

## SETTLEMENT AGREEMENT

### PARTIES

This Settlement Agreement (the “Agreement”) is entered into by defendants United Parcel Service, Inc., UPS Supply Chain Solutions, and UPS Freight (“Defendants” or “UPS”), relator Robert K. Fulk (“Relator”), and the following state and municipal parties (the “Participating Jurisdictions”), through their authorized representatives:

1. California;
2. Chicago;
3. Delaware;
4. District of Columbia;
5. Florida;
6. Hawaii;
7. Illinois;
8. Indiana;
9. Commonwealth of Massachusetts;
10. Minnesota;
11. Montana;
12. New Mexico;
13. New York;
14. New York City;
15. North Carolina;
16. Tennessee; and
17. Commonwealth of Virginia.

The above-named parties are hereinafter collectively referred to as the “Parties.”

### PREAMBLE

WHEREAS, on August 19, 2011, Relator filed a *qui tam* complaint (the “Action”) captioned *United States et al. ex rel. Fulk v. United Parcel Service et al.*, No. 11 civ. 890 (CMH)(TCB), alleging, *inter alia*, violations of the Federal False Claims Act and the respective false claims acts of the Participating Jurisdictions by the Defendants;

WHEREAS, the Participating Jurisdictions thereafter commenced investigations in connection with the allegations of the Action;

WHEREAS, as a result of those investigations, the Participating Jurisdictions contend that they have certain civil claims against Defendants under their respective false claims acts;

WHEREAS, UPS has instituted remedial training, monitoring, and reporting compliance programs to address any potential delivery failures or policy violations;

WHEREAS, the Attorneys General of the States of California, Florida, Hawaii, and Minnesota sign this Agreement on behalf of their respective States only, due to the nature of their respective state false claims acts. These Attorneys General will identify the local governments and political subdivisions in their States that could have been affected by the Covered Conduct (“Political Subdivisions”), as described in Paragraph 2 of this Agreement, and recommend that they join this settlement through the process described in Paragraphs 16-17 of this Agreement;

WHEREAS, to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties have determined that settlement is in each of their best interests; and

WHEREAS, this Agreement is made in compromise of disputed claims and is neither an admission of liability by Defendants, which deny the allegations, nor a concession by the Participating Jurisdictions and/or Relator that their claims are not well founded.

NOW THEREFORE, in consideration of the mutual promises and obligations of the Agreement, the Parties agree and covenant as follows:

### **BACKGROUND**

1. UPS is a global package delivery company headquartered in Sandy Springs, Georgia, delivering millions of packages a day to millions of customers, including governmental entities. Part of UPS’s domestic product portfolio is its next day delivery services, which guarantees delivery on the next business day to most zip codes by a set time (*e.g.*, 8:00 a.m., 10:30 a.m. or 3:00 p.m.), known as a guaranteed commitment time.

2. The Participating Jurisdictions contend that from January 1, 2004 through December 31, 2014, certain UPS employees violated the Participating Jurisdictions' false claims acts by (a) recording inaccurate delivery times on packages sent via UPS next day delivery services and paid for by the Participating Jurisdictions, or Political Subdivisions, resulting in packages that appeared to be delivered by their guaranteed commitment times when, in fact, they were not; and (b) applying inapplicable or inappropriate "exception codes" to excuse late next day packages paid for by the Participating Jurisdictions, or Political Subdivisions. As a result of this conduct, the Participating Jurisdictions, and Political Subdivisions, were unable to claim or receive refunds for the late deliveries under the terms of the contracts. The foregoing conduct is referred to as the "Covered Conduct."

