



**In the Matter of:**

**THERESA HAGMAN,**

**ARB CASE NO. 07-039**

**COMPLAINANT,**

**ALJ CASE NO. 2005-SOX-73**

**v.**

**DATE: May 23, 2007**

**WASHINGTON MUTUAL BANK, INC.,**

**RESPONDENT.**

**Appearances:**

***For the Respondent:***

**Bradford K. Newman, Esq., *Paul, Hastings, Janofsky & Walker LLP*, Palo Alto, California**

**FINAL ORDER APPROVING WITHDRAWAL OF RESPONDENT'S  
PETITION FOR REVIEW AND DISMISSING APPEAL**

On December 19, 2006, a Department of Labor Administrative Law Judge (ALJ) issued a Recommended Decision Awarding Front Pay and Reduced Attorney Fees (R. D.) in this case arising under the Corporate and Criminal Fraud Accountability Act of 2002, Title VIII of the Sarbanes-Oxley Act of 2002 (SOX),<sup>1</sup> and its implementing regulations.<sup>2</sup> The ALJ found that the

<sup>1</sup> 18 U.S.C.A. § 1514A (West 2007). Title VIII of Sarbanes-Oxley is designated as the Corporate and Criminal Fraud Accountability Act of 2002. Section 806 provides protection to employees against discrimination by companies with a class of securities registered under section 12 of the Securities Exchange Act of 1934, 15 U.S.C. § 78l, and companies required to file reports under section 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(d), or any officer, employee, contractor, subcontractor, or agent of such companies because the employee provided information to the employer, a Federal agency or Congress relating to alleged violations of 18 U.S.C. 1341, 1343, 1344, or 1348, or any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders. In addition, SOX protects employees against discrimination when they have filed, testified in, participated in, or otherwise assisted in a proceeding filed or about to be filed against one of the above companies relating to any such violation or alleged violation. 18 U.S.C.A. § 1514A (a)(1), (2).

<sup>2</sup> 29 C.F.R. Part 1980 (2006).

Complainant, Theresa Hagman, reasonably rejected Washington Mutual Bank's offer of reinstatement based on the hostility the Bank's managers exhibited towards her and the likelihood of a dysfunctional work environment upon reinstatement. Accordingly the ALJ ordered the Bank to pay Hagman damages, including front pay, and attorney's fees.

On January 4, 2007, the Bank filed with the Administrative Review Board (Board) a petition requesting the Board to review the R. D. The Board issued a Notice of Appeal and Briefing Schedule. The Bank filed a motion requesting an extension of time in filing its brief so that the parties could engage in mediation. The Board granted the Respondent's request for an extension of time.

On April 30, 2007, the Board received the Respondent's request that its Petition for Review be withdrawn and its appeal be dismissed. If the Board grants a party's request to dismiss its appeal, the administrative law judge's decision in the case becomes the final decision of the Secretary of Labor.<sup>3</sup> Accordingly, we **GRANT** the Bank's Request to withdraw its Petition for Review and **DISMISS** its appeal.

**SO ORDERED.**

**M. CYNTHIA DOUGLASS**  
**Chief Administrative Appeals Judge**

**OLIVER M. TRANSUE**  
**Administrative Appeals Judge**

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<sup>3</sup> See 29 C.F.R. § 1980.109(c). *Accord Johnson v. EG&G Def. Materials, Inc.*, ARB No. 06-067, ALJ No. 2005-SDW-2, slip op. at 2 (ARB May 25, 2006).