

August 24, 2020

Shelby County IL Board of Directors
C/o Chairman Bruce Cannon

301 E Main St
Shelbyville, IL 62565

FILED
SEP 09 2020

Jermia Cox
SHELBY COUNTY CLERK

Re: Shelby County Sherriff department payroll investigation

Dear Shelby County IL Board of Directors:

Thank you for selecting 2020 Forensic Accounting to assist you in the above-captioned matter. We are writing to you to confirm the terms of our engagement. This Engagement Letter and the enclosed Standard Terms and Conditions, which are integral parts of the whole (collectively, the "Agreement"), constitute an Agreement documenting the understanding between Shelby County IL Board of Directors and 2020 Forensic Accounting for certain litigation support services, reports and other deliverables defined below (the "Services"). It is understood and agreed that the Services may include advice and recommendations, but all decisions in connection with the use of such advice and recommendations shall be the responsibility of, and made by the Shelby County IL Board. However, this is not to be construed that the Shelby County IL Board may selectively use parts of our work product and omit other parts.

Nature, Purpose, and Objective

We will consult with you in areas where you require our assistance. At your request, we will provide a written report covering our procedures, findings and opinions. In addition, at your request, we may supply expert testimony at deposition, trial or other hearings. The following describe(s) the Services that we currently expect to provide in reference to the Sherriff's department from January 2015 through July 2020:

1. Review any collective bargaining agreement and any modifications since adoption.
2. Review and analyze time worked by staff within the Sherriff's department.
3. Review and analyze payroll calculations.
4. Review and analyze payroll related forms.
5. Quantify the amount of any overpayments or underpayments of salaries and wages to employees.
6. Review any additional forms of compensation or reimbursement.
7. Review records for compliance with established policies and procedures.

Documentation:

Our report may be used in the above matter and, as such, will provide any information we identify as being compatible with that objective. The Services to be provided by us are intended for use only in connection with the above-captioned matter and by authorized users related to this matter. Our report, including summaries, schedules, and working papers of any kind generated in connection with our

Services, shall not be published, used, or disseminated, in whole or in part, for any other purpose without the prior express written consent of 2020 Forensic Accounting. We will not assume any responsibility or liability for losses suffered by any parties as a result of the circulation, publication, reproduction or use of this report contrary to the provision of this paragraph. You agree that possession of the working papers or other written documentation regarding the engagement does not carry with it the right of publication of all or part of it, nor may it be used or relied upon without previous written consent for any purpose other than that set forth above.

Delivery and Timing

Our ability to deliver a report is dependent upon our timely receipt of the required information. We will use reasonable efforts to meet any reasonable deadlines, but we do not provide assurance on the ability to meet deadlines. To facilitate our efforts, we request that you keep us timely informed and coordinate our schedules for important dates. We expect to complete this engagement within 6 months after receipt of all requested information.

Fees

In situations of this nature, it is usually not possible to provide an accurate estimate of the total time or fees required to complete the tasks assigned. The ultimate fees depend on a variety of factors including, but not limited to, the extent and nature of the documents and information provided and positions taken by the parties, the adequacy and condition of the records, the developments that may occur as work progresses, the extent of the cooperation obtained from you and others, and various other related factors. It is our intention to work closely with you to structure our work so the appropriate personnel from our staff are assigned to the various tasks in order to keep fees at a minimum. Our fees will be based on our standard hourly rates, which currently range between \$100 and \$150 plus reasonable travel and other out-of-pocket costs incurred in providing professional Services and any applicable taxes. Our hourly rates are subject to change from time to time due to changing market conditions, and you will be responsible for our fees at the increased rates when our rates change. Based upon the information that you have provided; we anticipate that the fees for the performance of the Services will not exceed \$45,000. This fee assumes that all information will be provided to us completely and expeditiously and that no unusual or unanticipated circumstances arise in our engagement. If either of these assumptions proves to be inaccurate, we will apprise you of this fact. If unusual or unanticipated circumstances require us to expand the scope of our engagement, we will discuss this with you before beginning the additional work. For purposes of this Agreement, it is assumed that expanding the scope of our engagement will alter our anticipated fees. It is customary in matters of this nature to receive an advance payment against future billings; therefore, prior to our commencing Services relating to this engagement, we require an advance payment of \$5,000. An invoice for the advance payment is enclosed. Once the advance payment provided to us has been depleted, we will notify you to replenish such advance payment. If the advance payment is not replenished, we may suspend providing further Services until you provide an advance payment acceptable to us or until we are satisfied with alternative arrangements. Billing Engagement fees and expenses will generally be submitted monthly or periodically and are due on receipt without regard to the status or outcome of the investigation. Due to the nature of this assignment, you agree that invoices need only contain general time descriptions in blocks of daily

