Conciliation Agreement Between the United States Department of Labor Office of Federal Contract Compliance Programs And Omega Apparel Incorporated 215 South Mountain Street Smithville, Tennessee 37166

PART I: General Provisions

- This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Omega Apparel Incorporated (hereinafter Omega).
- 2. The violations identified in this Agreement were found during a compliance evaluation of Omega's establishment located at 215 South Mountain Street, Smithville, Tennessee, which began on July 28, 2010, and were specified in a Notice of Violation issued January 6, 2012. OFCCP alleges that Omega has violated Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and their implementing regulations at 41 CFR Chapter 60, due to the specific violations cited in Part II below.
- This Agreement does not constitute an admission by Omega of any violation of Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and their implementing regulations.
- 4. The provisions of this Agreement will become part of Omega's Affirmative Action Programs (AAPs). Subject to the performance by Omega of all promises and representations contained herein and in its AAPs, all named violations in regard to the compliance of Omega with all OFCCP programs will be deemed resolved. However, Omega 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. Omega 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 Omega's compliance. Omega shall permit access to its premises during normal business hours for these purposes.
- 6. Nothing herein is intended to relieve Omega 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. Omega 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).
- This Agreement will be deemed to have been accepted by the Government on the date of signature by the Regional Director for OFCCP, unless the Director, 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 Omega has violated any portion of this Agreement during the term of this Agreement, Omega 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 Omega 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 Omega has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

Liability for violation of this Agreement may subject Omega to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-741.66 and/or other appropriate relief.

PART II: Specific Provisions

Accordingly, OFCCP finds that Omega has discriminated against 316 qualified male applicants (hereinafter Applicant Class Members) not hired into Sewing Machine Operator jobs because of their gender, in violation of 41 CFR 60-1.4(a)(1).

<u>REMEDY</u>: Omega will attempt to locate each Applicant Class Member listed on Attachment A to this Agreement. Within 15 days of the signing of this Agreement by the Regional Director, OFCCP, Omega will contact the Applicant Class Members at Attachment A by Certified Mail Return Receipt Requested and by regular mail, using Attachment B, "Notice to Applicant Class Members", Attachment C "Employment Interest Verification Form" and Attachment D "Release of Claims under the Executive Order." Applicant Class Members will have 30 days from the date of the "Notice to Class Members" to mail or send and have post marked the completed "Employment Interest Verification Form" and "Release of Claims under the Executive Order" to Omega. Omega will notify OFCCP, Nashville District Office, in writing of all the Applicant Class Members it has not located and of all the Applicant Class Members it has located within 60 days after the signing of this Agreement by the Regional Director, OFCCP.

OFCCP will attempt to locate Applicant Class Members not located by Omega. Within 30 days of receiving the list of Applicant Class Members not located by Omega, OFCCP will provide Omega, in writing, a list of addresses OFCCP has obtained for Applicant Class Members not located by Omega.

Omega will have an additional 60 days from receiving the list of Applicant Class Members located by OFCCP to notify them of their status as Applicant Class Members and to determine their interest in employment using Attachments B, C and D as described above. If an Applicant Class Member is not located and/or does not return a completed Attachment C, "Employment Interest Verification Form" and Attachment D "Release of Claims under the Executive Order" within 30 calendar days the Applicant Class Member shall be no longer entitled to any relief pursuant to this Agreement.

Omega will make written job offers to Applicant Class Members listed on Attachment A until the earliest of the following: 1) 56 Applicant Class Members have accepted job offers; 2) the list of Applicant Class Members on Attachment A is exhausted; or 3) the date that Omega files its second report with OFCCP, as long as: i) OFCCP determines that Omega satisfied its reporting requirements to date or ii) the 90-day period following the filing of the report expires without objection from OFCCP. Omega will make job offers to Applicant Class Members in the order that the "Employment Interest Verification Form" and "Release of Claims under the Executive Order" are returned which indicate an interest in employment. The criteria for selecting or rejecting any Applicant Class Member will be no more stringent than those used by Omega during the review period January 1, 2008 through September 30, 2010.

All job offers will be made as vacancies occur and will be made in writing. New hires must agree upon a start date no more than 14 days from the date of the written job offer. Any new hire who fails to report to work on the start date and time scheduled, without prior approval by Omega, will be treated as having rejected the job offer. All hiring decisions, including job offers made and documentation of reasons for rejection, will be available for review by OFCCP.

