

FILED
DEC 10 2010
THOMAS P. OLIVERI, P.J.Ch.

THE TRUSTEES OF THE STEVENS
INSTITUTE OF TECHNOLOGY

Plaintiff,

v.

PAULA T. DOW*, IN HER OFFICIAL
CAPACITY AS ATTORNEY GENERAL
OF THE STATE OF NEW JERSEY,

Defendant.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION
HUDSON COUNTY

CIVIL ACTION

DOCKET NO. HUD-C-115-09

PAULA T. DOW*, ATTORNEY
GENERAL OF NEW JERSEY, on behalf
of her office and the STATE OF NEW
JERSEY,

Plaintiff,

v.

THE TRUSTEES OF THE STEVENS
INSTITUTE OF TECHNOLOGY, a New
Jersey nonprofit corporation, HAROLD J.
RAVECHE, LAWRENCE T. BABBIO,
etc.

Defendants.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
HUDSON COUNTY

DOCKET NO. HUD-C-114-09

CIVIL ACTION

**CONSENT ORDER AMENDING FINAL
CONSENT JUDGMENT**

THIS MATTER, having come before the Court upon joint application by defendants, Trustees of the Stevens Institute of Technology ("Stevens" or the "Institute"), Harold J. Raveche and Lawrence T. Babbio and plaintiffs, Paula T. Dow, Attorney General of New

* Pursuant to R. 4:34-4, Paula T. Dow, the current Attorney General, is "substituted in" for Anne Milgram on the caption. Id. ("When any public officer sues . . . and then . . . for any reason ceases to hold office, the successor in office shall be deemed to have been substituted in").

Jersey, and the State of New Jersey (collectively, the "State") for entry of an Order modifying the Final Consent Judgment that was entered in this matter on January 15, 2010 (the "Judgment");

WHEREAS Stevens has requested certain modifications to the Judgment for various reasons, including to maintain a level of independence and avoid potential conflicts on certain committees of its Board of Trustees ("Board"), and the State, in exchange for those modifications, requested other modifications to the Judgment;

WHEREAS Stevens and the State recognize their requested modifications as sufficient consideration for entering into this Consent Order;

WHEREAS the modifications to the Judgment effected by this Consent Order have been reviewed by James R. Zazzali, special counsel ("Special Counsel") pursuant to the Judgment; and

With the Court having reviewed this Consent Order and ~~finding that good and sufficient cause has been shown~~, it is on this 10th day of December 2010, **ORDERED,**

AGREED AND CONSENTED TO AS FOLLOWS:

1. The parties' application is HEREBY GRANTED;
2. The original language of the following paragraphs of the Judgment is removed and replaced with the following:

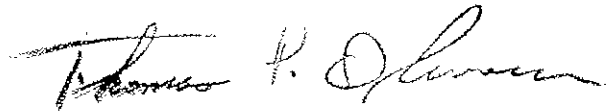
Art. C., ¶ 1a. "By no later than December 31, 2010, the Board shall amend Stevens' Bylaws to recognize that any trustee who has served on the Board for twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall, at the conclusion of the Board's regular May meeting, no longer continue as a voting member of the Board. Any trustee subject to this provision shall be eligible to be elected to the position of Trustee Emeritus. A trustee elected to the position of Trustee Emeritus shall retain the right to participate in all Board and committee meetings in a non-voting capacity and subject to such further limitations as stated in this Consent Judgment."

Art. C., ¶ 7f. Until February 1, 2012, Special Counsel James Zazzali shall evaluate the performance of the Audit Committee and Human Resources Committee to ensure that (a) these committees are functioning properly without faculty representation, and (b) Stevens' Board of Trustees (including the Board's two faculty members) is being kept fully informed of decisions made by these committees. If Special Counsel Zazzali identifies concerns with the lack of faculty representation on the Audit Committee and Human Resources Committee, he shall notify Stevens and the Office of the Attorney General for the State of New Jersey of such concerns. Within thirty (30) days of receipt of notice from Special Counsel Zazzali, Stevens and the Office of the Attorney General shall meet and confer for the purpose of developing a remedy to address any concerns about the lack of faculty representation on the Audit Committee and Human Resources Committee.

4. This Consent Order modifies the Judgment by amending or adding the paragraphs of the Judgment stated above, but has no other effect on the Judgment, which, as modified, embodies the entire agreement between the parties with respect to its subject matter. Any other modification, addition, deletion or change to the Judgment must be in writing and signed by the parties to be bound by the modification, addition, deletion or change.

5. The "General Provisions" stated in Article F of the Judgment are incorporated into this Consent Order as if stated herein.

6. A copy of this Order shall be served upon all counsel of record within 7 days of its receipt by the Stevens' counsel.



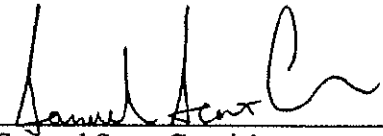
Honorable Thomas P. Olivieri, P.J.Ch.