### **TERMS AND CONDITIONS**

3. This Agreement is effective on the date of signature of the last signatory of the Agreement (the "Effective Date").

4. Within 10 days of the Effective Date, Defendants will pay the Participating Jurisdictions the following amounts in costs and damages to resolve their respective false claims causes of action pleaded in the Action:

- 1) California – \$348,649.78. UPS will pay an additional \$282,606.96 to California Political Subdivisions, as set forth in Paragraphs 16-17 of this Agreement;
- 2) Chicago – \$28,970.97;
- 3) Delaware – \$31,248.25;
- 4) District of Columbia – \$459.77;
- 5) Florida – \$356,582.18. UPS will pay an additional \$19,561.56 to Florida Political Subdivisions as set forth in Paragraphs 16-17 of this Agreement;

- 6) Hawaii – \$34,718.83. UPS will pay an additional \$8.20 to a Hawaii Political Subdivision, as set forth in Paragraphs 16-17 of this Agreement;
- 7) Illinois – \$779,415.07;
- 8) Indiana – \$94,407.30;
- 9) Commonwealth of Massachusetts – \$216,947.28;
- 10) Minnesota – \$48,734.16. UPS will pay an additional \$4,281.63 to Minnesota Political Subdivisions, as set forth in Paragraphs 16-17 of this Agreement;
- 11) Montana – \$27,763.66;
- 12) New Mexico – \$124,454.75;
- 13) New York – \$1,467,920.38, minus the 17% New York Relator’s Share as defined in Paragraph 6 of this Agreement to be paid directly to Relator by UPS, for a net payment of \$1,218,373.92;
- 14) New York City – included in New York’s net payment;
- 15) North Carolina – \$49,723.81;
- 16) Tennessee – \$36,751.21; and
- 17) Commonwealth of Virginia \$241,056.34.

Individually, the amounts to be paid to each Participating Jurisdiction are referred to as a “Settlement Amount,” and the total of the amounts to be paid to all of the Participating Jurisdictions is referred to as the “Full Settlement Amount.” Defendants will pay the Settlement Amounts by check or wire transfer pursuant to instructions provided by each Participating Jurisdiction. Amounts to be paid to Political Subdivisions, including Relator’s share of those

amounts, shall be paid in accordance with Paragraphs 16-17 of this Agreement. The Court has not assessed a penalty or fine against Defendants in the Action.

5. Except for the State of New York and New York City, within 30 days after a Participating Jurisdiction receives its respective Settlement Amount, that Participating Jurisdiction will pay Relator 17% of that amount (“Relator’s Share”). Such payments shall be made by check or wire transfer to a trust account for Relator pursuant to written instructions provided by his counsel.

6. Within 10 days of the Effective Date, Defendants shall pay Relator \$249,546.46 (“New York Relator’s Share”), which is the share of the State of New York’s and New York City’s Settlement Amount to which Relator is entitled under New York State Finance Law § 190(6) and N.Y.C. Admin. Code § 7-804(i).

7. Within 15 days of payment by Defendants of the Full Settlement Amount and the New York Relator’s Share:

(a) the Participating Jurisdictions shall file in the Action a Notice (or Notices) of Voluntary Dismissal With Prejudice, dismissing, subject to Paragraphs 15, 19, 22, and 23 of the Agreement (concerning, among other things, bankruptcy proceedings commenced within 91 days of the Effective Date), the Participating Jurisdictions’ action, in a form prepared by the Participating Jurisdictions and consistent with local practice and procedure, including terms that provide that the dismissal is with prejudice to the Participating Jurisdictions as to all claims in the Action; and

(b) Relator shall file in the Action a Notice of Voluntary Dismissal With Prejudice, dismissing all remaining claims with prejudice.

8. Subject to the exceptions in the next paragraph, in consideration of the obligations of Defendants set forth in this Agreement, conditioned upon the full payment by Defendants of the Full Settlement Amount and the New York Relator's Share, and subject to Paragraphs 15, 19, 22, and 23 of the Agreement (concerning, among other things, bankruptcy proceedings commenced within 91 days of the Effective Date), the Participating Jurisdictions release UPS, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them (collectively, the "UPS Affiliates") from any civil or administrative claim (if applicable) that the Participating Jurisdictions have or may have authority to bring for the Covered Conduct.

