

LOUISIANA STATE UNIVERSITY SYSTEM - STEPHENSON TECHNOLOGIES CORPORATION

INVESTIGATIVE AUDIT SERVICES

ISSUED MAY 13, 2026

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May 13, 2026

**DR. WADE ROUSSE, PRESIDENT
AND MEMBERS OF THE BOARD OF SUPERVISORS
LOUISIANA STATE UNIVERSITY**
Baton Rouge, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received. The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report were delivered to the District Attorney for the 19th Judicial District of Louisiana, the United States Attorney for the Middle District of Louisiana, and others as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

LSU



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EXECUTIVE SUMMARY

Failure to Properly Oversee Operations of Nonprofit Affiliate

In September 2015, the LSU Board of Supervisors (LSU Board) approved Stephenson Technologies Corporation (STC) as an LSU affiliate to pursue research and development (R&D) contracts with the federal government for LSU's financial benefit. In February 2019, LSU's Office of Internal Audit (Internal Auditor) completed an audit of STC. The audit found that STC: (1) failed to sign an affiliation agreement with LSU; (2) had not reimbursed LSU for financial support LSU provided; and (3) had paid unapproved compensation to an LSU employee who also served as STC's Chief Executive Officer (CEO), President, and Board Chairman.

During our audit, we found that LSU failed to provide adequate oversight of STC's operations and did not implement the Internal Auditor's recommendations. Moreover, LSU did not enter into an affiliation agreement with STC until May 2023; did not obtain reimbursement from STC for support LSU provided; and did not elect STC board members for more than three years. During this time, the LSU employee who served as STC's CEO, President, and Board Chairman continued to receive compensation from STC without LSU approval. By failing to properly oversee STC's operations, LSU management may have violated the Louisiana Constitution, which prohibits the donation of public funds, and state law.

STC Improperly Paid Compensation and Benefits to an LSU Employee and Other STC Executive Management Team Members

STC paid at least \$1,345,488 to or for the benefit of Jeffrey Moulton between 2017 and 2022. This amount included wages, incentive pay, paid time off, deferred compensation, severance, a golf club membership and related charges, and lease payments for a Baton Rouge condo Mr. Moulton claimed was his personal residence (collectively referred to as "compensation and benefits"). As a full-time LSU employee, Mr. Moulton was prohibited from receiving compensation and benefits from STC without LSU's approval. None of Mr. Moulton's STC compensation was properly approved by LSU as required by Louisiana law, and LSU policy. Records also show that STC paid other STC executive management team members (CEMT) \$364,139 in incentive payments, \$648,192 in severance payments, and at least \$60,589 in club membership benefits that were not approved by an LSU-approved STC Board despite the fact that LSU is its sole member. We further found that Louisiana Department of Economic Development (LED) funds were used to pay a portion of the compensation and benefits to CEMT members. By improperly paying compensation and benefits to an LSU employee and other CEMT members, STC management may have violated LSU policy, the Louisiana Constitution, and state and federal law.

STC Management Obtained R&D Projects for an Unaffiliated Entity

Records show that STC management members and employees, including Mr. Moulton and John Pursley, incorporated Stellar, an unaffiliated nonprofit corporation, in September 2018 to obtain R&D contracts from the federal government. Although certain management members were fiduciaries of STC and its sole member, LSU, they obtained R&D projects for Stellar exceeding \$57 million that did not benefit STC or LSU. In addition, records show that these STC management members and employees also received at least \$5,513,134 in reported compensation and taxable benefits from Stellar between 2019 and 2023. STC is now financially distressed and reliant on state funding from LED to meet its operating expenses. By obtaining funds for Stellar and receiving compensation and benefits from Stellar, Mr. Moulton and others may have breached their fiduciary duties to STC and LSU and violated LSU policy and state and federal law.

STC Improperly Funded Office Space for an Unaffiliated Entity

STC accounting records show STC paid \$626,554 for leasehold improvements to expand its Baton Rouge office space and \$412,426 to lease the expanded space between December 2021 and October 2024. Approximately one-fourth of the expanded space was dedicated for Stellar's use; however, it does not appear that the STC Board approved funding of office space for Stellar. STC expensed the leasehold improvements and lease costs to LED and STC's federal government clients. By funding office space for Stellar, STC management may have violated the Louisiana Constitution, which prohibits the donation of public funds, and state and federal law.

STC Paid a Contractor for Legal Services Who May Not Have Been Licensed to Practice Law

Records show STC paid \$616,929 in compensation and benefits to a contractor, Scott Draughon, through his Florida company, The MyTechnologyLawyer Corporation (MTL) between January 2019 and January 2022. According to emails and the invoices MTL submitted to STC, Mr. Draughon was referred to as STC's attorney who reviewed, edited, and negotiated changes to public and private contracts on STC's behalf. However, we found no record that Mr. Draughon is licensed to practice law in Louisiana, and Mr. Draughon is ineligible to practice law in Florida. If Mr. Draughon received compensation from STC (and Stellar) related to the practice law without being licensed to do so, Mr. Draughon may have violated state law.

