

SETTLEMENT AGREEMENT AND RELEASE

AGREEMENT made and entered by and among the CITY OF READING, the PUBLIC INTEREST LAW CENTER OF PHILADELPHIA (“PILCOP”) and NEW DIRECTIONS TREATMENT SERVICES (“NDTS”), ANGEL DOE, DAN COE, JOSEPH JOE, LUIS LOE, and PETER VOE (hereinafter collectively “Plaintiffs”).

(As used herein “THE CITY OF READING” shall mean the CITY OF READING, its affiliated and related organizations, all of their past and present elected officials, employees and agents and their respective successors and assigns).

WHEREAS, NDTS and Plaintiffs identified anonymously as Angel Doe, Dan Coe, Joseph Joe, Louis Loe and Peter Voe (hereinafter “individual Plaintiffs”) and Carlos Poe filed suit against the City of Reading, Vaughn Spencer, Angel Figueroa, George Kerns, Michael D. Schorn, Dennis Sterner, Donna Reed, Jeffrey Waltman and Casey Ganster on March 25, 2004 which was docketed as Civil Action No. 04-CV-1311 (hereinafter the “Litigation”); and

WHEREAS, Plaintiffs Dan Coe and Louis Loe died intestate and are replaced by their respective heirs pursuant to the Pennsylvania rules of succession (20 Pa.C.S. 2104); and

WHEREAS, Carlos Poe has failed to maintain the sobriety that makes him a qualified person with a disability within the meaning of the Americans with Disabilities Act and the Rehabilitation Act; and

WHEREAS, Plaintiffs sought to assert claims on behalf of a class that was never certified; and

WHEREAS, judgment was entered in favor of Defendants and against Plaintiffs by the United States District for the Eastern District of Pennsylvania on August 19, 2005; and

WHEREAS, Plaintiffs appealed to the United States Court of Appeals for the Third Circuit; and

WHEREAS, the United States Court of Appeals for the Third Circuit reversed the judgment of the District Court on June 15, 2007 and remanded the matter to the United States District Court for the Eastern District of Pennsylvania; and

WHEREAS, the individual Plaintiffs sought to maintain their anonymity during the course of this litigation; and

WHEREAS, the courts considering this Litigation permitted the individual Plaintiffs to proceed using a pseudonym; and

WHEREAS, individual Plaintiffs desire to continue to maintain their anonymity; and

WHEREAS, the heirs of Dan Coe and Louis Loe desire to maintain the anonymity of their relatives; and,

WHEREAS, this Agreement may be subject to disclosure under the Pennsylvania Right-to-Know Act; and

WHEREAS, Plaintiffs' counsel has represented that she is authorized to execute this Agreement on behalf of the individual Plaintiffs and the heirs of Dan Coe and Louis Loe to have this case settled and dismissed on the terms set out herein; and

WHEREAS, the parties to the Litigation have reached an amicable settlement of the claims asserted and have agreed to settle any and all disputes between and among them.

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to the Litigation and PILCOP hereby agree as follows:

FIRST: INCORPORATION OF RECITALS

The recitals set forth above are made a part of this Settlement Agreement as if set forth herein at length.

SECOND: PAYMENT TO PLAINTIFFS AND THEIR COUNSEL

Within 15 days following the completion of the following, Defendants will cause Plaintiffs and their counsel to receive a total payment of Three Hundred Ten Thousand Dollars (\$310,000.00) payable to “The Public Interest Law Center of Philadelphia” and mailed to Barbara Ransom, Esquire;

- Receipt by Steven K. Ludwig, Esquire of this signed Settlement and Release Agreement from NDTS and PILCOP;
- The entry of an Order dismissing the Litigation with prejudice; and
- Receipt of a completed and signed W-9 form from PILCOP.

This payment is a compromise of claims for damages on behalf of the Plaintiffs and for Plaintiffs’ counsel fees and costs.

THIRD: RELEASE OF ALL CLAIMS

Plaintiffs agree, in consideration of the promises in this Agreement, to unconditionally release and forever discharge THE CITY OF READING from any and all causes of action, suits damages, claims, judgments, interest, attorney’s fees, costs and expenses whatsoever arising from or relating to the claims which were asserted or could have been asserted in the Litigation, as well as any other claims, either directly or indirectly, whether known or unknown, for, upon or by reason of any matter, cause or thing whatsoever, and also including but not limited to, any breach of contract claims, estoppel claims, interference with contractual relations, infliction of emotional harm or any other tort claims, claims of discrimination, claims of retaliation, claims of defamation, claims under 42 U.S.C.A. § 1983, claims for benefits, claims under the Americans with Disabilities Act, claims under the Rehabilitation Act as well as any claims which Plaintiffs may have against THE CITY OF READING as a result of the denial of a

permit to operate a methadone treatment facility within the City of Reading at 700 Lancaster Avenue arising from any and all local, state or federal ordinances, statutes, or common law to and including the dates of execution hereof. Excluded from this release provision is a claim for breach of this Agreement.

