

## SETTLEMENT AGREEMENT, WAIVER AND RELEASE

This Settlement Agreement and Release (“Agreement”) is made and entered into by and between Chad Pelishek (“Plaintiff”) and the City of Sheboygan (the “City”) on the date subscribed below. All Parties herein may be referred to in this Agreement collectively as the “Parties.”

### RECITALS

WHEREAS, Plaintiff was employed by the City for approximately sixteen years;

WHEREAS, Plaintiff filed a lawsuit against the City and Ryan Sorenson, Charles Adams, Emily Rendall-Araujo and others (the “Individual Defendants”; collectively “Defendants”) with the United States District Court for the Eastern District of Wisconsin, Case No. 23-cv-1048 that maintains claims under 42 U.S.C. § 1983 for violations of Plaintiff’s rights under Title VII, United States Civil Rights Act 42 U.S.C. §2000, and 42 U.S.C. § 1983 for violations of his First and Fourteenth Amendment rights (the “Civil Action”);

WHEREAS, the Defendants deny that they violated the law on any basis and the Parties agree that there is no admissions of liability by entering into this Agreement; and

WHEREAS, the Parties have reached an agreement to accomplish such resolution and enter this Agreement to give effect to their agreed resolution.

### AGREEMENT

**NOW THEREFORE**, for and in consideration of the promises of the Parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both Parties, the Parties agree as follows:

- 1. Recitals Incorporated.** The foregoing recitals are incorporated as part of this Agreement.
- 2. Settlement.** The City does not admit that Defendants have infringed upon Plaintiff’s legal rights, and entry into this Agreement does not constitute any admission or evidence of unlawful conduct. However, in the exercise of its business judgment, to settle all claims Plaintiff may allege against the Defendants, and for other good and valuable consideration as stated herein, the City agrees to pay Plaintiff a total of **One Hundred Thousand Dollars (\$100,000.00)** in full and final settlement of all of Plaintiff’s claims or potential claims against all Defendants, whether known or unknown, from the beginning of time to the date he signs this Agreement, inclusive of attorney’s fees and costs.

As additional consideration for this Agreement and for Plaintiff’s full and final settlement of all of his claims or potential claims against the Defendants as outlined herein, the City agrees not to collect on and will forgo Defendants’ fees/expenses Plaintiff was ordered to pay on March 12, 2025 in the amount of \$8,166.60.

Plaintiff agrees to dismiss all litigation in this matter with prejudice and without further costs and execute any documents that may be required to completely dismiss any and all claims, complaints, or

actions against all Defendants concerning the allegations raised in this civil action contingent on the City's compliance with the terms and payment in this Agreement, including, but not limited to, the approval of this Agreement and the terms therein by the Common Council for the City of Sheboygan.

**This Agreement, and the City's ability to enter into it, is entirely contingent upon Common Council approval. If the Common Council does not approve this Agreement, the City has no authority to enter into this Agreement and the Agreement cannot be finalized, does not go into effect in any way and is not enforceable. In the event the Common Council does not approve this Agreement, neither Plaintiff nor the Defendants are obligated under any provision of this Agreement, including but not limited to Plaintiff's waiver of claims and the City's payment of settlement proceeds as outlined below in this Agreement.**

**3. Allocation of Settlement Proceeds and Tax Treatment.** Plaintiff and the City agree and acknowledge that as part of the consideration under this Agreement, the City will pay to Plaintiff the consideration identified above as damages allocated to personal injury. The payment shall be made payable to "Chad Pelishek" and mailed or provided to DeMaster Law LLC, 361 Falls Rd, Ste #610, Grafton, WI 53024.

**4. Payment Terms.** The City agrees that payment of the settlement amount(s) shall be remitted in full within twenty-one (21) days after approval of the Settlement Agreement by Common Council and receipt of the following documents by Warren E. Buliox, Esq. MWH Law Group LLP, 735 North Water Street, Suite 610, Milwaukee, WI 53202, warren.buliox@mwhlawgroup.com:

- Plaintiff's execution of this Agreement (signed and dated) and full acceptance of all of the terms and conditions of this Agreement, meaning that he must fully execute this Agreement, deliver the same to the Defendants' counsel and refrain from revoking any part of it during the time period noted below in Paragraph 14 of this Agreement;
- Plaintiff's authorization for his Counsel to execute a Joint Stipulated Dismissal With Prejudice (Exhibit A) (not filed by Plaintiff until the City has (1) made payment under these terms, (2) signed this Agreement pursuant to, and following, City of Sheboygan Common Council approval); and
- Signing and delivery of any required IRS tax forms that may be required to facilitate the payments set forth in paragraph 2 of this Agreement.

