

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("AGREEMENT") is entered into by and between the Kansas Department for Children and Families ("DCF") and Hysell & Wagner LLC a/k/a Kansas Reading Roadmap, Inc. ("H&W").

This AGREEMENT is made with reference to the following facts:

- A. H&W operated the Kansas Reading Roadmap program ("KRR") under grants and contracts from DCF during the period from 2014 to 2019;
- B. In 2019, DCF terminated the remaining contract grant for convenience;
- C. On September 20, 2019, DCF issued its final audit report regarding KRR activity that included H&W for the audit period of February 1, 2014 to December 31, 2015;
- D. H&W filed an administrative appeal before the State of Kansas Office of Administrative Hearings ("OAH"), which was given Appeal No. 20PO186 AUD ("the Administrative Appeal"), and remains pending;
- E. The Parties wish to settle their differences without resort to further litigation; and
- F. The Parties have decided to fully and finally settle the Administrative Appeal and any and all claims they have or may have against each other, known or unknown, fixed or contingent, without limitation.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree to be legally bound by the following terms and conditions, which constitute full settlement of any and all disputes between them.

1. **Recitals**: The Parties acknowledge the recital clauses above as true and correct, and are incorporated herein as material parts to this AGREEMENT.
2. **Consideration**: The Parties understand and agree that they would not receive the monies and/or benefits specified in this Paragraph but for the execution of this AGREEMENT and the fulfillment of the promises contained herein. As consideration for signing this AGREEMENT and compliance with the promises made herein:
 - (A) **Settlement Sum**: DCF agrees to pay H&W, and H&W agrees to accept in full satisfaction of any amount which it could claimed on account of its prior contracts and/or grants the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), via a check made payable to Hysell & Wagner, LLC within 30 days after DCF's counsel has received a copy of this AGREEMENT fully executed.
 - (B) **Audits**: In addition to the General Release of Claims, DCF expressly agrees to

waive any claim arising out of its September 20, 2019 final audit report regarding 2014 and 2015, and to not initiate an audit of those or any other years regarding H&W's work on KRR. In addition to the General Release of Claims, H&W waives any claim based on alleged reputational harm under any legal theory that it has allegedly suffered as a result of DCF's actions or failures to act, including but not limited defamation and slander,

- (C) Joint Statement: The Parties agree to issue the Joint Statement that is attached to this AGREEMENT as Exhibit A. Other than the Joint Statement, which DCF will send on the first Monday morning after execution of this AGREEMENT, the parties agree that neither party may make any statement that conflicts with that Joint Statement or further expands or explains the relationship between the parties.
 - (D) Non-disparagement: The Parties agree not to make any statements or take any actions to disparage the other, either orally or in writing, including social media.
- 3. Tax Consequences: H&W agrees that DCF shall have no responsibility whatsoever to any federal, state, or local taxing authority for the tax liability or consequences, if any, arising from the payment of the consideration recited within this AGREEMENT, and that all such responsibility is exclusively that of H&W.
 - 4. Dismissal of Administrative Appeal: H&W within 10 days of the payment of the Settlement Sum will dismiss its Administrative Appeal of the above-referenced audit report. The Parties agree to cooperate fully and to execute any and all supplementary documents, and to take all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this AGREEMENT.
 - 5. General Release of Claims by H&W: In exchange for, and in consideration of, the payments, benefits, and other commitments described above, H&W, for itself and for each of its principals, shareholders, employees, owners, related entities, heirs, executors, administrators, insurers, and assigns, hereby fully releases, acquits, and forever discharges DCF (including its Secretary and employees) of and from any and all claims, liabilities, causes of action, damages, costs, attorneys' fees, expenses, and compensation whatsoever, of whatever kind or nature, in law, equity or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected, that H&W may now have or has ever had, which shall include, but not be limited to, any and all federal, state or local statutes, ordinances, or regulations, as well as all claims arising under federal, state, or local law involving any tort, contract, grant, public policy, or any other claim, arising out of the subject matter of the Administrative Appeal, the grants, the contracts, and the KRR. This Paragraph shall not be construed to release any claim that cannot be released according to law. Subject to Paragraph 7, H&W agrees not to institute any lawsuit, complaint, administrative action or appeal, allegation of wrongdoing, allegation or assertion of wrongful or illegal conduct, charge, demand or any other type of proceeding against DCF based upon claims that are released by way of this AGREEMENT.
 - 6. General Release of Claims by DCF: In exchange for, and in consideration of, the

