CONFIDENTIAL

MC–060

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ATTORNEY FOR: [ ] PLAINTIFF [✓] OTHER (*specify*): The People of the State of California

FOR COURT USE ONLY

FILED
ENDORSED
2019 DEC 12 AM 9:17
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

SUPERIOR COURT OF CALIFORNIA, COUNTY OF
STREET ADDRESS: 720 Ninth Street
MAILING ADDRESS:
CITY AND ZIP CODE: Sacramento, California 95814
BRANCH NAME: Gordon D. Schaber Downtown Courthouse

PLAINTIFF: **[UNDER SEAL]**

DEFENDANT: **[UNDER SEAL]**

CONFIDENTIAL COVER SHEET–FALSE CLAIMS ACTION

CASE NUMBER: 34-2017-00212575

INSTRUCTIONS: This civil action is brought under the False Claims Act, Government Code section 12650 et seq. The documents filed in this case are under seal and are confidential pursuant to Government Code section 12652(c).

This Confidential Cover Sheet must be affixed to the caption page of the complaint and to any other paper filed in this case until the seal is lifted.

You should check with the court to determine whether papers filed in False Claims Act cases must be filed at a particular location.

Seal to expire on (*date*): Jan. 10, 2020

UNLESS:
(1) Motion to extend time is pending; or
(2) Extended by court order

1. The document to which this cover sheet is affixed is:
   a. [ ] Complaint for damages for violation of the False Claims Act
   b. [ ] *Civil Case Cover Sheet* (form 982.2(b)(1))
   c. [ ] Motion for an extension of time to intervene
   d. [ ] Affidavit or other document in support of the motion for an extension of time
   e. [ ] Order extending time to intervene (*specify date order expires*):
   f. [✓] Other order (*describe*):
   Stipulation re Dismissal and Lifting Seal
   g. [ ] Notice from the Attorney General of additional prosecuting authority that may have access to the file
   h. [ ] Other (*describe*):

2. This *Confidential Cover Sheet* and the attached document must each be separately file-stamped by the clerk of the court.

Date: Dec. 4, 2019

Form Adopted for Mandatory Use
Judicial Council of California
MC-060 [Rev. January 1, 2007]

Gov. Code, § 12652(c);
Cal. Rules of Court, rules 2.570-2.573
www.courtinfo.ca.gov

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

STATE OF CALIFORNIA ex rel. and JACK "JAY" B. PALMER, JR. as Relator on behalf of the state of California, Plaintiffs, v. **INFOSYS LIMITED et. al.,** Defendants.	Case No. 34-2017-00212575 [Under Seal] **STIPULATION AND [PROPOSED] ORDER RE: LIFTING THE SEAL AND VOLUNTARY DISMISSAL OF THE ACTION** Date: No Hearing Required Time: N/A Dept: 54 Judge: Honorable David I. Brown Trial Date: None Set Action Filed: May 15, 2017

FILED UNDER SEAL

Pursuant to Government Code section 12652, subdivisions (c)(2) and (c)(5) and California Rules of Court, rule 2.571(a)

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STIPULATION

The California Attorney General, for the People of the State of California, and Qui Tam Plaintiff Jack "Jay" Palmer hereby agree and stipulate that this action *State of California ex re. and Jack "Jay" Palmer, Jr. v. Infosys Limited et al.,* Sacramento Superior Court, Case No. 34-2017-00212575, will be dismissed **with prejudice** pursuant to the terms of the Settlement Agreement attached hereto as Exhibit A, including but not limited to, payment terms and release.

Accordingly, the California Attorney General and Plaintiff Palmer also hereby request that the Court lift the seal on this case it its entirety, such that all documents (including this stipulation), pleadings, court documents, records and orders be unsealed. Given the settlement and this stipulation, the California Attorney General's investigation is now over and moot, and there is good cause to lift the seal and make the existence and contents of the action public.

Dated: December 4, 2019

Respectfully Submitted,

XAVIER BECERRA
Attorney General of California
FREDERICK W. ACKER
Acting Supervising Deputy Attorney General

JOANNA ROSEN FORSTER
Deputy Attorney General
Attorneys for the People of the State of California

Dated: December 10, 2019

Respectfully Submitted,

THE WEISER LAW FIRM

JOHN GROSS
Attorney for Qui Tam Plaintiff Jack "Jay" Palmer, Jr.

[PROPOSED] ORDER FOR DISMISSAL AND UNSEALING

Based upon the agreement of the Parties reflected in Exhibit A, and the Agreement and all releases contained therein, the above captioned action is hereby dismissed **with prejudice.** The Court retains exclusive jurisdiction to hear any disputes arising from or relating to the Agreement, including interpretation and enforcement thereof.