BACKGROUND AND METHODOLOGY

The Louisiana State University System (LSU) is a component unit of the state of Louisiana within the executive branch of state government and operates under the management and supervision of the Louisiana State University Board of Supervisors (LSU Board). The LSU Board is comprised of 15 members appointed by the governor, with Senate confirmation, to six-year terms, and one student member appointed to a one-year term by a council composed of the student body presidents of the universities. LSU's President serves as the LSU Board's Secretary.

LSU encompasses several specialized campuses, collectively referred to as the LSU System, including Louisiana State University and Agricultural & Mechanical College, Louisiana State University at Alexandria, Louisiana State University at Eunice, Louisiana State University of Shreveport, Louisiana State University Health Sciences Center – New Orleans, Louisiana State University Health Sciences Center – Shreveport, Louisiana State University Agricultural Center, and Pennington Biomedical Research Center. As a publicly-supported institution of higher education, the LSU System's instructional programs are partially funded through annual appropriations made by the Louisiana Legislature.

Stephenson Technologies Corporation, initially named Nascent Technologies Corporation and hereinafter referred to as STC, was incorporated in May 2015 as a Louisiana nonprofit corporation formed for affiliation with the LSU Board, subject to the LSU Board's approval as provided in La. R.S. 17:3390.¹ STC's Articles of Incorporation state that STC's general purpose is to support LSU's programs, facilities, research, and educational opportunities offered by LSU, and further provides that STC shall make distributions to other nonprofit organizations, including its sole member, LSU. In September 2015, the LSU Board approved STC as an LSU affiliate. STC's audited financial statements are consolidated into LSU's audited financial statements as a blended component unit.

In May 2022, LSU's President appointed an LSU employee to serve as STC's new Executive Director. The new Executive Director subsequently requested that the Louisiana Legislative Auditor investigate his concerns regarding the alleged misuse of STC funds, noncompliance with law, and conflicts of interest concerning individuals formerly associated with STC. This audit was initiated to determine the validity of those complaints. The procedures performed during this audit included:

- (1) interviewing select STC and LSU employees, board members, and other persons, as appropriate;
- (2) examining selected STC and LSU documents and records;
- (3) gathering and examining external parties' documents and records; and
- (4) reviewing applicable state and federal laws and regulations.

FINDINGS AND RECOMMENDATIONS

Failure to Properly Oversee Operations of Nonprofit Affiliate

In September 2015, the LSU Board of Supervisors (LSU Board) approved Stephenson Technologies Corporation (STC)^A as an LSU affiliate to pursue research and development (R&D) contracts with the federal government for LSU's financial benefit. In February 2019, LSU's Office of Internal Audit (Internal Auditor) completed an audit of STC. The audit found that STC: (1) failed to sign an affiliation agreement with LSU; (2) had not reimbursed LSU for financial support LSU provided; and (3) had paid unapproved compensation to an LSU employee who also served as STC's Chief Executive Officer (CEO), President, and Board Chairman.

During our audit, we found that LSU failed to provide adequate oversight of STC's operations and did not implement the Internal Auditor's recommendations. Moreover, LSU did not enter into an affiliation agreement with STC until May 2023; did not obtain reimbursement from STC for support LSU provided; and did not elect STC board members for more than three years. During this time, the LSU employee who served as STC's CEO, President, and Board Chairman continued to receive compensation from STC without LSU approval. By failing to properly oversee STC's operations, LSU management may have violated the Louisiana Constitution, which prohibits the donation of public funds, and state law.^{1,2}

Louisiana Revised Statute (La. R.S.) 17:3390¹ encourages higher education management boards and institutions to promote the activities of alumni associations, foundations, and other private, nonprofit organizations that raise private funds for the support of public institutions of higher education. STC was incorporated in May 2015 as a Louisiana nonprofit corporation to be affiliated with the LSU Board as defined in La. R.S. 17:3390. STC's Articles of Incorporation specify it shall serve a general purpose of supporting the programs, facilities, research, and educational opportunities offered by LSU and shall make distributions to other nonprofit organizations, including, but not limited to its sole member, LSU. STC remains a private entity, as opposed to a public or quasi-public entity, only if it meets all of the criteria in La. R.S. 17:3390(B) which include:

- Have a principal purpose of supporting one or more programs, facilities, or research or educational opportunities offered by LSU;

^A Stephenson Technologies Corporation was initially incorporated in May 2015 as Nascent Technologies Corporation and was presented to the LSU Board under that name in September 2015. The corporation later changed its name to Stephenson Technologies Corporation. As a result, this report will refer to Nascent Technologies Corporation and Stephenson Technologies Corporation as STC.