[Signatures on following page]

- Art. C., ¶ 2a.** “The members of each Standing Committee shall include at least four (4) trustees and each Standing Committee, except the Audit, Human Resources and Executive Committees, shall also include at least one (1) Faculty Trustee. In addition, the Board may elect to appoint one (1) or more additional faculty members to participate in the activities of any Standing Committee (other than the Audit, Human Resources and Executive Committees).”
- Art. C., ¶ 4.** “On or before December 31, 2010, the Board shall amend Stevens’ Bylaws and Committee Charters to implement the actions referred to above in Art. C., ¶2a with respect to Board committees.”
- Art. C., ¶ 6.** “Unless otherwise noted in this Consent Judgment, each action set forth in this Consent Judgment shall be implemented and completed as soon as practicable, but in any event no later than June 30, 2011. Notwithstanding the deadlines stated above, Stevens shall either amend its Bylaws and Committee Charters to reflect or actually implement the governance and other reforms stated in paragraphs 1a, 1e, 1f, 1g, 2c and 4 of Article C, on or before December 31, 2010.”
3. The following paragraphs are added to the Judgment:
- Art. C., ¶ 1g.** “By no later than December 31, 2010, the Board shall amend Stevens’ Bylaws to provide that the Board shall elect up to two trustees who are members of Stevens’ faculty (“Faculty Trustees”) to serve a two year term on the Board. By December 31, 2010, the Board shall have elected one Faculty Trustee. By October 31, 2011, the Board shall have elected the second Faculty Trustee.”
- Art. C., ¶ 2l.** “Other Committees; Advisors; Guests. The Board may appoint from time to time other committees or subcommittees of one or more persons for such purposes and with such powers as the Board may determine, provided however, that no committee may be appointed for the purposes of, or with the powers granted hereunder to, any of the Standing Committees. The Board may also appoint such boards of advisors or task forces that the Board at its discretion may establish from time to time to consider matters and make recommendations to the Board. The Board or any committee may also invite guests, which may include faculty, to attend a particular meeting of the Board or such committee.”
- Art. C., ¶ 5l.** “Faculty Trustees shall have all the duties and powers of Charter and Alumni Trustees. In addition, Faculty Trustees shall be invited to attend the annual meeting of the Audit Committee at which the management of the Institute, in the presence of the external auditors, presents the financial statements for the Institute.”

We hereby consent to the form and entry of the within Order:

PAULA T. DOW, Attorney General of State of New Jersey
Attorneys for Paula T. Dow and the State of New Jersey

By: 
Samuel Scott Cornish
Deputy Attorney General

Dated: November 23, 2010

PEPPER HAMILTON LLP
(A Pennsylvania LLP)
Attorneys for The Trustees of the Stevens Institute of Technology

By: _____
Angelo A. Stio III

Dated:

GENOVA, BURNS & GIANTOMASI
Attorneys for Harold J. Raveche

By: _____
Angelo J. Genova

Dated:
GIBBONS P.C.
Special Counsel for The Trustees of the Stevens Institute of Technology

By: 
James R. Zazzali

Dated: *December 6, 2010*

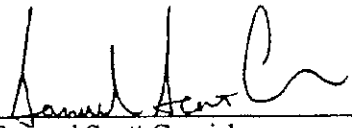
WOLFF SAMSON, P.A.
Attorneys for Lawrence T. Babbio

By: _____
Arthur S. Goldstein

Dated:

We hereby consent to the form and entry of the within Order:

PAULA T. DOW, Attorney General of State of New Jersey
Attorneys for Paula T. Dow and the State of New Jersey

By: 
Samuel Scott Cornish
Deputy Attorney General

Dated: November 23, 2010

GENOVA, BURNS & GIANTOMASI
Attorneys for Harold J. Raveche

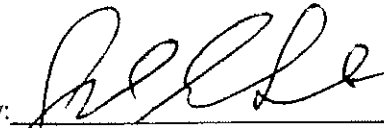
By: _____
Angelo J. Genova

Dated:
GIBBONS P.C.
Special Counsel for The Trustees of the Stevens Institute of Technology

By: _____
James R. Zazzali

Dated:

PEPPER HAMILTON LLP
(A Pennsylvania LLP)
Attorneys for The Trustees of the Stevens Institute of Technology

By: 
Angelo A. Stio III

Dated: 11/23/2010

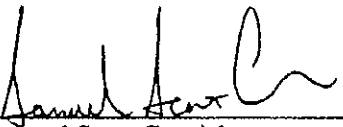
WOLFF SAMSON, P.A.
Attorneys for Lawrence T. Babbio

By: 
Arthur S. Goldstein

Dated:

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Attorneys for Paula T. Dow and the State of New Jersey

By: 
Samuel Scott Cornish
Deputy Attorney General

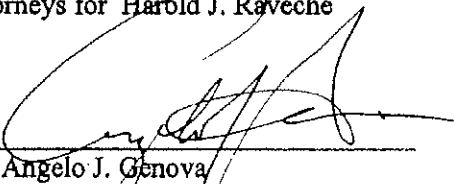
Dated: November 23, 2010

PEPPER HAMILTON LLP
(A Pennsylvania LLP)
Attorneys for The Trustees of the Stevens Institute of Technology

By: _____
Angelo A. Stio III

Dated:

GENOVA, BURNS & GIANTOMASI
Attorneys for Harold J. Raveche

By: 
Angelo J. Genova

Dated:
GIBBONS P.C.
Special Counsel for The Trustees of the Stevens Institute of Technology

WOLFF SAMSON, P.A.
Attorneys for Lawrence T. Babbio

By: _____
Arthur S. Goldstein

Dated:

By: _____
James R. Zazzali

Dated: