

**CONFIDENTIAL  
SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT (“Agreement”) is made and entered into on the date indicated below by and between **FRANCES TARCISIA CEPEDA aka FRANCES TARCISIA ARRIOLA** (“Employee”) and **PORT AUTHORITY OF GUAM** (“Management”) whereby both parties release and discharge all rights, claims and demands upon the terms and conditions provided herein.

**RECITALS**

WHEREAS, Employee filed an adverse action appeal of her termination from employment with the Port Authority of Guam titled In the Matter of Frances Arriola v. Port Authority of Guam, which appeal resulted in a revocation of the adverse action and thereafter Management filed a Petition for Judicial Review and then an appeal to the Supreme Court of Guam, which resulted in the matter now being returned to the Superior Court of Guam and then to the Civil Service Commission and is now titled as In the Matter of Frances Arriola v. Port Authority of Guam; Case No. 12-AA28T SP (hereinafter referred to as the “Litigation”);

WHEREAS, Employee and Management agree that the terms of this Settlement Agreement are a personnel matter and privacy is required to be preserved such that this Settlement Agreement shall be confidential and only disclosed by the parties as law may require or as necessary to enforce the rights of either party hereunder;

WHEREAS, Management reviewed the application of the Port’s personnel rules and regulations regarding back-wages, annual leave, sick leave, and retirement benefits, is satisfied as to the compliance thereof of the terms of this Agreement and approves that this Agreement shall be offered to Employee;

WHEREAS, the Deputy Director of Administration and Finance is authorized through Board Resolution to offer settlement terms to Employee and to execute this Agreement following its execution by Employee; and

NOW, THEREFORE, Employee and Management agree to end and terminate the Litigation upon the following terms and conditions:

**TERMS AND CONDITIONS OF AGREEMENT**

1. Employee and Management shall enter into a Stipulated Judgment to be entered by the Civil Service Commission of the Government of Guam, by which Employee’s appeal of the adverse action shall be fully resolved, without disclosure of the terms of this Settlement Agreement, unless and until such time as either party may determine in good faith that it is necessary to enforce the terms of this Settlement Agreement. Employee and Management agree that the Civil Service Commission shall retain jurisdiction to enforce the Stipulated Judgment.

2. Management agrees to rescind the adverse action taken against Employee and reinstate Employee to the position of Personnel Specialist IV, at the Human Resources Division, earning \$41.89 per hour, and with all benefits, rights, privileges, obligations, duties and responsibilities according to the laws of Guam, and the Rules and Regulations of the Port Authority of Guam. Employee shall be reinstated effective June 29, 2020.

3. Management further agrees to make Employee whole for all compensation, benefits, or other remuneration or compensation that Employee would have earned had the adverse action not been taken against Employee (hereinafter referred to as "Back Wages"). The Back Wages are subject to setoff for income earned by Employee during the period of Employee's termination, which amount shall be that amount already disclosed to Management by Employee. The total amount of Back Wages after setoff is calculated to be \$437,268.94.

4. Management shall further deduct from the Back Wages and make payment to the Government of Guam Retirement Fund for Employee's share of retirement fund contributions in amounts that restore Employee to what Employee would have contributed or paid had Employee remained in employment at the Port Authority of Guam (along with Management's matching contribution). Management shall also pay appropriate Medicare contributions. Within sixty (60) days Management will provide assurance to Employee that such withheld amounts have been timely paid to the appropriate entity.

5. Management shall restore to Employee credit of 656 hours of annual leave and 328 hours of sick leave, which represents the amount that Employee would have accrued had Employee remained in employment at the Port Authority of Guam. Management shall further pay Employee's attorneys' fees, and legal costs and expenses, in the amount of \$87,453.78, payable as stated below.

6. Payment Schedule.

All payments made under this agreement shall be made as follows:

- a. Within seven (7) days of Agreement execution, Management shall pay to McDonald Law Office, LLC Trust Account the amount of \$87,453.78. 22  
7/17/20
- b. Within thirty (30) days of Agreement execution, Management shall pay to McDonald Law Office, LLC Trust Account the amount of \$144,298.75.
- c. On or before January 10, 2021, Management shall pay to McDonald Law Office, LLC Trust Account the amount of \$144,298.75.
- d. On or before January 10, 2022, Management shall pay to McDonald Law Office, LLC Trust Account the amount of \$148,671.44.

7. Management agrees to expunge Employee's record of this termination and the adverse action pertaining to the Litigation.

8. Management agrees that any payment hereunder, may, upon Employee's election, become immediately due and payable to Employee upon termination or resignation of Employee, should such event occur before the date that any payment provided hereunder is due.

9. It is stipulated and acknowledged that each party hereto has read and understands the meaning of each term of this Settlement Agreement, that this Settlement Agreement is made without duress or undue influence of any kind, and that Employee and Management are aware of their respective rights, and have had a full and fair opportunity, to consult with their legal counsel or seek legal advice in negotiating, executing and understanding the legal effect of this Release and this Agreement.

10. It is intended by the parties that this Settlement Agreement is complete and shall not be subject to any claim of mistake of fact or law. This Agreement has been carefully reviewed by all parties, each of whom has had an opportunity to participate in its drafting by making changes, additions, or deletions. This Agreement expresses a full and complete settlement of all liabilities and all claims between the parties. Other than what is specifically stated in this Settlement Agreement, no other promises of any kind have been made by any party to this Agreement, and regardless of the adequacy or inadequacy of the consideration exchanged, this Agreement is intended to avoid litigation and to be final and complete in full.

11. Upon execution of this Agreement, Management and Employee, on behalf of themselves and of any and all natural and non-natural persons or governmental instrumentality who may succeed in respective interest of the Port or of Employee (all such parties are hereinafter collectively referred to as "Releasers") hereby mutually release any and all claims and forever discharge one another, together with each of their respective employees, agents, spouses, heirs, executors, administrators, directors, officers, insurers, successors and assigns as well as all other persons or entities (collectively "Releasees") of and from any and all legal liability, claims, obligations, demands, damages, actions and causes of action of every kind, arising out of or in any way connected with their employment relationship to date, including without limitation, those claims which were raised or might have been raised in the Litigation, whether currently known or unknown, and whether knowable or unknowable.

12. The RECITALS stated herein are part and parcel of this Release and Agreement; and they accurately express the claims and intentions of the Parties.

13. It is agreed and stipulated by the Parties that the consideration for this Release and Agreement is a fair and reasonable settlement, and that this Release and this Agreement are made in good faith.

14. Should either party bring suit in court to enforce any of the terms of this Release or this Agreement, it is agreed that the prevailing party will be entitled to reasonable attorney fees and costs.

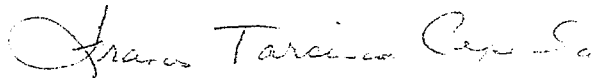
15. Any Party who has to enforce this Agreement may disclose only such parts of this Settlement Agreement as are necessary to enforce its terms.

16. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

The undersigned are hereinafter bound to this Release and this Agreement under the terms and conditions stated herein:

**EMPLOYEE:**

Dated: 7/1/2020



**FRANCES TARCISIA CEPEDA aka  
FRANCES TARCISIA ARRIOLA**

**MANAGEMENT:**

Dated: July 1, 2020



**LUIS R. BAZA, Deputy General Manager  
for Port Authority of Guam, Authorized  
Representative**

