

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Settlement Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of its agency, U.S. Customs and Border Protection (“CBP” or “Customs”) (collectively, the “United States”), Defendant Samantha Harrison (“Harrison”), and Andrew Patrick (“Relator”) (hereafter collectively referred to as “the Parties”), by and through their authorized representatives.

RECITALS

A. Harrison was the Head of Operations from 2010 through 2016 for Pure Collection Ltd. (“Pure”), a private corporation registered in England and headquartered at Mowbray House, Mowbray Square, Harrogate, West Yorkshire, HG1 5AU, England. Pure is a retailer of knitwear, including cashmere and other woven products, and transacts extensively in the United States.

B. In 2016, Harrison became Pure’s Chief Executive Officer, and continues in that role currently. She is a citizen and resident of the United Kingdom.

C. On May 3, 2016, Relator filed a *qui tam* action in the United States District Court for the District of Maine captioned *United States ex rel. Patrick v. Pure Collection Ltd.*, Civil No. 2:16-cv-00230-GZS, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). The Civil Action originally alleged, *inter alia*, that Pure violated the False Claims Act, 31 U.S.C. § 3729(a)(1)(G), in connection with its alleged improper and knowing concealment and avoidance of United States customs duties applicable to items it regularly shipped from the United Kingdom directly to U.S. customers. *See* ECF No. 1.

D. On July 14, 2017, the United States fully intervened in the Civil Action and filed its Complaint-in-Intervention. *See* ECF Nos. 18 & 19. By and through its Complaint-in-Intervention, the United States added Harrison as a party co-Defendant. *Id.*

E. As more fully detailed in its Complaint-in-Intervention, the allegations of which are hereby incorporated by reference in the Recitals comprising the instant Settlement Agreement, the United States contends that Harrison violated the federal False Claims Act, 31 U.S.C. § 3729 *et seq.*, from 2007 through 2017. This conduct is referred to herein as the “Covered Conduct.”

F. The United States contends that it has certain civil claims against Harrison arising from the Covered Conduct.

G. This Settlement Agreement is neither an admission of liability by Harrison nor a concession by the United States that its claims are not well founded.

H. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and under 31 U.S.C. § 3730(d) to Relator’s reasonable expenses, attorneys’ fees, and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Harrison shall pay to the United States the sum of Thirty Two Thousand Five-Hundred and Sixty-Two Dollars (**\$32,562.00**) (the “Settlement Amount”) by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for

the District of Maine no later than thirty (30) days after the Effective Date of this Settlement Agreement.

2. Contingent upon the United States receiving the Settlement Amount from Harrison and as soon as feasible thereafter, the United States agrees to pay from the proceeds of the Settlement Amount the sum of \$5,861.16 to Relator by electronic funds transfer pursuant to instructions provided by Counsel for Relator.

3. Subject to the exceptions in Paragraph 5 (concerning excluded claims) below, and conditioned upon Harrison's full payment of the Settlement Amount, the United States releases Harrison from any civil or administrative monetary claim the United States has for the Covered Conduct under the federal False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Tariff Act of 1930, as amended by 19 U.S.C. §§ 1202-1683(g); or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 5 (concerning excluded claims) below, and conditioned upon Harrison's full payment of the Settlement Amount, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Harrison from any civil monetary claim the relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

5. Notwithstanding the releases given in Paragraphs 3 and 4 of this Settlement Agreement, or any other term of this Settlement Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;

- c. Except as explicitly stated in this Settlement Agreement, any administrative liability, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Settlement Agreement; and
- f. Any liability of any other individuals.

6. The parties understand and agree that Relator shall be entitled to seek an order for an award of reasonable attorney fees and costs in this action, pursuant to 31 U.S.C. § 3730. The parties agree that Pure shall be liable for all such fees and costs that might otherwise be chargeable to Ms. Harrison. All claims and defenses relating to Relator's attorney's fees and costs are preserved per the terms of the separate Settlement Agreement executed between the United States and Pure. All such claims shall be resolved either by a separate settlement agreement between Pure and Relator or per Court order.

7. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Settlement Agreement but agree and confirm that this Settlement Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the payment described in Paragraph 2, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Settlement Agreement and/or the Civil Action.

8. Harrison waives and shall not assert any defenses she may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action.

9. Harrison, her heirs, successors, attorneys, agents and assigns, fully and finally release the Relator, his heirs, successors, attorneys, agents and assigns from any and all claims (including attorney's fees, costs, and expenses of every kind and however denominated) that she or her heirs, successors, attorneys, agents and assigns have asserted, could have asserted, or may assert in the future related to the Civil Action or the Covered Conduct and Relators' investigation and prosecution thereof.

10. Harrison fully and finally releases the United States and its agencies, officers, agents, employees, and servants from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Harrison has asserted, could have asserted, or may assert in the future against the United States and its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the investigation and prosecution thereof.

11. Unallowable Costs Defined:

a. All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Harrison, and her present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Settlement Agreement;

- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Settlement Agreement;
- (3) Harrison's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Settlement Agreement (including attorney's fees);
- (4) the negotiation and performance of this Settlement Agreement;
- (5) the payment Harrison makes to the United States pursuant to this Settlement Agreement and any payments that Harrison may make to Relator, including costs and attorneys fees,

are unallowable costs for United States Government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Harrison, and Harrison shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Harrison shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Harrison or any of her subsidiaries or affiliates from the United States. Harrison agrees that the United States, at a minimum, shall be entitled to recoup from Harrison any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit,

examine, or re-examine Harrison's books and records and to disagree with any calculations submitted by Harrison or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Harrison, or the effect of any such Unallowable Costs on the amount of such payments.

12. This Settlement Agreement is intended to be for the benefit of the Parties only.

13. Upon receipt of the payment described in Paragraph 1, above, the United States and Relator shall promptly sign and file in the Civil Action a Notice of Dismissal of the United States and Relator's claims pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure. The Notice shall provide for dismissal with prejudice of the claims on behalf of the United States and the Relator under the federal False Claims Acts regarding the Covered Conduct.

14. Except as provided above with respect to Relator as set forth in Paragraph 6, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Settlement Agreement.

15. Each party and signatory to this Settlement Agreement represents that it freely and voluntarily enters in to this Settlement Agreement without any degree of duress or compulsion.

16. This Settlement Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement is the United States District Court for the District of Maine. For purposes of construing this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

17. This Settlement Agreement constitutes the complete agreement between the Parties.

18. This Settlement Agreement may not be amended except by written consent of all Parties.

19. The undersigned counsel represents and warrants that they are fully authorized to execute this Settlement Agreement on behalf of the persons and entities indicated below.

20. This Settlement Agreement may be executed in counterparts by all signatories, each of which constitutes an original and all of which constitute one and the same.

21. This Settlement Agreement is binding on Harrison's successors, transferees, heirs, and assigns.

22. This Settlement Agreement is binding on Relator's successors, transferees, heirs, and assigns.

23. All parties consent to the United States' disclosure of this Settlement Agreement, and information about this Settlement Agreement, to the public.

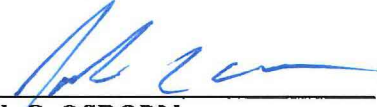
24. This Settlement Agreement is effective on the date of signature of the last signatory thereto ("Effective Date of this Settlement Agreement"). Facsimiles and/or scanned copies of original signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

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THE UNITED STATES OF AMERICA

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U.S. Attorney for the District of Maine


DATED: February 12, 2018

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DATED: February 9th, 2018

BY: 
ANDREW PATRICK, RELATOR

DATED: February 9th, 2018

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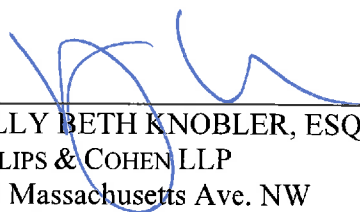
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