

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (hereinafter referred to as “Agreement” or “Settlement Agreement and Release”) is made and entered into based on the statements contained herein by and between Alfonso Morales (hereinafter referred to as “Morales”) and the City of Milwaukee, its predecessors, successors and assigns, its officers, directors, employees, insurers, agents and representatives (hereinafter referred to as the “City of Milwaukee”), the Board of Fire and Police Commissioners of the City of Milwaukee (“FPC”), Griselda Aldrete, Steven DeVougas, Nelson Soler, Ann Wilson, Fred Crouther, Angela McKenzie, Everett Cocroft and Raymond Robakowski (hereafter referred to, collectively, as “Defendants” unless otherwise noted;

WHEREAS, Morales filed a Notice of Injury and Claim, dated August 20, 2020, on the City of Milwaukee and FPC as to his claims arising from an allegation that the City of Milwaukee and FPC violated Wis. Stat. § 62.50 and violated Morales’ Fifth Amendment due process rights arising out of or related to, the demotion (the “Demotion”) of Morales from Chief of Police to Captain by the FPC and its members on August 6, 2020;

WHEREAS, Morales filed a legal action in the Circuit Court for Milwaukee County, Wisconsin, *Alfonso Morales v. City of Milwaukee, et al.*, Milwaukee County Case Number 20-CV-5352 (hereinafter, the “State Litigation”) against the City of Milwaukee and FPC, alleging violation of Wis. Stat. § 62.50 due to the Demotion;

WHEREAS, Morales has filed a legal action in the Eastern District of Wisconsin, *Alfonso Morales v. City of Milwaukee, et al.*, Eastern District of Wisconsin Case Number 21-CV-0732-LA (the “Federal Litigation”), against the Defendants, alleging a number of

federal and state claims, including violation of Morales' due process rights under the Fifth Amendment due to the Demotion;

WHEREAS, the City of Milwaukee and FPC admitted in the State Litigation that Morales' due process rights were denied because of the Demotion, but expressly denied any damages flowed or were caused by said Demotion;

WHEREAS, the Defendants dispute all of the allegations made by Morales in the Federal Litigation; and,

WHEREAS, Morales and the Defendants wish to resolve the expense and disruption of any further litigation or dispute between them by amicably entering into this full and final settlement.

NOW, THEREFORE, in consideration of their mutual promises as set forth herein with their intention to be mutually and legally bound hereby, Morales and Defendants agree as follows:

1. Morales, an adult individual, for himself, his heirs, personal representatives, executors, administrators, successors, agents and assigns, does hereby release and forever discharge the Defendants of and from any and all manner of action or actions, cause or causes of action, suits, debts, covenants, contracts, agreements, judgments, executions, claims, and demands and expenses (including attorneys' fees and costs), whatsoever in law or equity, which he has had or now has against the Defendants for or by reason of any transaction, matter, cause or thing whatsoever up to the date of this Agreement, whether based in tort, express or implied contract, collective bargaining agreement, or any federal, state or local law, statute or regulation, specifically including, but not limited to any and all claims under the Wisconsin Fair Employment Act, Wis. Stats.

§§ 111.31-111.395; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101, *et seq.*; the federal and state Family and Medical Leave Act; the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 621 *et seq.*; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, *et seq.*; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201, *et seq.*; the Federal Rehabilitation Act of 1973, as amended, the Civil Rights Act of 1991; the Municipal Employment Relations Act; 42 U.S.C. §§ 1981, 1983, 1985, 1986, 1988; Chapter 36 of the Milwaukee City Charter; and any other applicable statute or authority of law providing a cause of action as to Morales's employment with the City of Milwaukee, including, but not limited to, any claims which have arisen or could arise out of or are connected with the State Litigation or the Federal Litigation.

2. In consideration of Morales's release of claims, the other covenants stated herein, and the execution of the Settlement Agreement and Release, the City agrees that it will:

a. make a payment of \$627,000 to the trust account for the Gimbel Reilly Guerin & Brown LLP within thirty (30) days of the Common Council of the City of Milwaukee approving the terms of this Settlement Agreement. The City will not withhold any state or federal income taxes from this aforementioned payment. However, Morales and Gimbel Reilly Guerin and Brown LLP agree to complete a W-9 form and provide a copy of the completed W-9 form to the City. With respect to the aforementioned payment, Morales agrees to assume all responsibility for making any payments from the aforementioned amount for state and federal income and employment taxes that might be determined to be due and owing from him. Morales acknowledges that the City has made no

representation to him, and has not advised him regarding the tax consequences, if any, that may apply to the payment called for herein, and that he will be solely responsible for tax consequences, if any, that may result to him due to this payment. The City will memorialize these payments with a 1099 tax form at the appropriate time; and,

b. The City shall make a payment of \$1,575.00 to Resolute Systems LLC as Morales' one-half share of mediation fees from the June 19, 2021 mediation of this matter before the Hon. David Jones (ret.) within seven (7) days of the Common Council of the City of Milwaukee approving the terms of this Settlement Agreement.

