

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This settlement agreement and general release is between the State Lottery Commission of Indiana, d/b/a The Hoosier Lottery (the "Lottery"), an Indiana body politic and corporate, and Freddie Burrus ("Burrus"), Michael Crawford ("Crawford"), Darien Hayes ("Hayes"), Kenneth Hicks ("Hicks"), Kelli Jeffries ("Jeffries"), Vickie Presley ("Presley"), Donna Southers ("Southers"), and Rodney Williams ("Williams") (collectively, the "plaintiffs"), each a resident of the State of Indiana, and is effective upon the date the agreement is signed by the last party signing it ("Effective Date").

Recitals

On or about August 24, 2005, the plaintiffs filed a lawsuit against the Lottery, which was subsequently amended on February 2, 2006, entitled *Freddie Burrus, Michael Crawford, Darien Hayes, Kenneth Hicks, Kelli Jeffries, Vickie Presley, Rodney Williams, and Donna Southers v. Indiana State Lottery Commission, d/b/a The Hoosier Lottery* in the United States District Court for the Southern District of Indiana, Indianapolis Division, as Case No. 1:05-cv-1263-SEB-DML (the "Lawsuit").

The Lawsuit alleges that the Lottery discriminated against the plaintiffs on the basis of race in violation of 42 U.S.C. § 1981 and Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, *et seq.*, except that Crawford, Hicks and Williams brought claims pursuant to 42 U.S.C. § 1981 only.

The Lottery denies any liability for the matters alleged in the Lawsuit and contends that the plaintiffs' terminations of employment were lawful in all respects.

The plaintiffs and the Lottery now desire to compromise and settle the Lawsuit in its entirety and resolve any and all claims by the plaintiffs against the Lottery.

The parties therefore agree as follows:

1. **Settlement Payment.** Within five days of the Effective Date, the Lottery shall pay the plaintiffs and Macey Swanson and Allman, as their attorneys, the total sum of Two Million Seven Hundred and Fifty Thousand Dollars (\$2,750,000.00) as follows:

- (a) Two Hundred Eleven Thousand, Five Hundred Forty-Five Dollars and Forty-Two Cents (\$211,545.42) to Burrus, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (b) Ninety-Two Thousand, Five Hundred Thirty-Three Dollars and Forty-Six Cents (\$92,533.46) to Burrus, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (c) One Hundred Eighteen Thousand, Nine Hundred Ninety-Nine Dollars and Sixteen Cents (\$118,999.16) to Crawford, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (d) One Hundred Nine Thousand, Eight Hundred Forty-Six Dollars and Eleven Cents (\$109,846.11) to Crawford, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (e) Twenty-Eight Thousand, Nine Hundred Two Dollars and Sixty-Five Cents (\$28,902.65) to Hayes, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (f) One Hundred Forty-Four Thousand, One Hundred Thirty-Nine Dollars and Fifty-Four Cents (\$144,139.54) to Hayes, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (g) One Hundred Forty-Four Thousand, Six Hundred Sixty-Seven Dollars and Thirty-Nine Cents (\$144,667.39) to Hicks, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (h) One Hundred Nine Thousand, Eight Hundred Ninety-Six Dollars and Eleven Cents (\$109,896.11) to Hicks, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (i) Twenty-Three Thousand, Four Hundred Twenty-Nine Dollars and Thirty-Seven Cents (\$23,429.37) to Jeffries, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;

- (j) One Hundred Forty-Three Thousand, Four Hundred Sixty-Three Dollars and Fifty-Seven Cents (\$143,463.57) to Jeffries, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (k) One Hundred Thirty-Three Thousand, Five Hundred Ninety-Six Dollars and Seventy-Nine Cents (\$133,596.79) to Presley, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (l) Ninety-Two Thousand, Nine Hundred Thirty-Three Dollars and Forty-Six Cents (\$92,933.46) to Presley, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (m) One Hundred Fifty-Three Thousand, Nine Hundred Ninety-Two Dollars and Seventy-One Cents (\$153,992.71) to Southers, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (n) Ninety-Seven Thousand, Three Hundred Thirty-Six Dollars and Seventy-Nine Cents (\$97,336.79) to Southers, which is for compensatory damages and for which an IRS Form 1099 shall be issued;
- (o) Two Hundred Ten Thousand, Four Hundred Sixteen Dollars and Forty-Six Cents (\$210,416.46) to Williams, which shall be subject to all required payroll withholdings and for which an IRS Form W-2 shall be issued;
- (p) Ninety-Two Thousand, Nine Hundred Eighty-Three Dollars and Forty-Six Cents (\$92,983.46) to Williams, which is for compensatory damages and for which an IRS Form 1099 shall be issued; and
- (q) Eight Hundred Forty-One Thousand, Three Hundred Seventeen Dollars and Fifty-Five Cents (\$841,317.55) to Macey Swanson and Allman for attorneys' fees and expenses, for which an IRS Form 1099 shall be issued.

