

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 Defense (collectively the "United States") and Mission1st Group, Inc. ("Mission First") (collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Mission First is a corporation with its principal place of business located in Arlington, VA, but doing business in the State of New Jersey, among other locations. It is engaged primarily in the business of Program Management, Systems Engineering, and Information Technology and Telecommunications projects for the United States military.

B. The United States contends that it has certain civil claims against Mission First arising from false claims made in conjunction with United States federal prime contracts under which Mission First performed as a subcontractor. Specifically, the United States contends that:

With respect to Purchase Order 7200007946 with Lockheed Martin Corporation dated October 26, 2010 (Task Order 42 – Lockheed Martin Contract No. W15P7T-06-D-E405) ("Purchase Order"), and Mission First Subcontract E406-Mission with USfalcon, Inc. under Prime Contract No. W15P7T-06-D-E406 ("Subcontract"), Mission First billed certain uplift on employee salaries which were never actually paid to the employees. Mission First thus caused claims to be submitted to the United States for uplifts that were not paid to its employees. The time frame of improper billing was August 13, 2007 to December 31, 2011.

In addition, Mission First also billed amounts for Federal Insurance Contributions Act ("FICA") taxes on uplift billings, in most instances in excess of the statutory cap for those employees, so it would not have been assessed against the employee's income even had all uplift billings been paid to the employees. These excess amounts were improperly retained by Mission First.

Following the completion of performance under the Purchase Order and Subcontract, and through September 2017, the Defense Contract Audit Agency ("DCAA") performed audits of Mission First direct and indirect costs under the Subcontract and Purchase Order, including Assist Audit Report Nos. 6341-2008P10100001 and 6341-2009P10100001 (the "DCAA Audits"). The DCAA Audits questioned certain Mission First costs, including uplift and FICA billings.

The conduct contained in this Paragraph B is referred to below as the Covered Conduct.

C. This Settlement Agreement is neither an admission of liability or acknowledgment of fault by Mission First 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. In order to compromise the claims made by the United States for the Covered Conduct, Mission First shall pay to the United States Four Million Twenty Thousand dollars (\$4,020,000.00) (the "Settlement Amount"), of which \$4,020,000.00 is

restitution, in installments, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of New Jersey. The initial payment of \$2,520,000.00 shall be made on or before August 15, 2019, with additional payments of \$300,000.00 due on or before every six months thereafter, with the final payment being due on or before February 1, 2022, as set forth on Exhibit A to this Agreement, which is incorporated by reference.

2. Subject to the exceptions in Paragraph 3 (concerning excluded claims) below, and conditioned upon Mission First's full payment of the Settlement Amount, and subject to Paragraph 12 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payments made under this Agreement) the United States releases Mission First, together with its current and former parent corporations or owners, direct and indirect subsidiaries, divisions, and affiliates, and the successors and assigns of any of them, from any civil or administrative monetary claim the United States has or may have 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; the Contract Disputes Act, 41 U.S.C. §§ 7101-7109; 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 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, 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;
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Mission First waives and shall not assert any defenses Mission First 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. Mission First fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Mission First 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. This Paragraph 5 shall not be

construed to limit any defense Mission First may have to any claim or action relating to the Covered Conduct brought pursuant to Paragraph 8 of this Agreement (except as provided in Paragraph 9).

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 Mission First, 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 and/or criminal investigation(s) of the matters covered by this Agreement;
- (3) Mission First's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and any civil and/or criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payments Mission First 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 Mission First, and Mission First 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, Mission First shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Mission First or any of its subsidiaries or affiliates from the United States. Mission First agrees that the United States, at a minimum, shall be entitled to recoup from Mission First 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 Mission First's books and records and to disagree with any calculations submitted by Mission First or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Mission First, 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. Mission First has provided sworn financial disclosure statements ("Financial Statements") to the United States and the United States has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Mission First warrants that the Financial Statements are complete, accurate, and current as of the dates submitted. If the United States learns of asset(s) in which Mission First had an interest at the time the Financial Statements were submitted that were not disclosed in the Financial Statements, or if the United States learns of any misrepresentation by Mission First on, or in connection with, the Financial Statements, and if such nondisclosure or misrepresentation changes the estimated net worth set forth in the Financial Statements by \$100,000.00 or more, the United States may at its option:

(a) rescind this Agreement and file suit based on the Covered Conduct, or (b) let the Agreement stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the previously undisclosed asset(s). Mission First agrees not to contest any collection action undertaken by the United States pursuant to Paragraph 8(b), and to pay the United States all reasonable costs incurred in such an action, including attorney's fees and expenses.

9. In the event that the United States, pursuant to Paragraph 8 (concerning disclosure of assets), above, opts to rescind this Agreement, Mission First agrees not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 90 calendar days of written notification to Mission First that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the date of the Effective Date of this Agreement.

10. Mission First warrants that its financial situation has been reviewed and that it currently is not insolvent within the meaning of 11 U.S.C. § 101(32)(A), and shall remain solvent following payments to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Mission First, within the meaning of 11 U.S.C. § 547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud

any entity to which Mission First was or became indebted to on or after the Effective Date of this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

11. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, Mission First commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of Mission First's debts, or seeking to adjudicate Mission First as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Mission First or for all or any substantial part of Mission First's assets, Mission First agrees as follows:

a. Mission First's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and it shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Mission First's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Mission First was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payments made to the United States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Mission First.

b. If Mission First's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Mission First for the claims that would otherwise be covered by the releases provided in Paragraphs 2 above. Mission First agrees that (i) any such claims,

actions, or proceedings brought by the United States are not subject to an “automatic stay” pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Mission First shall not argue or otherwise contend that the United States’ claims, actions, or proceedings are subject to an automatic stay; (ii) Mission First shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the United States within 90 calendar days of written notification to Mission First that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of this Agreement; and (iii) the United States has a valid claim and may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. Mission First acknowledges that its agreements in this Paragraph are provided in exchange for good and valuable consideration provided in this Agreement.

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

13. 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.

14. 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 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.

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

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

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

16. This Agreement is binding on Mission First's successors, transferees, heirs, and assigns.

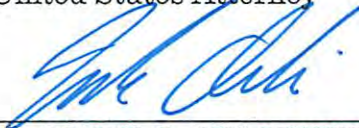
17. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

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

SIGNATURE PAGE

For the United States of America:

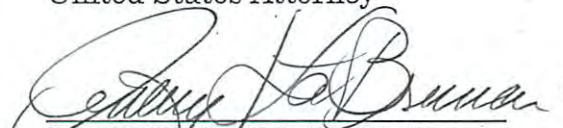
CRAIG CARPENITO
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Dated: 8/6/19


CRAIG CARPENITO
United States Attorney



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Dated: 8/6/2019

For Mission1st Group, Inc.:



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Dated: 7/31/19



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Arlington, Virginia 22202

Dated: 7/31/19

EXHIBIT A

SCHEDULE OF PAYMENTS

08/15/2019	\$2,520,000.00
02/01/2020	\$300,000.00
08/01/2020	\$300,000.00
02/01/2021	\$300,000.00
08/01/2021	\$300,000.00
02/01/2022	\$300,000.00