4. Morales and Defendants specifically agree that their execution of this Agreement resolves all claims by either party for compensatory or punitive damages, wages, back pay, front pay, attorneys' fees, injunctive relief, costs and expenses in the aforementioned State Litigation or Federal Litigation, or otherwise, but that the payment of \$627,000.00 is specifically to resolve Morales' federal claim for breach of his due process rights under the Fifth Amendment.

5. It is expressly understood and agreed between the parties that by entering into this Agreement, Defendants in no way admit that they have violated any Federal, State, local statute or ordinance, or contractual provision, or was otherwise negligent or culpable. It is further understood and agreed that this is a compromise settlement of disputed claims and that neither this Agreement nor the furnishing of the consideration provided for in this Agreement shall be deemed or construed at any time or for any purpose as an admission of liability by Defendants. Liability for any and all claims for relief is expressly denied by Defendants.

6. Morales represents and certifies that he has carefully read and fully understands all of the provisions and effects of this Settlement Agreement and Release, that Morales is voluntarily entering into this Agreement, and that neither the Defendants nor their attorney(s) made any representation concerning the terms or effects of this Agreement other than those contained herein. Morales acknowledges that he has made an independent investigation of the facts and does not rely on any statements or representations by the City, its agents, or representatives, in entering into this Agreement. Morales further acknowledges that he is hereby advised by Defendants and recognizes that he has twenty-one (21) days from the date of his receipt of this Agreement within which to consider it. He certifies that he is hereby advised by the City and recognizes that he may revoke this Agreement within seven (7) days after having signed it, and he understands that this Agreement shall not become effective or enforceable until this seven (7) day revocation period has expired.

7. Morales expressly acknowledges that the Settlement Agreement and Release is intended to include in its effect, without limitation, all claims which have arisen and of which he knows or should have known, had reason to know or suspect to exist in his favor at the time of the execution hereof concerning the State Litigation or the Federal Litigation, and that this Settlement Agreement and Release contemplates the extinguishment of any such claim or claims, consistent with the terms of this Agreement.

8. Each party to this Settlement Agreement and Release agrees that in the event that any party breaches the Agreement the breaching party will indemnify and hold the non-breaching party harmless for any costs, damages or expenses, including

reasonable attorneys' fees arising out of the breach of the Agreement by that party, or arising out of any suit or claim to enforce the Agreement.

9. This Settlement Agreement and Release shall in all respects be interpreted, enforced, and governed under the laws of the State of Wisconsin.

10. Should any specific provision or provisions of this Settlement Agreement and Release be declared or be determined by any court to be illegal, invalid, and/or against public policy, the validity of all remaining parts, terms, or provisions shall not be affected thereby, and said illegal and invalid provision or term shall be deemed not to be part of the Agreement.

11. This Settlement Agreement and Release sets forth the entire Agreement between the parties hereto, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

12. Morales warrants that, no other person or other legal entity, including any lawyers or law firms, other than the law firm of Gimbel Reilly Guerin & Brown LLP, has any interest in any claims, demands, causes of action, obligations, damages or liabilities covered by this Agreement; that he has the sole right and exclusive authority to execute this Agreement and to receive the consideration hereunder; and that, he has not sold, assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation, damage, or liability covered by this Agreement.

13. A facsimile, scanned, or e-mailed version of this Settlement Agreement and Release shall be valid as the original.

14. The parties agree that this agreement shall be confidential between them to the extent permitted by law.

15. This Agreement is subject to, and shall not become effective unless and until it is approved by the Mayor and Common Council of the City.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed the foregoing Settlement Agreement and Release.

ALFONSO MORALES

Subscribed and sworn to before me
This _____ day of July, 2021.

Notary Public, State of Wisconsin
My Commission: _____

Dated this ____ day of July, 2021

CADE LAW GROUP LLC

By: _____
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Attorneys for Defendants and Special Counsel
to the City Attorney's Office of the City of
Milwaukee

CONSENT OF ATTORNEY

Pursuant to the provisions of Wis. Stat. § 757.38, I acknowledge that this Full and Settlement and Final Release have been entered into on the advice and recommendation of myself as attorneys of record for Alfonso Morales.

FRANKLYN M. GIMBEL

Subscribed and sworn to before me
This _____ day of July, 2021.

Notary Public, State of Wisconsin
My Commission: _____

RAYMOND M. DALL'OSTO

Subscribed and sworn to before me
This _____ day of July, 2021.

Notary Public, State of Wisconsin
My Commission: _____