

**Conciliation Agreement**  
**Between The United States Department of Labor**  
**Office of Federal Contract Compliance Programs**  
**And**  
**Prologix Distribution Services (East), LLC f/k/a Anderson News**  
**9059 Madison Boulevard, Suite L**  
**Madison, Alabama 35758**

**PART I: General Provisions**

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Prologix Distribution Services (East), LLC (hereinafter Prologix) f/k/a Anderson News.
2. The violations identified in this Agreement were found during a compliance evaluation of Prologix at its establishment located at 8274 NW 21<sup>st</sup> Street, Miami, Florida, which began on June 26, 2008, and they were specified in a Notice of Violation issued November 3, 2010. OFCCP alleges that Prologix has violated 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 at 41 CFR Chapter 60, due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by Prologix of any violation 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.
4. The provisions of this Agreement will become part of Prologix's Affirmative Action Programs (AAPs). Subject to the performance by Prologix of all promises and representations contained herein and in its AAPs, all named violations in regard to the compliance of Prologix with all OFCCP programs will be deemed resolved. However, Prologix 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. Prologix 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 Prologix's compliance. Prologix shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Prologix 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 implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Prologix 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

**Prologix Distribution Services (East), LLC  
Conciliation Agreement**

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).

8. 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 of 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 Prologix has violated any portion of this Agreement during the term of this Agreement, Prologix 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 Prologix 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 Prologix 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 Prologix to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-300.66, 41 CFR 60-741.66 and/or other appropriate relief.

**PART II: Specific Provisions**

1. **VIOLATION:** Personnel documents provided by Prologix for the period September 1, 2006 through July 15, 2009 and OFCCP's investigation revealed that Prologix failed to afford to qualified female hires and qualified female incumbent employees placement and compensation opportunities equal to those afforded similarly situated men when filling higher paying full-time Airport Specialist positions in the Ft. Lauderdale and Miami International Airports. Specifically, during the period indicated, Prologix placed:
  - a) **(b)(6)** men in the higher paying full-time Airport Specialist positions; but
  - b) **(7)(E)** woman in the higher paying full-time Airport Specialist position; and
  - c) **(7)(E)** female hires in lower paying part-time Merchandiser non-airport positions in Broward and Miami-Dade Counties.

Women were disproportionately channeled away from higher paying full-time positions and placed into lower paying part-time positions. This placement practice resulted in disparate treatment against a class of women. Accordingly, OFCCP finds that Prologix has discriminated against 72 female Merchandiser hires and three female incumbent employees, comprising 75 qualified Class Members, by failing to place them, initially or subsequently, into higher paying full-time Airport Specialist positions because of their gender, in violation of 41 CFR 60-1.4(a)(1).

**REMEDY:** Prologix will attempt to locate the 75 Class Members whose names are listed on Attachment A to this Agreement. Within 15 days of the signing of this Agreement by the Regional

**Prologix Distribution Services (East), LLC  
Conciliation Agreement**

Director, OFCCP, Prologix will contact the Class Members at Attachment A by "Certified Mail, Return Receipt Requested" and by regular mail, and by hand-delivery to current employees, using Attachment B, "Notice to Class Members," Attachment C, "Placement Interest Form," and Attachment D, "Release of Claims under the Executive Order."

Class Members will have 30 days, from the date they receive the "Notice to Class Members" to mail or send to Prologix the completed "Placement Interest Form" and the "Release of Claims under the Executive Order." Prologix will notify OFCCP, Miami Area Office in writing of all the Class Members it has not located and all of the Class Members it has located within 45 days after the signing of this Agreement by the Regional Director, OFCCP.

OFCCP will attempt to locate Class Members not located by Prologix. Within 15 days of receiving the lists of Class Members located and not located by Prologix, OFCCP will provide Prologix in writing a list of addresses OFCCP has obtained for Class Members not located by Prologix. Prologix will have an additional 30 days from receiving the list of Class Members located by OFCCP to notify them of their status as Class Members and to determine their interest in employment using Attachments B, C, and D, as described above.

Prologix has placed one Class Member into an Airport Specialist position. Prologix will place at least an additional six Class Members into full-time Airport Specialist positions at the current rate of pay for such positions. Prologix will provide ongoing training to the Class Members placed as a result of this Conciliation Agreement to ensure successful transition into the next available positions. Prologix will make written offers of placement into the positions to Female Class Members listed on Attachment A until 6 Female Class Members have accepted or until the list is exhausted, whichever occurs first. Prologix will make offers of placement in the order that the "Placement Interest Form" and the "Release of Claims under the Executive Order" are returned which indicate an interest in placement. Class Members must agree upon a placement date no more than 14 days from the date of receiving the written notice. Prologix will make all placements as positions become available, but no later than 180 days after the Regional Director, OFCCP signs this Agreement.