Omega will hire and assign Applicant Class Members at the current starting rate of pay for Sewing Machine Operator positions. All new hires will be given a retroactive company service date of July 1, 2009.

Omega will disburse \$211,120.00 in back pay, \$19,588.10 in back benefits, and \$21,517.71 in interest for a total monetary settlement of \$252,225.81 to all located Applicant Class Members who timely execute and return the "Employment Interest Verification Form" and "Release of Claims under the Executive Order". The monies will be distributed equally to each such Applicant Class Member in a lump sum minus legal deductions. Disbursement of monies will not be contingent upon an Applicant Class Member's acceptance of an Omega job offer.

Omega will distribute monies to Applicant Class Members no sooner than 45 days and no later than 180 days after the Regional Director, OFCCP signs this Agreement and all efforts to locate Applicant Class Members have been exhausted by the parties in accordance with this Agreement. Omega will complete the process of monetary disbursement and hires, and will provide OFCCP with evidence of the job offers, hires, copies of pay slips showing legal deductions and copies of cancelled checks, as specified in Part III of this Agreement.

Omega will not retaliate, harass, or engage in any form of reprisal or other adverse action against any Applicant Class Member based on or in relation to the terms or provisions of this Remedy.

Within 120 days of the Regional Director's signature on this Agreement, Omega will provide training on its equal employment opportunity programs for all employees involved in Omega's application, screening and selection/hiring process. Omega will update this training annually.

Omega will immediately modify its application, screening and selection/hiring procedures for all applicants for Production positions to ensure that this violation ceases. In addition, Omega will at least annually review and revise, as needed, its selection procedures to ensure that this violation does not recur.

2. <u>VIOLATION</u>: Personnel activity records provided by Omega for the period January 1, 2008 through September 30, 2010 and investigative evidence revealed gender-based discrimination in job placement and segregation in Omega's production workforce. Omega failed to afford qualified female hires and qualified female incumbent employees placement opportunities equal to those afforded similarly situated males when filling Production positions other than Sewing Machine Operator. Omega almost exclusively placed female applicants into Sewing Machine Operator positions and male applicants into Production positions other than Sewing Machine Operator. Further, female employees and male employees worked in segregated buildings across the road from each other. During the period indicated, Omega hired and placed (9000) qualified men in Production positions other than Sewing Machine Operator, but placed (9000) women in these positions. Conversely, during this period Omega hired and placed (9000) women in Sewing Machine Operator positions other than Sewing Machine Operator, but placed (9000) are male (9000) in Production positions other than Sewing Machine Operator, but placed (9000) are male (9000) in Production positions, but placed (9000) are female employees in Production positions other than Sewing Machine Operator, (9000) are female (9000) and (9000) are female (9000) and (9000) are female (90000) are female (90000) are female (90000) are female (90000) are female (9000

Accordingly, OFCCP finds that Omega discriminated against qualified female hires and incumbents (hereinafter Placement Class Members) during the period January 1, 2008 through September 30, 2010 by disparately placing them in Sewing Machine Operator positions and by denying them placement in Production positions other than Sewing Machine Operator, on the basis of their gender, in violation of 41 CFR 60-1.4(a) (1).

<u>REMEDY</u>: Omega will: (a) make offers to the Placement Class Members until six Placement Class Members accept transfers to Production positions other than Sewing Machine Operator; (b) prevent retaliation, harassment and any other form of reprisal or adverse actions against the Placement Class Members; (c) eliminate those policies or practices that led to the discriminatory job placements; (d) develop procedures to review Omega's placement process at least annually for the purpose of ensuring nondiscrimination; and (e) take action to ensure that this violation ceases and does not recur.

 <u>VIOLATION</u>: Omega failed to preserve all personnel records for a period of not less than two years from the date of the making of the record or the personnel action involved, whichever occurred later. Specifically, Omega failed to preserve all applications, resumes and interview records. 41 CFR 60-1.12(a).

