

June 5, 2024

City of Allentown
Attn: City Council
435 Hamilton Street
Allentown, PA 18101

Privileged & Confidential

Re: Internal Investigations Services

Dear Allentown City Council Members:

This letter and the Terms and Conditions attached hereto as Exhibit 1 (this "Agreement") confirms the retention of FLEO Investigations LLC ("FLEO") effective as of June 5, 2024, by Allentown City Council ("Client") to provide internal investigations services in connection with the captioned matter.

Scope and Delivery of Services

On October 4, 2023, Allentown City Council passed Ordinance No. 15948 which authorized an investigation by an outside agency. We understand that Client is seeking FLEO's professional assistance in connection with providing investigations services relating to allegations of potential harassment, discrimination, and other related misconduct against current and former employees of the City of Allentown as outlined in its Request for Proposal ("RFP"), RFP NO. 2023-44, dated December 13, 2023. This investigation will examine procedures related to hiring, terminations, and discipline of employees. This investigation will assess compliance with the personnel code and all relevant state and federal laws. Additionally, the inquiry will cover all terminations and resignations from January 1, 2022, ensuring adherence to the personnel code and applicable laws. The authorized review also extends to all EEOC complaints, Human Relations Commission complaints or inquiries, and internal complaints from city employees since January 1, 2022, focusing on compliance with the personnel code and relevant laws.

As directed by Client, FLEO will provide professional services that may include the following investigative functions: Review and analysis of electronic data, electronic communications, and other documents and records provided by Client; interviews of individuals to include current and former employees; public-record checks, online, media, and social-media searches on individuals identified by Client, by data review and analysis, and from employee interviews. If requested by Client, FLEO may pursue other investigative leads and avenues identified during review of documents, internet and proprietary database searches, and interviews. Additionally, FLEO will provide a written report outlining the findings of this investigation and whether allegations could be substantiated or refuted or are inconclusive. FLEO will also provide recommendations to the City of Allentown regarding the potential for internal discipline, and/or make criminal referrals to appropriate law-enforcement agencies, if

appropriate, and may also provide recommendations for new or updated internal controls, policies, and/or procedures to reduce the risk that identified conduct may occur in the future.

The Client agrees to facilitate the timely access to information, locations and personnel reasonably necessary for the performance of the Services, and to provide subpoenas where necessary to compel individuals or other parties to comply with requests for documents, records, electronic communications or other data, or to make themselves available for questioning. FLEO's work product and findings are to be used only with regard to these professional services and not for any other purpose without FLEO's written approval.

Please keep in mind that, to the extent that Client asks FLEO to reach conclusions or form opinions, FLEO is obligated to give Client its best independent judgment without regard to the impact that such conclusions or opinions may have upon the above referenced matter. It is further understood that FLEO may review work products prepared by parties other than FLEO on behalf of Client or other city administrators, and accordingly, Client agrees to hold harmless and indemnify FLEO for any and all claims, damages, demands, liability and costs (including expenses and attorney fees, as incurred) arising from negligent acts, errors and omissions of the parties and/or professionals who prepared such work product. FLEO understands that all communications between FLEO and Client, either oral or written, as well as any materials and information developed or received by FLEO pursuant to this Agreement, may be intended to be made or prepared for purposes of assisting Client or other city officials in rendering potential legal advice to certain parties within the City of Allentown and thus are protected by applicable legal privileges. Therefore, all such communications will be treated by FLEO as confidential. FLEO expects that the Client will protect the confidentiality and integrity of this investigation and that any unauthorized disclosure may be considered a breach of this agreement.

The preparation of FLEO's work product is an evolving process during which FLEO's analysis is focused and refined as its research and document review proceeds and as information emerges through interviews of current and former employees. Preliminary conclusions, superseded drafts, notations, analyses, work lists, and irrelevant data are not a part of, and will not be recorded in, FLEO's final work product. Such documents may be appropriately discarded on a routine basis as work tasks are completed. Of course, circumstances may arise that require the retention of such drafts or other interim documents, including but not limited to subpoenas and potential litigation documents. FLEO understands that Client will provide it with instructions regarding document retention and production procedures that Client expects it to follow.

The Services Disclaimer

FLEO will not be auditing any financial statements or performing any attest procedures, nor will FLEO be providing legal advice, in the course of the Agreement.