payments, benefits, and other commitments described above, DCF, for itself and for each of its employees, related entities, administrators, and assigns, hereby fully releases, acquits, and forever discharges H&W (including its principals) of and from any and all claims, liabilities, causes of action, damages, costs, attorneys' fees, expenses, and compensation whatsoever, of whatever kind or nature, in law, equity or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected, that DCF may now have or has ever had, which shall include, but not be limited to, any and all federal, state or local statutes, ordinances, or regulations, as well as all claims arising under federal, state, or local law involving any tort, contract, grant, public policy, or any other claim, arising out of the subject matter of the Administrative Appeal, the grants, the contracts, and the KRR. This Paragraph shall not be construed to release any claim that cannot be released according to law. Subject to Paragraph 7, DCF agrees not to institute any lawsuit, complaint, administrative action or appeal, allegation of wrongdoing, allegation or assertion of wrongful or illegal conduct, charge, demand or any other type of proceeding against H&W based upon claims that are released by way of this AGREEMENT.

7. **Pending Claims and Preserved Rights:** The Parties represent, acknowledge and confirm that they have not filed or otherwise initiated any other lawsuit, complaint, administrative action or appeal, allegation of wrongdoing, allegation or assertion of wrongful or illegal conduct, charge, demand or any other type of proceeding against the other in or with any local, state, or federal court or local, state, or federal governmental agency, commission, official, department or enforcement authority based upon any events or items occurring prior to and through the date of execution of this AGREEMENT, except for the Administrative Appeal referenced in Paragraph 4 above. The Parties expressly waive any right to damages, any other legal and equitable relief, attorney's fees or costs, award or recovery under any local, state, or federal law, in connection with any legal proceedings, agency proceedings, administrative proceedings, enforcement or investigatory proceedings and any lawsuit that is or has been filed, brought, initiated or pursued in the future and which is in any way based upon events occurring before execution of this AGREEMENT or which is in any way related to the claims, causes of action, damages and relief released herein.
8. **No Assignment:** The Parties represent and warrant that no person other than the signatories hereto had or has any interest in the matters referred to in this AGREEMENT, that the Parties have the sole right and exclusive authority to execute this AGREEMENT, and that the Parties have not sold, assigned, transferred, conveyed, or otherwise disposed of any claim, demand or legal right that is the subject of this AGREEMENT.
9. **Governing Law and Jurisdiction:** This AGREEMENT shall be governed and conformed in accordance with the laws of Kansas without regard to its conflict of laws provision. In the event either party breaches any provision of this AGREEMENT, the other party may institute an action to specifically enforce any term or terms of this AGREEMENT.
10. **No Admission of Liability:** The Parties agree that neither this AGREEMENT nor the furnishing of the consideration for this AGREEMENT shall be deemed or construed at any time for any purpose as an admission of any liability or unlawful conduct of any kind.