<u>REMEDY</u>: Omega will preserve all personnel or employment records it makes or keeps in either electronic or hard copy format including, but not limited to, all applications, resumes and interview records, for a period of not less than two years from the date of the making of the record or the personnel action involved, whichever occurs later. Where a compliance evaluation has been initiated by OFCCP, Omega will preserve all personnel and employment records beyond the two-year period, if applicable, until OFCCP makes a final disposition in the matter.

4. <u>VIOLATION</u>: Omega failed to identify in the personnel records it keeps a) the gender, race, and ethnicity of each employee, including those hired, promoted and terminated, and b) where

possible, the gender, race, and ethnicity of each applicant or Internet Applicant, as identified in 41 CFR 60-1.3, whichever is applicable to the particular position. 41 CFR 60-1.12(c)(1) (i) and (ii).

<u>**REMEDY</u>**: Omega will identify in the personnel records it keeps a) the gender, race, and ethnicity of each employee, including those hired, promoted and terminated, and, b) where possible, the gender, race, and ethnicity of each applicant or Internet Applicant.</u>

 <u>VIOLATION</u>: Omega failed to examine its total applicant/hiring, promotion and termination processes for adverse impact based on gender, race and/or ethnicity. 41 CFR 60-3.4 and 41 CFR 60-3.15A (2).

<u>**REMEDY</u>**: Omega will perform adverse impact determinations of its employment processes, at least annually. Where overall adverse impact of an employment process occurs, Omega will maintain and have available for inspection records or other information showing which components of that process have an adverse impact. Omega will take corrective action, when appropriate, if adverse impact occurs. Omega will maintain and have available the aforementioned information and continue to collect such information for at least two years after the adverse impact has been eliminated.</u>

6. VIOLATION: Compensation data provided by Omega revealed that Omega provided (b) (7) (c) a disabled Black female employee, with compensation lower than that provided to similarly-situated non-disabled, non-Black and/or male employees. Specifically, Omega failed to pay (b) (7) (c) when she was on medical leave, as Omega paid its non-disabled, non-Black and/or male employees when they were on medical leave. Further, upon her return to work, Omega failed to restore (b) (7) (c) pay to the rate paid her at the time of her leave, after having previously restored the rates of similarly situated non-disabled, non-Black and/or male employees when they returned from medical leave. Accordingly, OFCCP finds that Omega discriminated in compensation against (b) (7) (c) because of her gender, race and disability status, in violation of 41 CFR 60-1.4(a) (1) and 41 CFR 60-741.20.

<u>REMEDY</u>: Omega will disburse to (b) (7) (C) \$1,358.92 in back pay and \$86.74 in interest for total of \$1,455.66, less reductions required by law, no sooner than 45 days and no later than 180 days after the Regional Director, OFCCP signs this Agreement. Omega will immediately review its compensation policies and practices and eliminate these policies or practices that led to the discrimination; update that review at least annually; and take action to ensure that this violation ceases and does not recur.

FUTURE CONDUCT: Omega will not repeat the above violations.

PART III: Reporting

Omega will submit four reports, as stated below, to the Assistant District Director—Nashville, United States Department of Labor, Office of Federal Contract Compliance Programs, 1321 Murfreesboro Road, Suite 301, Nashville, Tennessee 37217.

The first report shall be due 60 days after the Regional Director, OFCCP, signs this Agreement. The first report will contain the following information:

1. Documentation of attempts to contact all Applicant Class Members in Attachment A and the current disposition of each Applicant Class Member whom Omega attempted to contact; and

Copies of all Attachments C signed and returned by Applicant Class Members as well as copies of envelopes returned as undeliverable.

The second report shall be due 240 days after the Regional Director, OFCCP, signs this Agreement. The second report will contain the following information:

- Documentation of attempts to contact those Applicant Class Members in Attachment A not initially located and for whom OFCCP provided Omega with addresses, including the current disposition of each Applicant Class Member contacted, copies of all signed and returned Attachments C and D, as well as copies of envelopes returned as undeliverable;
- Documentation of all job offers made to hire 56 Applicant Class Members. This evidence will include a list of all Applicant Class Members who expressed a timely interest in employment, annotated to indicate those offered a position and those hired. If fewer than 56 Applicant Class Members are hired, Omega will provide documentation supporting the reasons for not hiring Applicant Class Members who expressed an interest in employment;
- Documentation of monies disbursed to each Applicant Class Member who timely returned signed Attachments C and D, including copies of the canceled checks and pay slips showing gross amount of back pay and legal deductions;
- Documentation of Omega's review and revision of its application, screening and selection/hiring/placement procedures;
- 5. Documentation that Omega provided training on its equal opportunity policy to Omega's employees involved in its application, screening and selection/hiring/placement procedures;
- Results of offers made to incumbent female Sewing Machine Operator employees (Placement Class Members) to accept transfers to Production positions other than Sewing Machine Operator; and
- 7. Documentation of monies disbursed to (b) (7) (c) , including copy of the canceled check and pay slip showing gross amount of back pay and legal deductions.