9. Notwithstanding any term of this Agreement, the Participating Jurisdictions specifically do not release any person or entity from any of the following liabilities:

(a) any civil or administrative liability arising under state or municipal tax laws;

(b) any criminal liability;

(c) any civil or administrative liability that Defendants have or may have under any state or municipal statute, regulation, or rule not covered by this Agreement;

(d) any liability to the Participating Jurisdictions or the Political Subdivisions for any conduct other than the Covered Conduct;

(e) any liability arising out of or related to the claims in the lawsuit captioned *State of New York and City of New York v. United Parcel Service, Inc.*, 15 civ. 1136 (S.D.N.Y.);

- (f) any liability based upon obligations created by this Agreement;
- (g) any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;
- (h) any liability to the Political Subdivisions, subject to Paragraphs 16 and 17 of this Agreement;
- (i) any claims that the Participating Jurisdictions do not have authority to release, including without limitation claims belonging to California entities other than the California Attorney General's Office, Florida entities other than the Florida Attorney General's Office, Hawaii entities other than the Hawaii Attorney General's Office, and Minnesota entities other than the Minnesota Attorney General's Office; and
- (j) except for the Covered Conduct, any liability for failure to deliver goods or services due.

Further, the Minnesota Attorney General through this Settlement Agreement does not settle, release, or resolve any claim against UPS or any other person or entity involving any private causes of action, claims, and remedies including, but not limited to, private causes of action, claims, or remedies provided for under Minn. Stat. § 8.31.

10. UPS shall pay reasonable expenses plus reasonable attorneys' fees and costs that Relator incurred in connection with the Action under the provisions for recovery of such fees, expenses, and costs in the respective false claims acts of the Participating Jurisdictions ("Relator's Attorneys' Fees"), pursuant to either: (a) a separate written agreement mutually arrived at between UPS, Relator, and Relator's counsel; or (b) court order.

11. In consideration of the obligations of Defendants in this Agreement, conditioned upon the full payment by Defendants of the Full Settlement Amount, the New York Relator's Share, and Relator's Attorneys' Fees, and subject to Paragraphs 15, 19, 22, and 23 of the Agreement (concerning, among other things, bankruptcy proceedings commenced within 91 days of the Effective Date), Relator, for himself and his heirs, personal representatives, legal representatives, successors, attorneys, agents, and assigns, releases Defendants and the UPS Affiliates from any claim that he may have against them for the Covered Conduct as well as from every remaining claim in the Action whether raised on Relator's own behalf or on behalf of a government entity.

12. UPS on behalf of itself and each UPS Affiliate fully and finally releases the Participating Jurisdictions, their agencies, divisions, political subdivisions, entities, officials, employees, servants, attorneys, representatives, and agents (except Political Subdivisions of California, Florida, Hawaii, and Minnesota that do not release claims pursuant to Paragraph 16 and 17 of the Agreement) from any claims (including but not limited to, claims for attorneys' fees, costs, and expenses of every kind and however denominated) that any Defendant or any UPS Affiliate has asserted, could have asserted, or may assert in the future against the Participating Jurisdictions, their agencies, divisions, subdivisions, entities, officials, employees, servants, attorneys, representatives, and/or agents, related to the Covered Conduct and the Participating Jurisdictions' investigation and prosecution thereof.

13. UPS on behalf of itself and each UPS Affiliate, fully and finally release, waive, and discharge (and shall cause each UPS Affiliate to so release) Relator, his heirs, personal representatives, legal representatives, successors, attorneys, agents, and assigns from any rights, claims, remedies, expenses, debts, liabilities, demands, obligations, costs, damages, injuries,

actions, and causes of action of any nature (including, without limitation, claims for attorneys' fees, costs, and expenses of every kind and however denominated) that any Defendant or any UPS Affiliate has asserted, could have asserted, or may assert in the future against Relator, his heirs, personal representatives, legal representatives, successors, attorneys, agents, or assigns, related to the Covered Conduct or to Relator's or any of the Participating Jurisdictions' filings, investigations or prosecution thereof.

