

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

Plaintiff,

- against -

INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, *et al.*,

Defendants.

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STIPULATED
AGREEMENT AND ORDER

88 Civ. 486 (S.D.N.Y.)

2016 Election Agreement and Order

WHEREAS, on March 14, 1989, the United States District Court for the Southern District of New York (the "Court") approved a Consent Decree (the "Consent Decree") that resolved the claims of plaintiff United States of America (the "Government") against, among others, the defendant International Brotherhood of Teamsters (the "IBT") in the above captioned matter; and

WHEREAS, Paragraph 12 of the Consent Decree provided that an Election Officer, appointed by the Court, would supervise the 1991 International Union delegate and officer election (the "1991 IBT Election"), and, at the Government's option, the 1996 International Union delegate and officer election (the "1996 IBT Election"); and

WHEREAS, both the 1991 and the 1996 IBT Elections were supervised by Election Officers appointed by the Court, and the results of those elections were certified by the Election Officers; and

WHEREAS, the IBT consented, in Paragraph 12 of the Consent Decree, to supervision by the United States Department of Labor of "any IBT elections to be conducted after 1991 for the office of the IBT General President, IBT General Secretary-Treasurer, IBT Vice President, and IBT Trustee"; and

WHEREAS, for the 2001 International Union delegate and officer election (the "2001 IBT Election"), the Government and the IBT (collectively, the "parties") entered into an agreement (the "2001 Election Agreement"), approved by the Court, with the stated objectives of permitting the IBT to conduct its 2001 Election without Department of Labor supervision, while providing safeguards sufficient to ensure that the 2001 IBT Election would be conducted in a manner that was fair, free, democratic and informed; and

WHEREAS, the 2001 IBT Election was completed and the results certified by the 2001 Election Administrator; and

WHEREAS, for the 2006 International Union delegate and officer election (the "2006 IBT Election"), the Government and the IBT entered into an agreement (the "2006 Election Agreement"), approved by the Court, with the stated objectives of permitting the IBT to conduct its 2006 Election without Department of Labor supervision, while providing safeguards sufficient to ensure that the 2006 IBT Election would be conducted in a manner that was fair, free, democratic and informed; and

WHEREAS, the 2006 IBT Election was completed and the results certified by the 2006 Election Supervisor; and

WHEREAS, for the 2011 International Union delegate and officer election (the "2011 IBT Election"), the Government and the IBT entered into an agreement (the "2011 Election Agreement"), approved by the Court, with the stated objectives of permitting the IBT to conduct its 2011 Election without Department of Labor supervision, while providing safeguards sufficient to ensure that the 2011 IBT Election would be conducted in a manner that was fair, free, democratic and informed; and

WHEREAS, the 2011 IBT Election was completed and the results certified by the 2011 Election Supervisor; and

WHEREAS, on February 17, 2015, the Court approved a Final Agreement and Order in 88 Civ. 4486 (LAP) (the "Final Order") which, among other things, supersedes and replaces the 1989 Consent Decree, and dismisses 88 Civ. 4486 (LAP), subject to the provisions of the Final Order; and

WHEREAS, the Final Order also provides, among other things, that the 2016 IBT Election will be supervised by an Independent Election Supervisor in accordance with Election Rules which shall be agreed to by the parties and shall not differ in any material way from the rules that governed the 2011 IBT Election; and

WHEREAS, the purpose of this Stipulated Agreement and Order (“Agreement”) is to permit the IBT to conduct the 2016 IBT Election with safeguards sufficient to ensure that the 2016 IBT Election will be conducted in a manner that will ensure a fair, free, democratic and informed election, in accordance with this Agreement, the 2016 Election Rules discussed in Paragraph 4 of this Agreement, and the Final Order.

NOW, THEREFORE, IT IS HEREBY AGREED, by and between the parties as follows:

1. Subject to the provisions of the Final Order, the 2016 IBT Election will be conducted in accordance with this Agreement. Nothing in this Agreement precludes or limits the Secretary of Labor's exercise of authority under the Labor Management Reporting and Disclosure Act of 1959, 29 U.S.C. § 401 et seq., or any other federal laws.

2. The parties have jointly agreed that Richard Mark, Esq., will serve as the Election Supervisor for the 2016 IBT Election (the "2016 Election Supervisor"). In the event of a vacancy in the position of 2016 Election Supervisor, the parties will jointly agree upon the selection of a new 2016 Election Supervisor no later than 30 days following the vacancy or notice of the expected vacancy, whichever is earlier. Subject to the 2016 Election Rules, the 2016 Election Supervisor is intended by the parties to function similarly to the 1991 and 1996 Election Officers, the 2001 Election Administrator and the 2006 and 2011 Election Supervisors. The 2016 Election Supervisor shall have the same rights of access to information, to suitable office space, to distribute materials about the election in

advance of the election, and to distribute materials to the IBT membership regarding the activities of the 2016 Election Supervisor as were exercised by the 1991 and 1996 Election Officers, the 2001 Election Administrator and the 2006 and 2011 Election Supervisors. Channels that the 2016 Election Supervisor may use to communicate with the IBT membership include, but are not limited to: the Election Office's website and social media channels; reports in the Union magazine distributed to all IBT members; newsletters or other publications disseminated to membership in IBT conferences or divisions; and the IBT's website and social media channels. The 2016 Election Supervisor shall have the right to employ personnel and appoint designees, subject to the budget agreed upon by the parties. The 2016 Election Supervisor shall have the right and obligation to submit reports to the IBT which, in turn, has the obligation to share these reports with the membership and the Government.