Each of the plaintiffs is each solely responsible for the payment of any applicable federal, state, and local taxes due in connection with the portion of the settlement payment that reflects compensatory damages to him or her and shall indemnify and hold the Lottery harmless from any costs, penalties, or expenses associated with the failure to pay any such taxes.

2. **Complete Settlement.** The settlement payments described in paragraph 1 represent a complete settlement and satisfaction of the Lawsuit and any and all other present or

potential claims for lost wages, compensatory damages, statutory damages, liquidated damages, exemplary damages, punitive damages, interest, attorneys' fees, costs, other litigation fees, and any and all other forms of monetary or injunctive relief which were alleged or could have been alleged in or arisen out of the Lawsuit.

3. **Release by the Plaintiffs.** Each of the plaintiffs hereby RELEASES AND FOREVER DISCHARGES the Lottery and its directors, agents, attorneys, employees, successors and assigns, and all other persons and entities, from any and all claims, demands, liabilities, actions, or causes of action which he or she had, have, or may have, whether known or unknown, on account of, arising out of, or related to: (a) his or her employment with the Lottery or termination from employment with the Lottery; (b) all matters alleged in the Lawsuit or which could have been alleged in the Lawsuit; (c) any and all injuries, losses, or damages to him or her, including any claims, demands, liabilities, actions, or causes of action arising under Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; Sections 1981 through 1988 of Title 42 of the United States Code; the Employee Retirement Income Security Act of 1974; the Age Discrimination in Employment Act of 1967, as amended; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Equal Pay Act; and any and all other federal, state and local laws governing terms and conditions of employment, wages and hours, employment discrimination, and any and all other matters; (d) any and all other injuries, losses or damages to him or her, including any claims for attorneys fees; and (e) all other matters occurring prior to the Effective Date of this agreement. Notwithstanding the foregoing, the release by each of the plaintiffs does not include any claims that cannot be waived under controlling law.

4. **No Other Complaints.** Each of the plaintiffs represents that he or she has not filed any charges or complaints against the Lottery with any local, state, or federal agency or court other than the Lawsuit and as otherwise identified in the Lawsuit. If any agency or court assumes jurisdiction of any complaint or charge against the Lottery on behalf of any of the plaintiffs, the plaintiffs involved shall request such agency or court to dismiss the matter immediately.

5. **Stipulation of Dismissal.** Upon the payment of the settlement payments by the Lottery, the plaintiffs and the Lottery shall file with the Court, pursuant to Rule 41 of the Federal Rules of Civil Procedure, a stipulation of dismissal of the Lawsuit, with prejudice, with each party to bear its own costs of the action and attorneys fees. None of the parties to this agreement shall be considered a "prevailing party" for purposes of Rule 54 of the Federal Rules of Civil Procedure; 42 U.S.C. § 1988(b), 42 U.S.C. § 2000e-5(k), or any other provision or state or federal law.

6. **No Liens.** The plaintiffs shall satisfy as required any and all liens arising out of or related to the plaintiffs' claims in the Lawsuit and shall indemnify and hold the Lottery harmless as to any such liens.

7. **Confidentiality and Non-Publicity.** The terms of this settlement and this agreement are confidential to the extent permitted by law. The parties shall not disclose any of the details of the settlement or this agreement to any individual or entity with the exception of their respective attorneys, auditors, accountants, tax or financial advisors, and, for the Lottery, those individuals, entities, or agencies that the Lottery reasonably believes have a need to know the terms of the settlement or this agreement, and, for the plaintiffs, their immediate family members, provided however that each plaintiff shall be liable for any breach of this

confidentiality provision by any member of his or her immediate family to whom the plaintiff involved disclosed information related to the settlement or this agreement. The parties may disclose the terms of the settlement or this agreement as required by law or court order or with the written consent of the other parties to this agreement. The parties understand and agree that the Lottery is subject to the Access to Public Records Act, Ind. Code § 5-14-3, *et seq.* ("APRA"), and that this agreement may qualify as a public record subject to disclosure under the APRA. The parties nevertheless agree that they shall not directly or indirectly publicize, reveal, or in any other manner draw attention to the settlement or this agreement or attempt to cause any individual or entity to make an APRA request relating to the terms of the settlement or this agreement. In the event of media inquiries concerning the settlement or this agreement, the parties will limit their response to a statement that the case was resolved to the mutual satisfaction of the parties.