or weekly increments. Invoices will be directed to your attention. In the event that you disagree with or question any amount due under an invoice, you agree that you shall communicate such disagreement or questions to 2020 Forensic Accounting in writing, within thirty (30) days of the invoice date. You waive the right to do so if such disagreement or questions are not communicated to 2020 Forensic Accounting in writing within that time period. We reserve the right to charge interest on the unpaid balance that remains unpaid for more than 30 days after issuance of the invoice(s) at the rate of 1% per month. Time and expense incurred related to the collection of our invoices will be billed at our standard hourly rates. You agree that you will be responsible for all costs related to fee collection, which may include litigation and collection service fees. Collection Arrangements It is understood that in the event invoices are not paid timely for Services rendered as requested by this Engagement Letter, 2020 Forensic Accounting shall have the right to halt or terminate entirely its Services under the Agreement until payment is received on past due invoices. You acknowledge and agree that in the event that we stop work or withdraw from this engagement as a result of the failure to pay on a timely basis for Services rendered as required by this Engagement Letter, we shall not be liable for any damages that occur as a result of our ceasing to render Services. To safeguard against any assertion or allegation that our work may, in some way, be influenced by or contingent upon the outcome of this litigation, we require full payment of all fees and expenses prior to issuance of our report and opinion and prior to depositions, arbitration, or trial testimony, unless alternative arrangements have been agreed to in writing. We reserve the right to withhold written analysis and conclusions and oral testimony until full payment for our Services has been rendered. Our fees, should they exceed the payments received, remain your responsibility. You acknowledge your responsibility for the full amount of billed fees and costs.

Testimony

We understand that we may be requested to provide testimony as part of this engagement at deposition, trial, or other hearings, if requested. Such testimony is expected to be provided by John Vander Burgh.

Challenges to the Admissibility of Expert's Opinion

Because of the adversarial nature of any dispute, it is common that parties in litigation challenge the admissibility of an expert's opinion. You hereby acknowledge that 2020 Forensic Accounting is being retained because its professionals satisfy the necessary requirements of knowledge, skill, experience, training, or education. You acknowledge that the opinions rendered by John Vander Burgh are our good faith opinions supported by a reasonable amount of research and analysis, but it is only the unbiased judgment of John Vander Burgh. Failure of our opinion to be accepted for any reason by any party, person, or government entity shall not: 1. constitute a breach of any of 2020 Forensic Accounting's duties under this agreement; 2. constitute negligence of any kind on the part of John Vander Burgh or 2020 Forensic Accounting; 3. give rise to any cause of action by the Shelby County IL Board; and 4. relieve the Shelby County IL Board of any duties. You agree to review prior to the release of our report or opinion and the rendering of any expert testimony that the anticipated report or testimony has the appropriate basis in fact and such testimony is both relevant and reliable. After your review, if you disagree with this assessment, you agree to notify us immediately, in writing, about the specifics of your disagreement.

