PARSONS

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Revised December 23, 2014

December 17, 2014

Joseph Romano
[redacted]
Chicago, IL [redacted]

Dear Joseph,

It is our sincere pleasure to extend to you a contingent offer of employment in the role of Senior Design Manager based in our Mexico City Airport Project Office, with an expected start date of January 12, 2015. The base weekly salary for this position will be $3,375.20. The project work schedule is currently 45 hours per week. These additional five scheduled hours beyond the base workweek of 40 hours will be compensated at the base hourly rate of $84.38. Your salary will be paid in US dollars by a US Parsons' subsidiary from our Houston payroll service center, and you will participate in our company insurance and retirement programs.

During the first few months of the project and until commercial terms are finalized, you will receive a short term agreement. This agreement will include compensation for the 45 hour work week, hotel or extended stay accommodation and a per diem of $60 USD if you are living in the country by yourself and $105 USD if your spouse is living in the country with you.

After commercial terms are finalized, you will be assigned to a Parsons Mexican Service Company. You will no longer receive a per diem. Longer term housing will be secured for you and Parsons will arrange for the payment of rent. The Parsons Mexican Service Company will make additional peso payments to you, or on your behalf, while you are assigned to Mexico to be used as a Monthly Living Allowance as detailed below. Specific properties have been identified for housing of Expats on the project that is within reasonable distance to the office locations. Parsons Security is currently reviewing the housing selections. Both furnished and unfurnished options will be made available. You will be provided with a list of options to select housing once the security review is complete. The properties identified are nice properties with 24 hour security and have many amenities including items like a gym, pool, laundry service or space for washer/dryer, cleaning services, easy access to stores and restaurants, availability for internet and cable service. Some of the properties allow pets. To facilitate your relocation to Mexico City, Parsons will arrange for the shipment of personal and household effects up to limits established by the project. Below is the breakdown of package options:

ITEM	SINGLE	ACCOMPANIED
Furnished Apartment Monthly Cap	Provided by Parsons	Provided by Parsons
Unfurnished Apartment Monthly Cap	Provided by Parsons	Provided by Parsons
Furniture Allowance – subject to tax withholding	[redacted]	[redacted]

Additional benefits in connection with this assignment include:

- **Year-end assignment bonus:** $337.52 USD times the number of full weeks of assignment in country for that year. Payment is subject to meeting conditions outlined in the Assignment Agreement.
- **Monthly Living Allowance:** You will be paid an allowance by the Parsons Mexican Service Company in pesos to cover miscellaneous items including but not limited to miscellaneous local transportation, utilities, air tickets for periodic personal travel to the US, and other costs associated with residing in Mexico City. The amount is [redacted] USD equivalent per month.
- **Mobilization allowance: of $[redacted] USD, payable at the time that your long-term lease is established.**
- **Mobilization and demobilization economy class tickets for you and your family**
- **Mobilization of household goods.** Parsons will provide for the mobilization of household goods via one of two options. Option A: Parsons will pay to ship up to 18,000 lbs of household goods. Option B: Parsons will pay to ship up to 12,000 lbs of household goods and provide a storage allowance of $3,000 per year, paid upon presentation of a suitable receipt. When Parsons ships goods, the employee will be provided an unfurnished apartment.
- **Demobilization of household goods** (same weight limits as mobilization apply)
- **Excess baggage allowance:** Accompanied excess baggage of 50 lbs gross weight will be allowed if carrier charges by weight or 2 bags of excess baggage if charged by the piece.
- **Reimbursement of the cost of required medical examinations or inoculations.** USD
- **Reimbursement or direct payment of visa and/or work permit costs**
- Adequate **elementary and secondary education** (equivalent to kindergarten through U.S. 12th grade) for two authorized dependent child, actual and approved charges, fees, tuition and books for elementary and secondary schooling at the assignment location are reimbursable to employee up to $[redacted] per child. Excess charges including uniforms, special music or art lessons, tutoring, voluntary school trips, stable fees, etc. will not be reimbursed. In addition, up to $[redacted] USD will be provided towards one-time entry fees for the Mexican schools, upon presentation of a receipt.
- **Protection against Mexican income taxes on company-source income**
- **Opportunity to participate in an international healthcare plan,** as outlined in the attached document.

Once Parsons has finalized commercial terms for this project, you will be issued a long term assignment agreement including the components described above.

You will also be eligible to participate in the company's international benefit programs, subject to the terms and conditions contained in the applicable plan documents and insurance policies. If you intend to enroll your spouse/domestic partner and/or child(ren) in the company's health plans, you are required to provide proof of eligibility such as copies of your marriage certificate, proof of domestic partnership, birth certificates, and court documents. Further information regarding the plans, including the checklist of the dependent eligibility requirement, is available in the benefits highlights brochure and summary plan descriptions, which are available from Parsons' Benefits Service Center at [redacted] or your Talent Management Team.

You will become eligible to participate in the Parsons Corporate Stock Ownership Plan (ESOP) after completion of 1,000 hours beginning on the date you first perform an hour of service and be an employee on the last day of the calendar year. Participation is retroactive to January 1 of the calendar year in which you first reach the 1,000 hour mark. Under this plan, shares will be allocated to your ESOP account based on your eligible earnings, currently defined as base compensation (to a maximum of $[redacted] excluding bonuses and relocation allowances. The ESOP share allocation is determined annually and does not require any employee contribution. In addition to the ESOP, you are automatically enrolled in the Parsons Corporation Retirement Savings Plan, the

Parsons 401(k) plan. You will be enrolled at a contribution rate of 4% of eligible pretax pay. Your contributions and any company contributions will be invested in the age-appropriate Target Date Fund and will become vested immediately. For 2014, the combined annual ESOP share allocation and discretionary company 401(k) matching contribution is targeted to be 10% of eligible earnings. In order to be eligible for any portion of the discretionary company matching contribution under the 401(k) Plan, you must maintain a minimum contribution of 1% of eligible pretax pay. Under IRS regulations, the total of the ESOP allocation and the employer and employee 401(k) contributions in 2014 may not exceed $52,000. The foregoing is a brief description of the benefits of the ESOP and 401(k) plans. In case of any conflicts between the foregoing description and the provisions of the actual plan document, the plan document will govern.

As a new hire, you will accrue Paid Time Off (PTO) at the rate of three weeks per year; PTO is used to cover absences due to vacation, most short illnesses, and personal time off. PTO is in addition to our observed holidays. After five years of service your PTO accrual will be 4 weeks per year.

This offer of employment is contingent upon approval by the client, your successful completion of a drug and alcohol screening, criminal background screening, verification of employment and education, and proof of right to work in accordance with the Immigration Reform and Control Act of 1986. We suggest you not resign your current position until all contingencies are satisfied.

Parsons has a three step Employee Dispute Resolution Program, including Freedom of Expression & Appeal, Mediation, and Arbitration, as the exclusive means of resolving workplace disputes. By accepting employment, you agree to resolve all legal claims against Parsons through this process instead of the court system. (This Agreement shall not bind Employees of Parsons Government Services (formerly known as Parsons Infrastructure and Technology) to arbitrate any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.)

Employment with the company is at the mutual consent of each employee and the company. Accordingly, while the company has every hope that employment relationships will be mutually rewarding and beneficial; employees and the company retain the right to terminate the employment relationship at will, at any time, with or without cause. Please note that no individual has the authority to make any contrary agreement or representation. This represents a final and fully binding integrated agreement with respect to the at-will nature of the employment relationship.

Please email your signed acceptance to Carol Dashiell no later than Tuesday, December 30, 2014. We look forward to the acceptance of your offer in the very near future and have high expectations for a mutually rewarding association. Please feel free to contact me if you have any questions.

Sincerely,

Cheryl-Marie Hansberger

Cheryl-Marie Hansberger
Talent Management – Aviation Division
PARSONS - Transportation Group

Name: Joseph Romano

Acceptance: _____ Date: 12/24/14

Anticipated starting date: Jan. 5, 2014

AGREEMENT REGARDING EMPLOYMENT ARRANGEMENTS

This AGREEMENT REGARDING EMPLOYMENT ARRANGEMENTS (the "Agreement") is entered into by and between **Joseph Romano** ("Employee") and 3D/International, Inc. ("Employer") effective as of the date of the last signature affixed hereto as set forth herein below.

RECITALS

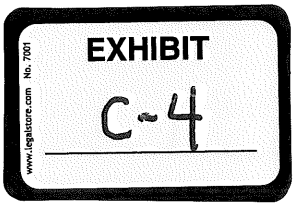
A. Employee is a natural person acting herein on their own accord.
B. Employer is a corporation organized in accordance with the laws of Texas, United States of America, with an office at 16055 Space Center Boulevard, Suite 725, Houston, Texas, United States of America. (The Employer and the Employee are together referred to in this Agreement as the "Parties" and individually as a "Party").
C. The Employer wishes to continue to employ the Employee and the Employee wishes to continue their employment with Employer working on the Project (as defined below) in Mexico and in this connection the Parties are agreeing herein to certain terms and conditions relating to that employment which terms and conditions involve the Employer providing certain pay, benefits and other consideration that the Employee would not otherwise receive as an employee of Employer working in Mexico and in consideration of that, Employee is giving up certain rights that he might otherwise have as a result of their employment.

Now therefore, in consideration of the premises stated above and the further consideration described in this Agreement, the Parties agree as follows:

CLAUSES

1. Employee acknowledges that he is employed solely by Employer in the United States of America as an at-will employee and receives all their employment benefits in accordance with the laws of the State of Texas and the Federal laws of the United States of America. Employee also acknowledges that the employment services he is to perform for Employer will be performed in part in Mexico City, United Mexican States, in connection with the work to be performed by an affiliate of Employer, Parsons International, Inc. ("PIL") relating to the design and construction of a new airport in Mexico City (the "Project"). The Employee's employment services will be performed under the auspices of another affiliate of Employer, Parsons Ingeniería S. de R.L. de C.V. ("Parsons Ingeniería").

2. Employee has signed or will sign a labor agreement with Parsons Ingeniería (the "Mexican Contract") which contract is a requirement of Mexican Federal Labor Law (The "Mexican Labor Law") in order for Employee to work in Mexico on the Project. This Agreement affects certain rights that Employee would otherwise have under Mexican law and the Mexican Contract. Specifically, Employee voluntarily waives certain of those rights and to undertake additional obligations toward Employer as described herein in consideration of being employed by Employer on the Project and receiving compensation and benefits he would not otherwise receive (the "Additional Benefits").



3. The Additional Benefits Employee is entitled to receive in the United States of America include, but are not necessarily limited to the following benefits which would not be offered under other circumstance to employees working in Mexico:

- Private medical insurance
- Dental insurance
- Vision insurance
- Basic life insurance
- Employee assistance program
- Business accident travel insurance.
- Five (5) hours per week overtime pay at straight time rate
- Housing allowance
- Transportation to and from work and business meetings
- Monthly living allowance
- Yearend assignment bonus
- Mobilization allowance

4. The Employee waives the right to make any claims to any employment, social security or any other type of benefit that could be afforded to him by the Mexican Labor Law, the Mexican Social Security Law or any other Mexican law in connection with the employment services performed for Employer or its related companies in Mexico (including their respective directors, officers, representatives or employees).

5. If circumstances should arise in which Employee receives or obtains an award for any payment or benefit relating to their employment services in Mexico ("Mexican Benefits"), including, without limitation, from Parsons Ingeniería, Employee agrees to: (i) forego receipt of the Mexican Benefits, (ii) assign to the Employer or its designee Employee's rights in the Mexican Benefits, or (iii) pay the Employer an amount equal to the value of the Mexican Benefits.

6. The formation, validity, construction, interpretation and effect of this Agreement is governed by the laws of the State of Texas without regard to its rules on the conflicts of laws. Exclusive venue over any disputes arising hereunder or among Employee and Employer and/or Employer's related companies will lie exclusively in the State of Texas, United States of America. If Employee has, prior to the effective date of this Agreement, signed an agreement to arbitrate claims arising from their employment with Parsons Corporation or its subsidiaries and affiliates (the "Employment Arbitration Agreement"), the Parties will remain bound by the terms of that Employment Arbitration Agreement and the terms thereof are incorporated into this Agreement by this reference.

7. Each Party has the right to seek specific performance of this Agreement and to obtain injunctive relief.

8. The failure or delay by a Party to enforce any provision contained in this Agreement will not be considered a waiver by that Party of that provision or in any way affect the right of that Party to enforce such provision.

9. This Agreement may only be changed, amended or modified by written instrument signed by both Parties.

10. Employee is not relying on any statement or representation of any kind from Employer that is not contained in this Agreement but is relying upon their own independent judgment and fully understands this Agreement and its effect. Employee has had adequate time and opportunity to review and consider this Agreement and to confer with legal counsel of their choice regarding this Agreement and all related matters.

11. This Agreement contains the entire Agreement between the parties regarding the matters set out herein and supersedes all prior discussions, negotiations or agreements between the Parties on the matters addressed herein.

12. This Agreement may be executed in multiple counterparts, and, if so, each counterpart shall be deemed an original for all purposes.

IN WITNESS HEREOF, the Parties sign this Agreement effective as of the date of the last signature affixed hereto below.

EMPLOYEE:

Signature: _____

Name: JOSEPH F. ROMANO

Date: July 23, 2015

EMPLOYER:

3D/International, Inc.

Signature: _____

Name: James A Sumwalt

Title: Sr. Program Director

Date: July 31, 2015

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

United States Court of Appeals
Fifth Circuit

FILED
April 29, 2020

Lyle W. Cayce
Clerk

No. 19-20620

3D/INTERNATIONAL, INCORPORATED; PARSONS INTERNATIONAL LIMITED; PARSONS INGENIERIA, S. DE R.L. DE C.V.,

Plaintiffs–Appellants

v.

JOSEPH F. ROMANO,

Defendant–Appellee

Appeal from the United States District Court
for the Southern District of Texas
USDC No. 4:18-CV-2432

Before OWEN, Chief Judge, and HIGGINBOTHAM and WILLETT, Circuit Judges.

PER CURIAM:*

Joseph Romano sued his (former) U.S.-based employer, Parsons, in Mexican labor court for reinstatement of his employment or, in the alternative, severance benefits under Mexican labor law.[1] However, Romano had signed a contract waiving his right to do just that. So, in turn, Parsons sued Romano in

* Pursuant to 5TH CIR. R. 47.5, the court has determined that this opinion should not be published and is not precedent except under the limited circumstances set forth in 5TH CIR. R. 47.5.4.

[1] "Parsons" generally refers to Parsons Corporation, Parsons International Limited, Parsons Ingenieria, S. DE R.L. DE C.V., and 3D/International, Inc. ("3DI," individually).

the United States for breach of contract. The district court granted summary judgment in favor of Romano, finding that the parties never had an enforceable contract. We disagree with the district court's determination and, therefore, reverse.

I

Parsons is a U.S. corporation that manages various construction projects throughout the world. And in 2014, Romano—an experienced architect—applied for a position with the company to help design a new airport in Mexico City. After engaging in negotiations over employment terms and benefits, Parsons contingently offered Romano a position as Senior Design Manager for the Mexico City project. Romano's offer letter noted an expected start day of January 12, 2015 and explained that he would be based in Mexico City. The offer letter further provided that Romano's "salary [would] be paid in US dollars by a US Parsons' subsidiary from [Parsons'] Houston payroll service center." Romano was informed that his employment would be "at will," meaning that either party could "terminate the employment relationship . . . at any time, with or without cause."

In addition to an annual salary of approximately $197,500, the offer letter outlined that Romano would receive benefits such as: a year-end bonus of $337.52 USD for each full week of assignment; a monthly living allowance; moving expenses, including plane tickets for his family, shipment of household goods, and reimbursement for medical expenses, inoculations, and visa/work permits (in USD); private school tuition for two children; life, medical, dental, and vision insurance; retirement benefits; and "[p]rotection against Mexican income taxes on company-source income." The offer letter further explained that, "[d]uring the first few months of the project, . . . [Romano would] receive a short[-]term agreement." And only "[a]fter commercial terms [were] finalized [would Romano] be assigned to a Parsons Mexican Service Company . . . and

issued a long[-]term assignment agreement." Romano accepted the position and began employment accordingly.

Approximately seven months later, all U.S. Parsons employees working in Mexico were set to become employees of 3DI, a Texas corporation and subsidiary of Parsons. As Parsons had previewed in the offer letter, Romano was required to execute new agreements as part of the transition: the Long Term International Assignment Agreement (the "LTIAA"); the Local Mexico Agreement (the "Local Agreement"); and the Agreement Regarding Employment Arrangements (the "AREA"). In a detailed email, Parsons explained the purpose of each employment agreement:

- The LTIAA outlined the terms and details of Romano's assignment in Mexico and assignment to 3DI, including compensation, bonus structure, housing allowance, and other benefits.
- The Local Agreement outlined the details of Romano's employment with Parsons' local entity, Parsons Ingenieria, S. DE R.L. DE C.V. Parsons explained that the agreement was required to enable Parsons to file Romano's local Mexican taxes and deposit allowances into his local Mexican Peso bank account. Finally, Parsons emphasized that the agreement was a "requirement of Mexican Federal Labor Law . . . in order for [Romano] to work in Mexico" and that the agreement outlined "the Mexico labor standards that [would] be observed while [Romano was] on assignment in Mexico such as holidays, work rules, bonus payments, etc."
- The AREA outlined Romano's employment relationship with 3DI, acknowledged that Romano would be employed by a U.S. company during his assignment in Mexico, and "affirm[ed] that [Romano was] a US employee receiving US benefits, and as a US employee, [Romano] renounce[d] any claims to Mexico benefits."

Romano exchanged numerous emails with Parsons clarifying the terms of these agreements before executing all three.

Later, after clients expressed some displeasure with Romano's job performance as Senior Design Manager, Parsons reassigned him to manage

the design of the terminal building as lead architect. When Romano's work on this project came to a close, Parsons informed him that his employment would also be ending. His last day was three months later—July 31, 2017.[2]

Romano then filed suit against Parsons in Mexican labor court seeking reinstatement of his employment and compensation for the time he was not employed or, in the alternative, severance benefits under Mexican law. While that suit was pending—as it remains today—Romano also applied for unemployment benefits under Texas and U.S. law. He also applied for and received short-term disability benefits through Parsons' insurance plan between August and October 2018,[3] and he received California state disability benefits during this time.

