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**Notice of and Consent to Settlement and Distribution of Proceeds from Settlement of *United States of America, and the States of California, Florida, Hawaii, Illinois, Massachusetts, Nevada, Virginia, District of Columbia and State and City of New York ex rel. Ann-Marie Shaw v. CA, Inc.*, Civil Action No. 06-3552, Federal District Court for the Eastern District of New York**

Dear Sir/Madam,

Enclosed please find a check payable to Santa Barbara County Air Pollution Control District in the amount of \$10,666.04. As explained below, this check constitutes the Santa Barbara County Air Pollution Control District's pro rata share of the settlement proceeds under a settlement agreement entered into by the State of California, Relator Ann-Marie Shaw and CA, Inc. ("California Settlement Agreement") in the above captioned lawsuit ("the Lawsuit"). The amended complaint in the Lawsuit and the California Settlement Agreement also are enclosed.

The Lawsuit was filed in 2006 by Relator Ann-Marie Shaw under federal and state False Claims Acts and was initially investigated by the United States Department of Justice. The Lawsuit alleges that certain federal, state and local government customers of CA, Inc., including the California local government entities and public school districts (hereinafter referred to as "California Political Subdivisions"), have civil claims against CA, Inc. for improperly recording the beginning and end dates of software maintenance they purchased during the period from 2001 through 2009, resulting in these customers paying for periods of software maintenance for which they already paid; specifically, when a customer entered into a software maintenance renewal agreement, the renewal period would begin on the day CA processed the order, rather than the day after the expiration of the customer's then-existing maintenance period (the "Covered Conduct"). The Covered Conduct occurred in some, but not all, maintenance renewal transactions processed by CA, Inc.

In connection with the federal investigation, government auditors performed a statistical sampling of federal purchase transactions and developed an audit formula through which they calculated the likelihood of maintenance overlaps and the average amount of overcharge per maintenance renewal transaction. The United States Department of Justice utilized this formula for calculating the average overcharge for all renewal transactions in reaching a settlement with CA, Inc. The States, including the State of California, have likewise reached settlement agreements with CA, Inc., utilizing a similar formula to calculate the likelihood of maintenance overlaps and an average overcharge for maintenance renewal purchases made during the relevant time period by State and/or local government purchasers whose purchases are covered by those States' False Claims Acts.

The California Settlement Agreement, which was filed in the United States District Court for the Eastern District of New York, provides for payment by CA, Inc. in the amount of \$983,807, in settlement of claims by the State of California and its political subdivisions for the Covered Conduct.

You are receiving this notice and payment because you have been identified as a political subdivision of the State of California that is entitled to receive a share of the proceeds of the California Settlement Agreement. CA, Inc. provided sales records to the State of California

identifying the California state agencies and political subdivisions that renewed software maintenance contracts during the relevant time period and the number of contracts renewed. Pursuant to the California Settlement Agreement, the proceeds of the settlement will be divided on a pro rata basis among these entities, after payment of a 20% Relator's share pursuant to Cal. Gov. Code § 12652(g). Your agency's damages of \$10,666.04 are based upon CA, Inc.'s sales records and the pro rata formula (which includes a multiplier) agreed upon by the State of California and CA, Inc. in reaching settlement.

**By accepting and depositing the enclosed check, you are consenting to and agreeing to be bound by the provisions of the enclosed California Settlement Agreement, including the release provisions in paragraph 16 of the California Settlement Agreement.**

**If you do not wish to consent to and be bound to the terms California Settlement Agreement, please fill out the enclosed Return Check Notice Form, and return the executed form, along with the check, in the enclosed postage paid envelope, within 70 days of the date of this notification. If you mail in an executed form and check, and thereby decline to participate in the settlement, you will forfeit your pro rata share of the settlement proceeds, which will then be returned to CA, Inc.**

**If you do not return an executed form and check within 70 days, you will be deemed to have consented to and be bound by the provisions of the enclosed California Settlement Agreement, including the release provisions in paragraph 16 of the California Settlement Agreement.**

As stated in the California Settlement Agreement, the California Office of the Attorney General recommends that the California Political Subdivisions consent to the settlement. If you have any questions about this notification and payment, or the terms of the California Settlement Agreement, you may contact the following:

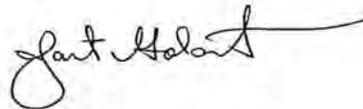
CAInc.Case@doj.ca.gov

In addition, if the recipient of this letter is not an attorney who represents the entity in civil legal proceedings, you may want to consult with such counsel.



