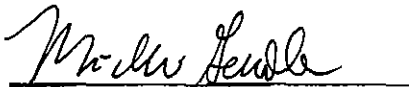
10. Notwithstanding the dismissal of this case, this Court shall retain jurisdiction over the case for purposes of enforcing this settlement agreement for one year. Either party may request a status conference for any reason, including to request termination of the Court's retained jurisdiction.

11. This agreement contains the ENTIRE AGREEMENT between the parties, and the terms hereof are contractual and not a mere recital.



Marc Blackman
OSB No. 73033
Attorney for Plaintiff

01/28/03
Date



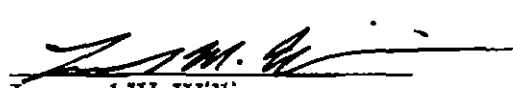
Michael Gendler
WSBA No. 8429
Attorney for Plaintiff

Jan 22 2003
Date



Don Miniken
Prison Legal News Spokes Person
Plaintiff

1/24/03
Date



Leonard W. Williamson
OSB No. 91002
Assistant Attorney General, representing the Defendants

1/29/03
Date



David Schumacher
Defendant

1/29/03
Date