**5. No Future Hire.** Plaintiff agrees that he will not knowingly seek or accept employment in the future with or through the City. If, through mistake, inadvertence or otherwise, Plaintiff applies for future employment with the City, then he shall withdraw his application immediately upon notice without any recourse to the City, legal or otherwise, and to the extent that Plaintiff has already been hired for future employment with the City, he will resign immediately upon notice without any recourse to the City, legal or otherwise. This does not preclude Plaintiff from running for elected office. The City agrees that it will not seek to hire Plaintiff in the future.

**6. Confidentiality and Joint Statement.** To the extent permissible by law, the Parties agree Plaintiff shall keep this settlement confidential. To the extent permissible by law, the Parties further

agree that the City will keep this settlement confidential. The settlement agreement, however, is a publicly disclosable document and nothing in this Agreement shall restrict the City from releasing or discussing it if requested or required to do so. The City's agreement to confidentiality should be limited to City Attorney Liz Majerus and City Administrator Casey Bradley while they are employed by the City and does not impact disclosures related to this agreement required by law or for City operations. This provision shall not be interpreted to prevent City Attorney Majerus or City Administrator Bradley or other City employees from fulfilling their respective duties such as, but not limited to, advising City officials, employees, boards, and commissions; and responding to public records requests. The Parties further agree that any public statement or comments made or released that relate to this Settlement Agreement or this case shall be the following: "After mediation before a federal judge, the parties are pleased that they were able to resolve their dispute amicably and are satisfied with their settlement." The public statement/comment and confidentiality requirements of this Paragraph does not apply to elected officials. The City, however, agrees that it will communicate with current Alders and the current Mayor that its preference is that any communications related to this matter be limited to the statement articulated in this Paragraph. The Parties agree that the public statement provided in this Paragraph shall be the official statement of the City.

**7. Tax Obligations.** Plaintiff acknowledges that Defendants have made no representations to him regarding the tax consequences of the Settlement Amount. Plaintiff acknowledges that the tax obligations, if any, that may arise out of the Settlement Amount will be sole obligation of Plaintiff. Plaintiff agrees to be liable for all taxes, interest, penalties or the like asserted against him by any taxing authority because of the Settlement Amount and agrees that Defendants have no duty to defend him against any such tax claim, penalty or assessment. Plaintiff further agrees to indemnify and hold Defendants harmless against the same that may be asserted against him by any taxing authority because of the Settlement Amount, including but not limited to, all claims for federal and state income taxes allegedly due and owing on his behalf to any taxing body as a result of the payments made pursuant to this Agreement

**8. Mutual Release of All Claims & Liability.** The Parties, in consideration of the settlement identified in paragraph 2, for each of themselves, their assigns, executors, successors, heirs, assigns, personal representatives, administrators, and attorneys, do hereby forever irrevocably and unconditionally release and discharge with prejudice each other, and each of their heirs, executors, administrators, attorneys, insurers, successors and assigns (collectively the "Releasees") and all other persons acting by, through, under, or in concert with any of the Released Parties, of and from any and all grievances, claims, demands, actions, causes of action, suits, debts, agreements, damages, judgments, executions, obligations, liabilities and expenses (inclusive of attorney's fees and costs) of any kind whatsoever in law or in equity, which may now have or have ever had, fixed or contingent, foreseen or unforeseen, known or unknown, or which may hereafter accrue by reason of any matter, cause or thing occurring on or before the date of this Agreement. This release is not limited just to the claims asserted in the Civil Action.