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Larry Raskin, Counsel for State of California



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Janet Goldstein, Counsel for Relator



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J. Catherine Kunz, Counsel for CA, Inc.

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA, and the  
STATES OF CALIFORNIA, FLORIDA,  
HAWAII, ILLINOIS, MASSACHUSETTS,  
NEVADA, VIRGINIA, DISTRICT OF  
COLUMBIA and STATE and CITY OF  
NEW YORK *EX REL.* ANN-MARIE  
SHAW,

Plaintiffs,

-v-

CA, INC.,

Defendant.

**FILED**  
IN CLERK'S OFFICE  
U.S. DISTRICT COURT E.D.N.Y.

★ NOV -8 2013 ★

LONG ISLAND OFFICE

Civil Action No. 06-3552 (LDW) (WDW)

**SETTLEMENT AGREEMENT FOR CLAIMS  
OF CALIFORNIA**

**THIS SETTLEMENT AGREEMENT** (the "Agreement") is entered into by the State of California (hereafter, "California" or "the State"), CA, Inc. ("CA") and Ann-Marie Shaw (the "Relator") (collectively the "Parties"), by and through their authorized representatives.

**WHEREAS**, CA is a Delaware corporation, with a main office located in Islandia, New York, that sells computer software and provides information technology management services to federal and state government agencies (as well as private customers) throughout the United States; and

**WHEREAS**, Relator is a resident of the State of Florida and commenced this action on or about July 18, 2006 by filing a complaint, as captioned above, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. §§ 3729-3733, in the United States District Court for the Eastern District of New York, Civil Action No. 06-3552 (the "Civil Action"), and subsequently filed an amended complaint in the Civil Action on or about May 23, 2007; and

**WHEREAS**, the State and Relator contend that the State of California, the University of California, and the California local government entities and public school districts listed in Exhibit 1 (hereinafter referred to the "Listed Political Subdivisions") have certain civil claims against CA for improperly recording the beginning and end dates of software maintenance they purchased during the period from 2001 through 2009, resulting in these customers paying for periods of software maintenance for which they already paid; specifically, when a customer entered into a software maintenance renewal agreement, the renewal period would begin on the day CA processed the order, rather than the day after the expiration of the customer's then-existing maintenance period (the "Covered Conduct"); and

**WHEREAS**, the Office of the California State Attorney General signs this Agreement on behalf of the State and the University of California only. The Office of the California Attorney General will recommend to the Listed Political Subdivisions that they consent to this Agreement and will undertake its best efforts to facilitate the Listed Political Subdivisions' understanding, approval, and consent to the terms of this Agreement.

**WHEREAS**, this Agreement is made in compromise of disputed claims and is neither an admission of liability by CA nor a concession by the State and Relator that their claims are not well founded; and

**WHEREAS**, to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of the Agreement, the Parties, upon approval of the Court, reach full and final settlement pursuant to the Terms and Conditions below.

**IT IS HEREBY AGREED BY THE UNDERSIGNED THAT:**

1. All the above "Whereas" paragraphs are incorporated herein.

Settlement Amounts of the Claims of the State and the University of California

2. CA will pay the State, for its claims and the claims of the University of California, the total amount of \$218,581 ("State/University Settlement Amount"), which is comprised of \$143,247 ("State Share") to the State and \$75,334 ("U.C. Share") to the University of California.

3. The State/University Settlement Amount is to be paid by electronic funds transfer pursuant to written instructions to be provided by the attorneys for the State on its letterhead. CA agrees to make this electronic funds transfer no later than fifteen (15) days after the later of receiving Court approval of this Settlement Agreement or CA's receipt of the aforementioned written electronic funds transfer instructions. Thirty three percent of the State share shall be transferred by the Attorney General's Office to the False Claims Fund pursuant to California Government Code section 12652(j).

4. Relator's Share of the State/University Settlement Amount. After approval by the Court of this Settlement Agreement, the State will pay or arrange for payment to Relator, within ninety (90) days of receipt of the State/University Settlement Amount, an amount equal to 20% of the State/University Settlement Amount.

Settlement Amounts of the Claims of the Listed Political Subdivisions

5. CA will pay a maximum of \$765,226.00 ("Listed Political Subdivision Settlement Amount") in settlement of the Listed Political Subdivisions claims (including the Relator's share of Listed Political Subdivision Settlement Amount), to be allocated as follows:

(a) If all California Political Subdivisions elect to participate in this Settlement Agreement, CA will pay the Listed Political Subdivisions a total amount of \$612,180.80 ("Net Political Subdivision Proceeds"), which is the Listed Political Subdivison Settlement Amount minus

the 20% Relator's share payable under Sub-Paragraph 5(b), below. Payment will be determined and made pursuant to the Notification, Consent and Payment Procedures set forth in paragraphs 6 through 12 below.

