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| NORTH CAROLINA |   | GENERAL COURT OF JUSTICE |
| \_\_\_\_\_\_ COUNTY |   | DISTRICT COURT DIVISION |
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|   |   |   |
| \_\_\_\_\_\_\_\_\_, | ) |   |
|   | ) |   |
|                                       PLAINTIFF, | ) |   |
|   | ) |   |
|                                      v. | ) | **CONSENT ORDER:** |
|   | ) | **STOCK OPTIONS** |
| \_\_\_\_\_\_\_\_\_, | ) |   |
|   | ) |   |
|                                       DEFENDANT. | ) |   |

THIS CAUSE coming on to be heard and being heard by the undersigned judge presiding upon Plaintiff's claim for division of assets pursuant to the parties' Separation Agreement and Property Settlement and the parties, having resolved this matter by settlement agreement, hereby agree to the entry of the following order to address the assignment to Defendant, \_\_\_\_\_\_\_\_\_, of her share of those benefits, the Court makes the following:

FINDINGS OF FACT

            1.         Plaintiff is a resident of\_\_\_\_\_\_\_\_\_\_

            2.         Defendant is a resident of \_\_\_\_\_\_\_\_ County, North Carolina.

            3.         The parties were married on August \_\_\_\_\_\_, and separated on \_\_\_\_\_\_\_\_. On \_\_\_\_\_\_, they executed their duly executed written Separation Agreement and Property Settlement addressing, *inter alia*, the marital property divided in this Order.

            4.         The Court has both personal and subject matter jurisdiction to enter into this Order.

            5.         Plaintiff is an employee of American Airlines, an AMR Corporation subsidiary; as an American Airlines employee, he has been granted certain vested and non-vested stock options.

            6.         Pursuant to the terms of the parties' Separation Agreement and Property Settlement, Plaintiff is entitled to the \_\_\_\_\_\_ vested stock options of American Airlines that existed at the time of execution of the Agreement.

7.         Pursuant to the terms of the parties' Separation Agreement and Property Settlement, Defendant is entitled to a \_\_\_\_\_\_ share of the \_\_\_\_\_\_ non-vested American Airlines stock options existing at the time of execution of the Agreement.

            8.         Plaintiff is likely to incur tax consequences associated with exercising and transferring Defendant's share of the non-vested options to Defendant. Defendant shall be responsible for her portion of the tax consequences, if any, incurred in the exercise of Defendant' share of the options.

            9.         The stock options referred to in this Agreement are non-transferable. The options terminate within a period of time after Plaintiff's employment is terminated.

            Based upon the foregoing Findings of Fact, the court makes the following

CONCLUSIONS OF LAW

            1.         This Court has jurisdiction over the subject matter and the parties in this action.

            2.         This Order is appropriate for allocating Defendant's share of Plaintiff's stock options to Defendant.

            NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED as follows:

1.         To satisfy a portion of the marital property settlement of the parties, the parties have agreed that Defendant is entitled to 50% of the 647 non-vested American Airlines stock options existing at the time of execution of the Separation Agreement and Property Settlement.

            2.         Defendant shall receive her share of the American Airlines stock options as follows:

(a)                                       Defendant shall be entitled to compel exercise through Plaintiff fifty percent (50%) of the stock options held by Plaintiff at the time of execution of the Agreement, for a total of 323.5 shares;

(b)                                       If Plaintiff is granted entirely new options through his employment, those options shall be Plaintiff's separate property;

(c)                                        Plaintiff shall give Defendant at least thirty (30) days notice of his termination from employment resignation at American Airlines, or any other event that would cause the loss of ability to exercise the options set forth above, so that Defendant may have ample opportunity to exercise any outstanding options if she so desires;

(d)                                       Defendant shall compel the exercise by contacting Plaintiff and notifying him of Defendant\_\_\_s desire to exercise the appropriate number of options. Plaintiff shall exercise the appropriate number of options within two (2) days of Defendant\_\_\_\_\_s notification. Upon Plaintiff\_\_\_\_\_\_\_\_s receipt of the shares, Defendant shall pay to Plaintiff the cost of the option, as delineated above, either by cash or by sale of an appropriate number of shares of exercised options. An appropriate amount shall also be withheld from the options exercised in order to account for tax consequences Plaintiff shall incur from Defendant\_\_\_\_\_s exercise of Plaintiff\_\_\_\_\_\_\_\_s options. Defendant shall take the advice of Plaintiff\_\_\_\_\_s CPA in order to determine the appropriate amount of withholding from the funds received. Plaintiff shall transfer this money withheld into a separate account, to be appropriately accounted for as set forth below;

(e)                                       Plaintiff shall transfer to Defendant the shares received by exercise of the option(s), at which time Defendant may transfer, sell, encumber, or take any other action consistent with ownership of these shares. Defendant shall not have the right to compel exercise of any options for which the stock price is below the grant price at the exercise date nor shall Defendant be entitled to compel exercise of any stock option prior to the time it vests;

(f)                                         Defendant shall not be entitled to compel Plaintiff to take any action in contradiction to the terms of his employment at American Airlines;

(g)                                       By January 31st of each year, if options were exercised by Defendant through Plaintiff in the prior year, Plaintiff\_\_\_\_\_\_\_s Certified Public Accountant (\_\_\_\_CPA\_\_\_\_) shall notify Defendant of the tax burdens imposed upon Plaintiff specifically by exercise of Defendant\_\_\_s portion of Plaintiff\_\_\_\_s options. Defendant shall be entitled to view all appropriate documentation and calculations made by Plaintiff\_\_\_\_s CPA, and Defendant may consult her own CPA with the appropriate information in order to verify the tax burden imposed on Plaintiff by Defendant\_\_\_\_s exercise of her portion of Plaintiff\_\_\_\_\_s options.

(h)                                       Plaintiff shall retain an amount from the separate account an appropriate amount for taxes imposed upon him by exercise of Defendant\_\_\_\_\_s portion of Plaintiff\_\_\_\_s options on or before March 15th of that same year. Plaintiff shall refund to Defendant any funds withheld in excess of the amount actually required to account for these tax consequences.

(i)                                         The remaining 323.5 stock options that were non-vested at the time of execution of the Agreement shall become the sole and separate property of Plaintiff.

3.         The Court retains jurisdiction to enter further orders as necessary to enforce the terms as set forth herein.

            This the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_

                                                                                    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                                                                                        District Court Judge Presiding

                                                                                    10th Judicial District

                                                                                    North Carolina

Consented to by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_, III, Plaintiff                             \_\_\_\_\_\_\_\_, Defendant

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_                                                                        \_\_\_\_\_\_\_\_\_\_

Attorney for Plaintiff                                                           Attorney for Defendant