Client agrees that prior to the submission of any statement describing FLEO's experience, credentials, or the nature of FLEO's work and opinions related to this Agreement, or the

publishing of any report authored by FLEO, FLEO will be provided a reasonable opportunity to review such statement for accuracy and provide appropriate disclaimers and legends to any such information and materials.

Fees and Expenses

Scott Curtis, CEO and Owner of FLEO, will serve as the project lead on this investigation. Phoebe Eaton will be contracted by FLEO as an additional investigator in this matter. If additional contract investigators are needed to assist in this matter, their names and rates will be provided to the Client before they engage in any assigned work.

FLEO will make every reasonable effort to perform the assignment in a cost-effective manner. The hourly rates outlined below will be in effect from the start through the end of this investigation and are discounted by 20% off usual and prevailing fees:

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

FLEO's hourly rates are based on the experience and skills of the personnel involved and are adjusted periodically, usually on January 1st of each year. FLEO does not predict or warrant the outcome of any particular matter or issue, and FLEO's fees are not dependent on such outcomes. Professional services will be billed monthly based on hours incurred and the rates in effect at the time services are performed as noted above.

Data research and analytics platforms and related tools may be required to effectively review and analyze data derived from key word and key term searches and employee interviews. In addition, subscription for a virtual meeting platform may be necessary to accommodate interviews of victims and witnesses. If such platforms, programs and/or tools are required, the cost of those fees will be billed monthly, which covers project-related costs related to outside research, data subscriptions, software licenses, data analytic tools, supplies, document reproduction and data processing. Additionally, expenses may be incurred related to maintaining the confidentiality during the interview process of current and former employees, to include securing space in offsite locations, or in traveling to and from interview locations for former employees who reside outside the Allentown, Pennsylvania area. An estimation of those expenses will be communicated to, and agreed upon by the Client, in advance of such actions.

FLEO's invoices are due upon receipt, and payment of professional fees and expenses is expected within 30 days of the invoice date. Any objection to the invoice must be made within 60 days of the date of the invoice; lack of timely objection to an invoice shall evidence Client's agreement to all invoiced amounts. A late charge of 1% per month will accrue on undisputed amounts not paid within 60 days of the date of the invoice. If payment on invoices is past due more than 90 days, FLEO reserves the right to terminate the engagement or suspend services until payment is received. If a report or work product is required, FLEO reserves the right to require payment of outstanding fees and expenses prior to production of such report or work

product. Client will be solely responsible for all financial obligations to FLEO in connection with this Agreement. All costs of collection of amounts due and owing hereunder shall be paid by Client.

From time to time, FLEO may give Client an estimate of fees and expenses relating to this matter. Such estimates are subject to many unknown and uncontrollable variables. As such, estimates are projections at a particular point in time. Estimates may change as FLEO moves forward, and estimates are not an agreed upon, fixed fee. It is agreed that FLEO may communicate directly with Client regarding billing and other administrative matters.

Retainer

It is customary for FLEO to require the payment of a retainer in undertaking a new engagement. FLEO has not requested a retainer in connection with this engagement. However, if FLEO's invoices are not paid when due or if circumstances warrant, FLEO reserves the right to request, as a condition of FLEO's continuing this engagement, that Client deposit a retainer to be applied by FLEO as it deems appropriate.

The Term

The term of this Agreement is from the Effective Date to (i) termination of this Agreement by either party by giving thirty (30) days written notice to the other (such termination shall be effective thirty (30) days after the date that the party receives the notice in fact); (ii) the completion of the Services; or (iii) Client's receipt of a final invoice for professional fees. Notwithstanding, (i) and (ii), this Agreement shall terminate if FLEO has not performed Services in the preceding 12 months.

Entire Agreement

This Agreement constitutes the entire agreement between FLEO, on one side, and Client on the other side. In the event Client requires FLEO to execute a purchase order or other Client documentation in order to receive payment for FLEO's services, the terms and conditions contained in such purchase order or documentation shall be null and void and shall not govern the terms of this Agreement. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein and supersedes any other such promises or representations. It can only be modified by a written agreement signed by duly authorized representatives of each party.

If Client wishes to engage FLEO to provide the Services, please sign in the space provided and return an executed original to FLEO at the email address listed below.

FLEO looks forward to providing the Services in connection with this matter. If there are any questions, please do not hesitate to contact me at (929) 226-7021 or src.fleoinvestigations@gmail.com.