(b) Relator's Share. CA will pay Relator, pursuant to Cal. Gov. Code § 12652(g), a maximum amount of \$153,045.20, which constitutes 20% of the Listed Political Subdivision Settlement Amount. Payment will be made pursuant to the Relator Share Payment Procedures set forth in paragraph 13 below.

Notification, Consent and Payment Procedures for Claims of Listed Political Subdivisions

6. Within ten (10) business days after the execution of the Settlement Agreement, the State and Relator shall provide CA with a list of names and mailing addresses for each Listed Political Subdivision ("Mailing List") and, by dollar amount, the portion of the Net Political Subdivision Proceeds payable to each Listed Political Subdivision, and the dollar amount payable as Relator's share for each Listed Political Subdivision that elects to participate in the Settlement ("Corresponding Relator's Share"). Where the identity of the Prosecuting Authority, as defined in Cal. Gov't Code 12650(b)(8), of a Listed Political Subdivision is known, his or her name will be listed as the addressee for that entity on the Mailing List.

7. Within ten (10) business days after the later of receiving Court approval of this Settlement Agreement or the Mailing List, CA will send, via certified mail to the names and addresses on the Mailing List, return receipt requested, individual checks payable to each of the Listed Political Subdivisions ("Listed Political Subdivision Payment Check") in the amounts stated on the Mailing List. In addition to the Listed Political Subdivision Payment Check, CA will also include in the mailing:

(a) A copy of this Settlement Agreement that is signed by the Parties and approved by the Court;

(b) A copy of Relator's Amended Complaint;

(c) A Returned Check Notice form, as attached in Exhibit 2, that a Listed Political Subdivision must complete and return with its Listed Political Subdivision Payment Check within 70 days from CA's mailing date of the certified letter, if that Listed Political Subdivision determines not to accept the Listed Political Subdivision Payment Check and the terms of this Settlement Agreement;

(d) A postage-paid, self-addressed envelope in which the Listed Political Subdivision can send CA (or designated representative), its Listed Political Subdivision Payment Check and completed Returned Check Notice form, if it elects not to accept the Listed Political Subdivision Payment Check and the terms of this Settlement Agreement.

(e) Written Notification, signed by the Parties, in the form attached as Exhibit 3.

(f) If the Listed Political Subdivision does not deposit its Listed Political Subdivision Payment Check or return its check and its completed Returned Check Notice form within 70 days from CA's mailing date of the certified letter, consistent with the terms of the California False Claims Act, at Cal. Gov't Code § 12652(c)(8)(D)(iii), Relator shall be deemed to have exercised her right as the qui tam plaintiff in the Civil Action to proceed with the Civil Action on the Listed Political Subdivision's behalf and, through her counsel, to agree to the Settlement Agreement terms and releases agreed-upon herein as a then-statutorily-authorized representative of the non-responding Listed Political Subdivision in the Civil Action.

8. Where the identity and address of the appropriate Prosecuting Authority is unknown and is not included on the Mailing List, and the mailing is directed to the Listed Political Subdivision itself, the Written Notification also will include a statement that the customer may want to consult with the appropriate Prosecuting Authority.

9. No later than three (3) days prior to the mailing to the Listed Political Subdivisions, CA shall provide the State and Relator with copies of all written notifications to be sent. Upon mailing, CA or its designated Contractor, shall create and maintain a record of the date of all mailings and copies of all return receipts.

10. Within five (5) business days of receiving any completed Returned Check Notice form and/or a returned Listed Public Subdivision Check, CA shall provide Relator and the State a copy of the executed Returned Check Notice and returned Payment Check.

11. No later than twenty (20) days before the expiration of the 70-day response period set forth in paragraph 7, CA will provide the State and Relator with the names of all Listed Political Subdivisions that have not deposited their Listed Public Subdivision Payment Checks and have not returned the Returned Check Notice forms. The State and/or Relator may contact said entities, at their own discretion and expense, to ascertain why the entity had not deposited the payment check, and to advise the entity of the consequences of said action under Paragraph 7 above.