Because Romano's Mexican lawsuit undisputedly violates the terms of the AREA, wherein he waived his right to pursue certain Mexican labor benefits, Parsons filed suit for breach of contract in Texas state court. Romano removed to federal court. The parties cross moved for summary judgment, which the district court granted in favor of Romano. The district court determined that the AREA is not a valid, enforceable contract under Texas law because there was no consideration for the agreement and the AREA "is an explicit attempt to circumvent Mexican employment laws." Parsons now appeals.

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[2] During this time, Parsons offered Romano a position as Lead Design Manager on a project at a Houston airport, but Romano declined the offer.

[3] After Romano's employment ended, he elected to continue receiving Parsons insurance benefits by paying his portion of the insurance premiums through February or March 2018. Parsons then continued to pay for and provide Romano with these health benefits through September 2018, even though Romano did not continue to pay his portion.

II

We review a district court's summary judgment order de novo, "applying the same standard as the district court." *SCA Promotions, Inc. v. Yahoo!, Inc.*, 868 F.3d 378, 381 (5th Cir. 2017). Summary judgment is proper "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." *Id.* (quoting Fed. R. Civ. P. 56(a)). Here, the only dispute is whether the AREA is a valid, enforceable contract, which is a question of law we also review de novo. *Id.*

III

As noted, the district court determined that the AREA is not a valid, enforceable contract under Texas law for two reasons: lack of consideration and circumvention of Mexican laws. Predictably, Parsons argues that the district court is wrong on both counts, while Romano insists the district court was, mostly, spot on. Romano agrees with the district court's conclusion that the agreement is invalid under Texas law, but he urges us to find the agreement invalid under Mexican law, without reaching Texas law. We begin with the choice-of-law question before turning to the district court's reasoning.

A

Though Romano acknowledges that the AREA contains a Texas choice-of-law provision, he argues that Mexico law should instead control because Mexico does not permit a person to waive his right to Mexican labor benefits. But this argument is stuck in a tautology: we must employ foreign law to invalidate a contract because foreign law says the contract is invalid.

Instead, while they are not unassailable, our default position is that choice-of-law provisions should be enforced. *Cardoni v. Prosperity Bank*, 805 F.3d 573, 580–81 (5th Cir. 2015). To render such a provision *unenforceable*, a party must demonstrate that:

> (a) the chosen state has no substantial relationship to the parties or the transaction and there is no other reasonable basis for the parties' choice, or
>
> (b) application of the law of the chosen state would be contrary to a fundamental policy of a state which has a materially greater interest than the chosen state in the determination of the particular issue and which, under the rule of § 188 [of Restatement (Second) of Conflict of Laws], would be the state of the applicable law in the absence of an effective choice of law by the parties.

Id. at 581 (quoting Restatement (Second) of Conflict of Laws § 187(2)).

The first subsection is inapplicable: 3DI is a Texas corporation, and that fact alone is sufficient to demonstrate a reasonable basis for the choice-of-law provision. *See id.* at 581–82.

The second subsection applies only if another state: (1) has a more significant relationship with the parties and the transaction at issue than the chosen state; (2) has a materially greater interest than the chosen state in the enforceability of the provision at issue; *and* (3) has a fundamental policy that would be contravened if the chosen state's law is applied. *Id.* at 582.

1. More Significant Relationship

The "more significant relationship" test considers: (a) the place of contracting; (b) the place of negotiation of the contract; (c) the place of performance; (d) the location of the subject matter of the contract; and (e) the domicil, residence, nationality, place of incorporation, and place of business of the parties. *Id.* (citing Restatement § 188(2)). We weigh these factors "not by their number, but by their quality." *Id.* at 582–83 (internal quotation omitted). And, by weight, the scales tip toward Texas.

First, the place of contracting. Romano was in Mexico City when he signed the AREA, but a representative of 3DI, a Texas corporation, affixed the last signature. And "the place of contracting is the place where occurred that last act necessary . . . to give the contract binding effect." Restatement § 188, cmt. e. The parties dispute whether the representative signed the agreement in Texas or Mexico, but because this issue is the subject of Romano's motion for summary judgment, we must draw all reasonable inferences and view all facts in favor of Parsons. *See CQ, Inc. v. TXU Min. Co., L.P.*, 565 F.3d 268, 272–73 (5th Cir. 2009). Therefore, we assume the Lone Star state is the place of contracting, but, in any event, this "is a relatively insignificant contact." Restatement § 188, cmt. e.

Second, the place of negotiation. Romano simultaneously argues that there was no consideration for this contract—no bargain—and that the contract was negotiated for in Mexico City. However, the record reflects that the terms discussed in the AREA—the benefits that Romano would receive as a U.S. employee working in Mexico City—were negotiated for by Romano while he still lived in the United States (though not in Texas). And, at all times, Parsons' contract negotiations were overseen by employees in Texas. This factor, which is "significant," Restatement § 188, cmt. e, therefore, favors Texas over Mexico.

Third, the place of performance. Performance is divided between two locations. Romano was to perform in Mexico City. But Parsons' performance—payment of salary and provision of benefits—explicitly came from its Houston, Texas payroll department. So this factor is not conclusively in favor of either location.

Fourth, the subject matter of the contract. Without question, the subject matter of the contract concerns Romano's assignment in Mexico City. This factor, therefore, favors Mexico.

Fifth, the domicil, residence, nationality, place of incorporation, and place of business of the parties. At the time of contracting, Romano was a U.S. citizen living on temporary assignment in Mexico City, while 3DI was headquartered in Texas. Again, an inconclusive factor.

To overcome the choice-of-contract provision, Romano was required to show that Mexico had a *more significant* relationship with the parties and the transaction than Texas. Even if we were to construe the first contact—place of contracting—in favor of Mexico instead of Texas, Romano has failed to meet his burden. The factors reflect, at best, that both Texas and Mexico have a similarly significant relationship with the parties, which does not warrant ignoring a contract's forum-selection clause. *See Access Telecom, Inc. v. MCI Telecomms. Corp.*, 197 F.3d 694, 706 (5th Cir. 1999) (noting that the parties had "a very symmetric relationship" between Texas and Mexico and determining that, even if Mexican interests were more implicated than Texas interests, the choice of law provision should be given some weight, and Texas law should control "in such a close case").

2. Materially Greater Interest in Enforceability

For the avoidance of doubt, we dutifully continue to the second prong, whether Mexico has a *materially greater* interest in the enforceability of the AREA than Texas. On balance, it does not. To be sure, Mexico has an interest in the enforceability of it labor laws, but this interest simply does not overshadow Texas's interest in the enforceability of at-will employment relationships with Texas corporations.

In *Exxon Mobil Corp. v. Drennan*, the Supreme Court of Texas explained that "[w]ith Texas now hosting many of the world's largest corporations, our public policy has shifted . . . to one in which we value the ability of a company to maintain uniformity in its employment contracts across all employees," regardless of where the individual employees reside. 452 S.W.3d 319, 329–330

(Tex. 2014). The Court emphasized that this uniformity "prevents 'the disruption of orderly employer-employee relations' within [] multistate companies and avoids disruption to 'competition in the marketplace.'" *Id.* at 330 (quoting *DeSantis v. Wackenhut Corp.*, 793 S.W.2d 670, 680 (Tex. 1990)); *see also* Restatement § 187 cmt. e (explaining that "[p]rime objectives of contract law are to protect the justified expectations of parties . . . by letting [them] choose the law to govern the validity of a contract").

Despite the significance of this interest, Texas courts have declined to apply choice-of-law provisions when ensuring uniformity was the contracted-for state's only interest in the contract and the entire agreement was otherwise effectuated elsewhere. *See, e.g.*, *Exxon Mobil*, 452 S.W.3d at 326–27 (applying Texas law over New York choice-of-law provision where both employer and employee were Texas residents); *DeSantis*, 793 S.W.2d at 679 (applying Texas law over Florida choice-of-law provision where all business matters occurred in Texas and noncompete provision concerned businesses opening in Texas).

But unlike in *Exxon Mobil* and *DeSantis*, here the relationship is divided between the two localities. On the one hand, Romano resided in Mexico City where the airport project was under way. On the other, the airport project was directed by employees in the Houston office and Romano was paid in U.S. dollars by a Texas entity, received protection from Mexico taxes by the Texas entity,[4] and received U.S. employment benefits not required under Mexico law,[5] all pursuant to an at-will employment relationship that began exclusively

[4] 3DI agreed to pay any Mexican income taxes Romano owed over and above those he would incur as a U.S. employee. Conversely, if U.S. income taxes were higher, 3DI agreed to pay Romano the difference.

[5] Parsons explains, and Romano does not dispute, that Romano's high annual salary (nearly $200,000), living expenses, private-school tuition, insurance coverage, and retirement benefits were offered because Romano "would be an American employee working for an American employer under American law." Parsons highlighted that it does not offer these

in the United States. Notably, Mexico's labor laws do not recognize at-will employment relationships. As such, Texas's interest in this matter is not simply ensuring uniformity in a company's employment practices. It also has a unique interest in upholding an at-will employment relationship that was directed by employees working in Texas and was originally entered into in the United States by a Texas corporation and a U.S. citizen. *Cf. Randall v. Arabian Am. Oil Co.*, 778 F.2d 1146, 1153 (5th Cir. 1985) (acknowledging Saudi Arabia's interest in keeping its labor disputes within its country, but also "find[ing] paramount [the United States'] interest in providing a forum to a United States citizen seeking to sue a United States corporation on a[n] employment contract negotiated and made in the United States").