The Parties acknowledge that this release specifically includes, but is not limited to: (1) any claim under 42 U.S.C. § 1983, U.S. Constitution Amendments I and XIV; (2) any claim under Wis. Stat. § 19.37, 893.80, § 939.31, § 942.01; (3) any other claim arising under any other statute, authority or common law providing any cause of action directly, currently known or unknown, related to the subject matter of the Civil Action including without limitation any and all liability based on contract, tort, statute, or common law that could have based upon Plaintiff's employment with the City and/or

the conclusion of that employment and/or the investigation conducted by Attorney Hall and (4) any other claim arising under any other statute, authority or common law providing a cause of action directly or indirectly, currently known or unknown, related to any and all open records requests to the Defendants related to the subject matter of the Civil Action.

The waiver and release herein includes, without limitation, a release of rights or claims that may exist: (i) for discrimination, retaliation, suspension, wrongful or constructive discharge, failure to interview, hire, appoint, transfer, promote or take any other action relating to the employment of Plaintiff with the City of Sheboygan, hostile work environment, harassment, intentional infliction of emotional distress, invasion of privacy, libel, slander, defamation, civil conspiracy, personal injury, breach of contract, impairment of economic opportunity and interference with contract or prospective business relationships; (ii) for violations of the Parties' constitutional rights, including but not limited to those provided by the First Amendment, Fourteenth Amendment, under the United States and Wisconsin Constitutions; 42 U.S.C. §§ 1981, 1981a, 1983, 1984, 1985, 1986 and 1988; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq.; (iii) for violations under the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.; the United States Family and Medical Leave Act, 29 U.S.C. § 2601 et seq.; the Civil Rights Act of 1991, 42 U.S.C. § 1981 et seq.; the Consolidated Omnibus Budget Reconciliation Act of 1985, 29 U.S.C. § 1161 et seq.; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; the Federal Health Insurance Portability and Accountability Act of 1996 (Pub. L. 104-191), 42 U.S.C. § 201 et seq.; the Wisconsin Family and Medical Leave Act, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 et seq.; the Wisconsin Fair Employment Act, and the Older Workers Benefit Protections Act; (iv) any claim under Wis. Stat. § 19.37, 893.80, § 939.31, § 942.01; (v) for violations under any other law, ordinance or regulation prohibiting discrimination or otherwise regulating or relating to Plaintiff's employment by the Released Parties or any activities in connection therewith or for any compensatory or punitive damages, injunctive or declaratory relief or attorneys' fees and costs actually incurred; (vi) for any and all claims, causes of actions and/or damages, including but not limited to fines, costs, attorneys fees, related to public records requests submitted by or on behalf of Plaintiff or his attorney to the City; and/or (vii) for any other complaints, charges, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, suits, rights, losses, debts, and expenses (including attorneys' fees and costs actually incurred) of any nature, known or unknown, suspected or unsuspected, that might have been, or could have been, asserted by the City against Plaintiff or asserted by Plaintiff against the Released Parties including all of the Individual Defendants as of the date of this Agreement.

It is understood and agreed that this is a full, final, and complete release of all claims against Releasees and that this release will remain effective even if new or additional facts are discovered or there are any changes in applicable law. This Agreement shall be a fully binding and complete settlement between the Parties in relation to the Civil Action.

**9. Neutral Employment Reference.** The City agrees to provide Plaintiff with a signed neutral employment reference on City letterhead in the form attached hereto as Ex. 1. The City agrees to forward any employment reference inquiries regarding Plaintiff to the Director of Human Resources, whose employment reference shall comport with the information contained in Ex. 1.

**10. Scope of Release and Dismissal of Pending Claims.** This Agreement bears the intent to fully and finally compromise and settle all claims and matters of any nature against the Defendants, and the release in Paragraph 8 should be construed as broadly as possible. The release, however, does not affect those rights or claims that cannot be waived by law. Plaintiff agrees that he shall execute and

file any documentation to ensure the dismissal with prejudice of all pending claim(s) he has against the Defendants in this Civil Action pending entry by the Eastern District of Wisconsin. However, nothing in this Agreement or the Release shall be construed as prohibiting Plaintiff from: (i) participating in any investigation or proceeding conducted by the Wisconsin Equal Rights Division (“ERD”), the Equal Employment Opportunity Commission (“EEOC”) or any administrative agency; or (ii) filing an administrative charge or complaint with the ERD, EEOC or any administrative agency, provided, however, that he waives any benefits which might be conferred on him in any proceeding of any kind which may be brought against the City as a result of such a charge or complaint

**11. Non-Precedent.** The Parties understand and agree that this Agreement shall not be considered, utilized, or cited as precedent with respect to any other matter not related to this Agreement.