The third and fourth reports will cover each successive 12-month period after the Regional Director, OFCCP, signs this Agreement and shall be mailed 60 days after the close of that 12-month period. Each of these reports will contain the following information:

- Copy of applicant flow log covering the 12-month period indicated above for Production positions. The report will include, at a minimum, the following variables: applicant name; gender; race or ethnic group, job applied for; date of application; hired or not hired; job title hired into; job group hired into; date of hire; and where not hired, reason not hired; and
- 2. Impact determination analyses covering the 12-month periods indicated above, conducted for each job group by gender, race or ethnic group identified in 41 CFR 60-3.4B. For each job group where the total selection process has an adverse impact, as defined in 41 CFR 60-3.4D, the result of Omega's evaluation of the individual components of the selection process for adverse impact. Report any corrective actions taken as a result of the evaluation.

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

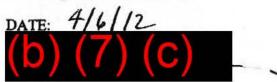
INTEGRATION CLAUSE: This Agreement represents the full Agreement between Omega and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither Omega nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

PART IV: Signatures

The person signing this Conciliation Agreement on behalf of Omega Apparel Incorporated personally warrants that he is fully authorized to do so, that Omega Apparel Incorporated 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 Omega Apparel Incorporated This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Omega Apparel Incorporated.

MARCH 29 2012 DATE:

Richard Chase President and Chief Operating Officer Omega Apparel Incorporated 215 S. Mountain Street Smithville, Tennessee 37166



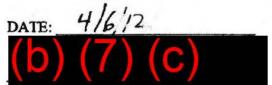
Robert S. Brown Assistant District Director—Nashville Office of Federal Contract Compliance Programs



Evelyn Teague Regional Director—Southeast Office of Federal Contract Compliance Programs

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Office of Federal Contract Compliance Programs



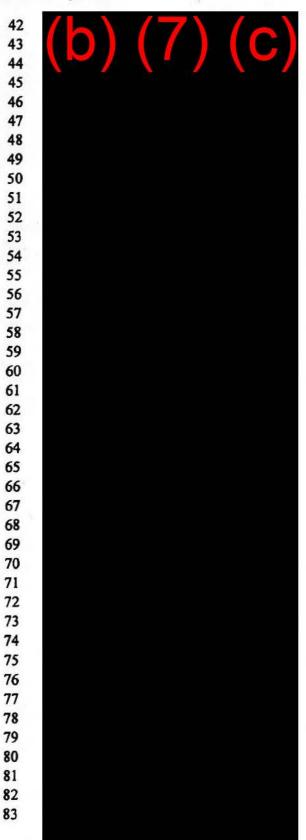
Ronald W. Bailey District Director—Nashville Office of Federal Contract Compliance Programs

Qualified Applicant Class Members

Attachment A

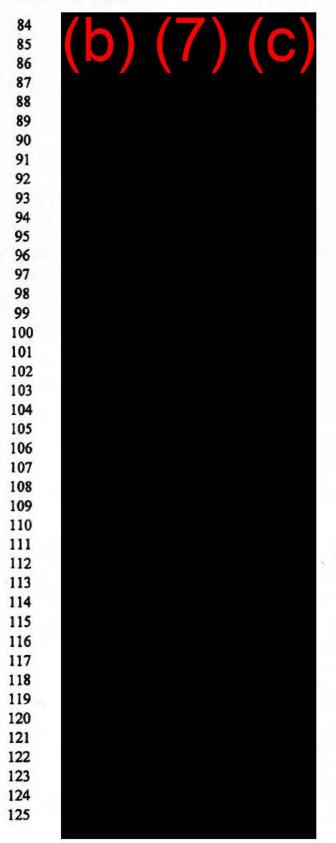


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Qualified Applicant Class Members