Very truly yours,

FLEO Consulting LLC

By: _____
Scott R. Curtis
Owner/CEO

Agreed to and accepted by:

City of Allentown

By: _____

EXHIBIT 1
TERMS AND CONDITIONS

Intellectual Property and FLEO Deliverables: Upon full payment of all amounts due FLEO in connection with this Agreement, all rights, title and interest in any information and items, including summaries, documents, reports and portions thereof it provides to Client (the "FLEO Deliverables") will become Client's sole and exclusive property for use in connection with the professional services set forth in this Agreement, subject to the exceptions set forth below. FLEO shall retain sole and exclusive ownership of all rights, title and interest in its work papers, proprietary information, processes, methodologies, know-how and software, including such information as existed prior to the delivery of the Services and, to the extent such information is of general application, anything that it may discover, create or develop during provision of the Services ("FLEO Property"). To the extent the FLEO Deliverables contain FLEO Property; Client is granted a non-exclusive, non-assignable, royalty-free license to use it in connection with the subject of this Agreement. Without the prior written consent of FLEO, in no event shall FLEO's name be mentioned nor shall FLEO Deliverables be disclosed, referenced, used in connection with any offering documents or shared with any third party, except (a) as required by law; (b) as required by any government or regulatory agency with supervisory authority over Client; and (c) Client's legal advisors and auditors. It is strictly prohibited for FLEO Deliverables to be disclosed, referenced, filed or distributed in connection with the purchase or sale of securities, and in connection with any financing or business transaction.

Confidentiality: FLEO will take all reasonable efforts to protect the interests of Client, consistent with its need to protect its confidential and proprietary materials as well as those of FLEO's other clients.

FLEO understands that all communications between it and Client, oral and written, as well as any materials and information developed or received by FLEO pursuant to this Agreement, are intended to be confidential. Accordingly, FLEO agrees, subject to applicable law or court order, not to disclose any of its communications, or any of the information it receives and develops in the course of the Services, to any person or entity apart from Client and such other persons or entities as Client may designate, including local, state, and federal law enforcement agencies in connection with criminal referrals.

If access to any of the materials and information in FLEO's possession relating to this Agreement are sought by a third party, or any of its professionals are requested or compelled to testify as a fact witness in any legal proceeding related to this Agreement, by subpoena or otherwise, or it is made a party to any litigation related to this Agreement or by the Client violating confidentiality in this matter, FLEO will promptly notify Client of such action, and either tender to Client its defense responding to such request and cooperate with Client concerning FLEO's response thereto or retain counsel for its defense for which Client shall reimburse FLEO for all reasonable attorney's fees and costs of defense. In such event, Client shall compensate FLEO at its standard billing rates for its professional fees and

expenses, including reasonable attorneys' fees (internal and external), involved in responding to such action.

Data Transfer: By accepting these terms, Client hereby provides consent for FLEO to obtain, store and process any personally identifiable information ("PII") acquired by it in this engagement. If any such PII originates from a non-U.S. country ("Foreign Data"), Client hereby warrants that at all times it has the requisite consent or authority under applicable law to transfer such Foreign Data to the U.S. If Client directs FLEO to transfer Foreign Data from FLEO to a third party in the U.S., FLEO shall not be liable for the data handling practices of any such third party. With respect to Foreign Data originating from the European Union, FLEO adheres to the safe harbor framework for U.S. companies' protection of personal data from Europe, as required by the European Union's Directive on Data Protection. FLEO agrees to maintain its safe harbor status for the duration of this Agreement and to handle any Foreign Data from the European Union in accordance with FLEO's safe harbor registration.

Conflicts of Interest: Based on FLEO's conflict check procedure and using the names Client provided, FLEO is not aware of circumstances that constitute a conflict of interest or that would otherwise impair FLEO's ability to provide objective assistance. FLEO's determination of conflicts is based primarily on the substance of its work and not the parties involved. FLEO is a small consulting company that is engaged by many companies and individuals. FLEO may have in the past represented, may currently represent or may in the future represent other clients whose interests may have

been, may currently be, or may become adverse to, Client in litigation, transactions, or other matters (collectively "Other Clients"). Therefore, as a condition of FLEO's undertaking to provide the Services to the Client and absent any conflict in fact, the Client agrees that FLEO may continue to represent, and in the future may represent, other Clients. Notwithstanding any other provisions herein, in exchange for FLEO agreeing to provide the Services under this Agreement, Client agrees and acknowledges that other FLEO connected professionals who are not involved in providing the Services are not restricted in any way from providing eDiscovery services to Other Clients.