The Court further finds that given the agreement of the Parties, there is good cause to lift the seal on this case. Accordingly, the Court hereby orders that the seal be lifted as to all documents filed in this case, including but not limited to all pleadings, court documents, orders and records.

IT IS SO ORDERED:

Dated: December _____, 2019

_____
The Honorable David I. Brown
Superior Court Judge

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by the Attorney General of the State of California ("Attorney General"), on behalf of the People of the State of California, Infosys Limited and Infosys BPO Limited n/k/a Infosys BPM Limited (collectively referred to as "Infosys"), and Relator Jack "Jay" Palmer (the "Relator"). The persons and entities entering into this Settlement Agreement are at times referred to individually as a "party" and/or collectively as the "parties."

WHEREAS, on or about May 15, 2017, the Relator filed a qui tam complaint ("Complaint") under seal entitled *State of California ex rel. Palmer v. Infosys Limited et al.*, 34-2017-00212575, in the Superior Court of California, County of Sacramento (the "Action"), alleging claims under the California False Claims Act ("CFCA");

WHEREAS, Infosys is an Indian corporation conducting information technology-related consulting business(es)/services in the United States and California;

WHEREAS, for the time period of 2006 to the filing of the Complaint, Relator alleges that Infosys willfully, knowingly, and/or intentionally engaged in, and conspired to engage, in falsifying documents, false reporting and/or falsely identifying their employees for the purposes of procuring the wrong immigration visa for their employees that were traveling to the United States. Specifically, it is alleged that Infosys assisted or otherwise procured for its employees B-1 visas when the individuals should have procured and entered on an H-1B visa;

WHEREAS, the State of California does not tax income or require payroll deductions for visitors to the state, such as those on B-1 visas, but it imposes payroll taxes for those working in the state, including those on H-1B visas;

WHEREAS, Relator alleges that, as a result of Infosys's alleged fraud, Infosys failed to remit payroll taxes for its employees doing work in California on B-1 visas;

WHEREAS, the Attorney General, as head of the California Department of Justice, conducted an investigation pursuant to the powers conferred by Article 2 of Chapter 2 of Division 3 of Title 2 of the Government Code of California (Cal. Gov. Code § 11180 et seq.) into the allegations contained in the Relator's Complaint;

WHEREAS, the Attorney General believes that there is an evidentiary basis for potential legal claims against Infosys as a result of the allegations set forth above;

WHEREAS, Infosys denies the allegations of the Complaint and that it has violated the CFCA or any California statute, law, rule, regulation with respect to the allegations contained in the Complaint, and denies any wrongdoing whatsoever with respect to the allegations in the Complaint;

WHEREAS, Infosys and Relator have reached a mutually satisfactory resolution of these and other claims; and

WHEREAS, the Parties seek to avoid the delay and cost associated with the litigation of this Action,

NOW THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. **Payment.** As discussed herein, the Payment to the State of California, together with payment to Relator, will be an exchange of value in full and final satisfaction of all claims alleged against Infosys in the Complaint and/or with respect to the Covered Conduct (defined in Paragraph 2, and shall be full and adequate consideration for the Releases (defined in Paragraphs 4-7).

a. **Payment to Attorney General.** Infosys agrees to pay a total sum of $800,000 in settlement of all potential claims to be released by the Attorney General under this Agreement. Payment shall be made to the State of California by electronic funds transfer within thirty (30) days of receiving written payment processing instructions from the State of California, Office of the Attorney General.

b. **Payment to Relator.**

i. **Relator's Attorneys' Fees/Costs.** Infosys agrees to pay Relator's counsel $95,000 in full satisfaction of Relator's claim under California Government Code Section 12652(g)(1)(C)(8) for attorney's fees and expenses, within thirty (30) days of receiving written payment processing instructions to be provided by the Weiser Law Firm.

ii. **Relator's Share.** The State of California will, within 30 days of receipt of payment pursuant to Paragraph (1)(a), pay Relator fifteen (15) percent of that amount ("Relator's Share"). Such payment shall be made by check or wire transfer to a trust account for Relator pursuant to written instructions provided by his counsel.

2. **Covered Conduct.** "Covered Conduct" as used herein is defined as Infosys's failure to withhold or pay payroll taxes to the State of California for the period of January 1, 2006 through May 15, 2017, for non-resident employees who performed work in California and who entered the United States on a B-1 visa yet should have entered on an H-1B visa instead.

