

## MASTER SETTLEMENT AGREEMENT AND RELEASE

WHEREAS, the parties to this Master Settlement Agreement and Release (“Master Agreement”) are those persons listed on Ex. A to this Agreement, or their heirs or personal representatives, and referred to as the Plaintiffs (hereinafter “the Plaintiffs,”), and the State of Nebraska, various State agencies, and numerous current and former State employees and officials identified in the Individual Plaintiff Settlement Agreement Consent and Release (the “State” or “State Defendants”), and together who may be referred herein collectively as “the Parties”; and

WHEREAS, Plaintiffs filed suits against the State Defendants in the U.S. District Court for the District of Nebraska and in the Lancaster County District Court in the State of Nebraska, alleging specific claims against the State Defendants which are more specifically set forth below (“Claims”); and

WHEREAS, the State Defendants deny any and all fault or wrongdoing related to Plaintiffs’ Claims; and

WHEREAS, this Master Agreement is entered into with no admission of wrongdoing or liability by the State Defendants; and

WHEREAS, litigation of Plaintiffs’ Claims has been ongoing for more than ten years as of the time of this Agreement; and

WHEREAS, the Parties have each analyzed their respective positions and Claims, and have each determined that the risks and unpredictability for them to continue litigating this matter are undesirable under the circumstances presented by this case; and

WHEREAS, it is the desire of the Parties to conclude and settle the above-referenced Claims and terminate, relinquish, and settle all claims to avoid the uncertainties of litigation; and

WHEREAS, the Parties have therefore concluded that settlement and release of all Claims is in their respective best interests; and

WHEREAS, this Master Agreement is entered into with full consideration based upon the mutual promises set forth herein;

### **NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES IN THIS MASTER AGREEMENT, IT IS AGREED AS FOLLOWS:**

1. EFFECTIVE DATE:

The effective date of this agreement is April 20, 2023 (the “Effective Date”).

2. SUBJECT MATTER OF THIS AGREEMENT.

This Master Agreement settles all claims and lawsuits which have been made or brought by the Plaintiffs, or which may be made by Plaintiffs in the future, or by Plaintiffs’ agents, heirs, executors, administrators, successors, and assigns, with regard to the Nebraska State Patrol Retirement System (the “System”) and the Plaintiffs’ current and past employee pension

contribution rate they paid or contributed to the System, or any future employee pension contribution rate so long as the rate does not exceed the employee pension contribution rate in effect as of the Effective Date, specifically including, but not limited to, the following actions:

- (a) All allegations made in the complaint, as amended, in the following action in U.S. District Court for the District of Nebraska:

*Thomas Hayes, et. Al v. Castillo et. Al*, Case No. 4:11-cv-3229

- (b) All allegations made by the Plaintiffs in the Contract Claims filed with the State of Nebraska in names of the Plaintiffs; and

- (c) All allegations made in the complaints, as amended, in the following actions in Lancaster County District Court:

*Alberico v. State of Nebraska, et al.*, Case No. CI-13-1607

*Bruhn v. State of Nebraska, et al.*, Case No. CI-13-1608

*Hayes v. State of Nebraska, et al.*, Case No. CI-13-1609

*Bauer v. State of Nebraska, et al.*, Case No. CI-13-1611

*Adams v. State of Nebraska, et al.*, Case No. CI-13-1612

*Dishong v. State of Nebraska, et al.*, Case No. CI-13-1616

*Caradori v. State of Nebraska, et al.*, Case No. CI-13-1617

3. SETTLEMENT CONSIDERATION. In exchange for the Plaintiffs' execution of the Individual Plaintiff Settlement Agreement Consent and Release, which individual agreements are attached hereto and incorporated by reference herein and made part of this Master Agreement:

A. Plaintiffs shall be entitled, collectively, to the gross lump sum of \$15,250,000.00 for the settlement and release of all claims regarding past contributions to the System, from which all withholdings and distributions shall occur in the manner specifically provided below in paragraph (C).

B. Certain Plaintiffs are projected to continue making contributions to the System, and they are identified by specific notation on Ex. A. For the settlement and release of all claims regarding their future contributions to the System, these Plaintiffs shall be entitled, collectively, to the additional gross lump sum amount of \$3,500,000, from which all withholdings and distributions shall occur in the manner specifically provided below in paragraph (C).