12. Within ten (10) business days after the expiration of the 70-day response period set forth in paragraph 7, CA will provide the State and Relator with a summary accounting, and true copies of all certified mail return receipts for all Listed Political Subdivisions, all completed Returned Check Notice forms, and all returned checks. A Local Political Subdivision that has returned its Listed Political Subdivision Payment Check and completed Returned Check Notice

form shall be deemed a "Non-Participating Political Subdivision" for purposes of this Settlement Agreement. A Local Political Subdivision that has cashed its Listed Political Subdivision Payment Check, and, pursuant to Paragraph 7(f) above, a Local Political Subdivision that has failed to return such check and completed Returned Check Notice form within the 70-day response period provided for herein for such entities to exercise such option not to participate, shall be deemed a "Participating Political Subdivision" for purposes of this Settlement Agreement.

13. Within ten (10) business days after CA provides the State and Relator with the summary accounting described in Paragraph 12, CA shall pay Relator by wire transfer made to Phillips & Cohen LLP's client escrow account, in accordance with directions to be provided to CA by Phillips & Cohen LLP, an amount equal to the combined total of the Corresponding Relator's Shares, as set forth in the Mailing List, for all Participating Political Subdivisions.

14. The Court shall continue to retain jurisdiction of this matter to hear and determine any claim by Relator for expenses, attorneys' fees and costs in the Civil Action, and to enforce this Agreement.

Mutual Releases

15. Subject to the exceptions in Paragraph 22 (concerning excluded claims) below, and CA having represented that it is not aware of any notices, claims, disputes or actions concerning the Covered Conduct made by any of the State Customers or the University of California other than in this action, in consideration of the obligations of CA in this Agreement, conditioned upon CA's full payment of the State/University Settlement Amount, and subject to Paragraph 26, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the State, for

itself and the University of California, releases CA, together with its predecessors and current and former parent corporations; direct and indirect subsidiaries; brother and sister corporations; divisions; current and former owners; and current and former officers, directors, employees, representatives, agents and affiliates; and the successors and assigns of any of them, from any civil or administrative monetary claim the State has, or may have, for the Covered Conduct under: the California False Claims Act, any contract-dispute-related statutes, and any fraud-related statutes, or the common law theories of breach of contract, payment by mistake, unjust enrichment, and/or fraud.

16. Subject to the exceptions in Paragraph 22 (concerning excluded claims) below, and CA having represented that it is not aware of any notices, claims, disputes or actions concerning the Covered Conduct made by any of the Listed Political Subdivision other than in this action, in consideration of the obligations of CA in this Agreement, conditioned upon CA's payment of the allocated share of the Political Subdivision Settlement Amount, as listed on the Mailing List, and subject to Paragraph 26, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), each Participating Political Subdivision, shall be deemed to have accepted this Settlement, to have authorized dismissal with prejudice of the qui tam claims raised in the Civil Action for the Covered Conduct relevant to them, and to have released CA, together with its predecessors and current and former parent corporations; direct and indirect subsidiaries; brother and sister corporations; divisions; current and former owners; and current and former officers, directors, employees, representatives, agents and affiliates; and the successors and assigns of any of them, from any civil or administrative monetary claim the Participating Political Subdivision has, or may have, for the Covered Conduct under: the California False Claims Act, any contract-

dispute-related statutes, and any fraud-related statutes, or the common law theories of breach of contract, payment by mistake, unjust enrichment, and/or fraud.

17. Subject to the exceptions for excluded claims identified in Paragraph 22, below, and conditioned upon CA's full payment of the Settlement Amount and Relator's Share, Relator, for herself and her heirs, successors, attorneys, agents, representatives, and assigns, releases CA, together with its predecessors and current and former parent corporations; direct and indirect subsidiaries; brother and sister corporations; divisions; current and former owners; and current and former officers, directors, employees, representatives, agents and affiliates from any claim the Relator has asserted or could have asserted in the Civil Action, including in her original and amended complaints.

18. CA fully and finally releases the State, the University of California and any Participating Political Subdivision, their agencies, officers, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that CA has asserted, could have asserted, or may assert in the future against the State, the University of California, and/or any Participating Political Subdivision(s), and their agencies, officers, employees, servants, and agents, related to the Covered Conduct and the State's investigation and prosecution thereof.

19. CA, on behalf of itself, its predecessors and current and former parent corporations; direct and indirect subsidiaries; brother and sister corporations; divisions; current and former owners; and current and former officers, directors, employees, representatives, agents and affiliates, release(s) and forever discharge(s) the Relator, together with her heirs, executors, administrators, attorneys, agents, personal representatives, family members, successors, and

assigns, from any claims related to the Covered Conduct and the Relator's investigation and prosecution thereof.