3. **Compromise of Disputed Claims.** The parties acknowledge and agree that this Agreement is not, and shall not in any way be construed as, a presumption, concession, or

admission by any of the parties of any fault, liability, wrongdoing, damages, or any unlawful or wrongful conduct as to any facts or claims that have been or might have been alleged in the Action or any other actions or proceedings whatsoever. The parties acknowledge and agree that this Agreement is the compromise of strongly disputed claims and has been entered into to avoid the time, burden, expense, distraction, uncertainty, and inconvenience of litigation. The provisions of this Settlement Agreement shall not be invoked, offered, or received in evidence, or otherwise used by any person in any action or proceeding of any kind except in connection with a proceeding to enforce the terms of this Agreement.

4. **Releases by the Attorney General of Infosys.**

a. **Release.** Subject to the exceptions in Paragraph 4(c) (Claims Excluded from Release), and conditioned solely upon Infosys's full payment of $800,000 to the Office of the Attorney General, in accordance with written payment instructions from the Attorney General, to remediate harms to the State, pursuant to California Government Code §§ 12650- 12656 and 12658, allegedly resulting from unlawful conduct of Infosys, the Attorney General fully and finally releases Infosys and its current and former partners, subsidiaries, parent companies, joint ventures, predecessors, successors in interests, assigns, affiliates, and each of their respective officers, directors, representatives, owners, managers, shareholders, servants, and current and former employees, agents, insurers and attorneys, each and every as to or in their individual and corporate capacities (together the "Infosys Released Persons") from any and all claims, demands, and/or causes of action, known or unknown, suspected or unsuspected, relating to, concerning, or arising from the Covered Conduct that the Attorney General has against the Infosys

Released Persons, including but not limited to: California Government Code §§ 12650-12656, California Business and Professions Code § 17200, and all statutory and common law theories of negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud and aiding and abetting any of the foregoing. The Attorney General executes this release in his official capacity and releases only claims that the Attorney General has the authority to release for the Covered Conduct.

b. **Waiver of California Civil Code § 1542.** The Attorney General expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code, and does so understanding and acknowledging the significance and consequences of such specific waivers. Section 1542 of the California Civil Code states as follows:

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

c. **Claims Excluded from Release.** The following claims are specifically reserved and not released by the Attorney General in this Agreement: (i) any liability based upon obligations created by this Agreement; (ii) any liability of any person or entity other than the Infosys Released Persons; and (iii) any liability to any other department or agency of the State of California that the

Attorney General does not have the authority to release, including but not limited to for the Covered Conduct; and (iv) any liability to the State of California (or its departments or agencies) for any conduct other than the Covered Conduct.

5. **Release by Infosys of Attorney General and California.** Infosys fully and finally releases the Attorney General and the State of California, and their political subdivisions, departments, agencies, and all their directors, officers, employees, servants, and agents from any claims, including attorney's fees, costs, and expenses of every kind and however denominated, that Infosys has asserted, could have asserted, or may assert in the future against them related to the Attorney General's investigation of the Covered Conduct or to the release of the Covered Conduct provided in this Agreement. This Agreement does not resolve or in any manner affect any claims by the Infosys Released Persons for breach of or to enforce this Agreement.

6. **Release by Relator of Infosys.**

a. **Release.** Relator, for himself and Relator's heirs, personal representatives, successors, agents, and assigns (each in their individual and corporate capacities) ("Relator Parties"), hereby covenants not to sue and releases Infosys and the Infosys Released Persons from any and all claims, rights, demands, and/or causes of action that: (i) have been asserted in the Complaint/Action; or (ii) could have been asserted by Relator or the California Department of Justice, Office of the Attorney General arising out of or related to the facts alleged in the Complaint. Relator and Infosys agree that this release in no way precludes Relator from filing or otherwise participating in matters that have been or may be brought against Infosys: (i) in other jurisdictions alleging the same or similar causes of action brought as

part of the Action; or (ii) without regard for jurisdiction, alleging claims and/or causes of action not specifically addressed in this release or the waiver of rights afforded by Section 1542 of the California Civil Code.

b. **Waiver of California Civil Code § 1542.** Relator, for himself and the Relator Parties, expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code, and does so understanding and acknowledging the significance and consequences of such specific waivers. Section 1542 of the California Civil Code states as follows:

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

Notwithstanding the provisions of Section 1542, and for the purposes of implementing a full and complete release and discharge, Relator, for himself and the Relator Parties, acknowledges that this Agreement includes in its effect, without limitation, all claims covered by the releases in this Agreement which Relator or the Relator Parties do not know or suspect to exist at the time of execution hereof, and that this Agreement contemplates extinguishment of any and all such claims.