Attachment A



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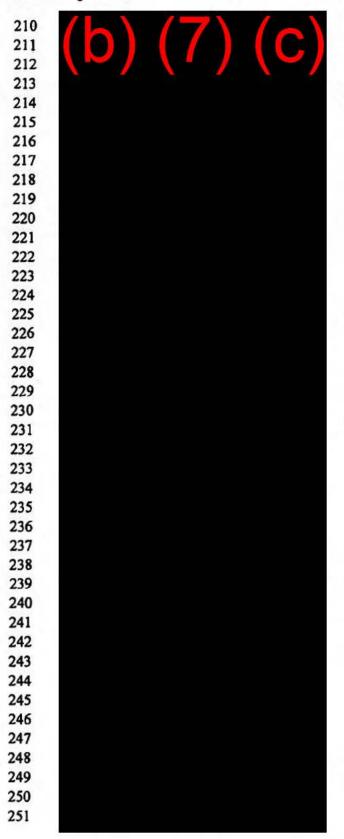
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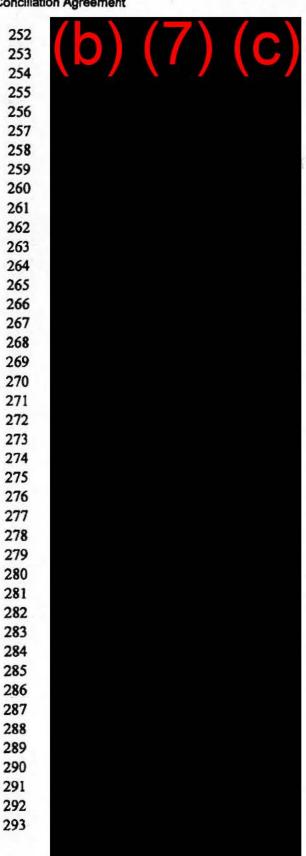
Qualified Applicant Class Members

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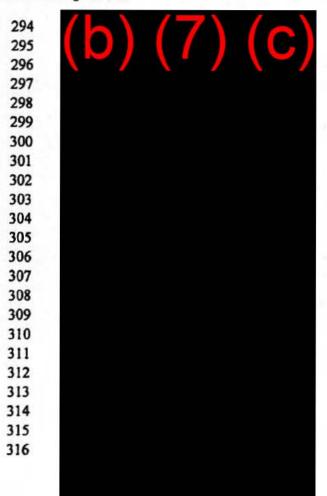
Qualified Applicant Class Members



Qualified Applicant Class Members



Qualified Applicant Class Members



NOTICE TO APPLICANT CLASS MEMBERS [Date]

Omega Apparel, Incorporated (hereinafter Omega), and the United States Department of Labor's Office of Federal Contract Compliance Programs have entered into a Conciliation Agreement to resolve alleged disparities in selecting applicants for Sewing Machine Operator positions at Omega's Smithfield, Tennessee establishment during the period January 1, 2008 through September 30, 2010. You have been identified as one of the applicants for such a position at Omega during that time period.

As a part of this Agreement, you are eligible to receive a distribution of no less than \$798.00 subject to lawful payroll deductions. Under the terms of this Agreement, you may receive the award after the process of locating eligible applicants has been completed in approximately seven months. To be able to participate in this settlement, you must complete sign and no later than 30 days after you received this Notice and return to the following address **BOTH** of the documents enclosed with this Notice: (1) the *Employment Interest Verification Form* and (2) the *Release of Claims under the Executive Order*:

Omega Apparel, Incorporated 215 South Mountain Street Smithville, Tennessee 37166 Attention: Connie Jolley, Human Resources Manager

In addition to the monetary payment, Omega will be making job offers for Sewing Machine Operator positions to some of the individuals who are receiving this notification. It is not certain that you will receive a job offer. However, if you are still interested in employment with Omega; please indicate so on the enclosed *Employment Interest Verification Form*. New hires must agree on a start date no more than 14 days after the date of the written job offer. Omega will provide hired Applicant Class Members with a company service date of July 1, 2009.