Mexico and Texas certainly have competing interests in the enforceability of the AREA, but to overcome the choice-of-law provision in favor of Texas, Romano needed to demonstrate that Mexico's interest is *materially greater* than Texas's. We fail to see how Mexico's interest in prohibiting a U.S. citizen from waiving his right to seek Mexican labor benefits during his temporary assignment in Mexico City materially outweighs Texas's interest in upholding a freely exercised, at-will employment relationship that was originally formed in the United States between a Texas corporation and a U.S. citizen. Therefore, the Texas choice-of-law provision applies.

3. Contravention of Fundamental Policy

Because Romano failed to satisfy the first two prongs, it isn't necessary to reach this factor. But we briefly acknowledge that Mexico does have a fundamental policy interest in enforcing its labor laws. And Mexico does not permit employees to waive their rights to the benefits its labor laws provide.

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benefits and high salaries to individuals employed in Mexico under Mexican law, in part because Mexican labor laws make those benefits untenable.

However, this factor standing alone is not sufficient to override the parties' contracted-for choice-of-law provision.[6] Therefore, we enforce the AREA's choice-of-law provision and apply Texas law. As such, we now turn to the district court's consideration of the AREA under Texas law.

B

The district court determined that the AREA lacked consideration because it "was executed after the [Local Agreement] and the LTIAA and purports to modify the [Local Agreement] and waive employment rights without additional consideration." Even assuming, for the sake of argument, that the AREA was executed after the other two agreements,[7] the district court's conclusion misunderstands the nature of Texas at-will employment contracts.

Texas courts have long acknowledged that "[p]arties have the power to modify their contracts." *Hathaway v. General Mills, Inc.*, 711 S.W.2d 227, 228 (Tex. 1986). And, like the original contract, the modification must reflect a meeting of the minds and be supported by consideration. *Id.* In employment at-will situations, either party has the right to end the employment relationship at any time, for any reason. So, either party can also impose a modification to the employment terms at any time, the consideration for which being continued employment. *Id.* at 229. In other words, "when the employer

---

[6] Romano repeatedly argues that we must apply Mexican law and find the agreement invalid because, he alleges, to obtain the contract for the airport project, Parsons was required to abide by all Mexican labor laws. But this argument is a red herring. Parsons' contract for the airport project is a separate agreement between entities not subject to this dispute. Whether the Mexican government chooses to terminate its agreement with Parsons due to Parsons' employment agreements is an issue for the parties privy to that contract, not this court.

[7] Romano suggested that he signed all three documents at the same time, and the parties dispute whether the three contracts should be considered as a single instrument, such that consideration for one constitutes consideration for all. Because resolution of that particular disagreement won't affect our outcome, we decline to weigh in.

notifies an employee of changes in employment terms, the employee must accept the new terms or quit. If the employee continues working with knowledge of the changes, he has accepted the changes as a matter of law." *Id.*

Now properly oriented in Texas law regarding at-will employment, we can consider whether the AREA is a valid modification of the employment relationship between Parsons and Romano. A modification is valid if the employee (1) had notice of the change; and (2) accepted the change. *Id.*

Notice of a change in employment must be unequivocal and definite. *Id.* Here, as outlined above, Parsons provided a detailed email explaining the three agreements and their relationship with one another. Further, the AREA explicitly explained:

> Employee acknowledges that he is employed solely by Employer in the United States of America as an at-will employee and receives all their employment benefits in accordance with the State of Texas and the Federal laws of the United States of America. . . . The Employee's employment services will be performed under the auspices of another affiliate of Employer, Parsons Ingenieria S. de R. L. de C.V. . . .
>
> Employee has signed or will sign a labor agreement with Parsons Ingenieria (the "[Local Agerement]") which contract is a requirement of Mexican Federal Labor Law . . . in order for Employee to work in Mexico on the Project. This Agreement affects certain rights that Employee would otherwise have under Mexican law and the [Local Agreement]. Specifically, Employee voluntarily waives certain of those rights and to undertake additional obligations toward Employer as described herein in consideration of being employed by Employer on the Project and receiving compensation and benefits he would not otherwise receive. . . .
>
> The Employee waives the right to make any claims to any employment, social security or any other type of benefit that could be afforded to him by the Mexican Labor Law, the Mexican Social Security Law or any other Mexican law in connection with the employment services performed for Employer or its related companies in Mexico.

Despite the straightforward explanation in the AREA, Romano argues that he did not have notice that the AREA was modifying his employment relationship because the Local Agreement, to which the AREA refers, states that it "may only be modified, suspended, rescinded or terminated in the cases and under the terms provided herein and in the Federal Labor law." Therefore, Romano argues, he could not have had notice of which agreement controls.

Romano's argument feigns ignorance. The AREA explicitly and unequivocally stated its purpose and effect: that to continue receiving U.S. employment benefits, Romano must waive rights he would otherwise have under Mexican law. For Romano's argument—that he did not have notice—to have merit, it must be true that Romano did not believe, or at least doubted whether, the AREA had any effect. In light of the email explaining the relationship of the three agreements, the unequivocal expressions in the AREA itself, and Romano's subsequent conversations with Parsons regarding the agreements—wherein he sought clarification on matters he was unclear about but did not express concerns regarding the AREA—there can be no doubt that Romano received clear notice of the modifications to his employment relationship with Parsons.[8]

[8] Romano points to two cases to insist that he did not have notice of the modification to his employment arrangement, but both cases are inapposite. For instance, in *Hathaway*, the Texas Supreme Court found that the employee did not have sufficient notice of a definite change to his employment terms where, after complaining of proposed change, the employee's superior told him "not to worry about the change" and that he "would take care of the problem." 711 S.W.2d at 229. Similarly, in *Moran v. Ceiling Fans Direct, Inc.*, we found a lack of notice where the employer orally noted that the company would be introducing a new arbitration policy, but it failed to read the policy to the employees, explain the new arbitration policy, ensure that employees received a copy of the policy, or require employees to sign an acknowledgment of the policy (though they were required to sign acknowledgments of other policies). 239 F. App'x 931, 936–37 (5th Cir. 2007) (unpublished). Further, the employer repeatedly told employees that the company "would take care of them" and "not to worry" about the arbitration agreement. *Id.* at 937. In contrast to the equivocation presented in these cases, Parsons was thorough and unwavering in its explanation of the AREA and its requirement that it be executed as a condition of employment.

Because Romano does not contest that he accepted the modifications by signing the AREA and continuing his employment with Parsons, and we have determined that he had sufficient notice of the changes, we conclude that the AREA is a valid modification to Romano's at-will employment relationship with Parsons. The district court was, therefore, incorrect to find the agreement invalid for lack of consideration.

C

The district court further found that the AREA is unenforceable because "it is an explicit attempt to circumvent Mexican employment laws." Quoting *Access Telecom*, the district court noted that "a contract made with a view of violating the laws of another country, though not otherwise obnoxious to the laws either of the forum or of the place where the contract is made, is illegal and will not be enforced." 197 F.3d at 707. But this quote from *Access Telecom* cuts off the discussion far too quickly. In *Access Telecom*, we went on to analyze what that general principle means today and noted that "modern choice of law analysis in Texas applies the law of the forum with the 'most significant relationship' to the contract in question." *Id.* (internal citation omitted). And so, it is entirely possible that "a contract legal in the U.S. may be illegal in Mexico, yet under choice of law analysis, Mexican law might not be chosen to apply." *Id.* And "[i]f Mexican law does not apply to determine validity, then to say the contract is illegal in Texas because it violates Mexican law reverts too quickly back to a discarded conclusion." *Id.*

So, despite the district court and Romano's suggestion otherwise, we need not invalidate an agreement simply because that agreement is contrary to the laws of the country where the contract is performed. *Id.* Instead, we will defer to foreign law if one of two circumstances exists: the contract presents a party with a catch-22; or the principle of comity so requires. *Id.* at 708.

First, we will defer to foreign law and invalidate an agreement if the contract—legal in the United States but illegal in Mexico—presents a catch-22 for one of the parties, such that the party must choose to either face liability in Mexico or face breach of contract claims in the United States. *Id.* This situation is not present here. Because Romano is not obligated to pursue Mexican labor benefits, he is not breaking Mexican law by honoring the terms of his contract with Parsons. *See id.*

Second, we will defer to foreign law if the principle of comity demands it. *Id.* Comity follows the "golden rule": do unto others as you would have them do unto you. *See id. Access Telecom* points to *Ralston Purina Co v. McKendrick* as an example where comity would be required. There, Texas invalidated a contract to export goods into Mexico because, under Mexican law, the exporters were smugglers who did not have the necessary Mexican licenses for their ventures. 850 S.W.2d 629, 639 (Tex. App.—San Antonio 1993). The *Access Telecom* court explained that, had the court been applying the modern analysis, the principle of comity would have been a strong basis for holding the contract illegal. 197 F.3d at 708. We would invalidate a contract that requires smuggling goods from Texas into Mexico, even if the individuals legally owned the goods in the United States, because we would want Mexico to do the same in return.