14. Relator, and each of his heirs, personal representatives, legal representatives, successors, attorneys, agents, and assigns, will not object to this Agreement and agrees and confirms that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to New York State Finance Law § 190(5)(b)(ii), and the similar provisions of each of the other Participating Jurisdictions' false claims acts. Except for New York State and New York City, for which the releases in this Paragraph are immediately applicable, conditioned upon Relator's receipt of the full payment from the respective Participating Jurisdiction of the applicable Relator's Share, Relator, for himself individually and for his heirs, personal representatives, legal representatives, successors, attorneys, agents, and assigns, fully and finally releases, waives, and forever discharges such Participating Jurisdiction and its agencies, divisions, subdivisions, entities, officials, officers, agents, representatives, and employees from any and all rights, claims, remedies, expenses, debts, liabilities, demands, obligations, costs, damages, injuries, actions, and causes of action of any nature that Relator has asserted, could have asserted, or may assert in the future against such Participating Jurisdiction arising out of the filing of the Action or from any other claim for a share of the settlement proceeds or recovery of his fees, expenses or costs. Relator accepts such payment of the Relator's Share from such Participating Jurisdiction and the New York Relator's Share in full and final settlement of any

claims he has or may have under such Participating Jurisdiction's false claims act. This Agreement does not resolve or in any manner affect any claims the Participating Jurisdictions have or may have against Relator arising under the Participating Jurisdictions' tax laws, or any claims of any Participating Jurisdiction or of Relator arising under this Agreement.

15. The Participating Jurisdictions have agreed to the terms of this Agreement based on, among other things, the representations made by Defendants and their counsel to the attorneys for the Participating Jurisdictions. To the extent that any material representations are later found to be materially inaccurate or misleading, this Agreement is voidable by the Participating Jurisdictions in their sole discretion. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Agreement has been made to or relied upon by Defendants in agreeing to this Agreement. Defendants represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion.

16. On or before the Effective Date, the Attorneys General of the States of California, Florida, Hawaii, and Minnesota, or their designees, will each notify UPS of the identity and portion of the amounts set forth in Paragraph 4 that is attributable to each of their respective Political Subdivisions (the "Political Subdivision Amounts").

(a) Within 10 business days following the Effective Date, UPS will provide the relevant Attorney General's Office with a check payable to each identified Political Subdivision. The checks payable to the Florida Political Subdivisions will be in the Political Subdivision Amounts identified by the State of Florida. The checks payable to Hawaii and Minnesota Political Subdivisions will be in the Political Subdivision Amounts identified by the States of Hawaii and Minnesota minus the 17% Relator's share. The checks payable to the California Political

Subdivisions will be in the Political Subdivision Amounts identified by the State of California minus the 17% Relator's Share and minus the 33% State of California's share of the Political Subdivision Amounts ("California Share"), for a 50% total reduction to the California Political Subdivision Amounts.

(b) The Attorneys General or their designees will provide to each Political Subdivision its respective check along with the following language in boldface text: **"By accepting and depositing the enclosed check by November 13, 2015, you are consenting to and agreeing to be bound by the provisions of the enclosed Settlement Agreement, including the release and excluded claim provisions in Paragraphs 8 and 9 of the Settlement Agreement. If you do not deposit the enclosed check by November 13, 2015, you will forfeit your pro rata share of the settlement proceeds."** (the "Notification"). Contemporaneous copies of the Notification will be provided to UPS with copies of delivery confirmations and/or return receipts confirming the distribution of the Notification and check to each Political Subdivision.

17. Each Political Subdivision will have until November 13, 2015, to review the Notification, seek additional information if needed from the Attorney General or his or her designee and decide whether to consent to the settlement.

(a) A Political Subdivision's failure to deposit its check by November 13, 2015, will not result in any increase in the pro rata share of the settlement funds to which the Relator or any Participating Jurisdiction or Political Subdivision is entitled under the terms of this Agreement. Any checks that are not deposited by the Political Subdivisions by November 13, 2015 will be forfeited ("Forfeited

Political Subdivision Amounts”). The Parties agree that no Participating Jurisdiction or Political Subdivision is entitled to any share of the Forfeited Political Subdivision Amounts.