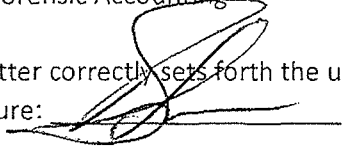
Acceptance

We greatly appreciate the opportunity to provide our professional Services. We look forward to working with you in this matter. We believe this Engagement Letter and the attached Standard Terms and Conditions accurately summarizes the significant terms of our engagement. You acknowledge having read this agreement in its entirety, have had full opportunity to consider its terms, have had full and satisfactory explanation of same, and fully understand and agree to be bound by the terms of this agreement. Please indicate your understanding and acceptance by executing this agreement in the space provided below and return it to our offices with \$5,000 retainer, indicating your authorization for us to proceed on the above terms and conditions. This offer for engagement will expire if not accepted within 30 days.

Sincerely,

2020 Forensic Accounting

This letter correctly sets forth the understanding of Shelby County IL Board.

Signature: 

Title: Chairman Shelby County IL Board

Date: 8/26/2020

Standard Terms and Conditions

These Standard Terms and Conditions apply to the Agreement for the Services to be provided by 2020 Forensic Accounting on behalf of Shelby County IL Board and are agreed to and acknowledged by the Chairman of the Shelby County IL Board (Mr. Bruce Cannon). In the event that there is a conflict between the Engagement Letter and these Standard Terms and Conditions, the terms of the Engagement Letter shall prevail. Any capitalized terms herein that are undefined shall have the meaning assigned to them elsewhere in the Agreement.

These Terms and Conditions that expressly or by implication are intended to survive the termination or expiration of this engagement shall survive and continue to bind all parties to the Agreement.

Standards of Performance

1. Our work will be prepared in accordance with the standards promulgated by the AICPA. All staff associated with our work are subject to the AICPA Code of Professional Conduct. "Principles of Professional Conduct", covers the following principles:
 1. Responsibilities
 2. Public Interest
 3. Integrity
 4. Objectivity and Independence
 5. Due Care

6. Scope and Nature of Services

"The General Standards Rule" covers the following standards:

1. Professional Competence
2. Due Professional Care
3. Planning and Supervision
4. Sufficient Relevant Data

The AICPA has determined that the above-described Services are subject to Statement on Standards for Forensic Services (SSFS) No. 1. As part of our compliance with SSFS No. 1, this Engagement Letter is designed to establish with you a written or oral understanding about the responsibilities of the parties and the nature, scope, and limitations of services to be performed, and to modify the understanding if circumstances require a significant change during the engagement. In addition, we intend to inform you of (a) conflicts of interest that may occur, (b) significant reservations concerning the scope or benefits of the engagement, and (c) significant engagement findings or events. By signing this Agreement, you agree that our communications to you will discharge our client communication responsibilities as described in SSFS No. 1.

2. Scope Limitations

2020 Forensic Accounting shall be obligated only for the Services described in this Agreement and only for changes in such scope that are set forth in writing and duly executed by the parties hereto. Further, our obligation shall not extend to any subsequent periods for which we are not engaged. It is our intention to submit all reports, communications, and work product to Bruce Cannon as Chairman of the Shelby County IL Board unless a lawful court process directs us to do otherwise. Our professional standards prohibit us from providing opinions on the ultimate conclusion of fraud and leave that determination to a trier of fact. You agree that you will not ask us to provide ultimate conclusions of fraud. However, we may provide expert opinions relating to whether evidence is consistent with certain elements of fraud or other laws based on objective evaluation.

3. Conflicts of Interest

We have undertaken a reasonable review of our records to determine our professional relationships with the persons or entities you identified in order to comply with the "Conflicts of Interest" interpretation. We are not aware of any professional conflicts of interest of relationships that would, in our sole discretion, preclude us from performing the above work for you. We have been engaged from time to time by other law firms, both locally and nationally, and it is possible that we are or may become engaged by firms representing clients adverse to your client in this matter. We are not restricted from working on other, unrelated engagements involving the parties and law firms involved in this matter; however, all confidential information gained in this matter will be kept confidential. We cannot guarantee that, following our employment by you, an engagement will not be accepted by 2020 Forensic Accounting for

another party that may bear on this engagement. In the event that additional relationships or potential conflicts come to our attention, we will notify you within a reasonable time.