Romano argues that the principle of comity applies here by drawing an analogy to Fair Labor Standards Act.[9] He proffers that the United States would expect a Mexican court to apply the FLSA to a Mexican citizen working

[9] Romano also argues that the contract is unenforceable because it is against public policy in Texas to permit waivers of intentional torts, including "illegal termination." However, Romano has not demonstrated why his termination would constitute a tort under Texas law. He was an at-will employee, and there is no suggestion that Romano was terminated for declining to perform an illegal act. *See Safeshred, Inc. v. Martinez*, 365 S.W.3d 655, 659 (Tex. 2012).

in the United States. But we're not so convinced. First, for the comparison to work, we would need to assume that the Mexican citizen originally entered into the employment relationship with a Mexican employer while in Mexico for a temporary assignment in the United States and later received Mexican unemployment benefits. Second, we would have to assume that the employer paid the employee in Pesos and had offered the employee benefits greater than those required in the United States in exchange for his relinquishment of FLSA rights. And under those more analogous circumstances, it is unlikely that the United States has any expectation that Mexico would follow the "golden rule."

To this point, Parsons highlights cases where courts of varying jurisdictions declined to apply the principle of comity in similar circumstances. *See, e.g.*, *Thermo Fisher Scientific Inc. v. Ducharme*, 2008 WL 11399557 (S.D. Tex. Sept. 30, 2008) (declining to apply the principle of comity to invalidate agreement waiving a U.S. employee's right to sue his U.S. employer and its Mexican subsidiary for severance benefits under Mexican law); *de Leon v. Tesco Corp.*, 2006 WL 3313357 (Tex. App.—Houston Nov. 16, 2006) (upholding declaratory judgment in favor of employer where employee violated agreement by seeking Mexican labor benefits he had waived); *VF Jeanswear Ltd. P'ship v. Molina*, 320 F. Supp. 2d 412 (M.D.N.C. 2004) (granting summary judgment in favor of employer where employee sought additional severance benefits available under Honduran law after waiving her right to do so). While these cases are not binding on this court, they do suggest that U.S. courts do not have a clear expectation that foreign courts will enforce U.S. labor laws, such that the principle of comity would require us to enforce the labor laws of foreign nations when the parties have knowingly assented to be bound instead by U.S. law.

Finally, Romano argues that the agreement is unenforceable because Parsons intended to break the laws of Mexico. *See Access Telecom*, 197 F.3d at

708 (noting that there "appears to be" a public policy interest in precluding domestic forums from encouraging willful attempts to break foreign laws). But the record does not support this contention. Parsons provided Romano with the Local Agreement as required by Mexican law, which accurately set forth Romano's salary, work hours, holidays, and other terms of their employment agreement that were not affected by the AREA. That Parsons then amended the applicability of certain terms referenced in the Local Agreement does not reflect a willful violation of Mexican law. This is particularly true as Parsons expressly informed Romano that the agreements were developed in consultation with both U.S. and Mexican attorneys and asked Romano to raise any questions he had about the agreements, which further suggests that Parsons intended to act within legal confines.

Because the AREA does not create a dilemma for the parties, forcing them to choose between U.S. contract damages and Mexican liability, the principle of comity does not require us to apply Mexican law over Texas law, and Parsons did not attempt to willfully violate Mexican law, the district court erred in finding the AREA unenforceable.

IV

Romano, a U.S. citizen, entered into an at-will employment relationship with a U.S. corporation and, in exchange for a higher salary and other perks, waived his right to seek certain benefits afforded by Mexican labor law. We will not now override the parties' freely executed contract to enforce Mexican law over Texas law and deprive Parsons the benefit of its bargain. Instead, we determine that the AREA is a valid, enforceable contract. We therefore

REVERSE the district court's ruling and GRANT summary judgment in favor of Parsons.[10]

[10] Because we grant summary judgment in favor of Parsons on its breach of contract claim, we don't reach its alternative claims regarding declaratory relief or unjust enrichment.

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

3D/INTERNATIONAL, INC.	§	
PARSONS INTERNATIONAL LTD.	§	
AND PARSONS INGENIERIA,	§	
S. DE R.L. DE C.V.	§	CIVIL ACTION NO. 4:18-cv-2432
	§	
VS.	§	
	§	
JOSEPH F. ROMANO	§	

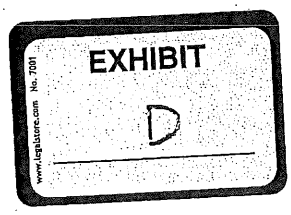
DECLARATION OF SERGIO ROGELIO SANCHEZ CORTES

Sergio Rogelio Sanchez Cortes declares, pursuant to 28 U.S.C. 1746, the following:

1. My name is Sergio Rogelio Sanchez Cortes. I am a citizen of Mexico, a licensed Mexican attorney and partner of the law firm EC-LEGAL MEXICO, S.C. at its Juarez, Mexico office. I practice labor law in Mexico and have been a practicing labor Law for over 45 years. In that capacity, I was President of the Conciliation and Arbitration Special Labor Court III, 1971, and President of the Special Labor Court Number II, 1971-1977, at Juarez, Chihuahua, Mexico, I have represented many clients before Mexican Labor Boards and I am familiar with the applicable laws, statutes, rules of evidence and proceedings.

2. I have reviewed Plaintiffs' Original Petition, Defendant's Motion to Dismiss and Alternatively, Motion to Quash, as well as Mr. Romano's declaration and Plaintiffs' Response to Defendant's Motion to Dismiss and attachments. I have also reviewed some of Parsons' employment documents related to Mr. Romano and Mr. Romano's Mexico labor lawsuit. In that regard, I have also reviewed the specific documents which are attached hereto as Exhibit D-1. These include the Parsons employment documents as well as the economic contingency (Mexico severance calculation) sought by Mr. Romano in his Labor lawsuit. I have also reviewed a contract used by HR Payroll Mexico, S.A. de C.V., which is a Mexican entity subcontracted by Parsons for its staffing services when such persons are employed in Mexico under Mexican law. I have also considered the following Mexican laws: Article 123 section A of the Mexican Constitution, as well as the applicable provisions of the Federal Labor Law, including sections 2, 20, and 37, as well as the Amparo Law (habeas corpus Law) including Article 79 section V.

3. Mr. Romano filed a labor lawsuit in Mexico seeking compensation according to Article 123 of the Mexican Constitution and Mexican Federal Labor Law. Under the Mexican Constitution and Mexican Federal Labor Law, a person who renders services or labors in Mexico (of whatever nationality or origin) is entitled to benefits from his employer if he is dismissed from his job without justifiable cause. Employer is defined very broadly under Mexican law and encompasses persons or entities who obtain the benefits of such services or labor, even without an employment agreement.



4. Pursuant to the Mexican Constitution and Federal Labor law, employees who are unjustifiably dismissed are entitled to severance, which includes the following: 3 months' salary, 20 days salary for each year worked, 12 days at double the minimum wage in the area for every year worked and any other accrued benefit in arrears up to the termination date. Such benefits include overtime, a yearly Christmas Bonus (or end of year bonus) of at least 15 days salary, paid vacation, paid vacation premium of a minimum of 25% up to an unlimited amount for each year worked, plus company bonuses. In addition, the employer has the burden of prove that the employee was terminated for a justified cause or that he resigned and/or left the job. Otherwise, the employee will be entitled to receive a full severance, which includes the items mentioned above plus lost wages from the time of the dismissal for up to one year. After one year, interest accrues at rate of 2% per month based on the sum of 15 months' integrated salary until the employer pays the judgment.

5. The 3 months' salary, 20 days salary for each year worked, 12 days salary at double the minimum wage in the area for every year worked, and lost wages are calculated by determining the employee's daily integrated salary. Under Mexican law, "daily integrated salary" is the average of all payments and benefits received by the employee in exchange for the services rendered during the last 12 months worked. This includes the employee's base salary, minimum mandatory benefits (Christmas bonus and vacation premium), contractual benefits (savings fund, food coupons, bonuses, stock options plans, company car and related expenses, life insurance, medical insurance, access to health/sports clubs), and any other benefit paid to the employee on a regular basis in exchange for his services. Here, it includes the payment by Parsons of Mr. Romano's children's tuition, all of which are detailed in paragraph 4 of Mr. Romano's labor lawsuit. Mr. Romano stated in his Mexican labor complaint that he received a monthly salary payment of MXN $341,040.02 (approximately $18,384.90 USD) plus the respectively payment of the following benefits, which for purposes of the severance calculation must integrate his salary:

