

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Richard A. Horn,)	
)	
)	
Plaintiff,)	
)	
v.)	No. 1:94-CV-1756 (RCL)
)	
Franklin Huddle, Jr.)	
and Arthur Brown,)	
)	
Defendants.)	

SETTLEMENT AGREEMENT

Plaintiff, Richard A. Horn, defendants, Franklin Huddle Jr. and Arthur Brown, and the United States, as intervenor, hereby settle any and all matters arising from or related to the above-captioned case and the pending appeal. The following sets forth a complete statement of the terms and conditions of settlement:

1. Following the settlement agreement, the parties will make the following court filings:
 - (a) Within five business days after the effective date of this settlement agreement, as set forth in paragraph 7, infra, plaintiff Richard A. Horn will file in this Court a withdrawal, with prejudice, of his pending Equal Access to Justice Act (EAJA) application filed against the United States and/or the Central Intelligence Agency, and his pending sanctions motion against Defendant Brown and the non-parties identified in that motion, as set forth in paragraph 7, infra. In that withdrawal, plaintiff will confirm that his sanctions motion, which included an EAJA application, was based on a theory of civil, not criminal, contempt as set forth in paragraph 8, infra.

(b) Also within five business days after the effective date of this settlement agreement, the United States will move in this Court to vacate the orders dated August 26, 2009, and July 16, 2009, as set forth in paragraph 8, infra.

(c) Within five business days after the United States has filed the motion to vacate described in subparagraph (b), plaintiff shall file a Stipulation of Dismissal with prejudice in the form attached as Exhibit 1 to this agreement. A copy of this settlement agreement shall be filed with the Court along with the Stipulation of Dismissal with prejudice.

(d) Within five business days after this Court enters an order dismissing this civil action in full with prejudice, the United States will move in the United States Court of Appeals for the District of Columbia Circuit for voluntary dismissal or remand of its pending appeal, D.C. Cir. No. 09-5311, with the parties to bear their own costs on appeal.

2. The United States agrees to pay to plaintiff and plaintiff agrees to accept a total of \$3,000,000 in full satisfaction of any and all matters presented by Plaintiff and his attorneys arising from or related to the above-captioned case and the pending appeal, and the payment of such sums shall fully settle any claim Plaintiff or his attorneys would have for damages, attorneys' fees, and litigation costs and expenses. The total amount shall be allocated among plaintiff and his attorneys as plaintiff deems appropriate.

3. The United States will not make any payments of the lump sum referenced in paragraph (2) until a stipulation of dismissal with prejudice is filed and the Court enters an order dismissing this civil action in full with prejudice.

4. Plaintiff's attorneys will, upon the execution of this agreement, provide the information necessary for the United States to make wire transfers, pursuant to paragraph 2, to the appropriate bank accounts. Within two business days after entry of the order referenced in

paragraph 3, counsel for the United States will request that payments set forth in paragraph 2 be made.

5. This settlement agreement is not and shall not be construed as an admission by the Defendants nor the United States, including its components, agents, employees and former employees, either in their official or individual capacities, of any allegation or the validity of any claim asserted in this lawsuit, or of the Defendants' or the United States' liability therein.

6. Plaintiff for himself, his heirs and personal representatives, fully and forever releases, acquits and discharges the Defendants and the United States, including its components, agents, employees and former employees, either in their official or individual capacities, from any and all claims, demands, causes of action of every kind, nature or description, whether known or unknown, which Plaintiff may have had, may now have, or may hereafter discover arising out of, or in connection with, any event occurring prior to the date of this settlement agreement, including, without limitation, events relating to or stemming from the above captioned proceeding and appeal.

7. In connection with the waiver and relinquishment set forth in paragraph 6 of the settlement agreement, Plaintiff acknowledges that he is aware that he may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which he now knows, with respect to the matters released herein. Nevertheless, it is the intention of the Plaintiff through the release set forth in paragraph 6 above, and with the advice of counsel, to settle and release all such matters, and all choate and inchoate claims relative thereto, which heretofore have existed, now exist, or hereafter may exist between Plaintiff and Defendants or the United States, or the United States' components, agents, employees and former employees, individually, and/or in their official capacities, arising out of the circumstances encompassed by

such a release. By this release, Plaintiff expressly agrees to withdraw, with prejudice, his pending Equal Access to Justice Act application filed against the United States and/or the Central Intelligence Agency, and his pending sanctions motion pending against Defendant Brown and the non-parties identified in that motion.

8. To effectuate the global relief envisioned by this settlement agreement, Plaintiff agrees to confirm with this Court that his sanctions motion, which included an EAJA application, was a motion for civil and not criminal contempt, as requested in the Court's February 6, 2009 Memorandum and Order. Plaintiff also agrees not to oppose any motion to vacate the Court's July 16, 2009 and August 26, 2009 Opinions and Orders; that non-opposition may be reflected in the motions and other filings. The United States contends that vacatur is of significant interest to the Government because the Government otherwise would prefer to contest what it sees as an erroneous application of the law. Plaintiff understands that the opportunity to seek vacatur is a significant reason why the Government is entering into settlement; plaintiff's non-opposition to the Government's motion seeking vacatur is solely for the purpose of settling this case, which has been ongoing for over fifteen years. Plaintiff further agrees to not oppose any motion filed by any of the individuals named in Plaintiff's sanctions motion that seeks to vacate the Court's January 15, 2009 and February 6, 2009 Opinions and Orders. Plaintiff will not be opposing any such motions to vacate for the same reasons stated above. If, however, the Court refuses to vacate any or all of these Orders and Opinions, but enters an order dismissing this civil action upon the filing of a Stipulation of Dismissal with prejudice, this agreement is binding upon all parties, and the United States is obligated to make the cash payments pursuant to paragraph 2 following the entry of the order dismissing the case with prejudice.