4. Successors and Affiliates

This Agreement is a legally binding contract between 2020 Forensic Accounting and you and will be binding upon, and inure to the benefit of, respective heirs, assigns, successors-in-interest, and legal representatives (as applicable). It may not be amended without the prior written consent of both parties.

5. Term

Unless terminated sooner in accordance with the terms set forth below, the Agreement shall terminate on the completion of 2020 Forensic Accounting's Services. We acknowledge your right to terminate our Services at any time, and you acknowledge our right to resign and withdraw from the engagement without liability to 2020 Forensic Accounting under certain circumstances. In the event that either party wishes to terminate this Agreement, they are required to advise the other party in writing not less than ten (10) calendar days before the effective date of termination. In either event, if this contract would become terminated, no further hours would be charged as of the effective date of termination, and all fees, billed and any time unbilled incurred to the date of resignation and withdrawal, would become due and payable.

The following circumstances will give us the option to resign and withdraw from the engagement:

1. Failure by you to allow a reasonable amount of time for the agreed-upon assignment to be completed
2. Failure by you to comply with the terms of the Agreement
3. Failure by you to meet the financial obligations delineated in this Agreement
4. Failure by you to timely provide complete documents and information
5. Encountering lack of cooperation
6. Additional facts become known to us that contradict the facts disclosed to us as of the date of the Agreement
7. A conflict of interest arises or becomes known to us that, in our judgment, would impair our ability to perform our Services with objectivity and lack of bias
8. Information becomes known to us that would make our continued involvement in the engagement inappropriate
9. Determination that continuing or completing the engagement will involve a breach of our ethical or professional standards
10. Evidence that we can no longer rely on the integrity of Shelby County IL Board
11. Material disagreement of opinion between you and 2020 Forensic Accounting
12. Material disagreement between you and 2020 Forensic Accounting over the conduct of your case

6. **Ownership**

All documents, materials, or information of any kind created by 2020 Forensic Accounting in connection with this engagement, including, without limitation, any written reports, memoranda, working papers, or status summaries, are work product (collectively, "Work Product"). All Work Product shall be owned and maintained by us. We acknowledge that our Work Product shall not include any of Shelby County IL Board's Confidential Information or tangible or intangible property, and we shall have no ownership rights of such information. We will retain the documentation in accordance with our document retention policies, which may be amended from time to time. Our current document retention period for litigation support engagements is seven (7) years. Shelby County IL Board authorizes us to destroy all files and documents seven (7) years after completion of our assignment. You will have the opportunity to review your file at any time prior to destruction and retain those documents that are yours and copy any others. It is not our practice to retain working papers, schedules, emails, notes, reports, or data files prepared by us that have been updated or superseded as we perform our engagement; however, it is our practice to retain copies of working papers, schedules, emails, notes, reports or data files provided by you or any third party or submitted by us to you, any third party, or the Court.

7. **2020 Forensic Accounting's Responsibilities, Representations, and Limitations**

We have no financial interest or contemplated financial interest in the business or property that is the subject of this engagement, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses or conclusions in, or the use of, this engagement. We, and our agents, will take whatever actions are necessary or appropriate for us to conduct the forensic engagement, but we will keep you informed of our actions and progress throughout this engagement. If for any reason we are unable to complete the forensic engagement, we will not issue a report as a result of the engagement. Our opinions will represent our professional, unbiased opinions based on the data we are able to obtain within a reasonable time, using our best efforts. We will not audit, review, or compile any financial statements, forecasts, or financial data as part of this forensic support engagement. As such, we will not express an opinion or provide any form of assurance on the financial data provided as part of this engagement.

8. **Limitation on Damages**

2020 Forensic Accounting shall not be liable to Shelby County IL Board for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of, or relating to, the Services performed under the Agreement for an aggregate amount in excess of the fees paid to us for Services rendered by us under the Agreement. In no event shall 2020 Forensic Accounting be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits, taxes, interest, tax penalties, savings or business opportunity costs). The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort, or otherwise. In addition, we will have no liability to Shelby County IL

Board, or any third party because of any action taken or omitted by us in good faith relating to our Services.

