

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of Defense, United States Air Force (collectively the "United States") and Solution One Industries, Inc. ("Solution One") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Solution One is a company based out of Killeen, Texas that provides its customers, including federal, state and local government with Life Cycle Sustainment, Professional Services, and Facilities Management Services.

B. Solution One entered into contract FA-4484-17D-0018 (the "Contract") in or around September 2017 to render logistical assistance to support the 421st Combat Training Squadron based out of Joint Base McGuire-Dix-Lakehurst in New Jersey. The contract specified that Solution One would perform different tasks under specific contract line items on an as-needed basis.

C. The United States contends that it has certain civil claims against Solution One arising from fraudulent billing under the Contract. Specifically, the United States contends that from approximately December 7, 2017 through June 30, 2019, Solution One billed for, among other things, providing backup power and providing briefings to military personnel, when in fact it did not perform those services for the 421st Combat Training Squadron. That conduct is referred to below as the Covered Conduct.

D. This Settlement Agreement is neither an admission of liability by Solution One nor a concession by the United States that its claims are not well founded.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Solution One shall pay to the United States Six Hundred Thousand dollars (\$600,000.00), (the "Settlement Amount"), of which Four Hundred Thousand dollars (\$400,000.00) is restitution, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of New Jersey no later than 30 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, the United States releases Solution One from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;

- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- and
- f. Any liability of individuals.

4. Solution One waives and shall not assert any defenses Solution One may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Solution One fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Solution One has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Solution One,

and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit and civil investigation of the matters covered by this Agreement;
- (3) Solution One's investigation, defense, and corrective actions undertaken in response to the United States' audit and civil investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Solution One makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Solution One, and Solution One shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Solution One shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Solution One or any of its subsidiaries or affiliates from the United States. Solution One agrees that the United

States, at a minimum, shall be entitled to recoup from Solution One any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Solution One's books and records and to disagree with any calculations submitted by Solution One or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Solution One, or the effect of any such Unallowable Costs on the amount of such payments.

7. This Agreement is intended to be for the benefit of the Parties only.

8. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

9. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

11. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

12. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

14. This Agreement is binding on Solution One's successors, transferees, heirs, and assigns.

15. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

16. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date of this Agreement"). Electronic copies of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

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SIGNATURE PAGE

For the United States of America:

PHILIP R. SELLINGER
United States Attorney



By: MARK C. ORLOWSKI
Assistant U.S. Attorney
U.S. Attorney's Office
District of New Jersey
Civil Division
970 Broad Street, Suite 700
Newark, New Jersey 07102

Dated: 9/4/2024

For Solution One Industries, Inc.:



TYRONE MCLAURIN
President and Chief Operating Officer
Solution One Industries, Inc.

Dated: 08/29/2024