8. **Change in Termination Status.** Within five days of the Effective Date, the Lottery shall reclassify each plaintiff's separation of employment from the Lottery as a voluntary resignation. The plaintiffs shall be reclassified as eligible for rehire subject to the provisions of paragraph 9 below.

9. **No Reapply Agreement.** The plaintiffs shall not reapply for employment with the Lottery while Mitchell E. Daniels is governor of the State of Indiana or Kathryn A. Densborn is employed by the Lottery, whichever is later.

10. **No Admission of Liability.** This agreement is entered into solely for the purpose of settlement and shall not be construed as an admission of liability or wrongdoing on the part of the Lottery. This agreement shall not be admissible in any subsequent claim, charge, or cause of

action between the plaintiffs and the Lottery except any claim, charge, or cause of action among them arising out of or relating to any alleged breach of this agreement.

11. **Mutual Non-Disparagement**. None of the plaintiffs shall disparage, defame, or otherwise communicate any information damaging or potentially damaging to the business or reputation of the Lottery or its directors, agents, employees, successors, and assigns, to any third party, including, but not limited to the media, the business community, and any governmental agency, state, local, or federal, unless required to do so by compulsory legal process. The Lottery shall instruct Kathryn A. Densborn, W. Edward Benton, and Rebecca Ehsan-Anwarzai not to disparage, defame, or otherwise communicate any information damaging or potentially damaging to the reputation of the plaintiffs or any of their successors, heirs, personal representatives, and assigns, to any third party, including, but not limited to the media, the business community, and any governmental agency, state, local, or federal, unless required to do so by compulsory legal process. Nothing in this provision shall be interpreted to prevent the Lottery from responding truthfully to any request for employment verification or references by current or prospective employers of the plaintiffs.

12. **Successors and Assigns**. Each of the agreements and promises contained in this agreement is binding upon, enforceable by, and shall inure to the benefit of, the heirs, executors, administrators, agents, and successors in interest to each of the parties.

13. **Entire Agreement**. This agreement represents the entire agreement between the parties, and fully supersedes any and all prior agreements or understandings between the plaintiffs and the Lottery pertaining to the subject matter of this agreement.

14. **Severability**. Each provision and covenant of this agreement is severable. If any court or other governmental body of competent jurisdiction concludes that any provision or

individual covenant of this agreement is invalid or unenforceable, that provision or individual covenant shall be deemed ineffective to the extent of such unenforceability without invalidating the remaining provisions and covenants of this agreement.

15. **Choice of Law and Venue.** This agreement shall be interpreted in accordance with the laws of the State of Indiana. Exclusive jurisdiction and venue over any and all disputes arising out of or in connection with this agreement shall be in the United States District Court for the Southern District of Indiana, Indianapolis Division or in the Marion County Superior or Circuit Courts.

16. **Prevailing Party Fee Provision.** If any action is brought for breach of this agreement, the prevailing party in such an action shall be entitled to recover from the other such costs, expenses, and reasonable attorneys fees incurred in such action. The prevailing party shall also be entitled to equitable relief, as determined by the Court, for breach of this agreement in addition to any other remedies. For purposes of this agreement, the term "prevailing party" shall mean any party who secures legal counsel or brings an action against the other by reason of the other's breach or default and obtains substantially the relief sought whether by compromise, settlement, or judgment.

17. **Counterparts.** This agreement may be executed in identical counterparts including, but not limited to, electronically by facsimile or otherwise, in multiple counterparts, each of which shall be deemed an original, and when taken together, shall constitute one and the same agreement.

18. **Voluntary Agreement.** The plaintiffs understand the terms and conditions of this agreement. They have consulted their attorney prior to executing this agreement. They have been given at least a reasonable time within which to review and consider this agreement before

signing it. This agreement, when signed by the parties, shall be legally binding upon the parties, as well as upon their heirs, assigns, executors, administrators, agents, and successors-in-interest.

**PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES
A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

Date: _____
Freddie Burrus

Date: _____
Michael Crawford

Date: _____
Darien Hayes

Date: _____
Kenneth Hicks

Date: _____
Kelli Jeffries

Date: _____
Vickie Presley

Date: _____
Donna Southers

Date: _____
Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: 5-1-09
By Kathryn A. Densborn
Kathryn A. Densborn, Executive Director

signing it. This agreement, when signed by the parties, shall be legally binding upon the parties, as well as upon their heirs, assigns, executors, administrators, agents, and successors-in-interest.

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: 4-15-09

Freddie Burrus
Freddie Burrus

Date: _____

Michael Crawford

Date: _____

Darien Hayes

Date: _____

Kenneth Hicks

Date: _____

Kelli Jeffries

Date: _____

Vickie Presley

Date: _____

Donna Southers

Date: _____

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: _____

By _____
Kathryn A. Densborn, Executive Director

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PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: _____

Date: 4/16/09

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Freddie Burrus

Michael Crawford

Michael Crawford

Darien Hayes

Kenneth Hicks

Kelli Jeffries

Vickie Presley

Donna Southers

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

By _____
Kathryn A. Densborn, Executive Director

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Date: _____

Freddie Burrus

Date: _____

Michael Crawford

Date: 4-19-2009

Darien Hayes

Darien Hayes

Date: _____

Kenneth Hicks

Date: _____

Kelli Jeffries

Date: _____

Vickie Presley

Date: _____

Donna Southers

Date: _____

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: _____

By _____
Kathryn A. Densborn, Executive Director

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Date: _____

Freddie Burrus

Date: _____

Michael Crawford

Date: _____

Darien Hayes

Date: 11/17/09

Kenneth B Hicks
Kenneth Hicks

Date: _____

Kelli Jeffries

Date: _____

Vickie Presley

Date: _____

Donna Southers

Date: _____

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: _____

By _____
Kathryn A. Densborn, Executive Director

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Date: _____

Freddie Burrus

Date: _____

Michael Crawford

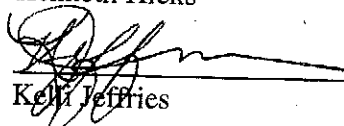
Date: _____

Darien Hayes

Date: _____

Kenneth Hicks

Date: 4-20-09



Kelli Jeffries

Date: _____

Vickie Presley

Date: _____

Donna Southers

Date: _____

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: _____

By _____
Kathryn A. Densborn, Executive Director

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PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: _____

Freddie Burrus

Date: _____

Michael Crawford

Date: _____

Darien Hayes

Date: _____

Kenneth Hicks

Date: _____

Kelly Jeffries

Date: April 15, 2009

Vickie Presley
Vickie Presley

Date: _____

Donna Southers

Date: _____

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: _____

By _____
Kathryn A. Densborn, Executive Director

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Date: _____

Freddie Burrus

Date: _____

Michael Crawford

Date: _____

Darien Hayes

Date: _____

Kenneth Hicks

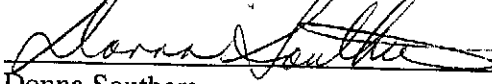
Date: _____

Kelli Jeffries

Date: _____

Vickie Presley

Date: 4-15-09



Donna Southers

Date: _____

Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

Date: _____

By _____
Kathryn A. Densborn, Executive Director

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PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: _____	_____
	Freddie Burrus
Date: _____	_____
	Michael Crawford
Date: _____	_____
	Darien Hayes
Date: _____	_____
	Kenneth Hicks
Date: _____	_____
	Kelli Jeffries
Date: _____	_____
	Vickie Presley
Date: _____	_____
	Donna Southers
Date: <u>April 22, 2009</u>	<u>Rodney Williams</u>
	Rodney Williams

STATE LOTTERY COMMISSION OF INDIANA,
d/b/a THE HOOSIER LOTTERY

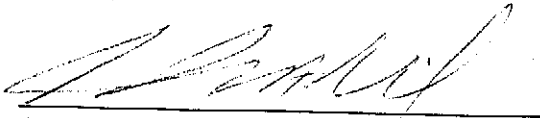
Date: _____ By _____
Kathryn A. Densborn, Executive Director

APPROVED AS TO FORM
AND SUBSTANCE:



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