9. Plaintiff represents and warrants that he is the sole and lawful owner of all rights, title and interests in and to every claim and other matter which he purports to release herein, and that he has not heretofore assigned or transferred, or purported or attempted to assign or transfer to any person or entity any claim or other matters herein released. Plaintiff shall indemnify the defendants and the United States, including its components, agents, employees and former employees, either in their official or individual capacities, against, and defend and hold harmless from, any claims arising out of or relating to any such assignment or transfer any claims or other matters released herein.

10. Compliance with all applicable federal, state, and local tax requirements shall be the sole responsibility of Plaintiff and his counsel. This settlement agreement is executed without reliance upon any representation by the United States as to tax consequences, and Plaintiff and counsel are responsible for the payment of all taxes that may be associated with the settlement payments.

11. This settlement agreement is entered into between parties hereto and represents the entire understanding of the parties thereto, and the parties acknowledge and agree that no promise or representation not contained in this agreement has been made and the parties also acknowledge and represent that this agreement contains the entire understanding between the parties, and contains all terms and conditions pertaining to the compromise and settlement of the disputes referenced herein. This agreement supersedes all previous communications, representations or agreements, either verbal or written, between the parties. No statement, remark, agreement, or understanding, verbal or written, that is not contained in this agreement shall be recognized, enforced, or used to interpret this agreement. This agreement shall not be interpreted to reflect any agreed-upon purpose other than the desire of the parties to reach a full

and final conclusion of the litigation and to resolve that suit without the time and expense of further litigation.

12. The settlement agreement cannot be modified or amended except by an instrument in writing agreed to and signed by the parties, and no provision may be waived other than by a written waiver of the parties to each agreement.

13. The settlement agreement shall be binding upon and inure to the benefit of Plaintiff, Defendants, and the United States, or any agency or instrumentality thereof, and their heirs, executors, successors, assigns, and personal representatives, including any person, entity, department, or agency succeeding to the interests or obligations of any party hereto, or having any interest therein.

14. Plaintiff acknowledges that he has discussed this settlement agreement with his counsel, who has explained the terms and conditions set forth in the settlement agreement, and that Plaintiff's counsel, Brian C. Leighton, has authority to specify payment, pursuant to paragraph 2. Plaintiff further acknowledges that he has read this agreement, understands the contents thereof, and executes this agreement of his own free act and deed.

15. This agreement is fully enforceable by any party to the agreement, with all rights allowable by law.

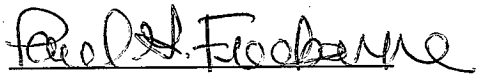
16. It is contemplated that this agreement may be executed in several counterparts, with a separate signature page for each party, but no modifications to the agreement's text shall be binding on other parties without a countersignature by those parties. All such counterparts and signature pages, together, shall be deemed to be one document. The effective date of the agreement shall be the latest date of execution.

17. Each attorney and law firm representing Plaintiff hereby waives and disclaims any

and all ownership interest or liens that they may have in the settlement proceeds by reason of any applicable state statute, common law decision or ruling. By their signatures, the Plaintiff and each of his attorneys acknowledge that the attorney fee benefit are being made at the direction of the Plaintiff and for the convenience of the Plaintiff.

18. The undersigned represent that they are fully authorized to enter into this agreement.

Dated: October 27, 2009



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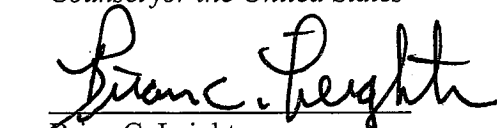
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and all ownership interest or liens that they may have in the settlement proceeds by reason of any applicable state statute, common law decision or ruling. By their signatures, the Plaintiff and each of his attorneys acknowledge that the attorney fee benefit are being made at the direction of the Plaintiff and for the convenience of the Plaintiff.

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Dated: 10-26-2009

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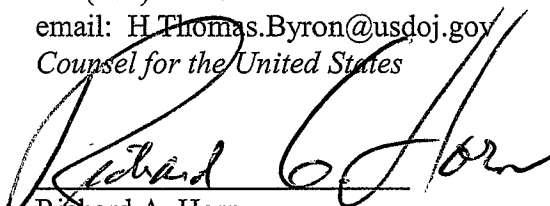
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Dated: 10/26/2009

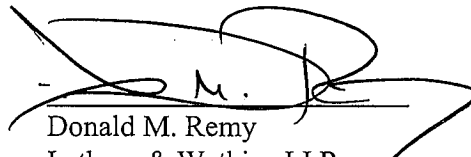
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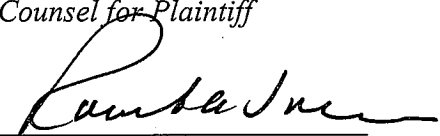
Dated: Oct. 26, 2009

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Richard A. Horn
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EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

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Franklin Huddle, Jr. and)
Arthur M. Brown,)
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Case No. 1:94-CV-1756 (RCL)

STIPULATION OF DISMISSAL

Pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), and in accordance with the terms of the Settlement Agreement filed with the Court on this date, the undersigned parties hereby stipulate to the dismissal of this action with prejudice, with each party to bear its own costs. A proposed order is attached.

Dated this ____ day of _____, 2009.

Respectfully submitted,

./s/ _____
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and Arthur Brown,)	
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Defendants.)	

[PROPOSED] ORDER

Pursuant to the stipulation of dismissal, it is hereby Ordered that the above-referenced action is dismissed with prejudice.

SO ORDERED.

Chief Judge Royce C. Lamberth

Date