C. Plaintiffs' gross (pre-withholding) amount has been determined and disclosed to Plaintiffs at the time they execute their Settlement Agreement Consent and Release, and that gross (pre-withholding) amount is set forth and disclosed to each Plaintiff on Ex. A, incorporated herein by this reference. The amounts set forth on Ex. A represent each Plaintiff's agreed upon calculated share from the gross lump sum amounts set forth in paragraphs 3(A) and 3(B) above, from which

amounts the State Defendants will make all withholdings as provided in this paragraph. After making these withholdings, State Defendants will pay the remaining amount to the "Keating, O'Gara, Nedved, Peter, PC Trust Account" for distribution to each Plaintiff. For purposes of withholding only, such payments to the Plaintiffs shall be deemed a return of contributions to the System; they shall not constitute compensation as defined in Neb. Rev. Stat. § 81-2014(3) for purposes of triggering additional retirement contribution withholding from said amounts as prescribed by Neb. Rev. Stat. § 81-2017. The State shall make all other withholdings required and allowed by law including federal and state income tax and Medicare, and shall not make any other payroll withholdings on the settlement amounts, including for retirement contributions or employee association dues (STAN). The State will furnish each Plaintiff with tax forms and W-2s as required by law, utilizing the amount set forth in Ex. A for each Plaintiff as the basis for calculating his/her applicable withholdings. To avoid any delay and to effectuate proper withholding, Plaintiffs shall cooperate to provide State Defendants with all necessary tax documents so that accurate withholding may occur.

D. The Master Agreement and each individual Settlement Agreement Consent and Release are subject to the Nebraska Public Records Act. However, certain portions of these Agreements, specifically Exhibit A, may be withheld from the public under Neb. Rev. Stat § 84-712.05 to the extent they contain personal information in records regarding personnel of public bodies other than salaries and routine directory information.

E. Each Plaintiff, with their signature upon the Individual Plaintiff Settlement Agreement Consent and Release has expressly and affirmatively authorized the undersigned attorney to sign the Master Settlement Agreement and Release on his/her behalf, and has consented to be bound by all the terms contained in both this Master Settlement Agreement and Release and the Individual Plaintiff Settlement Agreement Consent and Release.

4. ATTORNEYS' FEES AND COSTS. The parties shall pay their own attorneys' fees and costs.

5. PRE-CONDITION TO SETTLEMENT.

A. Unless otherwise specifically waived by the State Defendants, the Parties' obligations under the Master Agreement are contingent upon each and every Plaintiff, as identified in Exhibit A, executing an Individual Plaintiff Settlement Agreement Consent and Release, which is incorporated, into by reference herein, and made a part of this Master Agreement. Unless and until each and every Plaintiff in Exhibit A signs such a release, or unless waived by the State Defendants, this Master Agreement, including any payment obligations of the State Defendants, shall have no force and effect. This Master Agreement shall also be incorporated by reference and made a part of each Individual Plaintiff's Settlement Agreement Consent and Release.

B. Moreover, Counsel for the State Defendants agrees to take every reasonable step to submit the settlement amount to the Nebraska Legislature for review and appropriation, and further agrees to recommend approval and appropriation of the settlement to the Nebraska Legislature. The settlement amount will be paid within sixty (60) days after legislation has been passed and approved according to law. In the event the Nebraska Legislature does not approve the settlement amount, this Master Agreement, including any payment obligations of the State Defendants, shall have no force and effect and Plaintiffs will be entitled to proceed with their claims identified in paragraph 2 above.

6. **NON-ADMISSION OF LIABILITY.** This Master Agreement will not in any way be construed as an admission by the State of Nebraska, any State agency, any named State Defendant, or any other current or former State employee or official, of any wrongful or unlawful act or omission against the Plaintiffs or any other party, and the State Defendants specifically deny and disclaim any liability to, or wrongful or unlawful act or omission against the Plaintiffs or any other person.

7. **DISMISSAL OF ACTIONS.** Upon receipt of the gross payments in Paragraph 3(A) and 3(B) above, the Plaintiffs agree to voluntarily dismiss all pending actions identified in paragraph 2 above with prejudice within 30 days.

8. **MISCELLANEOUS PROVISIONS.**

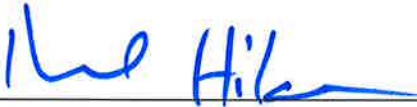
A. This Master Agreement and its attachments shall be construed and enforced with and governed by the laws of the State of Nebraska. The Parties agree that any act to enforce the terms of this Master Agreement or its attachments or for any other remedy arising out of this Master Agreement or its attachments shall be brought only in the District Court of Lancaster County, Nebraska and in no other court.

B. This Master Agreement and its attachments represents the entire and integrated understanding between the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, regarding settlement of this matter. No representation which is not specifically contained herein shall be admissible to establish the inducement of this Master Agreement and its attachments. This Master Agreement may only be amended in writing signed by the Parties.

Dated this 20<sup>th</sup> day of April, 2023.

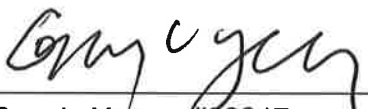
STATE OF NEBRASKA, Defendants

By: MICHAEL T. HILGERS, #24483  
Nebraska Attorney General

By:   
Office of the Attorney General  
2115 State Capitol  
Lincoln, Nebraska 68509  
Phone: (402) 471-2683  
Attorneys for State Defendants.

Dated this 20<sup>th</sup> day of April, 2023.

PLAINTIFFS,

By:   
Gary L. Young, #20817  
Thomas P. McCarty, #24171  
Keating, O'Gara, Nedved, & Peter, P.C., LLO  
200 S. 21<sup>st</sup>, Suite 400  
Lincoln, NE 68510  
Attorneys for the Plaintiffs