

SETTLEMENT AGREEMENT

This agreement is entered into by and between the City of Milwaukee, in its own right and on behalf of its various departments, commissions, agencies, employees, including the Milwaukee Police Department and the Fire and Police Commission, and all agents thereof (hereinafter "City"), and Donald Harmon.

WHEREAS, Donald Harmon has filed a complaint and amended complaint in the United States District Court for the Eastern District of Wisconsin, entitled *Donald Harmon v. City of Milwaukee*, Case No. 03-C-0974, in which he alleges race discrimination and retaliation in violation of Title VII of the Civil Rights Act of 1964, as amended, in connection with his failure to be hired as a police officer in 1994 and 1997 based upon his failing the background investigation, and

WHEREAS, the parties wish to effect a final settlement of all complaints, claims, charges, demands and liabilities, of any kind or nature whether filed or unfiled, arising from Donald Harmon's failure to be hired or failure to pass the background investigation for the City of Milwaukee, including, without limitation, all claims arising out of the facts and circumstances which gave rise to the foregoing litigation, and

WHEREAS, the parties further wish to avoid the expense, burden and uncertainties of further litigation in this matter,

NOW, THEREFORE, It is hereby stipulated and agreed as follows:

1. This agreement is in resolution of disputed claims and causes of action, and does not constitute an admission of liability by the City for any claim or cause of action, whether filed or unfiled.
2. This agreement is subject to approval by the Common Council of the City of

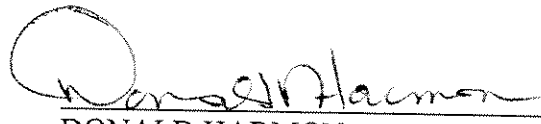
Milwaukee. It shall be deemed null and void, and have no force or effect, nor shall it be admissible for any purpose, in the event it is not so approved.

3. The City will pay a total settlement of \$112,500 to Donald Harmon in full and complete settlement of all claims made by him, to be allocated as follows: (a) The City will issue a check to Donald Harmon in the amount of Twenty thousand and no/100th dollars (\$20,000.00) as back pay which shall be subject to both state and federal tax withholding, and any other applicable payroll tax or withholding in the year in which payment is made, and the City will report such payment in a W-2, for said amount; and (b) The City will issue a check to Donald Harmon in the amount of Ninety two thousand five hundred and no/100th dollars (\$92,500.00) in full settlement of all damages of any nature, including but not limited to, compensatory damages, lost pension benefits, insurance benefits, physical pain and suffering, mental anguish, medical expenses, attorney fees and costs.
4. For and in consideration of the City's payment of the sum specified herein, Donald Harmon hereby releases, waives and holds the City harmless for any and all claims whatsoever, including salary, pay, wages, or payroll related benefits, damages, attorney fees, costs, or other compensation attributed to his failure to be hired as a police officer as alleged in his complaint. Donald Harmon further acknowledges that this settlement does not include any instatement to employment or offer of employment. Donald Harmon acknowledges that he does not intend in the future to seek employment from the City of Milwaukee as a police officer, and hereby agrees not to do so.
5. Based upon the settlement, Donald Harmon agrees to execute a written agreement to dismiss the above captioned case number 03-C-0974 with prejudice and


without costs or attorney fees.

6. Donald Harmon and his attorney agree to execute the attached release, which is incorporated as Exhibit 1, meeting the approval of the City Attorney as to form and execution.
7. Before signing this agreement, Donald Harmon states that he has read the agreement, has had a full and complete opportunity to consider its terms, and that he understands the agreement, and knows that he is giving up all of his claims or potential claims, relating to his employment discrimination claims against the City up through the date of this settlement and release. He is aware of his right to consult with an attorney and, in fact, has consulted with an attorney before signing this agreement. Donald Harmon has signed this agreement knowingly and voluntarily.


Dated at Milwaukee, Wisconsin, this 4th day of June, 2004.


DONALD HARMON

Subscribed and sworn to before me
this 4th day of June, 2004.


Notary Public, State of Wisconsin

My Commission: permanent


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