20. California Release. It is the intention of the State of California, the Relator, the Participating Political Subdivisions and CA to be legally bound by the terms and conditions of this Settlement Agreement, which is intended to cover any and all of the Covered Conduct, whether known or unknown, suspected or unsuspected, or hereafter discovered or ascertained, and any and all rights or benefits conferred under Section 1542 of the California Civil Code are hereby expressly waived. The State of California, the Relator, and CA acknowledge that they are familiar with Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The State of California, the Relator, and CA expressly, knowingly, and intentionally waive and relinquish any and all provisions, rights and benefits that they have under Section 1542 for the Covered Conduct, as well as under any state or federal statute or common law principle that is similar, comparable or equivalent in effect to California Civil Code Section 1542 with respect to the Covered Conduct.

21. Within fourteen (14) days after the last of all the payments described in Paragraphs 2, 4 and 13 above, have been made and received as required in those Paragraphs, the State and Relator shall file in the Civil Action a Joint Stipulation of Dismissal of all claims asserted in the Civil Action, with prejudice to the Relator, the State and University of California, and all Participating Political Subdivisions, excluding any claims identified in Paragraph 22, below. Additionally, in such Joint Stipulation of Dismissal, Relator shall dismiss with prejudice

to herself and without prejudice to Non-Participating Political Subdivisions all claims Relator has brought in the Civil Action on behalf of such Non-Participating Political Subdivisions.

Excluded Claims

22. Notwithstanding the releases given in Paragraphs 15 through 21 of this Agreement, or any other term of this Agreement, the following claims of the State, the University of California, all Listed Political Subdivisions, and/or Relator are specifically reserved and are not released:

- a. Any civil, criminal, or administrative liability arising under tax laws of the State of California;
- b. Any criminal liability;
- c. Any administrative liability, including the suspension and debarment rights of any of the State's agencies, the University of California or the Listed Political Subdivisions;
- d. Any liability to the State, the University of California or the Listed Political Subdivisions for conduct other than the Covered Conduct;
- e. Any liability based upon such obligations created by this Agreement;
- f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- g. Any liability for failure to deliver goods or services due;
- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;
- i. All claims asserted on behalf of Florida in Count Seven (VII) of the First Amended Complaint;

j. Any claims by Relator for reasonable expenses, attorneys' fees and costs in the Civil Action.

23. Relator and her heirs, successors, attorneys, agents, representatives, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to the California False Claims Act. Conditioned upon Relator's receipt of the payments described in Paragraphs 4 and 13, which Relator agrees is for good and valuable consideration, Relator and her heirs, successors, attorneys, agents, representatives, and assigns fully and finally release, waive and forever discharge the State, the University of California, and the Participating Political Subdivisions, and their agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under its respective False Claims Act (including attorney's fees, costs, and expenses of every kind and however denominated), and from any claims to a share of the proceeds of this Agreement and/or claims asserted on behalf of the State, the University of California, and the Participating Political Subdivisions in the Civil Action.

24. CA waives and shall not assert any defenses CA may have to any criminal prosecution or administrative action for the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the States and their respective Affected Governmental Customers concerning the characterization of the Settlement Amount for purposes of their respective tax laws.

*Binding Effect of Agreement/No Third Party Beneficiaries*

25. This Agreement is binding on CA's successors, transferees, heirs, and assigns. This Agreement is binding on Relator's successors, transferees, heirs, and assigns. Except as otherwise provided herein, this Agreement is intended to be only for the benefit of the Parties.

*Bankruptcy Proceedings*

26. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, CA commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of CA's debts, or seeking to adjudicate CA as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for CA or for all or any substantial part of CA's assets, CA agrees as follows:

a. CA's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and CA shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) CA's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) CA was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to CA.

b. If CA's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State, the University of California, and the Participating Political Subdivisions may rescind the releases in this Agreement insofar as it affects those entities and bring any civil and/or administrative claim, action, or proceeding against CA for the claims that

would otherwise be covered by the releases provided above, CA agrees that (i) any such claims, actions, or proceedings brought by the State, the University of California, or the Participating Political Subdivisions are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and CA shall not argue or otherwise contend that the claims, actions, or proceedings are subject to an automatic stay; (ii) CA shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought within 60 calendar days of written notification to CA that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of the Agreement; and (iii) the State, the University of California, and the Participating Political Subdivisions have claims against CA in the amount of treble damages plus penalties under the California False Claims Act, and may pursue their claims in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. CA acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

*Parties To Bear Own Costs*

27. Except as expressly provided to the contrary in this Agreement with regard to CA's liability to counsel for Relator for available attorney's fees and costs, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

Entire Agreement/No Oral Modification or Amendment

28. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

Construction/Voluntary and Knowing Execution

29. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

Headings

30. The heading references herein are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect or interpret any of the provisions hereof.