(b) Within 10 days of the Effective Date, UPS will pay Relator \$48,772.46 as full and complete satisfaction of any amount to which Relator is entitled relating to the Political Subdivisions. The Parties agree that Relator is not entitled to any share of the Florida Political Subdivision Amounts. Relator will not be required to refund or otherwise repay any amount of Relator’s Share relating to Forfeited Political Subdivision Amounts or Relator’s Share of Political Subdivision amounts in the event a Political Subdivision seeks to collect damages, losses, or other penalties based on the Covered Conduct.

(c) Within 10 days of the Effective Date, UPS will pay California \$67,093.54 towards the California Share. By November 30, 2015, UPS will pay California 33% of the Political Subdivision Amounts attributable to the California Political Subdivisions that have cashed their checks. UPS’s earlier payment of \$67,093.54 will be credited against this second payment. Accordingly, the total California Share shall be no less than \$67,093.54, and no more than \$93,260.30. These amounts constitute full and complete satisfaction of any amount to which California is entitled relating to the Political Subdivisions.

18. For purposes of construction, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and therefore shall not be construed against any Party for that reason in any subsequent dispute.

19. If within 91 days of the Effective Date or any payment made under this Agreement by any Defendant, whichever is later, any Defendant, a representative on behalf of the Defendants, or a third party commences any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of its or their debts, or seeking to adjudicate any Defendant as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for any Defendant or for all or any substantial part of its assets, Defendants agree as follows:

(a) Defendants' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547 or other law, and none of the Defendants shall argue, allege any defense, or otherwise take the position in any such case, proceeding, or action that: (i) any of their obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) any of them were insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment of any Settlement Amount; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Defendants.

(b) If any of Defendants' obligations under this Agreement to any Participating Jurisdiction or Relator are avoided for any reason, or payments made to such Participating Jurisdiction or Relator are recouped, clawed back, or otherwise required to be repaid in any proceeding, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, such Participating Jurisdiction or Relator, as the case may be, at its sole option, may rescind the releases, waivers and discharges in this Agreement given by such

Participating Jurisdiction or Relator, as the case may be, to all of the Defendants and to their related parties as set forth in such releases, etc., and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by such releases, and Defendants agree that (i) any such claims, actions, or proceedings brought by such Participating Jurisdiction or Relator, as the case may be, are not subject to an “automatic stay” pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and none of the Defendants shall argue or otherwise contend that such Participating Jurisdiction’s or Relator’s claims, actions, or proceedings, as the case may be, are subject to an automatic stay; (ii) none of the Defendants shall plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings that are brought by such Participating Jurisdiction, or Relator, as the case may be, within 60 calendar days of written notification to Defendants that such releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date; and (iii) such Participating Jurisdiction or Relator may pursue such claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

(c) Defendants acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

20. Except as provided for specifically in each Paragraph, this Agreement is intended to be for the benefit of the Parties only.

21. UPS agrees to the following:

(a) Unallowable Costs Defined: All costs incurred by or on behalf of UPS, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the Participating Jurisdictions' audits and civil investigations of the matters covered by this Agreement;
- (3) UPS's investigation, defense, and corrective actions undertaken in response to the Participating Jurisdictions' audits and civil investigations in connection with the matters covered by this Agreement (including attorneys' fees incurred by UPS);
- (4) the negotiation and performance of this Agreement; or
- (5) the payments UPS makes to the Participating Jurisdictions pursuant to this Agreement and any payments that UPS makes to Relator or Relator's Counsel pursuant to this Agreement (including Relator's Attorneys' Fees);

are unallowable costs for government contracting purposes (hereinafter referred to as "Unallowable Costs").

(b) Future Treatment of Unallowable Costs: UPS shall not charge such Unallowable Costs directly or indirectly to any contract with a Participating Jurisdiction and shall not cite such Unallowable Costs as the basis for any request for a price increase under any contract with a Participating Jurisdiction or in which a Participating Jurisdiction participates.

