

Department of Justice

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Review of Personnel Settlement Agreement for the State Appeal Board

Please sign/date where indicated below noting the approval or denial of the attached proposed Personnel Settlement Agreement. After signing, please return to the attention of Jeffrey Thompson, Solicitor General, Hoover Building, 2nd Floor for routing and final distribution.

In the matter of: Ashley Jared v. Iowa Finance Authority
Agency/Department: Department of Administrative Services
Director's Printed Name: Janet Phipps
Director's Signature:
Date: 01 /30/2019 Approve: Deny:
Agency/Department: Department of Management
Director's Printed Name: <u>David Roederer</u>
Director's Signature:
Date: 1-30-17 Approve: Deny:
Agency/Department: Iowa Finance Authority
Director's Printed Name: Debi Durham
Director's Signature:
Date: 01/31/2019
Office of the Attorney General
Reviewed by (Print Name): Jeffrey Thompson
Reviewer's Signature:
Date:/ Approve: Deny:

THOMAS J. MILLER ATTORNEY GENERAL

JEFFREY S. THOMPSON SOLICITOR GENERAL



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January 31, 2019

Mr. Joseph Barry State Appeal Board Iowa Department of Management State Capitol Building, Room 12 LOCAL MAIL

RE:

Ashley Jared v. Iowa Finance Authority

ICRC CP# 09-18-72509 EEOC # 26A-2018-00857C

Dear Mr. Barry:

The parties have reached a settlement in this case, pending State Appeal Board approval, in the amount of one million, eight hundred thousand dollars (\$1,800,000).

This case involves allegations of sexual harassment against the Iowa Finance Authority ("IFA"). Claimant, a former IFA employee, alleges that she was sexually harassed by the then-Director of IFA. The State retained a third-party to investigate the allegations. Based upon the outcome of that investigation, the State determined that it is in the best interests of the State to resolve this case without further litigation. In consideration of the payments set forth below, the Claimant has agreed to provide a full and final release for any claims that were, or could have been asserted, arising from her employment at IFA. In addition, the Governor has determined that she will ask IFA to consider reimbursing the State general fund for the cost of this settlement.

Please make the following payments:

a. Ashley Jared in the amount of one million, eight hundred thousand dollars (\$1,800,000) without deduction or withholding.

I have enclosed a copy of the proposed release.

JEFFREY/S. THOMPSON

Solicitor General

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is by and among Ashley Jared, Iowa Finance Authority, and the State of Iowa.

Ashley Jared is the Complainant, and Iowa Finance Authority, and the State of Iowa are Respondents ("Respondents") in an action pending in the Iowa Civil Rights Commission, ICRC CP# 09-18-72509 and cross-filed with the U.S. Equal Employment Opportunity Commission, EEOC# 26A-2018-00857C. Ashley Jared also filed a complaint with the State Appeal Board (collectively the "Complaints"). In the Complaints, Ashley Jared made claims against Respondents and sought damages. The Respondents deny all such claims.

The parties have agreed to compromise and settle all of Ashley Jared's claims arising from the Complaints. Based on the mutual promises and covenants exchanged and for other good and valuable consideration, the adequacy and receipt of which are acknowledged, the parties agree:

1. <u>Dismissal with Prejudice</u>. Subsequent to the execution of this Settlement Agreement and Release, Ashley Jared shall withdraw her Complaints with prejudice. Such withdrawals shall provide that each party will bear its own costs.

2. Ashley Jared Releases.

- (a) Releasing Parties. The covenants, waivers, and releases made by Ashley Jared in this Settlement Agreement and Release are made by her in her own capacity and on behalf of all persons and entities claiming by, through or under her or through which she makes her claims including, but not limited to, her heirs, assigns, representatives, executors, and spouse.
- (b) Released Parties. The covenants, waivers, and releases of Ashley Jared in this Settlement Agreement and Release are made to and for the benefit of the Iowa Finance Authority, the State of Iowa and any State agencies, departments, officers, directors, affiliates, advisors, attorneys, agents, predecessors, successors, assigns, and any current or former employees in their official or individual capacities (collectively, the "Released Parties").
- Claims Released. The claims released through this Settlement Agreement and Release shall include and extend to any and all claims, demands, causes of action, and/or liabilities of or against the Released Parties, whether or not they are now known, that Ashley Jared has or may have against the Released Parties, individually and/or jointly, or that otherwise exist or may have been raised in the Complaints, existing as of the date Ashley Jared executes this Settlement Agreement and Release. Without limiting the preceding sentence, the claims which Ashley Jared waives and releases in this Settlement Agreement and Release include those claims asserted or capable

of being asserted in the Complaints and shall extend to all claims arising out of or relating to Ashley Jared's recruitment, hiring, employment, working conditions, terms and conditions of employment, or cessation of such employment with the State of Iowa and/or Iowa Finance Authority; and any claims for back pay, physical personal injury, emotional and/or mental distress, front pay, front pay reimbursement, loss of earning capacity, injunctive or equitable relief, all claims for attorneys' fees, costs, and disbursements arising out of or relating to the Complaints. Such released claims collectively are referred to as the "Claims."