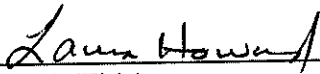
11. **Modification of Agreement:** This AGREEMENT may not be amended, revoked, changed, or modified in any way, except in writing executed by all Parties. No waiver of any provision of this AGREEMENT will be valid unless it is in writing and signed by the party against whom such waiver is charged.
12. **Interpretation:** The language of all parts of this AGREEMENT shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the Parties. This AGREEMENT has been negotiated by and between attorneys for the Parties and shall not be construed against the "drafter" of the AGREEMENT.
13. **Severability:** The Parties explicitly acknowledge and agree that the provisions of this AGREEMENT are both reasonable and enforceable. However, if any portion or provision of this AGREEMENT (including, without implication of limitation, any portion or provision of any section of this AGREEMENT) is determined to be illegal, invalid, or unenforceable by any court of competent jurisdiction and cannot be modified to be legal, valid, or enforceable, the remainder of this AGREEMENT shall not be affected by such determination and shall be valid and enforceable to the fullest extent permitted by law, and said illegal, invalid, or unenforceable portion or provision shall be deemed not to be a part of this AGREEMENT.
14. **Binding Nature of Agreement:** This AGREEMENT shall be binding upon each of the Parties and upon their respective heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of each party and to their respective heirs, administrators, representatives, executors, successors, and assigns.
15. **Entire Agreement:** This AGREEMENT sets forth the entire AGREEMENT between the Parties hereto, and fully supersedes any prior obligation. The Parties acknowledge that they have not relied on any representations, promises, or agreements of any kind made to them in connection with their decision to accept this AGREEMENT, except for those set forth in this AGREEMENT.
16. **Execution in Parts.** This AGREEMENT may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.
17. **Selective Enforcement:** The Parties agree that the failure of any party to enforce or exercise any right, condition, term, or provision of this AGREEMENT shall not be construed as or deemed a relinquishment or waiver thereof, and the same shall continue in full force and effect.
18. **Notice Requirements:** Any notice ("Notice") provided for under this AGREEMENT, must comply with the requirements as set forth in this paragraph. Each such Notice shall be in writing and sent by e-mail or by depositing it with a nationally recognized overnight courier service that obtains receipts (such as Federal Express or UPS Next Day Air), addressed to the appropriate party (and marked to a particular individual's attention, if so

indicated) as hereinafter provided. The time period in which a response to any notice must be given or any action taken with respect thereto shall commence to run from the date of receipt of the Notice by the addressee thereof, as evidenced by the return receipt. Rejection or other refusal by the addressee to accept or the inability to deliver because of a changed address of which no Notice was given shall be deemed to be the receipt of the Notice sent. Any party shall have the right from time to time to change the address or individual's attention to which notices to it shall be sent by giving to the other party at least ten (10) days prior Notice thereof. The Parties' addresses for providing Notices hereunder shall be as follows:

For H&W: Andrew Hysell, Hysell & Wagner, LLC, 1364 Emerald St.
NE, Washington DC 20002-5432. Email:
andrew@hysellwagner.com.
For DCF: DCF, Office of General Counsel, 555 S. Kansas Ave., Sixth
Floor, Topeka, KS 66603.

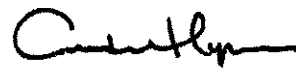
HAVING ELECTED TO EXECUTE THIS AGREEMENT, TO FULFILL THE PROMISES AND TO RECEIVE THE SUMS AND BENEFITS HEREIN, THE PARTIES FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS AGREEMENT AND RELEASE INTENDING TO WAIVE, SETTLE, AND RELEASE ANY CLAIMS THEY HAVE OR MIGHT HAVE AGAINST EACH OTHER. BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THEY HAVE CAREFULLY READ THIS AGREEMENT, UNDERSTAND ITS TERMS, AND HAVE ENTERED INTO THIS AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE AGREEMENT ITSELF.

KANSAS DEPARTMENT FOR CHILDREN AND
FAMILIES


By (Name) (Title)

Date: 3-20-2020

HYSELL & WAGNER LLC


By (Name) (Title) Andrew Hysell, CEO

Date: 3/20/2020

Exhibit A: Joint Statement

“Today, the Kansas Department for Children and Families (DCF) and Hysell & Wagner, LLC, announced that they have entered into an agreement under which each party agrees that all issues with the 2014-15 draft audit are resolved. In August of 2019, the Kansas Reading Roadmap grant to Hysell & Wagner, LLC was cancelled as allowed under the grant. During announcement of the cancellation, certain preliminary findings from 2014-15 draft audit were shared. After both parties conducted due diligence, DCF and Hysell & Wagner, LLC now agree that none of the audit issues warrant further action. Hysell & Wagner, LLC appreciates the Agency’s efforts to resolve these matters and its decision to continue funding after-school reading programs directly with Kansas school districts. DCF thanks Hysell & Wagner, LLC for its years of work helping Kansas children. Neither party will have additional comment on the matter.”