Concept	**Daily Amount**	**Monthly Amount**	**Annual Amount**
Base salary	MXN $11,368.00	MXN $341,040.02	MXN $4,149,320.24
10% annual bonus	MXN $1,136.80	MXN $34,104.00	MXN $414,932.02
Private Medical Insurance	MXN $219.18	MXN $6,575.34	MXN $80,000.00
Dental Insurance	MXN $164.38	MXN $4,931.51	MXN $60,000.00
Vision Insurance	MXN $54.67	MXN $1,640.22	MXN $19,956.00
Basic Life Insurance	MXN $69.92	MXN $2,097.72	MXN $25,522.20
Business Accident Travel	MXN $123.29	MXN $3,698.63	MXN $45,000.00
PP (401 K) Company Match	MXN $1,200.00	MXN $36,000.00	MXN $432,000.00
Employee stock option	MXN $1,461.37	MXN $43,841.10	MXN $533,400.00
Education allowance	MXN $2,477.35	MXN $75,352.77	MXN $904,233.24
Housing allowance	MXN $2,531.51	MXN $77,000.00	MXN $924,000.00
Living allowance	MXN $420.20	MXN $12,781.00	MXN $153,372.00
Compensation	MXN $9,598.23	MXN $287,946.75	MXN $3,455,361.00
Transportation	MXN $213.70	MXN $6,500.00	MXN $78,000.00
Vacation premium	MXN $272.52	MXN $8,289.17	MXN $99,470.01
Christmas bonus	MXN $467.18	MXN $14,210.00	MXN $170,520.01
Tax Protection	MXN $872.83	MXN $26,548.50	MXN $318,582.00
Total Integrated Salary (MXN)	**MXN 32,651.12**	**MXN $982,556.73**	**MXN $11'863,668.72**
Total Integrated Salary (USD)	**USD $1,760.16**	**USD $52,968.02**	**USD $639,550.87**

6. Based on the alleged facts and claims stated in Mr. Romano's labor lawsuit, he is seeking to recover U.S $1,248,768.06 as of January 11, 2019. This is derived as follows:

Mexican Lawsuit Economic Contingency	
Concept	**Currency MXN**
90 days per integrated salary	$2,938,600.80
20 days per each year of services rendered	$1,665,654.40
Lost wages (one year)	$11,917,658.80
Christmas bonus prorated 2017	$98,574.58
Vacations prorated 2017	$230,007.34
Vacation bonus prorated 2017	$57,501.84
10% Annual bonus prorated 2017	$239,864.80
Seniority premium	$5,409.08
Mandatory holidays	$159,152.00
Overtime	$295,568.00
Local & Federal Tax Protection	$332,378.90
	$3,598,700.00
Education Allowance	$75,352.77
Private Medical Insurance	$80,000.00
Basic Life Insurance	$25,522.00
Visual Insurance	$19,956.00
Business Travel Accident Insurance	$45,000.00
2% monthly interest accrued to January 2019	$1,018,714.94
Total MX:	**$22,729,826.40**
Total USD	**$1,248,768.06**

The above sum continues to increase by U.S. $16,146.16 per month until paid in full; this amount may vary, according to the value of the US dollar, as well as all economic concepts.

7. Lost wages or severance continues to accrue regardless of whether the employee has a new job and is receiving wages; that is, there is no offset or credit for such new salary or employment. I understand Mr. Romano is now or was employed by another employer. Although he is or was employed, such salary or benefits will not affect or be credited to the lost wages that continue to accrue against Parsons.

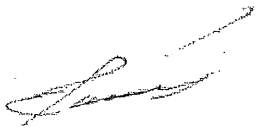
8. The Mexican Labor Lawsuit cannot be combined with any other claim or civil action. There is no civil cause of action under Mexican law to avoid paying the compensation mandated by the Mexican Constitution and Federal Labor Law, nor can the Plaintiffs here file any civil action in Mexico to recover any monies or compensation paid to Mr. Romano under Mexican labor law relating to his employment. The Labor tribunal has exclusive jurisdiction over Mr. Romano's labor claims and no other claims or defenses can be asserted to reduce or avoid paying his severance and compensation under Mexican law. The labor courts do not hear or resolve civil issues outside of labor claims, and Mexican civil courts do not hear or resolve labor claims.

9. There is no legal remedy available under Mexican law to a U.S. employer to prevent a person who performs services or labor in Mexico from obtaining severance and benefits under Mexican law as well. There is no waiver or release of such claims under Mexican law. The Mexican Labor Law does not consider the benefits and salary paid by an employer in the U.S. for purposes of reducing or eliminating payment in Mexico under Mexican law. The concept of "at will" employment does not exist under Mexican law. The Federal Labor Law is the main employment law in Mexico. This law sets forth: a) all minimum benefits that employees are entitled to receive; b) the employee and employer rights and obligations; and, c) the procedural provisions for labor litigation cases in Mexico. Unlike other countries where employment-at-will is the general rule, in Mexico employment relationships are based on the principle of "Job Stability", which means that the employees have the right to keep their job as long as the nature of the work continues, or the employee is terminated with a justified ground for dismissal. Otherwise, terminating an employee for any other reason or cause rather than the grounds for dismissal listed on Article 47 of the Federal Labor Law will be considered as a wrongful dismissal and the impacted employee will be entitled to receive the full severance payment.

10. In Mr. Romano's Mexico labor lawsuit, Parsons bears the entire burden to demonstrate his last employment conditions and that he was dismissed for a justified cause. Mr. Romano will almost certainly prevail in his Mexican labor lawsuit. Mexican labor law was drafted strongly in favor of employees who render services in Mexico, no matter where else or how else they are compensated. Mexico is not an adequate or available forum for Plaintiffs to litigate or raise any arguments concerning their employment arrangements with Mr. Romano in the United States. Parsons will not be able to argue that the claims were released, waived or compromised.

I declare under penalty of perjury under the laws of the United States of America that the above and foregoing is true and correct.

Executed on this 15th day of January, 2019.



SERGIO ROGELIO SANCHEZ CORTES

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

3D/INTERNATIONAL, INC.	§	
PARSONS INTERNATIONAL LTD.	§	
AND PARSONS INGENIERIA,	§	
S. DE R.L. DE C.V.	§	CIVIL ACTION NO. 4:18-cv-2432
	§	
VS.	§	
	§	
JOSEPH F. ROMANO	§	

DECLARATION OF ANGELA DYGERT

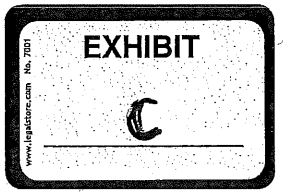
Angela Dygert declares, pursuant to 28 U.S.C. § 1746, the following:

1. My name is Angela Dygert. I am a talent management advisor for Parsons, as well as its custodian of records with respect to this matter. In such capacity, I am responsible for overseeing and managing the employment of various persons at Parsons and its subsidiaries. I am also familiar with the corporate relationship between Parsons Corporation, 3D/International, Inc. ("3D"), and Parsons Ingenieria, S. de R.L. de C.V. ("Parsons Ingenieria")(collectively "Parsons"). 3D and Parsons Ingenieria are subsidiaries of Parsons Corporation. 3D is a Texas Corporation. I am familiar with the manner in which Parsons' records are created and maintained by virtue of my duties and responsibilities. I have reviewed Parsons' business records and my statements are based on such records and my discussions with employees and agents of Parsons with knowledge of such events.

2. Mr. Romano began working on the project in January 2015 after signing his offer letter. Like other U.S. citizens working for Parsons in Mexico, Mr. Romano was presented with several documents to execute, an Individual Employment Contract, a Long Term International Assignment Agreement and an Agreement Regarding Employment Arrangements ("AREA"). He executed all three and such documents were also executed for Parsons by James Sumwalt on the dates listed on the documents.

3. Had Mr. Romano not signed the agreements, Parsons would not have continued to employ him in Mexico. He would have been demobilized. Parsons relied upon Mr. Romano's execution of the Agreement Regarding Employment Arrangements to continue to employ him.

4. Mr. Romano was paid under U.S. law by 3D, his employer. In fact, his W-2 was issued by 3D. Mexican citizens hired under Mexican law receive different compensation and benefits than those provided to Mr. Romano and are employed in Mexico by a Mexican entity, HR Payroll Mexico, S.A. de C.V., which is subcontracted by Parsons for its staffing services. Mr. Romano not only received a higher salary for working in Mexico, but he was also provided with greater benefits such as life insurance, health insurance, retirement accounts including a 401(k), payment of his children's private school tuition, and an Employee Stock Ownership Plan. These items (life



insurance, health insurance, 401(k), stock options) are neither offered nor provided to persons employed in Mexico under Mexican law. An example of an employment agreement in Mexico under Mexican law is attached as Exhibit C-9

5. Mr. Romano's filing of suit against Parsons Mexico violates the AREA. He released such entities and promised not to file any claims in Mexico for additional benefits. Mr. Romano also sought and received unemployment benefits in Texas. The records reflect he received $494 in unemployment benefits the last quarter of 2017. In addition, Parsons Mr. Romano elected to receive family medical, dental and vision benefits through Parsons by paying his portion of the cost of same through February 2018. Parsons thereafter continued to pay for and provide him with such health benefits through September 2018, even though Mr. Romano failed to continue remitting payment for his portion of the cost after February 2018. Finally, Mr. Romano sought and received short term disability coverage through Parsons' insurance in August 2018, and such was approved and paid to him for the period of August 2018 through October 2018.

6. The records attached hereto are true and correct copies of the originals, are kept by Parsons in the regular course of business, and it was the regular course of business of Parsons for an employee or representative of Parsons, with knowledge of the act, event or condition, recorded to make the record or to transmit information thereof to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The records attached hereto are the original or exact duplicates of the original:

Exhibit Number	Description
C-1	Parsons Job Offer Letter
C-2	Individual Employment Contract
C-3	Long Term International Assignment Agreement
C-4	Agreement Regarding Employment Arrangements ("AREA")
C-5	Joe Romano's Texas Unemployment Claim against 3D
C-6	Insurance Coverage Page for Joe Romano
C-7	Joe Romano's W-2
C-8	Mexican labor lawsuit filed by Joe Romano and English translation
C-9	Mexico employment contract for employment under Mexican law
C-10	Response by Parsons' insurer to Joe Romano's Short Term Disability request

C-11 Job offer for Houston Airport and Joe Romano's email response

I declare under penalty of perjury under the laws of the United States of America that the above and foregoing is true and correct.

