

Conciliation Agreement
Between the United States Department of Labor
Office of Federal Contract Compliance Programs
And
Cubic Simulation Systems, Inc.
2001 W. Oak Ridge Road, Suite 100
Orlando, Florida 32809-3803

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Cubic Simulation Systems, Inc. (hereinafter Cubic).
2. The violation identified in this Agreement was found during a compliance evaluation of Cubic at its establishment located at 2001 W. Oak Ridge Road, Orlando, Florida which began on September 8, 2009, and it was specified in a Notice of Violation issued February 26, 2010. OFCCP alleges that Cubic has violated Executive Order 11246, as amended, and its implementing regulations at 41 CFR Chapter 60, due to the specific violation cited in Part II below.
3. This Agreement does not constitute an admission by Cubic of any violation of Executive Order 11246, as amended and its implementing regulations.
4. The provisions of this Agreement will become part of Cubic's affirmative action program (AAP). Subject to the performance by Cubic of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Cubic with all OFCCP programs will be deemed resolved. However, Cubic is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
5. Cubic agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to Cubic's compliance. Cubic shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Cubic from the obligation to comply with the requirements of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and their implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Cubic agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceedings under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).

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8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the District Director for OFCCP, unless the Regional Director or Deputy Assistant Secretary, OFCCP, indicates otherwise within 45 days of the Regional Director's signature on this Agreement.
9. If, at any time in the future, OFCCP believes that Cubic has violated any portion of this Agreement during the term of this Agreement, Cubic will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide Cubic with 15 days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes that Cubic has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violation resolved by this Agreement.

Liability for violation of this Agreement may subject Cubic to sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief.

PART II: Specific Provisions

VIOLATION: Compensation data provided by Cubic for employees in hourly positions on October 1, 2008 revealed that Cubic provided lower compensation to minority employees than to a similarly situated non-minority employee in the (b) (7)(C) job title. Time with Cubic, time in current job title, experience, and performance did not explain the disparities in compensation. Accordingly, OFCCP finds that Cubic discriminated against two minority (b) (7)(C) employees (hereinafter Class Members), paid less than their nonminority (b) (7)(C) comparator because of their race, in violation of 41 CFR 60-1.4(a) (1).

REMEDY: Although Cubic affirms that this disparity in pay was unintentional, Cubic will adjust the hourly pay rates of the Class Members named on Attachment A to this Agreement in the amounts designated on the Attachment.

Cubic will provide the Class Members with \$26,753.73 in salary adjustments in the amounts designated on Attachment A. Additionally, Cubic will disburse \$29,062.80 in back pay and \$745.56 in interest totaling \$29,808.36 to the Class Members. The money will be divided as indicated in Attachment A to this Agreement and paid to each Class Member in two lump sums, less appropriate legal deductions; the first lump sum will be comprised of backpay and the second lump sum will be interest. Each Class Member's share of this payment will be reduced by withholdings for federal income tax, state, and/or local income tax, and the Class Member's share of FICA. Each Class Member shall receive an IRS Form W-2 for his share of the back pay and benefits and an IRS Form 1099 for his share of the interest amount.

Cubic will not retaliate, harass, or engage in any form of reprisal or other adverse action against

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these Class Members based on or in relation to the terms or provisions of this Remedy.

Within 90 days of the District Director's signature on this Agreement, Cubic will provide training on its equal employment opportunity programs for all persons involved in determining compensation amounts paid to Cubic's employees. Cubic will update this training annually.

Cubic will immediately review and revise, as appropriate, its compensation system to ensure that this violation ceases. In addition, Cubic will review at least annually and revise, as needed, its compensation system to ensure that this violation does not recur.

FUTURE CONDUCT: Cubic will not repeat the above violation.

PART III: Reporting

Cubic shall submit **two reports**, as stated below, to Miguel A Rivera Jr., District Director—Orlando, United States Department of Labor, Office of Federal Contract Compliance Programs, 1001 Executive Center Drive, Suite 100, Orlando, Florida 32803; Attention: (b) (7)(C) Compliance Officer.