- The majority of the STC's Board of Directors' (STC Board) voting members are not LSU Board members or employees;
- STC is under the management and control of the STC Board, whose members are elected by STC's sole member, LSU; and
- STC reimburses LSU, either directly or through in-kind services, for the cost of any housing, personnel, and other support furnished to STC by LSU.

STC was created to pursue applied R&D projects with the federal government for LSU's benefit. Two LSU employees – the Director of LSU's Transformational Technology and Cyber Research Center, Jeffrey Moulton, and LSU's Executive Vice President for Finance & Chief Financial Officer (CFO) Dr. Dan Layzell - presented STC to the LSU Board for approval as an LSU affiliate at the LSU Board's September 2015 meeting, approximately three months after incorporation. Documents provided to the LSU Board prior to the meeting stated STC would reimburse LSU for the use of LSU facilities and other allowable reimbursable costs and that the net fees earned by STC would be "100 percent available to the University as directed by the Member (LSU)."

Video of the LSU Board's September 2015 meeting shows that Mr. Moulton told the LSU Board that STC would be the applied R&D of LSU to bridge the gap between contracting agencies and research staff on campus. Mr. Moulton also told the LSU Board that STC would be an LSU-owned-and-operated affiliate that would take direction from LSU and would not act as a "rogue nation." Dr. Layzell told the LSU Board that he and LSU's General Counsel, Thomas Skinner, would serve as STC Board members to provide ongoing oversight and that LSU and STC would sign an affiliation agreement to ensure accountability. The LSU Board then voted to approve STC as an LSU affiliate. The corresponding LSU Board resolution provided that it authorized the following:

F. King Alexander, in his capacity as President of LSU, or his designee, acting on behalf of and in the name of the Board, and in consultation with legal counsel, to establish and execute the Articles of Incorporation and Bylaws for the LSU Nonprofit 501(c)(3) Affiliate, [STC], to be operated for the benefit of the sole Member (LSU), and any related documents necessary or desirable to accomplish and implement the purposes of [STC], with as such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including funding, that the President deems to be in the best interest of LSU;

AND

establishing a restricted account for the funds generated by [STC]. These funds to be used exclusively for the continued operations and expansion of the purposes of [STC]; including campus activities associated with [STC] at the discretion of the President or his

designee, who shall be the Vice President for Finance and Administration/CFO unless the President names another designee.

STC began operations in late 2016 under the direction of the STC Board, which consisted of Mr. Moulton (Chairman), Dr. Layzell and Mr. Skinner. Mr. Moulton, an LSU employee, also served as STC's CEO and President. Records and statements show Mr. Moulton's LSU employment duties included running STC and pursuing federal R&D contracts for LSU's benefit, whether awarded to LSU or STC. LSU and STC did not sign an affiliation agreement prior to STC commencing operations; however, LSU and STC did enter into an Intercompany Master Services Agreement (IMSA), effective September 1, 2016. The IMSA established the mechanism through which LSU employees, including Mr. Moulton, would work on STC projects and STC would pay LSU for the cost of those services. The IMSA, which is still in effect, prohibited employees from simultaneously receiving salaries from LSU and STC.

LSU's Internal Auditor initiated a routine internal audit of STC in February 2018, which was completed in February 2019. The Internal Auditor's findings (see Attachment 1) included:

- lack of an affiliation agreement between LSU and STC;
- LSU not being reimbursed for funds and resources it provided to STC;
- possible noncompliance with Article VII, Section 14 of the Louisiana Constitution,² which prohibits the loan, pledge, or donation of public funds; and
- Mr. Moulton receiving compensation from STC without LSU approval.

The audit report recommended that LSU and STC execute an affiliation agreement and that LSU pursue reimbursement for support LSU provided to STC. LSU management responded to the audit report in June 2019. According to LSU's response, Dr. Layzell would be responsible to implement the Internal Auditor's recommendations by December 31, 2019.

According to LSU and STC records, conflicts arose between LSU and STC during LSU's internal audit. The conflicts concerned the audit process and LSU's proposals for distributions from STC to LSU, which Mr. Moulton rejected on STC's behalf. In addition, LSU's Internal Auditor notified LSU's Provost on February 5, 2019, that Mr. Moulton was President of Stephenson Stellar Corporation (Stellar), but he had no information on Stellar's purpose or connection to LSU or STC. Dr. Layzell – the only remaining LSU employee other than Mr. Moulton on the STC Board^B at the time – resigned from the STC Board two days later (and approximately two weeks before the internal audit was completed).