**12. Entire Agreement, Choice of Law, and Severability.** This Agreement represents the entire understanding and agreement between the Parties with respect to its subject matter hereof and supersedes any prior negotiations, understandings, agreements or representations, written or verbal, by or among the Parties relating to its subject matter. This Agreement may be modified only by a written document signed by all the Parties. Further, this Agreement shall be governed by the laws of the State of Wisconsin. The provisions of this Agreement are severable, and, if any part of this Agreement is found to be unenforceable, the other provisions shall remain valid and fully enforceable.

**13. Advice to Consult Legal Counsel.** Since this Agreement includes a waiver or rights, Plaintiff is advised to and has in fact consulted an attorney before signing this Agreement.

**14. Procedure for Accepting or Rescinding the Agreement.** To accept the terms of this Agreement, Plaintiff agrees that he must deliver the Agreement, after he has signed and dated it, to the City by hand or by mail or by email to the address below:

Warren E. Buliox, Esq.  
MWH Law Group LLP  
735 North Water Street, Suite 610  
Milwaukee, WI 53202  
[warren.buliox@mwhlawgroup.com](mailto:warren.buliox@mwhlawgroup.com)

Plaintiff has **twenty-one (21) days** to consider this Agreement. Upon delivering to the City’s counsel an executed original or copy of this Agreement as described in this Paragraph, this Agreement shall be binding, except Plaintiff shall have **seven (7) days** to revoke his release of any claims he may have under the federal Age Discrimination in Employment Act as provided for in paragraph 8.

**15. Interpretation.** The headings in this Agreement are intended for convenience only and shall not affect the meaning or interpretation hereof. In interpreting this Agreement, whenever the context so permits, (i) the singular shall include the plural and the plural shall include the singular and (ii) any gender shall include all genders.

**16. Counterparts.** This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original. The Parties agree that a signature affixed to a counterpart of this Agreement and delivered by facsimile or other electronic means by a Party shall be valid, binding, and enforceable against such Party.

**17. Successors and Assigns.** The rights and obligations of the Parties under this Agreement shall

be binding and inure to the benefit of the heirs, successors, assigns, officers, executors, administrators, directors, employees, agents, attorneys, insurers, predecessors, successors, and/or affiliates, as applicable, of the Parties.

**18. Breach.** If either Party brings an action to enforce this Agreement and prevails before a court of competent jurisdiction, the non-breaching Party shall be awarded its reasonable attorneys' fees and costs incurred in bringing the action to enforce this Agreement.

**19. No Strict Construction.** The language of this Agreement was reviewed and accepted by all Parties after reasonable time to review, and no Party shall be entitled to have the language of this Agreement construed against the other Party as the drafter of the Agreement in the event of any dispute in connection with this Agreement.

**20. Voluntariness.** The Parties acknowledge that they have fully and carefully read this Agreement in its entirety, have had the opportunity to consult with counsel of their choosing, and have executed this Agreement voluntarily. The Parties agree that they have investigated the matters they deem necessary before executing this Agreement, and fully understand its terms. Each of the Parties acknowledge that they or their attorneys may later discover facts different from or in addition to those that they now know or believe to be true with respect to the claims released, discharged or compromised by this Agreement, and may change their opinions as to the meaning or significance of the facts discovered to date. Each Party agrees that, in such event, this Agreement shall nevertheless be and remain effective in all respects notwithstanding such different or additional facts.

By signing below, I acknowledge, represent and agree that I have carefully read and fully understand all of the terms of this Agreement. I understand that once I sign below, this document will become a legally enforceable agreement under which I will be giving up rights and claims I may have, on the terms stated in this Agreement.

**IN WITNESS WHEREOF**, the undersigned have caused this instrument to be duly executed in the capacities noted and on the dates set forth below:

**City of Sheboygan**

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By: Mayor Ryan Sorenson  
on behalf of the City of Sheboygan

Date: \_\_\_\_\_

**Chad Pelishek**

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Chad Pelishek, in his individual capacity

Date: \_\_\_\_\_

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By: City Clerk, on behalf of  
the City of Sheboygan

Date: \_\_\_\_\_