9. Indemnification

The obligations of 2020 Forensic Accounting are solely obligations of 2020 Forensic Accounting. No officer, owner, director, employee, agent, contractor, shareholder, or controlling person shall be subject to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this agreement or any person relying on this report. You must obtain our prior written permission before releasing a copy of our report to anyone other than the intended recipients. If a copy of our report is distributed to any person or entity other than the intended recipients without having first obtained our prior written permission to do so, you hereby agree to indemnify and hold us harmless from and against any and all claims or causes of action for damages or loss against us by any such person or entity as a result of said person's alleged reliance on said report. Except to the extent finally determined to have resulted from our fraudulent behavior or our gross negligence or willful misconduct, our maximum liability for damages incurred by Shelby County IL Board or you, for any reason relating to the Services under this Agreement, including our negligence relating to the Services under this Agreement, shall be limited to the fees paid to us for the Services in connection with our work product giving rise to liability

10. Shelby County IL Board's Responsibilities and Representations

You agree to provide promptly, upon request, all financial and nonfinancial information and documentation reasonably deemed necessary or desirable by us in connection with the engagement in order to complete the engagement objectives as you may outline to us. You agree that the scope of the litigation support engagement will be unrestricted and that you will make available all personnel as we request in order for us to complete the engagement objectives. You acknowledge and agree that 2020 Forensic Accounting may, in performing its obligations pursuant to this Agreement, use data, material, and other information furnished by you without any independent investigation or verification and that we shall be entitled to rely upon the accuracy and completeness of such information in performing the Services under the Agreement. You agree that we are not required to update our analyses and conclusion for events and circumstances occurring after the date of our report.

11. Confidentiality

Consistent with the "Confidential Information Rule", one of the underlying principles of the profession is a duty of confidentiality with respect to Shelby County IL Board information. Confidential information means all documents, software, reports, data, records, forms, and other materials (including, without limitation, Work Product) obtained by us from Shelby County IL Board in the course of performing the Services under the Agreement. All working papers and documentation or other documents used by us during the course of this engagement will be maintained in segregated files. In accordance with the final rules published

by the Federal Trade Commission (commonly referred to as the Gramm-Leach-Bliley Act), the following disclosures are made:

1. In the process of preparing our report or other tasks included in the assignment, we may collect from the Shelby County IL Board, or with the Shelby County IL Board's authorization, certain essential information that is nonpublic, such as information concerning income, expenses, assets, liabilities and other similar information.
2. We will follow professional standards for protecting the confidentiality and security of the nonpublic information collected.
3. We will not discuss any nonpublic information about the Shelby County IL Board to any third party, except as permitted by the Shelby County IL Board or required by law. Any Confidential Information provided to us by Shelby County IL Board will be kept confidential and not disclosed to any third party unless
 - i. permitted disclosures such as providing Confidential Information to our employees, and in limited situations, to unrelated third parties who need to know that Confidential Information to assist us in providing Services to Shelby County IL Board;
 - ii. expressly permitted by Shelby County IL Board in writing; or
 - iii. required by applicable law, regulation, judicial, administrative or governmental order or process, or demand of accounting oversight body or a duly authorized professional peer review committee or unless such third party is designated by Shelby County IL Board.