^B Mr. Skinner left the STC Board in October 2016 when the STC Board was changed to include Mr. Moulton, Dr. Layzell, and three independent board members not associated with LSU.

Records maintained by Florida's Department of State, Division of Corporations, show that Scott Draughon, an independent contractor providing legal services to STC, incorporated Stellar as a Florida nonprofit corporation in September 2018. Stellar's Articles of Incorporation listed Mr. Moulton (President), John Pursley, STC's Chief Financial Officer (Treasurer), and Mr. Draughon (Secretary) as Stellar's initial officers/directors. Stellar began formal operations at the beginning of 2019 with STC employee Ken Sweltz as its Executive Director. Subsequent tax filings show that Stellar's organizational mission was essentially the same as STC's organizational mission and that Mr. Moulton and Mr. Sweltz began receiving compensation from Stellar during calendar year 2019.

During our audit, we found that LSU did not adequately oversee STC's operations and did not ensure that STC implemented the Internal Auditor's recommendations. Although Dr. Dan Layzell, LSU's Executive Vice President for Finance & CFO, said the Internal Auditor's recommendations should be implemented by December 31, 2019, that did not happen. Rather, records show that LSU did not execute an affiliation agreement with STC for almost three-and-a-half years after that date. We also found that LSU did not obtain reimbursement from STC for support LSU provided to STC, which LSU estimated to exceed \$400,000. In addition, records show that Mr. Moulton began receiving compensation from Stellar in 2019 and continued to receive compensation from STC without LSU approval. Further, we found that LSU failed to elect STC Board members for more than three years.

We also obtained an email from and to LSU executive personnel, dated October 12, 2021, which discussed LSU's plans to take back control of STC (See Attachment 2). This email also included a list of "Mr. Moulton's actions that have breached LSU trust," which suggests: (1) STC was not operating for LSU's benefit; (2) STC was not operating under the management and control of a Board elected solely by LSU; and (3) STC was not reimbursing LSU for support it provided to STC. Subsequent findings in this report provide greater detail about items (1) and (2).

Rebuttal to Mr. Scott Draughon's Response

In response to our report, Mr. Draughon stated that tensions between the irreconcilable goals of LSU and STC led Mr. Moulton, Mr. Pursley, and Mr. Draughon to resign from STC in early 2022. According to Mr. Draughon, LSU's objective was legislative compliance, while STC's objective was preserving the STC business base. Mr. Draughon further mentioned LSU's frustrations over the inability of LSU and STC to come to terms between 2019 and 2022 on an affiliation agreement "that would comply with LSU legislative requirements." Mr. Draughon's references to LSU's legislative compliance requirements appear to be references to La. R.S. 17:3390, compliance with which was mandatory for STC under Louisiana law.

As a Louisiana nonprofit corporation, STC is obligated to operate within the restrictions of Louisiana law, its Articles of Incorporation, and its bylaws.³ STC's Articles of Incorporation, which are restated in its bylaws, require STC to be an LSU affiliate as defined in La. R.S. 17:3390 (see discussion on p. 5-6). Therefore, STC

does not operate in accordance with Louisiana law if it does not comply with all applicable statutory restrictions, including the requirement that STC operate for LSU's principal benefit. LSU records show the ways LSU intended to benefit from STC.

For example, LSU submitted a request (LSU Affiliation Request) to the LSU Board to establish STC as an LSU affiliate, which the LSU Board approved by resolution at its September 18, 2015, meeting (see discussion on p. 6-7). The LSU Affiliation Request stated STC's fiscal impact would include generating net assets/net fees (revenues minus expenses). The LSU Affiliation Request also included the following language establishing LSU's intent to receive the net assets generated by STC, consistent with La. R.S. 17:3390 and STC's Articles of Incorporation (see discussion on p. 6):

LSU is asking to restrict the Funds (Net Assets) generated by [STC] so that they may be reinvested exclusively for the continued operations and expansion of the purposes of [STC]; including supportive campus activities associated with [STC].... In addition, the Net Fees Earned are 100 percent available to the University as directed by the Member (LSU).

Mr. Draughon's response also referenced an "STC Commitment To LSU" to generate net assets which apparently traces back to the LSU Affiliation Request. Mr. Draughon's response praised STC's success at generating contract awards and net assets that exceeded "the original objective" by 57% and referenced a document titled "Report: STC Commitment To LSU." This document referenced by Mr. Draughon shows the revenue and net asset commitments exceeded by STC were the financial projections included in the LSU Affiliation Request. Thus, Mr. Draughon appears to rely upon the LSU Affiliation Request to establish the "STC commitment to LSU" to generate net assets while disregarding that the ultimate purpose was to distribute those net assets to LSU.