7. **Release by Relator of the State of California.** Relator, and each of his heirs, personal representatives, legal representatives, attorneys, agents, and assigns, will not object to this

Agreement and agrees and confirms that this Agreement is fair, adequate and reasonable under all the circumstances pursuant to California Government Code §§ 12650-12656. Upon full receipt of the Relator's Share, Relator, for himself individually and for his heirs, personal representatives, legal representatives, successors, attorneys, agents, and assigns, fully and finally releases, waives and forever discharges the State of California and its agencies, divisions, subdivisions, entities, officials, officers, agents, representatives, and employees from any and all rights, claims, remedies, expenses, debts, liabilities, demands, obligations, costs, damages, injuries, actions, and causes of action of any nature that Relator has asserted, could have asserted, or may assert in the future against the State of California arising out of the filing of the Complaint, or from any other claim for a share of the settlement proceeds or recovery of his fees, expenses or costs. Relator accepts such payment of the Relator's Share from the State of California in full and final settlement of any claims he has or may have under California's False Claims Act. This Agreement does not resolve or in any manner affect any claims: (i) the State of California and/or the Attorney General may have against Relator arising under California's tax laws; and/or (ii) of the State of California, the Attorney General, or Relator for breach of or to enforce this Agreement.

8. **Dismissal of the Action.** The Attorney General and Relator shall execute a Stipulation Of Dismissal With Prejudice as to the Action, pursuant to California Code of Civil Procedure § 581(b) and (c), within five (5) business days of the date of the later of the payment by: (i) Infosys to the Attorney General (pursuant to Paragraph 1(a)); and (ii) payment by Infosys to Relator (pursuant to Paragraph 1(b)).

9. **Effects of Agreement.** This Agreement is intended to be for the benefit of the parties only. This Agreement is not intended for use by any other third party in any other proceeding. Nothing contained herein shall be construed so as to create any other third-party rights or private rights of action or to deprive any person of any private right under the law.

10. **Understanding of Terms.** The terms of this Agreement were negotiated in good faith by the parties, and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel, and arms-length negotiation.

11. **No Adjudication on the Merits.** This Agreement is made without any trial or adjudication or court finding on any issue of fact or law, and is not a final order of any court or governmental authority.

12. **Authority.** Each signatory to this Agreement represents that he or she is fully authorized by the party he or she represents to enter into this Agreement to execute it on behalf of the party represented and to legally bind that party.

13. **Modification.** This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties.

14. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same document.

15. **Waiver.** No term or condition of this Agreement shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Agreement, except by written instrument signed by the party charged with the waiver or estoppel. No written waiver shall be deemed a continuing waiver unless specifically stated therein, and the written waiver of a term or condition as to a specific act or occurrence shall not operate as a waiver of any other term or condition or for any other or future act or occurrence.

16. **Interpretation.** This Agreement shall be deemed to have been drafted equally by the parties and any rules of construction to the effect that ambiguity is construed against the drafting party shall be inapplicable in any dispute concerning the terms, meaning, or interpretation of this Agreement.

17. **Severability.** If any provision of this Agreement shall for any reason or to any extent be construed by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall remain in effect and be interpreted so as best reasonably to effect the parties' intent.

18. **Notices.** All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to Infosys, to:

Danny Ashby
Morgan Lewis & Bockius
1717 Main Street, Suite 3200
Dallas, TX 75201-7347

If to the Attorney General, to:

Joanna Forster
Deputy Attorney General
Department of Justice
Office of the Attorney General
State of California
455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102-7004

If to Relator, to:

John J. Gross
Weiser Law Firm
22 Cassatt Avenue
Berwyn, PA 19312

19. **California Law.** This Agreement shall be governed by the laws of the State of California without regard to any conflict of laws principles.

20. **Enforcement and Jurisdiction.** In the event of any dispute arising from or relating to this Agreement, the Parties and the Released Persons submit and consent to the exclusive jurisdiction of the Superior Court of California, County of San Francisco.

21. **Integration.** This Agreement constitutes the entire agreement between the Parties, and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.

22. **Non-Disqualification.** This Agreement is not intended to disqualify Infosys from any business that it is otherwise qualified, licensed, or permitted to perform under the laws or regulations of California.

23. **Effective Date.** This Agreement shall become effective and binding upon execution by the parties hereto.

Dated: Nov 14, 2019

INFOSYS LIMITED

By: _____

Dated: Nov 13, 2019

INFOSYS BPO LIMITED n/k/a INFOSYS BPM LIMITED

By: _____

Dated: 11·12, 2019

PEOPLE OF THE STATE OF CALIFORNIA
by and through the Attorney General

By: _____
Joanna R. Forster
Attorney General of the State of California

Dated: _____, 2019

JACK "JAY" PALMER

By: _____
Jack "Jay" Palmer

Dated: _____, 2019

PEOPLE OF THE STATE OF CALIFORNIA
by and through the Attorney General

By: _____
Joanna R. Forster
Attorney General of the State of California

Dated: _____, 2019

JACK "JAY" PALMER

By: _____
Jack "Jay" Palmer