By signing this Agreement, Plaintiffs acknowledge, understand and agree that the suit they have filed in the United States District Court for the Eastern District of Pennsylvania, Civil Action No. 04-1311 has been settled and dismissed.

FOURTH: VOLUNTARY AGREEMENT

PLAINTIFFS HEREBY ACKNOWLEDGE THAT THEY FULLY UNDERSTAND THE TERMS OF THIS AGREEMENT INCLUDING THE RELEASE AND THAT THEY ENTER INTO IT VOLUNTARILY WITHOUT ANY COERCION ON THE PART OF ANY PERSON; AND THAT THEY WERE GIVEN ADEQUATE TIME TO CONSIDER ALL IMPLICATIONS TO AND TO FREELY AND FULLY CONSULT WITH ANY SEEK THE ADVICE OF LEGAL COUNSEL.

FIFTH: NO ADMISSION OF LIABILITY

This Agreement shall not in any way be construed as an admission by THE CITY OF READING that it has acted wrongfully and/or illegally in any manner with respect to Plaintiffs. In making this settlement, Defendant does not admit, either expressly or by implication, any violation of any contract, agreement, law, regulation or ordinance, federal, state or local, or any validity to the claims made in Plaintiffs' legal action. Neither this Agreement nor any of its terms shall be offered or received in evidence in any action or proceeding or utilized in any manner as an admission or concession of liability or wrongdoing on the part of THE CITY OF READING.

SIXTH: JOINT EFFORT

Preparation of this Agreement has been a joint effort of the signatories and neither this Agreement, nor any document delivered by the signatories pursuant hereto, nor any term nor provision thereof shall be construed more severely against any party as the drafter of any document notwithstanding any presumption of law to the contrary.

SEVENTH: EFFECT OF AGREEMENT

Plaintiffs understand that THE CITY OF READING may plead this Agreement as a complete defense to any claim or entitlement relating to the denial of a permit to operate a methadone treatment facility within the City of Reading at 700 Lancaster Avenue which hereafter may be asserted by Plaintiffs or other persons, or agencies on her behalf in any suit or claims against THE CITY OF READING. Plaintiffs promise never to file or prosecute a lawsuit based on any of the claims released by this Agreement.

EIGHTH: FEES AND COSTS

Except as otherwise provided herein, all parties shall bear his, her or its own attorneys' fees and costs.

NINTH: SEVERABILITY

The parties agree that each provision of this Agreement is severable and further agree that if any term or provision is held to be invalid, void or unenforceable by a court of competent jurisdiction or any administrative agency for any reason whatsoever, such ruling shall not affect the validity of the remainder of this Agreement.

TENTH: TAX REPORTING

Plaintiffs understand that the payment identified in Paragraph Second will be reported to the Internal Revenue Service. The PUBLIC INTEREST LAW CENTER OF

PHILADELPHIA is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. Plaintiffs' counsel has explained to NDTS, the individual Plaintiffs and the heirs of Dan Coe and Louis Loe that they may be responsible for federal, state and local income and other taxes, penalties and interest, assessed by federal, state or local taxing authorities. NDTS, the individual Plaintiffs and the heirs of Dan Coe and Louis Loe agree to hold harmless THE CITY OF READING and Pennsylvania Pooled Risk Insurance for Municipal Entities from any obligations to make tax payments of any kind whatsoever or withhold taxes on the payment identified above.

ELEVENTH: DUE AUTHORIZATION

The signatories hereto represent and warrant to each other that the signatories hereto are duly authorized to execute this Agreement and that the Agreement is valid, binding and duly enforceable against such party according to its terms. The signatories have full capacity, power and authority to execute and deliver this Agreement and to perform all of the provisions hereof

TWELFTH: FULL AGREEMENT

This Agreement sets forth the entire understanding of the parties and can be modified only in writing, signed by the parties hereto, and that no representations or inducements have been made by either side except as set forth herein. This Agreement supersedes any and all prior agreements, promises or inducements, no matters its or their form.

THIRTEENTH: COUNTERPARTS

This Agreement may be signed in counterparts each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year written below.

THE CITY OF READING

WITNESS: _____

By: _____

Dated: _____

PUBLIC INTEREST LAW CENTER OF
PHILADELPHIA

WITNESS: _____

By: _____

Barbara E. Ransom, Esquire, on
Behalf of Angel Doe, Joseph
Joe, and Peter Voe and the heirs of Dan Coe
and Louis Loe

Dated: _____

NEW DIRECTIONS TREATMENT SERVICES

WITNESS: _____

By: _____

Glen Cooper, Executive Director

Dated: _____

* * * * *

PUBLIC INTEREST LAW CENTER OF
PHILADELPHIA

WITNESS: _____

By: _____

Barbara Ransom, Esquire

Dated: _____