This objective/commitment was not met, as STC rejected LSU's September 2018 proposal to receive STC net assets (see discussion on p. 7), and STC never distributed any net assets to LSU. Instead, LSU's proposal to receive STC net assets became intertwined with the affiliation agreement negotiations between LSU and STC. Email records show Mr. Draughon and an LSU Assistant General Counsel negotiated provisions of a draft affiliation agreement between LSU and STC beginning shortly after the LSU internal audit was completed. The LSU Assistant General Counsel emailed Mr. Draughon on April 16, 2019, about Mr. Draughon's proposed changes and copied Mr. Moulton, Mr. Pursley, Dr. Layzell, and Mr. Skinner. The LSU Assistant General Counsel email stated the following:

our office interprets the [LSU Board] resolution of September, 18, 2015 to provide that the primary purpose of STC, and the reason it was established, is to benefit LSU and that the funds referenced in that Resolution are to be used to operate and expand STC, as the second paragraph of the resolution provides, for the "purposes of [STC]". It's

purpose is to benefit LSU. This affiliation agreement is an opportunity to clarify that purpose and to allow both STC and LSU to operate with the support and oversight of that purpose....

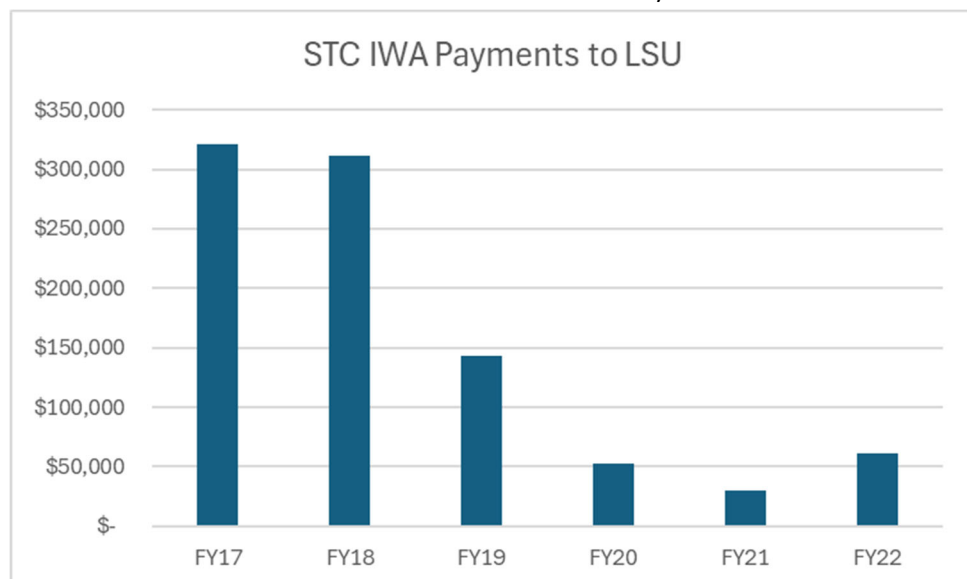
As STC is an LSU entity LSU is obligated to take appropriate action to assure the well-being of that entity as well as its conformance with law....

The purpose of the [affiliation agreement] is to assure that entities using state law to affiliate with higher education institutions are operating to benefit those institutions and are doing so in accordance with RS 17:3390 et al.

If LSU's goals were to assure STC operated for LSU's benefit and in compliance with La. R.S. 17:3390 – as required by STC's Articles of Incorporation and Louisiana law – and those goals were irreconcilable with STC's goals, then STC's goals under the leadership of Mr. Moulton were inconsistent with operating for the principal benefit of LSU or in compliance with La. R.S. 17:3390.

Mr. Draughon's response to our report also stated that STC provided significant financial benefits to LSU by reimbursing LSU \$918,362 through Intercompany Work Authorizations (IWAs) for fiscal years 2017 through 2022 (July 1, 2016 through June 30, 2022) and issuing a \$500,000 check to LSU. However, LSU and STC records show LSU received minimal benefits from STC after the LSU internal audit was completed.

IWAs were the mechanism in the IMSA through which LSU employees, including Mr. Moulton, would work on individual STC projects for their LSU compensation, which STC would reimburse to LSU. One of the issues raised in the internal audit was an apparent conflict of interest in Mr. Moulton's supervisory responsibilities for LSU and STC under the IMSA and IWAs. STC did pay LSU \$918,362 through various IWAs over that timeframe. However, LSU invoiced for 78% of the IWA payments before the LSU internal audit was completed. The IWA payments to LSU declined significantly in the year of the LSU internal audit (fiscal year 2019) and subsequent years before LSU reconstituted the STC Board in



September 2022 (fiscal year 2023), as shown in the bar graph on the previous page. We also noted that there were no IWAs for Mr. Moulton's work on STC projects in the fiscal years after the internal audit, even though STC continued to bill for Mr. Moulton's direct labor, including for two projects for which there were previously IWAs to reimburse LSU for Mr. Moulton's labor.

