

October 27, 2004

APPROVE SETTLEMENT AGREEMENT WITH PREFERRED MEAL SYSTEMS, INC.

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

That the Chicago Board of Education approve the Settlement Agreement with Preferred Meal Systems, Inc. ("Preferred Meal") which provides for a \$150,000 charitable donation and increases the MBE/WBE participation in Preferred Meal's contracts with the Board. At issue was Preferred Meal's MBE/WBE participation in previous Board contracts. By the Settlement Agreement Preferred Meal makes no admission that it violated relevant Board Rules in relation to those contracts.

DESCRIPTION: The Board's Debarment Policy and Procedures (the "Policy") provides for debarment of

businesses and their "affiliated" participants - local businesses (as defined in the Policy) from participation in