

## 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 Department of the Navy (collectively, the “United States”) and LOGZONE, Inc. (“LOGZONE”), through their authorized representatives. Collectively, all of the above will be referred to as “the Parties.”

### RECITALS

A. LOGZONE is a logistics services provider incorporated in Alabama with its principal place of business in Huntsville, Alabama.

B. On March 30, 2021, the Navy awarded LOGZONE Contract No. GS00F111DA N6230621F0024 to provide logistical and inventory services for the Naval Oceanographic Command Property Management Program at Stennis Space Center, Mississippi. On November 1, 2022, the Navy awarded LOGZONE Contract No. N6230623P0003 to provide facilities support services for the Naval Oceanographic Command Property Management Program at Stennis Space Center, Mississippi. Contract GS00F111DA N6230621F0024 and Contract N6230623P0003 will be referred to collectively as the “NAVOCEANO Contracts.” Up to and including the March 8, 2025 invoice, LOGZONE was paid \$682,193.37 under the NAVOCEANO Contracts.

C. The NAVOCEANO Contracts incorporated Defense Federal Acquisition Regulation Supplement (“DFARS”) clause 252.204-7012, which requires Department of Defense (“DoD”) contractors and subcontractors to provide adequate security on all covered contractor information systems to safeguard covered defense information by, at a minimum, implementing the security requirements specified by National Institute of Standards and Technology (“NIST”) Special Publication (“SP”) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations” by no later than December 31, 2017. The

NAVOCEANO Contracts also incorporated DFARS clauses 252.204-7019 and 252.204-7020, which required DoD contractors and subcontractors to post summary level scores of a current NIST SP 800-171 DoD self-assessment to the Supplier Performance Risk System (“SPRS”). Possible assessment scores range from a low of -203 to a high of 110. DFARS clauses 252.204-7019 and 252.204-7020 also allowed the United States to conduct Medium and High Assessments of contractors’ and subcontractors’ implementation of NIST SP 800-171 security controls.

D. On October 13, 2021, LOGZONE submitted to DoD in SPRS a perfect self-assessment score of 110 for its implementation of NIST SP 800-171 security controls. On February 2, 2024, the Defense Industrial Base Cybersecurity Assessment Center (“DIBCAC”) of the Defense Contract Management Agency (“DCMA”) completed a Medium Assessment of LOGZONE’s implementation of NIST SP 800-171 security controls, which resulted in LOGZONE receiving a score of -170, at the low end of the possible score range.

E. The United States contends that it has certain civil claims against LOGZONE arising from LOGZONE’s knowing submission and/or causing the submission of claims to the Navy under the NAVOCEANO Contracts during the period of May 5, 2021 to March 8, 2025, that were false and/or fraudulent for the following reasons (hereinafter, the “Covered Conduct”):

During the period of May 5, 2021 to March 8, 2025, LOGZONE had not fully implemented all cybersecurity controls in NIST SP 800-171 for its information systems that processed, stored, or transmitted covered defense information, including controls that, if not implemented, could (a) lead to significant exploitation of the system or exfiltration of covered defense information or (b) have a specific and confined effect on the security of the system and its data. During that period, LOGZONE submitted claims for reimbursement to the Navy under the

NAVOCEANO Contracts despite knowing that it had failed to comply with DFARS clause 252.204-7012.

In consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

### **TERMS AND CONDITIONS**

1. LOGZONE shall pay to the United States Five Hundred and Seven Thousand, One Hundred and Forty-Four Dollars (\$507,144.00) plus interest accruing at a rate of four percent (4.0%) per annum from June 1, 2026, and continuing until and including the date of payment (collectively, "Settlement Amount"), of which Two Hundred Fifty-Three Thousand, Five Hundred and Seventy-Two Dollars (\$253,572.00) is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice, no later than thirty (30) calendar days after the Effective Date.

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 LOGZONE 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, as amended; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the releases 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 the 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;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. LOGZONE waives and shall not assert any defenses it 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. LOGZONE 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 LOGZONE 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 or the United States' investigation or 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 LOGZONE 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(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) LOGZONE's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment(s) LOGZONE make 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 LOGZONE, and LOGZONE 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 ninety (90) days of the Effective Date, LOGZONE shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by LOGZONE or any of its subsidiaries or affiliates from the United States. LOGZONE agrees that the United States, at a minimum, shall be entitled to recoup from LOGZONE 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 LOGZONE's books and records and to disagree with any calculations submitted by LOGZONE or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by LOGZONE, 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 in to this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Northern District of Alabama. 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 LOGZONE's successors, transferees, heirs, and assigns.

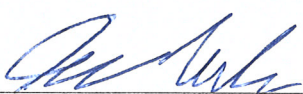
15. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

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

[SIGNATURE PAGE(S) FOLLOW]

THE UNITED STATES OF AMERICA

DATED: June 17, 2026

BY:   
\_\_\_\_\_  
GRAHAM DONNELLY WELCH  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_


BY: \_\_\_\_\_  
DON LONG  
Assistant United States Attorney  
Northern District of Alabama

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
GRAHAM DONNELLY WELCH  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: 6.17.2026


BY:   
\_\_\_\_\_  
DON LONG  
Assistant United States Attorney  
Northern District of Alabama

**LOGZONE, INC.**

DATED: June 15, 2026

BY:   
\_\_\_\_\_  
DAVID E. COLE  
PRESIDENT  
LOGZONE, INC.

DATED: June 16, 2026

BY:   
\_\_\_\_\_  
DENNIS C. VACCO  
SCOTT S. ALLEN, JR.  
Lippes Mathias LLP  
Counsel for LOGZONE, Inc.