If you fail to respond fully to this Notice within the 30-day period, you will not be entitled to receive any monetary distribution and will not be considered for employment under this Agreement. You are eligible for the monetary distribution even if you are not currently interested in employment with Omega.

By entering into this Agreement, Omega has not admitted nor has there been any adjudicated finding that Omega violated any laws when it did not hire you for a Sewing Machine Operator position.

If you have any questions, you may call Connie Jolley, Human Resources Manager at 615-597-8889. If you do not reach Ms. Jolley immediately, your call will be returned as soon as possible.

Sincerely,

Jesse Rogers President Omega Apparel, Incorporated

Enclosures:

Employment Interest Verification Form Release of Claims under the Executive Order

EMPLOYMENT INTEREST VERIFICATION FORM [Date]

You must complete this form and the *Release of Claims under the Executive Order* in order to be eligible for the monetary distribution and/or employment opportunities under the terms of the Conciliation Agreement between Omega Apparel Incorporated (hereinafter Omega) and the United States Department of Labor's Office of Federal Contract Compliance Programs (hereinafter OFCCP). Please print legibly, and sign your name where indicated.

Name:

I confirm that the address on the cover letter is correct.

My telephone number is _

The address on the cover letter is not correct. My correct address is:

Address:

Notify Omega at the address below if your address changes within the next 12 months.

Your Social Security Number is required for tax purposes: _____- - ____-

Please check whether you are currently interested in employment with Omega as a Sewing Machine Operator. If you complete, sign and return this *Employment Interest Verification Form* and the *Release of Claims under the Executive Order*, you are eligible for the monetary distribution, whether or not you are interested in employment as a Sewing Machine Operator at this time.

Yes, I am still interested in employment with Omega.

No, I am not currently interested in employment with Omega.

You must complete all sections of this form or it will be disregarded and you will not be able to participate in the settlement between Omega and OFCCP. Within 30 days of your having received the Notice to Applicant Class Members, mail this completed form and the signed Release of Claims under the Executive Order in the enclosed envelope to the following address:

Omega Apparel, Incorporated 215 South Mountain Street Smithville, Tennessee 37166 Attention: Connie Jolley, Human Resources Manager

I certify that the information I have provided above is true and correct.

Signature

RELEASE OF CLAIMS UNDER THE EXECUTIVE ORDER

In consideration of the payment to me of at least \$798.00 (minus deductions required by law) by Omega Apparel Incorporated (hereinafter Omega), which I agree is acceptable, and also in consideration of the Conciliation Agreement between Omega and the Office of Federal Contract Compliance Programs (hereinafter OFCCP), I, ______ agree to the following:

I.

I understand that the amount of \$798.00 set forth above is the minimum gross amount of my portion of the monetary settlement between OFCCP and Omega, and that the actual payment to me will be reduced, in part, to account for legally required payroll deductions such as income tax withholding and Social Security contributions. I understand that this payment will be reflected on an Internal Revenue Service Form W-2 and a Form 1099 at the end of the calendar year in which the payment is made. Monies reported on the Form 1099 will not be reduced for taxes or other payroll deductions and I understand that I may owe income taxes on the amounts reported to me on the Form 1099.

II.

In exchange for the monetary amount set forth above, I hereby waive, release and forever discharge Omega, its predecessors, related entities, subsidiaries, and organizations, and its and their directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to my selection for employment at any time prior to the effective date of the Release.

III.

I understand that Omega denies that it treated me unlawfully or unfairly in any way and that Omega entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and to bring closure to the Compliance Evaluation initiated by OFCCP on July 28, 2010. I further agree that the payment of the aforesaid sum by Omega to me is not to be construed as an admission of any liability by Omega.

IV.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors. I further declare that I have decided of my own free will to sign this Release.

٧.

I understand that if I do not sign this *Release* and the *Employment Interest Verification Form* and return them to Omega at the address shown below by mail or other delivery method within 30 days from the date I receive this Release from the date at the top of the Employment Interest Verification Form, I will not be entitled to receive any of the financial or other relief provided in the Conciliation Agreement.

Omega Apparel, Incorporated 215 South Mountain Street Smithville, Tennessee 37166 Attention: Connie Jolley, Human Resources Manager

IN WITNESS WHEREOF, I have set my hand to this	day o	of	
	Day	Month	Year

Signature