Counterparts

31. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to constitute an original and all of which, when taken together, shall constitute one and the same Agreement. Facsimile, and electronic copies of, signatures shall be deemed originals.

Choice of Law and Consent to Jurisdiction

32. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement is the United States District Court for the Eastern District of New York.

Authority

33. Each party represents and warrants that (i) it has the power and authority to execute, deliver and perform this Agreement, and (ii) this Agreement has been duly executed and delivered by it and constitutes its valid and legally binding obligation, enforceable against it in accordance with its terms.

Effective Date

34. This Agreement is effective on the date of signature of the last signatory to the Agreement (the "Effective Date").

Disclosure and Use of this Agreement

35. All parties consent to the States' disclosure of this Agreement, and information about this Agreement, to the public.

IN WITNESS WHEREOF, the Parties hereto affix their signatures.

CALIFORNIA

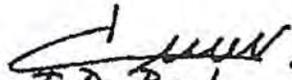
Executed on behalf of the State of California

DATED: November 4, 2013

BY:

  
GARRY RASICKI  
SUPERVISOR  
Attorney General  
California State Attorney General's Office

DATED: November 5, 2013

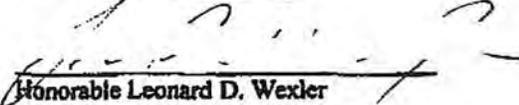
BY: CA, INC.   
Peter T. De Boer  
SVP Finance  
RICHARD J. BECKERT  
CFO, CA Technologies

DATED: November 5, 2013

BY: Marc R. Efron   
MARC EFRON  
J. CATHERINE KUNZ  
Crowell & Moring LLP  
Counsel for CA

**RELATOR**  
DATED: November 4, 2013 BY:   
ANN MARIE SHAW  
DATED: November 4, 2013 BY:   
JANET L. GOLDSTEIN  
PETER W. CHATFIELD  
Counsel for Relator

SO ORDERED:  
On this 4<sup>th</sup> day of Nov, 2013

  
Honorable Leonard D. Wexler  
United States District Judge

**EXHIBIT 1**

**LISTED POLITICAL SUBDIVISIONS**

**Entity**

**Counties/Cities/Districts/ Community Colleges**

Alameda-City  
Alameda-County  
Alpine-County  
Amador County  
Anaheim-City  
Antelope Valley Community College District  
Apple Valley-City  
Association of California Water Agencies  
Beaumont-City  
Burbank-Glendale-Pasadena-Cities  
Burlingame-City  
Butte-County  
California Dept of State Hospitals  
Calleguas Municipal Water District  
Castaic Lake Water Agency  
Chino Hills-City  
Coachella Valley Water District  
Colma-Town  
Commerce-City  
Contra Costa Community College District  
Contra Costa-County  
Covina-City  
Culver City-City  
Cupertino-City  
Del Mar-City  
Diamond Springs-Town  
Disability Rights California  
Eureka-City  
Fairfield-City  
Fallbrook Public Utilities District  
Foster City - City  
Fresno- City  
Fresno- County  
Glendale-City  
Golden Gate Bridge, Highway and Transportation District  
Half Moon Bay-City  
Hartnell Community College District  
Hayward-City  
Helix Water District  
Hemet-City  
Imperial Beach-City  
Indio-City  
Inglewood-City  
Irwindale-City  
Kern-County

Kings County  
LA City-LA County JPA  
LA Natural History Museum  
La Quinta-City  
Lake Elsinore-City  
Legal Aid Foundation of Los Angeles  
Long Beach-City  
Los Angeles Community College District  
Los Angeles-City  
Los Angeles-County  
Los Rios Community College District  
Madera-County  
Marin Healthcare District  
Marin-County  
Martinez - City  
Menifee-City  
Merced-County  
Monrovia-City  
Monterey-City  
Monterey-County  
Moulton Niguel Water District  
Mt. San Jacinto Community College District  
Murrieta-City  
National City-City  
Nevada-County  
Newport-city  
Norco-City  
North Orange County Community College District  
Northern California Power Agency  
Oak Valley Hospital District  
Orange-City  
Orange-County  
Oxnard-City  
Palm Desert-City  
Perris-City  
Pleasant Hill Rec & Park District  
Redlands-City  
Redwood-City  
Riverside-County  
Rocklin-City  
Sacramento City-Sacramento County JPA  
Sacramento-City  
Sacramento-County  
San Bernadino-County  
San Diego Community College District  
San Diego-County  
San Francisco Community College District