- (d) Waiver, Release and Covenant Not to Sue. Ashley Jared irrevocably and unconditionally releases, waives, acquits, and forever discharges all Released Parties from the Claims and agrees to hold them harmless from any cost, liability or expense, including attorneys' fees, costs, and expenses, arising from or related to any action hereafter which asserts any of the Claims. Ashley Jared further covenants that she in her own capacity or through her shall not sue or make demand upon or seek damages from any of the Released Parties for any of the Claims.
- 3. <u>Payments.</u> Upon satisfaction by Ashley Jared of all conditions precedent, the State of Iowa, on behalf of all Released Parties, will pay Ashley Jared the lump sum of One Million, Eight Hundred Thousand Dollars (\$1,800,000.00) within ninety (90) days of the execution of this Settlement Agreement and Release. The Settlement Amount is more fully described as follows:
 - (a) Respondents will issue a check payable to Ashley Jared in the amount of Eight Hundred Thousand Dollars (\$800,000.00) for personal physical injury without deduction or withholding. Ashley Jared shall be solely responsible for any and all taxes that thereafter may be due on this payment and shall hold the Released Parties harmless and indemnify them from any liability thereon. Respondents will issue Ashley Jared an IRS Form 1099-MISC for this amount; and
 - (b) Respondents will issue a check payable to Ashley Jared in the amount of One Million Dollars (\$1,000,000.00) for emotional distress damages from sexual assault and sex discrimination, including sexual harassment, without deduction or withholding. Ashley Jared shall be solely responsible for any and all taxes that thereafter may be due on these payments and shall hold the Released Parties harmless and indemnify them from any liability thereon. Respondents will issue Ashley Jared an IRS Form 1099-MISC for this amount. Ashley Jared's attorney's fees and litigation expenses will be allocated to the \$1,000,000 payment, and as of the date this Agreement is signed by Ashley Jared, her attorney's fees and litigation expenses are approximately \$20,000.00.
- 4. Ashley Jared acknowledges that this payment is in compromise of a dispute and that such payment is not to be construed as the State of Iowa or any of the Released Parties conceding the reasonableness of the attorneys' fees or costs, and is not to be construed as an

admission of liability or wrongdoing on the part of the State of Iowa or any of the Released Parties, and that the State of Iowa and all Released Parties expressly deny any such liability or wrongdoing.

Ashley Jared acknowledges that any payment made under this Settlement Agreement and Release is subject to Iowa Code Chapter 8A.504.

- Representation of Ashley Jared. Ashley Jared hereby represents and warrants that she (a) has authority to enter into this Settlement Agreement and Release; (b) holds the Claims free and clear of any liens and has not pledged or assigned those claims to any third party; (c) has not commenced or been subject to any bankruptcy or insolvency proceeding that affects or could affect her rights to accept payment and release Claims under this Settlement Agreement and Release; (d) has not received any promise of further consideration; (e) does not know of any other person who holds any rights to sue for the causes of action either asserted in the Complaint or the Claims subject to the releases made hereunder; and (f) shall be solely liable for the reporting and payment of taxes due, if any, on the settlement amounts received hereunder. Ashley Jared further agrees to indemnify and hold harmless each of the Released Parties from and against any and all claims, actions, causes of actions, demands, rights, damages, costs, losses of services, expenses, compensation, taxes or property damages (including attorneys' fees, expenses, and costs of defense) which any person, partnership, corporation, entity, association, agency or other organization may bring against them alleging facts and circumstances that are contrary to, inconsistent with, or arising from the breach of, the representations and warranties of this Paragraph 4.
- 6. Reasonable Time to Consider. Ashley Jared understands and acknowledges that she has been given a reasonable period of time to consider whether she wishes to enter into this Settlement Agreement and Release and to be bound by its terms. Ashley Jared further acknowledges that the terms of this Settlement Agreement and Release were negotiated by her, through her legal counsel, over a sufficient period of time so that she now has carefully read and fully understands and accepts the terms contained in this Settlement Agreement and Release and their legal effect. Ashley Jared represents that she has been advised to consult with an attorney prior to signing this Settlement Agreement and Release and has done so. Ashley Jared further represents that her decision to sign or not to sign this Settlement Agreement and Release is her own voluntary decision made with full knowledge of its terms.
- 7. <u>Counterparts</u>. This Settlement Agreement and Release may be signed in counterparts.
- 8. <u>Choice of Law/Consent to Jurisdiction</u>. This Settlement Agreement and Release shall be governed by and construed under the laws of the State of Iowa. Each party consents to the personal jurisdiction of the state courts in Iowa with respect to any action seeking to enforce the terms of this Settlement Agreement and Release.

- Severability. If a court of competent jurisdiction shall determine that any part of 9. this Settlement Agreement and Release is invalid or void, the remaining parts not so declared shall be considered valid and binding on the parties.
- Entire Agreement. This Settlement Agreement and Release constitutes the entire agreement between the parties. The terms of this Settlement Agreement and Release are contractual and not merely recital. None of the terms shall be altered or modified in whole or in part except in writing acknowledged by each party. Headings are for convenience only and do not alter the express terms of this Settlement Agreement and Release. All representations, warranties, and indemnities under this Settlement Agreement and Release shall survive the termination, expiration, and performance thereof.
- Public Record. The parties acknowledge that this Settlement Agreement and 11. Release is a public record, pursuant to Iowa Code Chapter 22 (2019).
- Required Approvals. The parties acknowledge that this Settlement Agreement and 12. Release is subject to Executive Order Number 85 and must be approved by the Director of the Iowa Department of Management, the Director of the Iowa Department of Administrative Services, and the Director of Iowa Finance Authority. The parties further acknowledge that the State Appeal Board must approve the payment of state funds pursuant to this Settlement Agreement and Release, and payment of the funds is contingent on such approval. The Attorney General's office has reviewed and will recommend approval of this Settlement Agreement and Release.

PLEASE READ THIS DOCUMENT CAREFULLY. IT WILL RELEASE AND WAIVE LEGAL CLAIMS AND RIGHTS YOU MAY HAVE. YOU ARE ADVISED TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS DOCUMENT.

Ashley Jared

Agreed to on this day of January, 2019.

Deborah Durham, Executive Director

Iowa Finance Authority

Agreed to on this 3 day of January, 2019.