The **first report** shall be due 120 days after the date this Agreement is signed by the District Director, OFCCP. The first report shall consist of the following:

1. Copies of personnel forms confirming salary adjustments made to the two minority employees;
2. Evidence of back pay monies disbursed to the minority employees and 401K contributions, including copies of the cancelled checks and pay slips showing the gross amount and legal deductions;
3. Results of Cubic's review of its compensation system, to include findings, additional equity adjustments and back pay, if any; and
4. Documentation of training that Cubic provided on its equal employment opportunity programs for all persons involved in determining compensation amounts paid to Cubic's employees.

The **second report** shall be due on February 28, 2011 and will cover the period beginning the day after the conclusion of the period covered by the first report and ending January 31, 2011. This report will detail the results of Cubic's annual review of its compensation system, including findings, additional equity adjustments and back pay, if any.

TERMINATION DATE: This Agreement will expire 90 days after OFCCP receives the second and final report required in Part III above or on the date that the District Director gives notice to Cubic that Cubic has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies Cubic in writing prior to the end of the 90-day period that Cubic has not satisfied its reporting requirements pursuant to this Agreement.

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PART IV: Signatures

The person signing this Conciliation Agreement on behalf of Cubic Simulation Systems, Inc. personally warrants that she is fully authorized to do so, that Cubic Simulation Systems, Inc. has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Cubic Simulation Systems, Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Cubic Simulation Systems, Inc.

DATE: 3/2/10

(b) (7) (c)

Terry Kohl
General Manager
Cubic Simulation Systems, Inc.
2001 W. Oak Ridge Road
Orlando, Florida 32809

DATE: 3/5/10

(b) (7) (e)

Compliance Officer—Orlando
Office of Federal Contract
Compliance Programs

DATE: 3/8/10

(b) (7) (c)

Jacqueline Ortiz-Baerga
Assistant District Director—Orlando
Office of Federal Contract
Compliance Programs

DATE: 03/15/10

(b) (7) (c)

Miguel A. Rivera, Jr.
District Director—Orlando
Office of Federal Contract
Compliance Programs

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Attachment A

Qualified Class Members

Name	Job Title	Wage Adjustment	Salary Adjustment	Backpay	Interest	Backpay and Interest
(b) (7)(C)		(b) (7) (c)		(b) (7)(C)		
		TOTAL	\$26,753.73	\$29,062.80	\$745.56	\$29,808.36

Date: March 26, 2010
Contractor: Cubic Simulation Systems Inc.
Complainant: NA
Control #: R00153759
Date of Agreement: March 15, 2010

Analysis of Violations Containing Financial Remedies:

CA Violation/Remedy =	Violation 1; Remedy 1
Total Class Members per CA =	2 Minority Master Machinist
Shortfall =	NA
Back-Pay and Interest \$\$ per agreement =	\$29,808.36

Back Pay

# OF PERSONS =	2 (Minority Master Machinist)	2
	BACK PAY	\$29,062.80
	Interest	\$745.56
	Total Back Pay & Interest	\$29,808 Rounded

Salary Adjustments

# of Positions	(Per CA)	2
Total Salary Adjustments	(Per CA)	\$ 26,753.73
Total Salary Adjustments		\$26,754 Rounded

Annualized Salaries

# of Positions	2
Total Annualized Salaries	\$ 26,753.73
Total Salary Adjustments	\$26,754 Rounded

Benefits

# of Positions	2	\$26,754
Total Annualized Salaries	5.16% of Annualized Salaries	\$ 1,379.56
Total Benefits		\$1,380 Rounded

TOTAL REPORTED MONIES

Back-Pay and Interest	2 (Minority Master Machinist)	\$29,808	Rounded
Salary Adjustments	2 (Minority Master Machinist)	\$26,754	Rounded
Annualized Salaries	2 (Minority Master Machinist)	\$26,754	
Benefits	2 (Minority Master Machinist)	\$1,380	
Agreement Total	2 (Minorities)	\$84,696	Rounded