22. In the event of the failure by Defendants to make any payments of the Settlement Amounts within the specified time, a Participating Jurisdiction that was not timely paid (the “Creditor Jurisdiction”) may provide written notice of the non-payment to Defendants. Such notice shall be addressed to the attorney(s) for Defendants identified in the signature block of this Agreement and delivered (i) in person, (ii) by a nationally recognized next day courier service, or (iii) by first class, registered or certified mail, postage prepaid. Notice so given shall be effective upon (i) receipt, or (ii) on the fifth business day following mailing, whichever occurs first. Defendants shall have an opportunity to pay the unpaid balance within five calendar days from the effective date of the notice. If Defendants fail to pay the overdue Settlement Amount within five calendar days from the effective date of notice of non-payment (“Default”), a Creditor Jurisdiction, in its sole discretion, may:

- (a) declare the entire Settlement Amount for that Creditor Jurisdiction, less any payments already made, immediately due and payable, with unpaid amounts bearing interest at the rate set forth in New York Civil Practice Law and Rules § 5004 beginning as of the date of Default until payment of the remaining Settlement Amount is made in full. Except with respect to the State of New York and New York City, Relator shall be entitled to its *pro rata* share of any such interest so collected on the amount to be paid as Relator’s Share by such Creditor Jurisdiction; and/or
- (b) rescind its agreement to this Agreement as to Defendants and pursue all available remedies; and/or
- (c) reinstitute an action or actions against Defendants in this or another Court. In the event the Creditor Jurisdiction reinstitutes this action, Defendants:

(1) expressly agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims which (i) are filed by the Creditor Jurisdiction after the written notification to Defendants that this Agreement has been rescinded, and (ii) relate to the Covered Conduct; and (2) further agree that Relator's claims with respect to the Covered Conduct in such Creditor Jurisdiction shall revive to any extent that such claims have been expunged, expired, or have lapsed.

In the event of a Default as described above, Defendants agree not to contest any action to enforce this Agreement or any other collection action undertaken by the Creditor Jurisdiction pursuant to this Paragraph, and Defendants agree to pay the Creditor Jurisdiction all reasonable costs of collection and enforcement of this Agreement, including attorneys' fees and expenses.

23. In the event of the failure by Defendants to pay the New York Relator's Share within the specified time, Relator may provide written notice of the non-payment to Defendants. Such notice shall be addressed to the attorney(s) for Defendants identified in the signature block of this Agreement and delivered (i) in person, (ii) by a nationally recognized next day courier service, or (iii) by first class, registered or certified mail, postage prepaid. Notice so given shall be effective upon (i) receipt, or (ii) on the fifth business day following mailing, whichever occurs first. Defendants shall have an opportunity to pay the unpaid balance within five calendar days from the effective date of the notice. If Defendants fail to pay the overdue unpaid balance of their payment obligations under this Agreement within five calendar days from the effective date of notice of non-payment ("Default"), Relator, in his sole discretion, may:

- (a) declare the entire New York Relator's Share, less any payments already made, immediately due and payable, with unpaid amounts bearing interest at the

rate set forth in New York Civil Practice Law and Rules § 5004 beginning as of the date of Default until payment of the remaining New York Relator's Share is made in full; and/or

(b) rescind his agreement to this Agreement as to Defendants and pursue all available remedies; and/or

(c) reinstitute an action or actions against Defendants in this or another Court. In the event Relator reinstates this action, Defendants: (1) expressly agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims which (i) are filed by Relator after the written notification to Defendants that this Agreement has been rescinded, and (ii) relate to the Covered Conduct; (2) further agree that Relator's claims with respect to the Covered Conduct in New York shall revive to any extent that such claims have been expunged, expired, or have lapsed.

In the event of a Default as described above, Defendants agree not to contest any action to enforce this Agreement or any other collection action undertaken by Relator pursuant to this Paragraph, and Defendants agree to pay Relator all reasonable costs of collection and enforcement of this Agreement, including, without limitation, reasonable attorneys' fees, expenses associated therewith, and court costs.