The \$500,000 payment mentioned by Mr. Draughon was issued in June 2022 to the LSU Foundation, which is another affiliate of LSU, not LSU. This \$500,000 payment related to a donation through the LSU Foundation to STC in October 2016 which stipulated STC would return \$500,000 to the LSU Foundation by November 2019. Thus the \$500,000 payment from STC to the LSU Foundation appears to be the delinquent return of the LSU Foundation's restricted donation to STC. Moreover, the LSU Foundation then returned the \$500,000 to STC in 2023 due to its poor financial condition (see discussion on p. 24). This \$500,000 was provided to STC a second time in the form of a non-interest loan to be repaid over three years.

Although STC operated as a separate nonprofit corporation, its status as an LSU affiliate required it to operate in accordance with La. R.S. 17:3390 and its governing documents, under the management and control of a board elected solely by LSU. Accordingly, STC's separate corporate form did not relieve it of these statutory and governance obligations.

To the extent Mr. Draughon attributes the breakdown in the relationship between LSU and STC to disagreements over governance or compliance, the records reviewed indicate that LSU's actions were directed toward ensuring that STC operated in accordance with applicable law and its governing documents.

While STC provided certain payments and reimbursements to LSU, the records reviewed indicate that these amounts were limited in scope and timing and do not alter the overall conclusion that STC did not operate for the principal benefit of LSU as contemplated by La. R.S. 17:3390 and STC's governing documents.

STC Improperly Paid Compensation and Benefits to an LSU Employee and Other STC Executive Management Team Members

STC paid at least \$1,345,488 to or for the benefit of Jeffrey Moulton between 2017 and 2022. This amount included wages, incentive pay, paid time off, deferred compensation, severance, a golf club membership and related charges, and lease payments for a Baton Rouge condo Mr. Moulton claimed was his personal residence (collectively referred to as "compensation and benefits"). As a full-time LSU employee, Mr. Moulton was prohibited from receiving compensation and benefits from STC without LSU's approval. None of Mr. Moulton's STC compensation was properly approved by LSU as required by Louisiana law, and LSU policy. Records also show that STC paid other STC executive management team members (CEMT) \$364,139 in incentive payments, \$648,192 in severance payments, and at least \$60,589 in club membership benefits that were not

approved by an LSU-approved STC Board despite the fact that LSU is its sole member. We further found that Louisiana Department of Economic Development (LED) funds were used to pay a portion of the compensation and benefits to CEMT members. By improperly paying compensation and benefits to an LSU employee and other CEMT members, STC management may have violated LSU policy, the Louisiana Constitution, and state and federal law.^{1,2,4,5,6,7,8,9,10,11,12}

The Louisiana Code of Governmental Ethics (La. R.S. 42.1101, *et seq.*) prohibits LSU employees like Mr. Moulton from receiving any compensation related to the performance or nonperformance of their LSU job duties other than their regular salary and benefits.⁹ However, the Louisiana Code of Governmental Ethics includes exceptions permitting LSU's employees to receive compensation and benefits from LSU affiliates like STC or from certain outside employment related to their LSU job duties if approved by LSU in accordance with LSU policy. LSU policies in effect while Mr. Moulton was an LSU employee required LSU's President or Provost to provide written approval for payments to LSU employees from LSU affiliates or for outside employment related to research projects. La. R.S. 17:3390(F) separately required that all payments from an LSU affiliate to an LSU employee exceeding \$1,000 per transaction be approved in writing by the LSU Board.¹ In addition, La. R.S. 17:3390(B) requires that STC be managed and controlled by a Board whose members are elected by STC's sole member, LSU. During our audit, we found that STC paid compensation and benefits to Mr. Moulton without proper approval from LSU and that STC paid compensation and benefits to other CEMT members (non-LSU employees) without approval from a Board whose members were elected by LSU. These payments are described in the sections below.

STC Improperly Paid Compensation and Benefits to an LSU Employee

LSU hired Mr. Moulton in 2014, on a full-time basis, as the Executive Director of its cybersecurity research unit. Mr. Moulton continued to be a full-time LSU employee between STC's establishment as an LSU affiliate in 2015 through his resignation, effective July 1, 2021, at which time his base LSU salary was \$251,577 per year. Mr. Moulton's LSU job duties included running STC and obtaining federal R&D contracts for the benefit of LSU, whether awarded to LSU or STC. Mr. Moulton also served as STC's CEO between STC's inception as an LSU affiliate through December 31, 2021, and as the STC President and Board Chairman through at least January 2022. STC records conflict as to whether Mr. Moulton was removed from his STC Board role in February or October 2022.