If we receive a summons, subpoena, or court order to disclose such confidential information, we will provide Shelby County IL Board prompt notice of the summons, subpoena, or court order and shall seek to protect such confidential information from disclosure to the full extent provided under the law. We will cooperate with Shelby County IL Board in response to any summons, subpoena, or court order, but it is agreed that we will be reimbursed for any time and expenses associated with the defense of the confidentiality of Shelby County IL Board's information, or our work product, or both. We will, nevertheless, have no liability to Shelby County IL Board or any third party for information disclosed in, or pursuant to, any ruling, order, or proceeding of any court or other judicial or non-judicial forum or of any regulatory agency or similar instrumentality. We understand that all communications between our personnel regarding this engagement and Shelby County IL personnel, as well as any materials or information developed or received by us pursuant to this Agreement, whether oral or written, may be protected by applicable legal privileges and, therefore, will be treated as confidential. During the course of our engagement, we may communicate Confidential Information or other documents in electronic form during the course of this engagement. Shelby County IL accepts the inherent risks of these forms of communication (including, but not limited to, the security risks of interception of or unauthorized access to such communications, the risks of the unreliability of delivery, the risks of corruption of such communications and the risks of viruses or other harmful devices).

12. Assignment

Neither party may assign, transfer or delegate any of its rights or obligations without the prior written consent of the other party, such consent not to be unreasonably withheld. However, we may use subcontractors to provide Services under the Agreement.

13. Arbitration

The parties agree that any dispute or controversy that arises from or relates to the Agreement that cannot be resolved by the parties shall be resolved in accordance with Attachment A — Dispute Resolution Procedures.

Attachment A

Dispute Resolution Procedures

The following procedures shall be used to resolve any controversy or claim ("dispute"), as provided in our Agreement of August 24, 2020. If any of these provisions are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

Mediation

Any controversy or claim arising out of or relating to this Agreement, the Services provided by 2020 Forensic Accounting pursuant hereto (including any such matter involving any parent, subsidiary, affiliate, successor in interest, or agent of 2020 Forensic Accounting) or related fees shall first be submitted to voluntary mediation. The submission shall be made by written notice to the other party or parties. A mediator will be selected by agreement of the parties, or if the parties cannot agree, a mediator shall be designated by the American Arbitration Association ("AAA") at the request of a party. Any mediator so designated must be acceptable to all parties.

The mediation shall be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and, therefore, shall be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party shall bear its own costs in the mediation. The parties shall share the fees and expenses of the mediator equally.

Bench Trial

In the event that such differences cannot be resolved by mediation, the parties recognize that the matter will probably involve complex business issues that would be decided most equitably by a judge hearing the evidence without a jury. Accordingly, the parties, to the extent permitted by law, each knowingly, voluntarily, and intentionally waive the right to a trial by jury in any action arising out of or relating to this Agreement or the Services to be performed by 2020 Forensic Accounting pursuant hereto. This waiver applies to any legal action or proceeding whether sounding in contract, tort, negligence, or otherwise. Any legal action or proceeding related to this Agreement or the work performed or to be performed pursuant hereto shall be brought in any appropriate court in the State of Illinois.

Arbitration

If the above jury trial waiver is determined to be prohibited by applicable law OR If a dispute has not been resolved within 90 days after the written notice beginning the mediation process

(or a longer period, if the parties agree to extend the mediation), then the parties agree that the dispute or claim shall be settled by binding arbitration. The parties agree that any dispute or controversy that arises from or relating to this Agreement that cannot be resolved by the parties shall be submitted to binding arbitration in accordance with the applicable rules, regulations, policies, and procedures of the State of Illinois. BY AGREEING TO ARBITRATION, THE PARTIES ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE, EACH PARTY IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND, INSTEAD, IS ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

All disputes in connection with the terms of this Agreement shall be determined by application of Illinois state law. The proceeding shall be governed by the applicable rules, regulations, policies, and procedures of the Commercial Arbitration Rules of the AAA and the Federal Arbitration Act, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. Rules are available at www.adr.org or will be provided upon request. This binding arbitration shall take place before a single arbitrator, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator will be selected from AAA. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to terminate or waive mediation, and arbitration will thereafter proceed expeditiously. If the parties cannot agree on an arbitrator, an arbitrator shall be designated by the AAA at the request of a party. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The arbitrator shall have no authority to award nonmonetary, equitable relief and will not have the right to award punitive damages. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential mediation or arbitration. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The result of the arbitration shall be final and binding on the parties, and judgment on the arbitration award may be entered in any court having proper jurisdiction.