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 Acting Attorney General of New Jersey
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 New Jersey, Donald T. DiFrancesco,
 Peter R. Lawrence, Charles E. Hance,
 James Weinstein, Albert B. Ari and
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 JUL 28 2003
 WILLIAM A. ...

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ENTERED
 7/28/03

UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF NEW JERSEY
 VICINAGE OF TRENTON

GEOD Corporation, Christopher
 Emilius, John F. Emilius, Paul J.
 Emilius, Jr. and Stanley Palinski,
 Plaintiffs,

v.

The State of New Jersey, Donald T.
 DiFrancesco, Governor of the State
 of New Jersey, Peter R. Lawrence,
 Acting Treasurer of the State of
 New Jersey, Charles E. Hance,
 Commissioner of the Department of
 Commerce of the State of New
 Jersey, James Weinstein,
 Commissioner of the Department of
 Transportation of the State of New
 Jersey, Albert B. Ari, Deputy
 Commissioner of the Department of
 Transportation, Anthony M. Davis,
 Director, Division of Civil
 Rights/ Affirmative Action of the
 Department of Transportation of
 the State of New Jersey,
 Defendants.

HON. STANLEY R. CHESLER
 Civil Action No. 01-2656 (SRC)

CONSENT DECREE

WHEREAS, the parties to this action, GEOD Corporation, Christopher Emilius, John F. Emilius, Paul J. Emilius, Jr. and Stanley Palinski, plaintiffs, and the State of New Jersey (the "State"), Donald T. DiFrancesco, Acting Governor of the State of New Jersey, Peter R. Lawrence, Acting Treasurer of the State of New Jersey, Charles Hance, Secretary/CEO of the Commerce and Economic Growth Commission, James Weinstein, Commissioner of the New Jersey Department of Transportation, Albert B. Ari, Deputy Commissioner of the New Jersey Department of Transportation and Anthony M. Davis, Director, Division of Civil Rights/Affirmative Action of the New Jersey Department of Transportation, defendants, through their respective undersigned counsel, desire to resolve this matter without the necessity of a trial, as set forth below; and

WHEREAS, the parties agree that the State's Set-Aside Act for Small Businesses, Female Businesses, and Minority Businesses, N.J.S.A. 52:32-17, et seq. (the "Set-Aside Act"), violates the Equal Protection Clause of the United States Constitution because it is not narrowly tailored to redress the State's asserted compelling interest (which the State asserts, but which the Plaintiffs do not concede) in remedying discrimination in State contracting against minority owned businesses (MBEs) and women owned businesses (WBEs); and

WHEREAS, the parties agree that a permanent injunction against enforcement of the Set-aside Act and its implementing regulations, N.J.A.C. 12A:10-1.2 et seq., N.J.A.C. 12A:10A-1.2 et seq., N.J.A.C. 17:13-1.2 et seq., and N.J.A.C. 17:14-1.2 et seq., to the extent that these provisions require or permit the State to set aside contracts for bidding by only MBEs or WBEs, or require or permit the State to establish contract targets or goals for State dollars paid to MBEs or WBEs, is therefore appropriate; and

WHEREAS, the parties agree that it is appropriate for the plaintiffs to dismiss their remaining challenges, including their challenge to the New Jersey Department of Transportation's ("NJDOT") Fiscal Year 2003 Disadvantaged Business Enterprise Program, which has been approved for federally funded projects by the Federal Highway Administration ("FHWA") in accordance with 49 CFR Part 26;

IT IS ON THIS 10 DAY OF July 2003, hereby ORDERED as follows:

1. The State, through the named officials in their official capacities, and their successors in office, all state agencies (as defined in N.J.S.A. 52:32-40, and every State "contracting agency," "department," "college," "authority," and "commission" as defined in N.J.A.C. 12A:10-1.2, N.J.A.C. 12A:10A-1.2, N.J.A.C. 17:13-1.2, and N.J.A.C. 17:14-1.2, are hereby

permanently enjoined from enforcing the Set-Aside Act, N.J.S.A. 52:32-17, et seq., and its implementing regulations, 12A:10-1.2 et seq., N.J.A.C. 12A:10A-1.2 et seq., N.J.A.C. 17:13-1.2 et seq., and N.J.A.C. 17:14-1.2 et seq. (collectively the "implementing regulations"), to the extent that the Set-Aside Act or the implementing regulations require or permit the State to set aside contracts for bidding by only MBEs or WBEs, or require or permit the State to establish contract targets or goals for State dollars paid to MBEs or WBEs.

2. For federal fiscal years 2004 through 2008, or until the federal regulations set forth at 49 CFR Part 26 are materially changed, whichever is sooner:

A. NJDOT shall, in accordance with 49 CFR Part 26, seek to achieve its annual DBE goals on federally funded projects to the maximum extent possible through race neutral means.

B. Each year NJDOT shall send GEOD Corporation and its counsel a copy of its complete proposed DBE submission on federally funded projects, contemporaneously with its publication of the numerical goal for public comment, to the following addresses:

GEOD Corporation
18-24 Kanouse Road
Newfoundland, NJ 07435
Attn: John F. Emilius, President

Martin S. Kaufman, Esq.
Atlantic Legal Foundation
150 East 42nd Street
New York, New York 10017

C. If NJDOT receives written comments from GEOD to its proposed DBE submission within 45 days of the date the submission is published it will review such comments and give them due consideration in determining whether it is appropriate to revise the DBE submission based on GEOD's comments.

3. The plaintiffs' challenge to NJDOT's fiscal year 2003 DBE program on federally funded projects, which has been approved by the FHWA in accordance with 49 C.F.R. part 26, is hereby dismissed with prejudice.


4. The State of New Jersey shall pay \$338,890.65 in full satisfaction of plaintiffs' claims for recovery of reasonable attorneys' fees and costs in this matter. This money shall be paid to:

Martin S. Kaufman, Esq.
Senior Vice President and General Counsel
Atlantic Legal Foundation
50 East 42nd Street, 2nd Floor
New York, New York 10017

The State shall make payment of \$338,890.65 to Mr. Kaufman by mailing a check to Mr. Kaufman at the address listed above by July 11, 2003 or within thirty (30) days of the date the State receives a properly executed Payment Voucher from Mr. Kaufman, whichever is later.

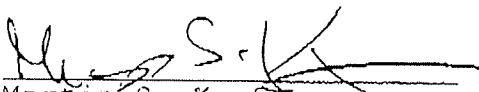
5. All claims in this matter are hereby dismissed with prejudice.

6. The State shall provide a copy of this consent decree to all state departments, agencies, colleges, authorities and commissions affected by the order within twenty one (21) days of the date the order is entered by the Court.

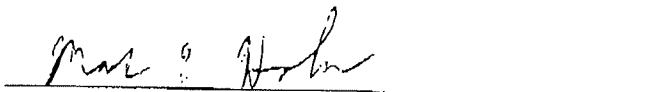

Stanley R. Chesler
United States District Judge

Consented to as to form and entry:

PETER C. HARVEY
ACTING ATTORNEY GENERAL OF NEW JERSEY


Martin S. Kaufman
Atlantic Legal Foundation
(For all plaintiffs)

By:


Mark Turner Holmes
Deputy Attorney General
(For all defendants)

This case shall be marked closed