Prologix will disburse \$76,800.25 in back pay, \$5,992.96 in retroactive benefits, \$4,076.34 in interest and \$6,678.00 in lieu of seniority for a total financial settlement of \$93,547.55 to all Class Members who execute and return the "Placement Interest Form" and the "Release of Claims under the Executive Order." The money will be divided equally among the located Class Members and paid to each Class Member in two lump sums; the first lump sum will be comprised of backpay and benefits 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 or her share of the back pay and benefits and an IRS Form 1099 for his or her share of the interest amount. Disbursement of money will not be contingent upon acceptance by a Class Member of Prologix's placement offer.

Prologix will distribute the financial settlement to 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 Class Members have been exhausted by the parties in accordance with this Agreement. Prologix will complete the process of monetary disbursement and will provide OFCCP with evidence of Class Member placements and copies of pay slips showing legal deductions and

**Prologix Distribution Services (East), LLC  
Conciliation Agreement**

cancelled checks, as indicated in Part III of this Agreement.

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

Within 180 days of the Regional Director's signature on this Agreement, Prologix will provide training on its equal employment opportunity and affirmative action obligations to all supervisors and employees involved in Prologix's hiring and placement processes. Prologix will update this training annually.

Prologix will immediately modify its selection/placement procedures for candidates for all positions to ensure that this violation ceases. In addition, Prologix will review at least annually and revise, as needed, its selection/placement procedures to ensure that this violation does not recur.

2. **VIOLATION:** Prologix failed to preserve all personnel and employment 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, Prologix failed to preserve interview records for the period September 1, 2006 through August 30, 2008. 41 CFR 60-1.12(a), 41 CFR 60-300.80(a) and 41 CFR 60-741.80(a).

**REMEDY:** Prologix will preserve all personnel and employment records it makes or keeps in either electronic or hard copy format, including all 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, Prologix will preserve all employment and personnel records until OFCCP makes a final disposition in the matter.

**FUTURE CONDUCT:** Prologix will not repeat the above violations.

**PART III: Reporting**

Prologix shall submit **three reports**, as stated below, to Miguel A. Rivera, Jr., District Director—Orlando, United States Department of Labor, Office of Federal Contract Compliance Programs, Brickell Plaza Federal Building, 909 SE First Avenue, Suite 722, Miami, Florida 33131; Attention: (7)(C), (7)(E), Compliance Officer.

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

1. Documentation of attempts to contact all Class Members in Attachment A and the current disposition of each applicant contacted; and
2. Copies of all letters including Attachments C and D returned by Class Members as well as those returned as undeliverable.

The **second report** shall be due 210 days after the date on which the Regional Director, OFCCP, signs this Agreement. The second report will contain the following information:

**Prologix Distribution Services (East), LLC  
Conciliation Agreement**

1. Documentation of attempts to contact those Class Members in Attachment A not initially located and for whom OFCCP provided Prologix with addresses, including the current disposition of each Class Member contacted, copies of the notification letters sent, copies of all letters, including Attachments C and D returned by Class Members, as well copies of envelopes returned as undeliverable;
2. Documentation of monies disbursed to each Class Member who executed and returned Attachments C and D, including copies of the canceled checks and pay slips showing legal deductions and the gross amount of each of the two lump sums: a) the first lump sum comprising back pay and benefits and b) the second lump sum comprising interest;

---

3. Documentation evidencing that Prologix placed seven Class Members in full-time Airport Specialist positions, indicating name, job title, rate of pay, date of placement and date of termination, if applicable.
4. Documentation of all Class Members who expressed an interest in placement, those offered a position, those placed and reasons for those not placed.
5. Documentation that Prologix reviewed and corrected its placement procedures, with description of any modifications made, if needed, to ensure that Violation I of Part I of this Agreement will not recur; and
6. Documentation of training that Prologix provided on its equal employment opportunity and affirmative action obligations to all supervisors and employees involved in Prologix's hiring and placement processes, including the date(s) of training, names and titles of recipients and cost.

**The third report** shall cover the 12-month period beginning 180 days after the date on which the Regional Director, OFCCP signs this Agreement and shall be due 30 days after the close of that 12-month period. The third report shall contain the following information:

1. List of all candidates and selections for Airport Specialist positions, to include name; gender; whether internal or external; referral source; date of application; date of placement; and reason for non-placement.

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

**Prologix Distribution Services (East), LLC  
Conciliation Agreement**

**PART IV: Signatures**

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Prologix Distribution Services (East), LLC, The person signing this Conciliation Agreement on behalf of Prologix Distribution Services (East), LLC, Miami Facility personally warrants he is fully authorized to execute this Conciliation Agreement on behalf of Prologix Distribution Services (East), LLC, and that Prologix Distribution Services (East), LLC, has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof and such execution is fully binding on Prologix Distribution Services (East), LLC.