Standard of Care: In providing the Services, FLEO and its personnel shall exercise reasonable care, and FLEO, its interim personnel, officers, and outside consultants or contractors, if any, will not be liable to Client (or any parent, subsidiary or affiliate, director or officer thereof) for any loss, financial or otherwise, which may result to Client (or any parent, subsidiary, affiliate, director or officer thereof) as a result of the Services or the methods by which the Services were provided, unless such a loss is the direct result of an act of fraud. FLEO cannot guarantee or assure the achievement of any performance objective, nor can FLEO guarantee or assure any particular outcome for Client or any other person as a result of this Agreement or the performance of the Services.

Limitation of Liability: Notwithstanding the terms of any other provision, the total liability of FLEO for all claims of any kind arising out of this Agreement, whether in contract, tort or otherwise, shall be limited

to the total fees paid to FLEO in the preceding 12 months. Neither FLEO nor Client shall in any event be liable for any indirect, consequential or punitive damages, even if Client or FLEO have been advised of the possibility of such damages. No action, regardless of form, arising out of or relating to this Agreement, may be brought by either party more than one year after the cause of action has accrued, except an action for non-payment may be brought within one year following the date of the last payment due under this Agreement. FLEO shall not be liable for any loss or destruction of any valuable documents provided to FLEO. Client shall be responsible for insuring such documents against loss and destruction.

Third Party Beneficiaries: This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the parties.

Force Majeure: FLEO shall not be deemed in default of any provision of this Agreement or be liable for any delay, failure in performance, or interruption of the Services resulting directly or indirectly from acts of God, electronic virus attack or infiltration, civil or military authority action, civil disturbance, war, strike and other labor disputes, fires, floods, a pandemic, other catastrophes, and other forces beyond its reasonable control.

Resolution of Disputes: To promote rapid and economical resolution of disputes that may arise, any and all disputes or claims related to or arising from this Agreement, except claims by FLEO for non-payment of amounts owed hereunder, shall be resolved by final, binding and confidential arbitration conducted in [Philadelphia, Pennsylvania] by JAMS Inc. (formerly Judicial Arbitration

and Mediation Services) (“JAMS”) under the then-applicable JAMS rules, including its optional appellate procedure if the parties so elect. The parties hereby give up their right to have any such disputes and claims litigated in a court or by a jury. This Agreement shall be governed by and construed in accordance with the laws of the [Commonwealth of Pennsylvania], without regard to its conflict of laws principles. In any arbitration (or litigation in the case of claims by FLEO for nonpayment of amounts owed hereunder), the prevailing party shall be entitled to recover from the other party reasonable costs and expenses, including reasonable attorneys’ fees, incurred in enforcing this Agreement and reasonable attorneys’ fees and costs incurred in obtaining, appealing or enforcing any judgment entered by the arbitrator or the court. The waiver of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent or additional breach.

Restriction on Use of Personnel: Client agrees that during the term of this Agreement (including any renewals and extensions thereof), and for a period of one year following its termination (“Restriction Period”), neither Client nor any affiliate, parent or subsidiary thereof will knowingly employ or engage as an independent contractor, consultant or otherwise, any person who, during the Restriction Period, is or was an employee or independent contractor of FLEO that provided Services under this Agreement.

Disposition of Documents: The preparation of FLEO Deliverables and the work product is an evolving process during which FLEO’s analysis is focused and

refined as its research and document review proceeds. Preliminary conclusions, superseded drafts, notations, analyses, work lists, and irrelevant data are not a part of, and will not be recorded in FLEO Deliverables. Such documents may be discarded on a routine basis as tasks are completed.

At the conclusion of the Services, Client will have the following three options with respect to disposition of documents related to this Agreement. Client may (a) direct FLEO to return all such documents to Client, where practicable; (b) authorize FLEO to discard or destroy all documents; or (c) direct FLEO to store any or all such

documents at the expense of Client. It is also Client's obligation to pay FLEO for storage costs in the event FLEO is bound to retain documents related to the Services by any third party, court order, operation of law, or other legally binding reason for retention. The terms and pricing for all storage will be provided to Client at the beginning of any storage period. If Client does not request option (a), (b) or (c) within 60 days after the conclusion of the Services, FLEO may implement any one of these options at its sole discretion. FLEO may retain a copy of its reports and work papers as a reference in potential criminal or civil proceedings.