24. The undersigned counsel and any other signatories represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

25. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by an instrument in writing signed on behalf of all the Parties to this Agreement.

26. In the event that any one or more of the provisions contained in this Agreement, other than provisions concerning payment and release, shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

27. Any failure by any of the Participating Jurisdictions to insist upon the strict performance by Defendants and/or Relator of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the Participating Jurisdictions, notwithstanding the failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by any or all of the Parties.

28. The Defendants' obligations to make payments under this Agreement shall be joint and several.

29. This Agreement is binding on each Defendant's successors, transferees, and assigns.

30. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

31. Each Defendant waives and shall not assert any defenses such Defendant may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution or any similar state law provisions, this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this paragraph

or any other provision of this Agreement constitutes an agreement by the Participating Jurisdictions concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code, or any state or municipal tax laws.

32. The Parties acknowledge that this Agreement is a public document.

33. Nothing in this Agreement waives in any way the Sovereign Immunity of any Participating Jurisdiction.

34. All communications from any Party to another Party concerning this Agreement shall be sent by United States mail with return receipt requested or overnight delivery service with signature required to the signatory counsel for each Party, unless such communications are sent by email and a reply is written without objection to the electronic means of communication.

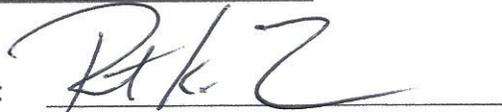
35. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitutes one and the same agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

IN WITNESS WHEREOF, the Agreement is executed by the Parties hereto.

**RELATOR ROBERT K. FULK**

Dated: Sept. 30, 2015

BY:

  
Robert K. Fulk

Dated: \_\_\_\_\_, 2015

BY:

\_\_\_\_\_  
Shanlon Wu  
Julie Grohovsky  
WU, GROHOVSKY & WHIPPLE, P.L.L.C.  
Ronald Reagan International Trade Center  
1300 Pennsylvania Ave., N.W. Suite 700  
Washington, D.C. 20004  
202-204-3053

*Counsel for Relator*

**RELATOR ROBERT K. FULK**

Dated: \_\_\_\_\_, 2015

BY: \_\_\_\_\_  
Robert K. Fulk

Dated: 9/2 \_\_\_\_, 2015

BY:  \_\_\_\_\_  
Shanlon Wu  
Julie Grohovsky  
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Washington, D.C. 20004  
202-204-3053

*Counsel for Relator*

DEFENDANTS UNITED PARCEL SERVICE,  
UPS SUPPLY CHAIN, AND UPS FREIGHT

Dated: Oct 6, 2015

BY:   
Norman M. Brothers, Jr.  
Assistant Secretary  
United Parcel Service, Inc.

Dated: October 6, 2015

BY:   
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KING & SPALDING LLP  
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Washington, D.C. 20006  
202-737-0500

*Counsel for Defendants*

**THE STATE OF NEW YORK**

Dated: October 6, 2015

ERIC T. SCHNEIDERMAN  
New York State Attorney General

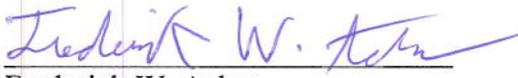
BY:   
Thomas Teige Carroll  
Bureau Chief  
Taxpayer Protection Bureau

BY:   
Adam L. Pollock  
Assistant Attorney General  
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New York, NY 10271  
(212) 416-8220

**THE STATE OF CALIFORNIA**

Dated: September 28, 2015

KAMALA D. HARRIS  
California Attorney General

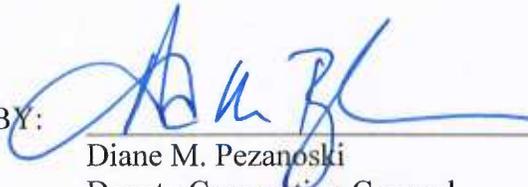
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**THE CITY OF CHICAGO**

Dated: September 29, 2015

STEPHEN R. PATTON  
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BY:



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**THE STATE OF DELAWARE**

Dated: Sept. 25, 2015

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Delaware Attorney General

BY:



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**THE STATE OF FLORIDA**

Dated: Sept 24 2015

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Florida Attorney General

BY: Russell S. Kent

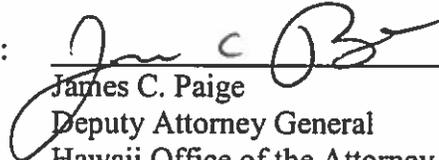
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**THE STATE OF HAWAII**

Dated: Sept 25, 2015

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**THE STATE OF ILLINOIS**

Dated: September 25, 2015

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Illinois Attorney General

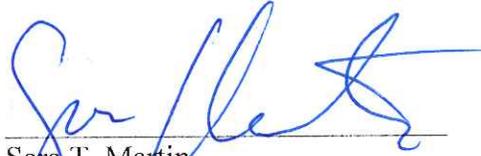
BY: Harpreet Khera  
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THE STATE OF INDIANA

Dated: October 1, 2015

GREGORY F. ZOELLER  
Indiana Attorney General

BY:



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THE COMMONWEALTH OF MASSACHUSETTS

Dated: September 25, 2015

MAURA HEALEY  
Massachusetts Attorney General

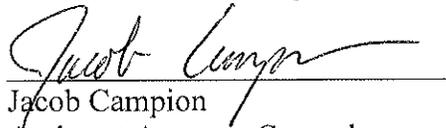
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**THE STATE OF MINNESOTA**

Dated: Sept 29, 2015

LORI SWANSON  
Minnesota Attorney General

BY:



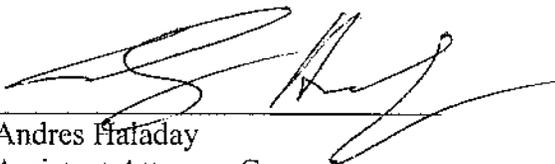
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THE STATE OF MONTANA

Dated: 9-29, 2015

TIMOTHY C. FOX  
Montana Attorney General

BY:



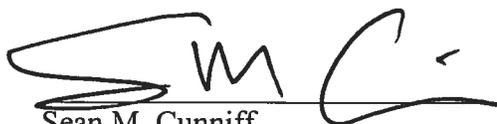
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**THE STATE OF NEW MEXICO**

Dated: 9/28, 2015

HECTOR BALDERAS  
New Mexico Attorney General

BY:

A handwritten signature in black ink, appearing to read 'SMC', written over a horizontal line.

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**THE CITY OF NEW YORK**

Dated: October 1, 2015

ZACHARY W. CARTER  
Corporation Counsel of the City of New York

BY:

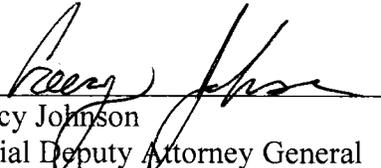


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**THE STATE OF NORTH CAROLINA**

Dated: 10/2/2015

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North Carolina Attorney General

BY:   
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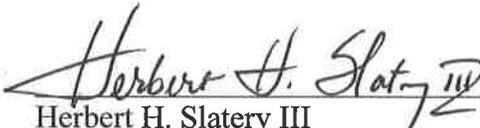
**THE STATE OF TENNESSEE**

Settlement Agreement in UNITED STATES OF AMERICA *ex rel.* ROBERT K. FULK v.  
UNITED PARCEL SERVICE et al., No. 1:11 Civ 890 (CMH)(TCB), Signature Page

FOR THE STATE OF TENNESSEE, ATTORNEY GENERAL:

Dated: September 30, 2015

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Anna Waller  
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THE COMMONWEALTH OF VIRGINIA

Dated: 10 / 6, 2015

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**THE DISTRICT OF COLUMBIA**

Dated: Sept. 29, 2015

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ELIZABETH SARAH GERE  
Acting Deputy Attorney General  
Public Interest Division

BY: Bennett Rushkoff  
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