Executed on this 14th day of January, 2019.

ANGELA DYGERT

ROMANO JOSEPH FREDERICK

VS

PARSONS INGENIERIA, S. DE R.L. DE C.V.

Employment claim hereby filed

Action: Reinstatement for wrongful dismissal

HONORABLE LOCAL CONCILIATION AND ARBITRATION LABOR BOARD IN MEXICO CITY.

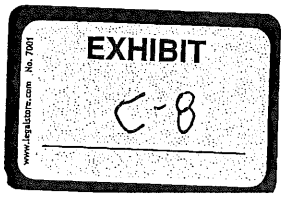
PRESENT

EDUARDO LUNA MERCADO, as attorney in fact of plaintiff, **ROMANO JOSEPH FREDERICK**, authority which I evidence and request to it be acknowledged as per the terms of the proxy letter attached hereto and under article 692 of the Federal Labor Law, hereby authorize the following attorneys at law, Messrs. Emilio Alberto Matlalcuatzi Mendieta and Oscar Andoni Correa Ruiz, and appoint as domicile to hear and receive all kinds of notices and documents, the one located at Blvd. Manuel Avila Camacho 158, 9th Floor, Col. Reforma Social, Del. Miguel Hidalgo, C.P. 11650, Mexico City, hereby respectfully appear before you and represent:

That pursuant to this writ and under articles 712 and 740 of the Federal Labor Law and on behalf of my principal, hereby formally file a claim against:

a) PARSONS INGENIERIA, S. DE R.L. DE C.V., 3D/INTERNATIONAL INC., and PARSONS INTERNATIONAL, INC. and/or whoever is responsible or owner of the work place whose main purpose is **the construction of public federal works awarded to private entities, as well as the planning and construction of the New Mexico City Airport, pursuant to the public contract, all of which shall be offered as evidence at the appropriate procedural stage of this trial.** The defendants form a single economic unit pursuant to article 16 of the Federal Labor Law, reason why, all the entities sued can be served at the domicile located at Avenida Insurgentes Sur No. 2453, Interior 6001, Delegacion Alvaro Obregon, Col. Tizapan, in Mexico City, C.P. 01090;

We hereby claim the following benefits from the defendants mentioned herein:



BENEFITS

A) The acknowledgement of the employment relationship between the plaintiff and each one of the defendants, per the terms of articles 8, 10, 13, 14, 15, 16, 20, 25 and other correlative provisions of the Federal Labor Law;

B) The resolution that this Board issues with respect to the illegality in which the defendants operate breaching the provisions of subcontracting regime set forth by articles 15-A, 15-B, 15-C and 15-D of the Federal Labor Law;

C) The compliance of the Individual Employment Contract as well as the diverse agreements entered into between the Economic Unit sued and my principal, honoring the salary category and other circumstances in which he was developing his position, including the increases related to such circumstances;

D) Payment of the lost wages calculated using the daily integrate salary corresponding to my principal, including the increases and improvements given to his salary based on the authorized increase percentage authorized by the National Commission for Minimum Wages, generated as of the date of the wrongful dismissal up until the date in which the favorable award issued by this H. Board is fulfilled;

E) The granting of the salary increases, and improvements given to the salary and other benefits which were granted to plaintiff during the time the labor conflict subsists and up until the date in which the favorable award issued by this H. Board is fulfilled, because of the wrongful dismissal of which my principal was subject;

F) The payment of the year-end Christmas Bonus *(known in Spanish as "Aguinaldo")*, equivalent to 15 days base salary for the period worked for the defendants, considering that such benefit was never paid to my principal;

G) The payment of vacations equivalent to 35 days of salary which includes the extra days which are also described in the employment offer letter sent to my principal, as well as the original agreements he signed with the defendants;

H) The payment of the vacation premium equivalent to 25% for all the time the employment relationship lasted between the defendant and my principal; considering that such premiums were never paid;

I) The payment of the annual bonus agreed upon in the Individual Employment Contract and the different employment offer letters and agreements entered into between the plaintiff

and the defendants, equivalent to 10% of the annual salary, corresponding to the prorated amount of this year, as well as the integration of such amount to the integrated daily salary of the plaintiff for the calculation of indemnities;

J) Payment of the mandatory holidays worked by my principal thorough the whole employment relationship, which is based on articles 73 and 74 of the Federal Labor Law, which are detailed in the chapter of Facts of this claim;

K) The exhibition of records related to the contributions made by Principal to the Workers National Housing Fund Institute *(known in Mexico by its initials as "INFONAVIT" or "Instituto del Fondo Nacional para la Vivienda de los Trabajadores")*, or should the case be, the reimbursement of 5% of the salaries obtained during the whole period the services where rendered by my principal to the defendant and which were deducted to Plaintiff; likewise the records issued by IMSS and AFORE are also required which shall be evidence the evidentiary stage.

L) The nullity of any document that defendant attempts to make valid during this trial, which contains a termination notice or any other document signed by Plaintiff which is interpreted as a waiver of rights by my principal set forth in Chapter "A" of article 123 of the Mexican Constitution, and articles 5, 17, 33 and other applicable provisions of the Federal Labor Law;

M) The issuance, exhibit and delivery before this H. Authority of the records and documents which the defendants are obligated to keep, as well as to present in trial, based on the provisions of articles 132, sections VII, VIII, XVII and XVIII, 784, 804 and 805 of the Federal Labor Law, which are detailed in the chapter of Facts of this claim;

N) If the Defendant should offer my Principal his reinstatement in the corresponding position and category, I hereby request this H. Board to require the Defendant to deliver plaintiff in terms of law an employment constancy letter which clearly states its seniority, real salary, position, work place, work shift , benefits, etc., which he had and will have again, including its salary improvements;

O) The payment of all the extra hours pursuant to the chapter of Facts of this claim;

P) The reimbursement of the illegal deductions that as "Advance Salary" were deducted to my principal which of course were never received as advance salary, and which were regularly an average of almost 100,000.00 pesos, and thus, based on article 110 and 516 of the Federal Labor Law are firstly illegal as they exceed the amounts allowed by law and

secondly, have forfeited as they do not establish when were those payments as advance salary were made.

Q) The payment and salary integration made with respect to the concept of "COMPENSATION" which was commonly paid to my principal as payment for his subordinated services, in the terms of the chapter of Facts of this claim;

R) The payment and salary integration made every month with respect to the concept of housing allowance, education allowance, living allowance and transportation by the defendants to my principal as payment for his subordinated services, in the amounts and terms set forth in the chapter of Facts of this claim;

S) The payment of the local Tax Protection agreed upon with the company to avoid that my principal would incur in tax expenses in his home country (the United States of America) which was consistently paid by the employer. Such protection was acknowledged and agreed upon even on the latest dates by Tina Pfalzgraft and Perfecto Solis, both representatives of the defendants. The amounts to be covered for such concepts amount to $17,918.00 American Dollars;

T) The payment of the federal Tax Protection agreed upon with the company to avoid that my principal would incur in tax expenses in his home country (the United States of America) which was consistently paid by the employer. Such protection was acknowledged and agreed upon even on the latest dates by Tina Pfalzgraft and Perfecto Solis, both representatives of the defendants. The amounts to be covered for such concepts amount to $194,000.00 American Dollars;

U) The payment of the benefit known as Stock Option which my principal received every year, and which form, and method of payment are set forth in the document known as "PARSONS INTERNATIONAL US" Domestic Payroll 2014 Benefits Highlights Brochure, Enrollment Guide and Benefit Summaries, which describes all the benefits and considerations to which my principal is entitled. It is important to mention that such document is known by Tina Pfalzgraft, Leanne Rogers and Perfecto Solis, all of them, employees and members of the group of the defendants;

V) The payment and salary integration that 3D International Inc., through MARK HAWLEY offered to my principal on June 1st, 2016 so that my principal could cover the cost of the schools of two of his younger daughters at GREEN GATES SCHOOL here in Mexico and which amounts to $75,352.77 Mexican pesos per month, as evidenced in the payroll slips which the defendants issued to my principal, as well as the document known as

"ADDENDA TO THE ASSIGNMENT AGREEMENT OF JOSEPH ROMANO", which shall be offered at the evidentiary stage;

W) The payment and integration of the following concepts:

- Private Medical Insurance for an amount contributed by the employer equivalent to $80,000.00 pesos per year;
- Basic Life Insurance for an amount contributed by the employer equivalent to $25,522.20 pesos per year;
- Vision Insurance for an amount contributed by the employer equivalent to $19,956.00 pesos per year;
- Dental Insurance for an amount contributed by the employer equivalent to $60,000.00 pesos per year;
- Business Accident Travel Insurance for an amount contributed by the employer equivalent to $45,000.00 pesos per year;

Amounts from which we are also demanding the salary integration, as under the Supreme Court's criteria, when such concepts are paid to the employee by way of contribution and in cash, they integrate salary pursuant to article 89 of the Federal Labor Law.