San Francisco-City & County  
San Juan Water District  
San Juaquin-County  
San Mateo-County  
Santa Barbara County Air Pollution Control District  
Santa Barbara-County  
Santa Clara Valley Transportation Authority  
Santa Clara-County  
Santa Cruz-County  
Santa Fe Springs-City  
Santa Maria-City  
Selma-City  
Selma-Kingsburg-Fowler County District  
Shasta-County  
Sierra Madre-City  
Siskiyou-County  
Solano-County  
Sonoma-County  
South Placer Municipal Utility District  
Stanislaus-County  
Stockton-City  
Suisun-City  
Sunnyvale-City  
Tehama-County  
Thousand Oaks-City  
Tulare Local Healthcare District  
Tulare-County  
Tuolumne-County  
Upland-City  
Vallejo Sanitation & Flood Control District  
Valley Center Municipal Water District  
Ventura-County  
Victor Valley Community College District  
Victorville-City  
Watsonville-City  
West Covinia-City  
West Valley Mission CCD  
Yucca Valley-Town

**Schools and School Districts**

Alta Loma School District  
Arcadia Unified School District  
ASPIRE PUBLIC SCHOOLS  
Baldwin Park Unified School District  
Bangor Elementary School  
Banning School District  
Beryessa Unified School District

Calexico Unified School District  
Campbell Union High School District  
Capistrano Unified School District  
Cantinela Valley Unified High School District  
DiGiorgio School District  
Dos Palos Oro Loma Joint Unified School District  
El Rancho Unified School District  
FAIRFAX SCHOOL  
Fairfield Suisun Unified School District  
Fame Public Charter School  
Folsom Cordova Unified School District  
Galt Joint Unified School District  
Garden Grove Unified School District  
Hanford Elementary School  
Kern County Superintendent of Schools  
Las Plumas High School  
Le Grand Union High School  
Livermore Valley Joint School District  
Livingston Union School District  
Lompoc Unified School District  
Los Angeles Unified School District  
Los Banos Unified School District  
Lucia Mar Unified School District  
Maple School District  
Mayfield Junior School  
Mcfarland Unified School District  
Menlo Park City School Dist  
Mid-Peninsula High School  
Monrovia Unified School District  
Montebello Unified School District  
Moorpark Unified School District  
Morongo Unified School District  
Newport-Mesa Unified School District  
Novato Unified School District  
Oak Grove School District  
Oakland Unified School District  
Ontario-Montclair School District  
Oxnard Union High School District  
Petaluma School District  
Placentia Yorba Linda Unified School District  
Pleasant Valley Unified School District  
Port Hueneme School District  
Rio Linda Union School District  
Riverside Unified School District  
Sacramento City Unified School District  
Saddleback Valley Unified School District  
Salinas Union High School District

San Diego City Schools  
San Francisco Unified School District  
San Juan Unified School District  
Santa Clara County Unified School District  
Santa Maria-Bonita School District  
Santa Paula Elementary School District  
Tukelake Basin Joint Unified School District  
Tulare Joint Union High School District  
Upland Unified School District  
Val Verde Unified School District  
Westminster School District

**EXHIBIT 2**

**RETURN CHECK NOTICE FORM**

**EXHIBIT 2**

**RETURN CHECK NOTICE FORM**

**Re: Settlement of United States of America, and the States of California, Florida, Hawaii, Illinois, Massachusetts, Nevada, Virginia, District of Columbia and State and City of New York ex rel. Ann-Marie Shaw v. CA, Inc., Civil Action No. 06-3552, Federal District Court for the Eastern District of New York**

The undersigned has reviewed the settlement agreement entered into by the State of California, Relator Ann-Marie Shaw and CA, Inc. ("California Settlement Agreement") in the above captioned lawsuit, the Relator's Amended Complaint, and the Written Notification in Exhibit 3. The undersigned understands that the execution and return of this Return Check Notice Form, along with the payment check, to CA, constitutes the decision of the entity identified below not to participate in the settlement and its forfeiture of its pro rata share of the settlement proceeds.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
California Entity