DATE: 4/17/10

(6), (7)(C)

**David Pearsall**  
Director, Associate Relations  
Prologix Distribution Services (East), LLC  
100 Peaks View Drive  
Moneta, Virginia 24121

DATE: 11/30/10

(6), (7)(C), (7)(E)

Compliance Officer—Miami  
Office of Federal Contract  
Compliance Programs

DATE: 11/30/10

(6), (7)(C)

**Alvin Q. Mitchell**  
Assistant District Director—Miami  
Office of Federal Contract  
Compliance Programs

DATE: 12/06/10

(6), (7)(C)

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

DATE: 9 Dec 10

(6), (7)(C)

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

**NOTICE TO CLASS MEMBERS**

[Date]

Prologix Distribution Services (East), LLC (hereinafter Prologix), f/k/a/ Anderson News 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 placing applicants and employees into Airport Specialist positions during the period September 1, 2006 through July 15, 2009. You were identified as a candidate for such a position during that period.

As a part of this Agreement, you are eligible for a distribution of no less than \$1,247.00, subject to all lawful payroll deductions. Under the terms of this Agreement, you may receive the award after the process of locating eligible candidates has been completed in approximately six months from the date of this letter. ~~To be able to participate in this settlement, you must complete, sign and, no later than 30 days after the date shown above on this Notice, return to the following address in the enclosed postage-paid self-addressed envelope BOTH of the documents sent with this Notice: the (1) Placement Interest Verification Form and (2) Release of Claims under the Executive Order:~~

**Kim Duskin, Human Resources and Benefits Manager  
Prologix Distribution Services (East), LLC  
2541 Westcott Boulevard  
Knoxville, Tennessee 37931**

In addition to the monetary payment, Prologix will be making job offers for full-time Airport Specialist positions to some individuals who are receiving this Notice. It is not certain that you will receive such a job offer. However, if you are interested in being placed as an Airport Specialist by Prologix, please indicate so on the enclosed "Placement Interest Verification Form."

If you fail to respond within the 30-day period you will not be entitled to receive any monetary distribution and you will not be considered for placement as an Airport Specialist under this Agreement. You are eligible for a monetary distribution even if you are not currently interested in employment with Prologix.

By entering into this Agreement, Prologix has not admitted nor has there been any adjudicated finding that Prologix violated any laws when it did not select you for placement in an Airport Specialist position.

If you have any questions, you may telephone me at (865) 670-7575, (7)(C) If you do not reach me immediately, your call will be returned as soon as possible.

Sincerely,

Kim Duskin  
Human Resources and Benefits Manager  
Prologix Distribution Services (East) LLC

Enclosures: Placement Interest Verification Form  
Release of Claims under the Executive Order

**PLACEMENT INTEREST VERIFICATION FORM**

[Date]

You must complete all sections of this form and the "Release of Claims under the Executive Order" in order to be eligible for the monetary distribution and/or placement opportunities under the terms of the Conciliation Agreement between Prologix Distribution Services (East), LLC (hereinafter Prologix), f/k/a/ Anderson News 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.

The address on the cover letter is not correct. My correct address and telephone number are:

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

**Notify Prologix 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 a full-time Airport Specialist position by Prologix. If you complete and return the "Placement Interest Verification Form," you are eligible for the monetary distribution, whether or not you are interested at this time in placement as a full-time Airport Specialist position by Prologix.

Yes, I am still interested in being placed in a full-time Airport Specialist position by Prologix.

No, I am not currently interested in being placed in an Airport Specialist position by Prologix.

You must complete all sections of this form or it will be disregarded and you will not be eligible to participate in the settlement between Prologix and OFCCP. Mail this completed form and the signed "Release of Claims under the Executive Order" in the enclosed envelope within 30 days of the date shown on the top of this form to the following address:

**Kim Duskin, Human Resources and Benefits Manager  
Prologix Distribution Services (East), LLC  
2541 Westcott Boulevard  
Knoxville, Tennessee 37931**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**RELEASE OF CLAIMS UNDER THE EXECUTIVE ORDER**

In consideration of the payment to me of at least \$1,247.00 (minus deductions required by law) by Prologix Distribution Services (East), LLC (hereinafter Prologix), f/k/a/ Anderson News which I agree is acceptable, and also in consideration of the Conciliation Agreement between Prologix and the Office of Federal Contract Compliance Programs (hereinafter OFCCP), I \_\_\_\_\_ agree to the following:

I.

I understand that the amount of \$1,158.00 set forth above is the minimum gross amount of my portion of the monetary settlement between OFCCP and Prologix, 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 Prologix, 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 placement or nonplacement as Airport Specialist prior to the effective date of the Release.

III.

I understand that Prologix denies that it treated me unlawfully or unfairly in any way and that Prologix 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 June 26, 2008. I further agree that the payment of the aforesaid sum by Prologix to me is not to be construed as an admission of any liability by Prologix.

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.

V.

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

**Kim Duskin, Human Resources and Benefits Manager  
Prologix Distribution Services (East), LLC  
2541 Westcott Boulevard  
Knoxville, Tennessee 37931**

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

\_\_\_\_\_  
Signature