3. The parties will jointly agree on an individual to serve as Election Appeals Master for the 2016 IBT Election (the "2016 Election Appeals Master"). In the event of a vacancy in the position of 2016 Election Appeals Master, the parties will jointly agree upon the selection of a new 2016 Election Appeals Master no later than 30 days following the vacancy or notice of the expected vacancy, whichever is earlier. Subject to the 2016 Election Rules, the 2016 Election Appeals Master is intended by the parties to function similarly to the 1996, 2001, 2006 and 2011 Election Appeals Masters, and shall have the same rights as were conferred upon the 1996, 2001, 2006 and 2011 Election Appeals Masters. The standard of review that the 2016 Election Appeals Master shall apply to decisions of the 2016 Election Supervisor shall be the same standard of review applied by the Election Appeals Master in the 1996, 2001, 2006, and 2011 IBT Elections.

4. The 2016 IBT Election shall be conducted in accordance with election rules (the "2016 Election Rules"), which shall be prepared as provided in the Final Order, including the requirements that they be jointly agreed upon by the parties following comments by IBT members and any interested parties. IBT members and other interested parties will be afforded notice and a period of at least thirty (30) days to comment upon the 2016 Election Rules. After the parties have jointly agreed upon the 2016 Election Rules, the 2016 Election Rules may be modified or supplemented by mutual consent of the 2016 Election Supervisor and the parties.

5. The parties will jointly agree upon a budget for the conduct of the 2016 IBT Election within 30 days after the execution of this Agreement. The budget shall be no less than the amount expended by the 2011 Election Supervisor for the 2011 IBT Election, as adjusted for inflation. The parties intend that the budget will include reasonable allocation for the payment of fees and expenses of the 2016 Election Supervisor and the 2016 Election Appeals Master (as well as the personnel employed by each) and will enable the 2016 Election Supervisor and 2016 Election Appeals Master to fulfill their obligations under the 2016 Election Rules and this Agreement.

The IBT commits to funding a budget of this amount, as well as funding certain other expenses such as rent, general administrative expenses, and hotel costs at the IBT Convention (including lodging, office and other space) that need not be included in the budget. Expenses for the conduct of local union delegate elections, other than expenses of the 2016 Election Supervisor and 2016 Election Appeals Master and their staffs, will be funded by the respective IBT local unions and therefore need not be included in the budget. The parties will jointly agree upon any modifications to the budget for the conduct of the 2016 IBT Election,

including a supplemental budget if the initial budget agreed upon by the parties is not sufficient to enable the 2016 Election Supervisor and 2016 Election Appeals Master to fulfill their obligations. The IBT and/or its affiliates shall be responsible for paying the costs of the 2016 IBT Election.

6. The Government shall have the right to observe and be informed about all aspects of the 2016 IBT Election, including without limitation, the right to receive (a) all proposed modifications or supplements to the 2016 Election Rules; (b) all 2016 Election Supervisor notices or other communications with the candidates or the IBT membership; (c) notice of any proposed designees of the 2016 Election Supervisor or 2016 Election Appeals Master, and a list of the personnel or staff employed by each; (d) all campaign contribution and expenditure reports; and (e) all protest and appeal decisions of the 2016 Election Supervisor and 2016 Election Appeals Master, and, upon request of the Government, all evidence or submissions underlying any protest or appeal, or any protest or appeal decision.

7. The IBT shall purchase a policy of insurance in an appropriate amount to protect the 2016 Election Supervisor and the 2016 Election Appeals Master and any persons hired by or acting on behalf of the 2016 Election Supervisor and the 2016 Election Appeals Master, from personal liability (or costs incurred to defend against the imposition of liability) for any of their actions on behalf of the IBT, the 2016 Election Supervisor, or the 2016 Election Appeals Master pursuant to this Agreement. If such insurance is not available, or if the IBT so elects, the IBT shall indemnify the 2016 Election Supervisor and the 2016 Election Appeals Master and any persons hired by the 2016 Election Supervisor and the 2016 Election Appeals Master from any personal liability (and any costs incurred to defend against any

claim of liability) for any of their actions on behalf of the IBT, the 2016 Election Supervisor or the 2016 Election Appeals Master pursuant to this Agreement.


8. Modifications of this Agreement must be in writing and signed by the parties.

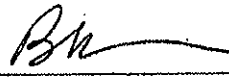
9. In the event the parties are unable to reach joint agreement as prescribed in paragraphs 3, 4, and 5 of this Agreement, they shall submit all disputes to the Court for resolution.

10. Except as expressly provided for in Paragraph 1, nothing in this Agreement shall limit the rights of the Government or the IBT under the Final Order or the Court's authority or jurisdiction under the Final Order or the All Writs Act, 28 U.S.C. § 1651.

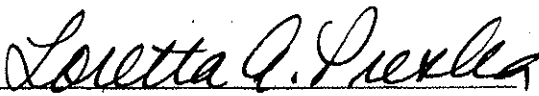
Dated: February 18, 2015
New York, New York

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SO ORDERED:


Honorable Loretta Preska
UNITED STATES DISTRICT JUDGE

February 20, 2015