We reviewed Mr. Moulton's personnel and email records from LSU and STC, LSU internal audit records, STC Board records and spoke with LSU's Internal Auditor and others at LSU and STC, but we found no evidence that LSU's President or Provost provided written approval for Mr. Moulton to receive compensation and benefits from STC. We also asked LSU's Internal Auditor to search for records that the LSU Board approved Mr. Moulton's STC compensation, and he told us he found no such records. However, tax and accounting records show that STC paid

Mr. Moulton at least \$1,345,488 in compensation and benefits while he was an LSU employee from September 15, 2014 to July 1, 2021, and/or through an STC employment contract Mr. Moulton signed while he was an LSU employee (see table below). We found that STC paid 87% of the compensation and benefits to Mr. Moulton after LSU's Internal Auditor completed its audit of STC in February 2019.

Jeffrey Moulton's STC Compensation per STC Forms W-2 and Pay Statements							
	2017	2018	2019	2020	2021	Jan-22	Total
Base compensation	\$ -	\$ -	\$ 35,687	\$ 95,758	\$ 170,070	\$ 8,960	\$ 310,475
Incentive Payments	\$ 48,500	\$ 54,500	\$ 80,000	\$ 80,000	\$ 170,500	\$ -	\$ 433,500
Severance (2,080 hours)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332,800	\$ 332,800
Paid Time Off (PTO) (600 hours)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,000	\$ 96,000
Retirement/deferred compensation	\$ -	\$ -	\$ 1,071	\$ 5,273	\$ 10,217	\$ 13,133	\$ 29,694
Condo Lease Payments	\$ 39,950	\$ 19,800	\$ 39,450	\$ 20,400	\$ -	\$ -	\$ 119,600
Golf Club Membership Charges	\$ -	\$ -	\$ 8,812	\$ 7,218	\$ 7,389	\$ -	\$ 23,419
Total	\$ 88,450	\$ 74,300	\$165,020	\$208,649	\$358,176	\$450,893	\$ 1,345,488

STC initially paid Mr. Moulton a \$48,500 incentive payment in July 2017. LSU's Internal Auditor flagged this payment during its 2018 internal audit of STC as compensation and benefits received from an affiliate which were not reported/presented to the LSU Board for approval (See Attachment 1). LSU's internal audit workpapers show that shortly before the audit was completed, LSU's Internal Auditor notified LSU's Provost that Mr. Moulton had made a clearly false representation on an LSU PM-11 form (Disclosure of Outside Employment) Mr. Moulton submitted for STC in June 2018. The false representation flagged by LSU's Internal Auditor was a "no" answer to the statement "My outside employment would be with an entity currently doing or actively seeking to do business with my unit at the university."

STC did contract with LSU at the time through the IMSA and IWAs (see discussion on p. 7 and 10-11). This included IWAs through which Mr. Moulton worked on STC projects as an LSU employee, for his LSU compensation, which STC reimbursed to LSU. A "yes" response by Mr. Moulton on his LSU PM-11 form would have triggered a higher-level review by LSU's President or Provost; however, Mr. Moulton's "no" response circumvented that review. The only LSU approval shown on this 2018 LSU PM-11 form was by Mr. Moulton's then-direct supervisor (LSU Supervisor 1) who lacked the requisite approval authority. This LSU PM-11 form is the only LSU approval we found for Mr. Moulton's compensation from STC and only covered the period July 1, 2018 to June 30, 2019.

Two days after LSU's Internal Auditor emailed LSU's Provost about Mr. Moulton's 2018 LSU PM-11 form, Dr. Layzell resigned from the STC Board. The STC Board then elected Mr. Pursley to replace Dr. Layzell on the STC Board at its February 2019 meeting. (Pursuant to La. R.S. 17:3390(B)¹, only LSU was authorized to elect STC Board members, not the STC Board.) At that point, the STC Board consisted of Mr. Moulton and Mr. Pursley – both of whom were in the process

of organizing Stellar – and three independent Board members not associated with LSU.

Mr. Moulton then entered into an employment contract with STC in June 2019, which the STC Board (without an LSU representative other than Mr. Moulton) approved at its June 2019 meeting. This contract provided Mr. Moulton with a \$127 hourly wage from STC for job duties including capturing R&D projects for STC and its partners (i.e., Mr. Moulton's LSU job duties). The offer also specified that Mr. Moulton would convert to a salaried STC employee when he left LSU employment, and that Mr. Moulton was entitled to receive certain fringe benefits as a member of the Company Executive Management Team (CEMT), as shown in the image below. The CEMT initially consisted of only Mr. Moulton and Mr. Pursley, but Mr. Draughon and STC General Manager Dr. Joseph Homan joined the CEMT in 2021.