**EXHIBIT 3**

**NOTICE OF AND CONSENT TO SETTLEMENT AND DISTRIBUTION  
OF PROCEEDS**

**Re: Notice of and Consent to Settlement and Distribution of Proceeds from Settlement of United States of America, and the States of California, Florida, Hawaii, Illinois, Massachusetts, Nevada, Virginia, District of Columbia and State and City of New York ex rel. Ann-Marie Shaw v. CA, Inc., Civil Action No. 06-3552, Federal District Court for the Eastern District of New York**

Dear Sir/Madam,

Enclosed please find a check payable to [entity name] in the amount of [ ]. As explained below, this check constitutes the [entity name]'s pro rata share of the settlement proceeds under a settlement agreement entered into by the State of California, Relator Ann-Marie Shaw and CA, Inc. ("California Settlement Agreement") in the above captioned lawsuit ("the Lawsuit"). The amended complaint in the Lawsuit and the California Settlement Agreement also are enclosed.

The Lawsuit was filed in 2006 by Relator Ann-Marie Shaw under federal and state False Claims Acts and was initially investigated by the United States Department of Justice. The Lawsuit alleges that certain federal, state and local government customers of CA, Inc., including the California local government entities and public school districts (hereinafter referred to as "California Political Subdivisions"), have civil claims against CA, Inc. for improperly recording the beginning and end dates of software maintenance they purchased during the period from 2001 through 2009, resulting in these customers paying for periods of software maintenance for which they already paid; specifically, when a customer entered into a software maintenance renewal agreement, the renewal period would begin on the day CA processed the order, rather than the day after the expiration of the customer's then-existing maintenance period (the "Covered Conduct"). The Covered Conduct occurred in some, but not all, maintenance renewal transactions processed by CA, Inc.

In connection with the federal investigation, government auditors performed a statistical sampling of federal purchase transactions and developed an audit formula through which they calculated the likelihood of maintenance overlaps and the average amount of overcharge per maintenance renewal transaction. The United States Department of Justice utilized this formula for calculating the average overcharge for all renewal transactions in reaching a settlement with CA, Inc. The States, including the State of California, have likewise reached settlement agreements with CA, Inc., utilizing a similar formula to calculate the likelihood of maintenance overlaps and an average overcharge for maintenance renewal purchases made during the relevant time period by State and/or local government purchasers whose purchases are covered by those States' False Claims Acts.

The California Settlement Agreement, which was filed in the United States District Court for the Eastern District of New York, provides for payment by CA, Inc. in the amount of \$983,807, in settlement of claims by the State of California and its political subdivisions for the Covered Conduct.

You are receiving this notice and payment because you have been identified as a political subdivision of the State of California that is entitled to receive a share of the proceeds of the

California Settlement Agreement. CA, Inc. provided sales records to the State of California identifying the California state agencies and political subdivisions that renewed software maintenance contracts during the relevant time period and the number of contracts renewed. Pursuant to the California Settlement Agreement, the proceeds of the settlement will be divided on a pro rata basis among these entities, after payment of a 20% Relator's share pursuant to Cal. Gov. Code § 12652(g). Your agency's damages of [ ] are based upon CA, Inc.'s sales records and the pro rata formula (which includes a multiplier) agreed upon by the State of California and CA, Inc. in reaching settlement.

**By accepting and depositing the enclosed check, you are consenting to and agreeing to be bound by the provisions of the enclosed California Settlement Agreement, including the release provisions in paragraph 16 of the California Settlement Agreement.**

**If you do not wish to consent to and be bound to the terms California Settlement Agreement, please fill out the enclosed Return Check Notice Form, and return the executed form, along with the check, in the enclosed postage paid envelope, within 70 days of the date of this notification. If you mail in an executed form and check, and thereby decline to participate in the settlement, you will forfeit your pro rata share of the settlement proceeds, which will then be returned to CA, Inc.**

**If you do not return an executed form and check within 70 days, you will be deemed to have consented to and be bound by the provisions of the enclosed California Settlement Agreement, including the release provisions in paragraph 16 of the California Settlement Agreement.**

As stated in the California Settlement Agreement, the California Office of the Attorney General recommends that the California Political Subdivisions consent to the settlement. If you have any questions about this notification and payment, or the terms of the California Settlement Agreement, you may contact the following:

CAInc.Case@doj.ca.gov

In addition, if the recipient of this letter is not an attorney who represents the entity in civil legal proceedings, you may want to consult with such counsel.

Letter to be signed by  
Larry Raskin Counsel for State of California  
Counsel for Relator  
Counsel for CA