Severally to the above and without it being an acknowledgement of any circumstance, as well as for the case that defendant should refuse to reinstate plaintiff, the following concepts are also hereby claimed:

a) The severance payment, equivalent to 90 days of Daily Integrated Salary;

b) The severance payment, equivalent to 20 days per year of services rendered calculated using the Daily Integrated Salary described in the chapter of Facts of this claim;

c) Payment of the seniority premium due to the wrongful dismissal suffered by my principal under the terms of article 162 of the Federal Labor Law;

d) Payment of all the benefits corresponding to my principal, described in the above section and those which by law, my principal is entitled to receive in the above-mentioned terms for the time he rendered his services to the defendant;

e) Payment of the demobilization for the employee and his family as well as the freight and mobilization of the family household pursuant to the terms of the agreements of July 27, 2015 and the corresponding addendums.

This claim is grounded on the following facts and considerations of law:

FACTS

1.- On December 17, 2014, my principal received an employment offer letter whereby defendants specified the benefits that my principal would have the right to receive during the employment relationship and a brief explanation of his assignments upon his arrival in Mexico and the start of his labor relationship which would be some days later January 2015. The employment offer letter mentioned herein, sets forth different benefits to which my principal would be entitled during the employment relationship, which have been specified in the preceding antecedent; such employment offer letter was signed and issued by Cheryl-Marie Hansberger in representation of the defendants; such person appeared in such letter as "Talent Management-Aviation Division."

2.- Once the employment relationship had begun, the defendants obliged my principal to sign a contract known as LONG TERM INTERNATIONAL ASSIGNMENT AGREEMENT ("LTIAA"), Mexico City, Mexico; such document is signed by the legal representative of the defendants. Such situation occurred on July 23, 2015 and is important to mention to this authority that such document contains diverse waivers of rights which the defendants tried to make valid, but that of course and pursuant to the Federal Labor Law's provision and the jurisprudence issued by the Supreme Court of this country, are null. It is important to consider that such document also contains some of the benefits, considerations and allowances that my principal has the right to receive for rendering his subordinated services in Mexico. In such document it was also agreed the tax protection to which I referred in the chapter of benefits abovementioned and which was also paid to my principal for the rendering of his subordinated services. One more thing that is important to mention is the vacation period and days off which the employee was entitled to enjoy pursuant to such document, which was a total of 35 days per year, which are claimed as vacation payment and which defendants never paid to the plaintiff.

3.- With the passage of time, at the end of 2016 and in violation of the requirements set forth for the Subcontracting Regime under the Federal Labor Law, the company offered to sign an Individual Employment Contract (by its name in Spanish *"Contrato Individual de Trabajo"* "CIT"), where some of the benefits which have already been set in other documents and other rights were included and which were never paid such as, Vacations, Christmas Bonus and Vacation Premium, without such legal benefits being covered to my principal during the labor relationship.

4.- The Plaintiff agreed with the employer, from the beginning of the employment relationship, as well as in different documents, that as an economic unit, several benefits, considerations and allowances would be paid, and which integrate the salary of my principal, as evidenced with the Payment Slips, Employment Offer Letter (*"Oferta de Trabajo"* "OT"), signed by the defendant's representatives, Individual Employment Contract (CIT) and other documents referred to in this writ. Under such terms, the employee would receive a base salary and a daily integrated salary in the following terms:

Concept	Daily Amount	Monthly Amount	Annual Amount	Document evidencing such amount
Base Salary	$11,368.00	$341,040.02	$4,149,320.24	Payroll slip
Year-end bonus	$1,136.80	$34,104.00	$414,932.02	OT
Private Medical Insurance (employer contribution)	$219.18	$6,575.34	$80,000.00	OT, CIT and LTIAA
Dental Insurance (employer contribution)	$164.38	$4,931.51	$60,000.00	OT, CIT and LTIAA
Vision Insurance (employer contribution)	$54.67	$1,640.22	$19,956.00	OT, CIT and LTIAA
Basic Life Insurance (employer contribution)	$69.92	$2,097.72	$25,522.20	OT, CIT and LTIAA
Business Travel Accident Insurance (employer contribution)	$123.29	$3,698.63	$45,000.00	OT, CIT and LTIAA
PP (401K) Company Match	$1,200.00	$36,000.00	$432,000.00	OT, CIT and LTIAA
Employee Stock Option Plan (ESOP)	$1,461.37	$43,841.10	$533,400.00	Internal Benefit Plan and Policy
Education Allowance	$2,477.35	$75,352.77	$904,233.24	Payment slips
Housing Allowance	$2,531.51	$77,000.00	$924,000.00	Payment slips
Living Allowance	$420.20	$12,781.00	$153,372.00	Payment slips
Monthly Compensation	$9,598.23	$287,946.75	$3,455,361.00	Payment slips
Transportation	$213.70	$6,500.00	$78,000.00	Payment slips
Vacation Premium	$272.52	$8,289.17	$99,470.01	CIT
Christmas Bonus	$467.18	$14,210.00	$170,520.01	CIT
Tax Protection	$872.83	$26,548.50	$318,582.00	Banking statement
Total Daily Integrated Salary	**$32,651.12**			**Article 89 of the Federal Labor Law**

5.- The plaintiff was assigned as defendant's Project Leader for the New Mexico City Airport project with the Communications and Transportations Ministry, in fact, in several documents that the company had agreed upon with such Ministry, plaintiff is acknowledged with the category and referred position, as well as the hours that my principal spent every week and every month in such project as part of the subordinated services hired by the defendant.

With the above, apart from the existing economic unit between the defendants, we shall evidence the violation of articles 15A and 15B of the Federal Labor Law, consistent with the interpretation of what was agreed upon by the company in the Individual Employment Contract, referred in fact number 3 of this writ, the overtime worked by my principal outside of its daily work shift is recognized by the defendants in the documents that are part of the negotiations of the New Mexico City Airport project. Thus, as of this moment I refer to such documents to claim the overtime payment which varies on average at 2 hours a week, considering that my principal worked under a work shift from 8:00 am to 07:00 pm, from Monday through Friday of each week, resting on Saturday and Sunday.

6.- On June 1, 2016, Mark Hawley, as SENIOR PROGRAM DIRECTOR, entered into an addendum known as ADDENDA TO THE ASSIGNMENT AGREEMENT OF JOSEPH ROMANO, as a legal extension to the LTIAA described in fact number 2 of this writ, whereby the defendants acknowledged the employment relationship as well as the economic unit that they constitute.

In such document, the defendants agreed to cover the educational allowance described in section v) of the benefits chapter of this writ and such addendum was signed by the defendant on July 8, 2016 and by the plaintiff on July 7, 2016.

7.- On July 17, 2017, Mr. James Young which acts as VP and SR. PROGRAM DIRECTOR of the defendants notified my principal through a signed memorandum as well as through his electronic mail that the employment relationship would be terminated and that his last day would be July 31, 2017, date until which my principal rendered his subordinated services to the defendant, as afterwards he was deregistered from all internal systems and he was denied access to the company's facility. It is necessary to mention that my principal never incurred in any mis-conduct that would merit termination, likewise, he did not receive any notice from the company whereby he communicated the justified cause for the termination under the law, reason for which this trial in being pursued.

8.- Because of the above, Mr. Sergio Hernandez, who acts as "TALENT MANAGEMENT" requested my principal his resignation letter through a MEMORANDUM signed and sent by e-mail, which of course my principal did not sign. Such situation that strengthens the action claimed herein.

It is evident that it is a wrongful dismissal, and thus, plaintiff hereby requests the intervention of this H. Authority so that it sentences the defendants to the payment of each and every one of the benefits set forth in this writ which were not paid by the defendants; likewise, if the reinstatement of my principal to his former job is denied, I alternatively, request the payment of the severance

payment equivalent to 90 days of daily integrated salary to which my principal is entitled to, as a result of such unjustified termination.

LEGAL GROUNDS

The following legal provisions apply to the substance of this matter, article 123 of the Mexican Constitution, sections, XX and XXI as well as articles 1 through 5, 6, 8, , 9, 10, 11, 17 through 21, 31, 47, 48, 50, 57, 58, 64, 67, 68, 69, 71, 74, 76, 78, 79, 80, 82, 85, 87, 89, 117, 125, 132, sections I and II , 162, 163, 712 and other applicable correlative provisions of the Federal Labor Law.

This proceeding is governed by the provisions of Title XV, Chapter V of the Federal Labor Law.

Based on what has been exposed and explained above;
To you Citizen President of this Honorable Board,

I hereby respectfully request the following:

FIRST. To consider this writ as dully filed and acknowledge as defendants, the parties mentioned herein and to acknowledge the authority I have under the terms of the proxy letter attached hereto, apart from taking note of the domicile set forth herein.

SECOND. To admit this claim and serve with notice the defendants of the claim with the samples attached hereto, and notifying them of the Initial Hearing at the domicile set forth herein.

THIRD. Issue when appropriate the corresponding award stating that the actions claimed herein by my principal should proceed and thus, sentence the defendant to the payment of the claimed benefits.

MEXICO CITY; SEPTEMBER 27, TWO THOUSAND SEVENTEEN

EDUARDO LUNA MERCADO

I SO HEREBY ATTEST