The following list of CEMT EFB & Perks are approved by the Board for each CEMT Member concurrent with the Approval of this Offer Letter to Jeffrey A. Moulton:

- 1) First-class Air Travel which includes the plus-one when required to attend Company sponsored functions;
- 2) Club Memberships – currently limited to one per Member of the CEMT;
- 3) Extra Paid Time Off (PTO) – as identified in the applicable Offer Letter;
- 4) Reimbursement for out-of-pocket healthcare and dental costs not covered by the Company Insurance Coverages;
- 5) Incentive Compensation Program – Guaranteed Minimum of 20% and Maximum 50% of Total Annual Compensation; and
- 6) Severance Package – applicable with Resignation by CEMT Member or Termination by Company and Package includes current STOP Hourly Rate times 2080 Hours, paid in 12 monthly payments and continuation of all other Company Provided EFB for Full Time Employees during the one-year Severance Period.

It appears Mr. Moulton also misrepresented his STC compensation on subsequent LSU PM-11 forms for STC that he submitted to his new LSU Supervisor (LSU Supervisor 2) in June 2019 and June 2020, which were not approved and later withdrawn. These forms contained the same false representation previously flagged by LSU's Internal Auditor. Mr. Moulton also submitted the June 2019 LSU PM-11 form for STC three days before he signed his STC employment offer, but the form showed Mr. Moulton's only proposed STC compensation was "travel expenses and EIP."^C Mr. Moulton's June 2020 LSU PM-11 form listed his proposed compensation as \$80,000 (the amount of his prior year STC incentive payment). Neither form submitted by Mr. Moulton accurately detailed Mr. Moulton's STC compensation and benefits according to his STC offer letter.

We showed copies of Mr. Moulton's LSU PM-11 forms for STC and Mr. Moulton's STC offer letter to LSU Supervisor 2. LSU Supervisor 2 told us

^C EIP stands for employee incentive program.

Mr. Moulton's representations on his LSU PM-11 forms that STC did not do business with his unit at LSU were false. LSU Supervisor 2 told us he had never seen Mr. Moulton's STC offer letter, never approved Mr. Moulton to receive any of the elements of compensation listed on the STC offer letter, and was not aware of anyone else at LSU approving Mr. Moulton receiving that compensation. LSU Supervisor 2 also told us Mr. Moulton's STC compensation was for work (obtaining federal R&D contracts) that was part of Mr. Moulton's LSU job duties, which LSU had not approved.

Incentive Payments

Records show that STC issued incentive payments to employees totaling \$1,105,000 between 2017 and 2022. We found that a majority of these payments totaling \$797,639 (72%) were issued to three CEMT members also associated with Stellar: Mr. Moulton, Mr. Pursley, and Dr. Homan (see table below). STC records show Mr. Moulton, Mr. Pursley, and/or Dr. Homan determined the size of the incentive pools and/or the amount of individual incentive payments. STC Board records show the STC Board approved the size of the incentive pool between 2017 and 2021 but did not approve the specific payments to Mr. Moulton in 2017 and 2018. However, STC Board records also show no participation by an LSU representative between 2018 and 2021. Dr. Homan and Mr. Pursley determined the amount of Dr. Homan's 2022 incentive payment without approval from the STC Board.

STC Incentive Payments to Executive Management							
	2017	2018	2019	2020	2021	2022	Total
Jeffrey Moulton	\$ 48,500	\$ 54,500	\$ 80,000	\$ 80,000	\$170,500	\$ -	\$433,500
John Pursley	\$ -	\$ -	\$ 40,000	\$ 40,000	\$137,500	\$ -	\$217,500
Dr. Joseph Homan	\$ -	\$ -	\$ -	\$ -	\$ 31,639	\$115,000	\$146,639
Total	\$ 48,500	\$ 54,500	\$120,000	\$120,000	\$339,639	\$115,000	\$797,639

When questioned by LSU's Internal Auditor about his 2017 incentive payment, Mr. Moulton told the Internal Auditor that he determined the amount of his STC incentive payment and that the incentive payment was for bringing in R&D contracts to STC (i.e., part of Mr. Moulton's LSU job duties). STC also provided LSU's Internal Auditor with an EIP policy which showed it was intended to reinforce the performance of employees "making exceptional contributions to the Company's goals in the areas of business development, contract performance, increased productivity, and improved operations." The program effectively paid STC employees additional amounts for the past performance of their job duties based on a determination by Mr. Moulton, Mr. Pursley, and/or Dr. Homan that their performance exceeded expectations.

Beginning in 2019, the incentive payments for the CEMT members flowed from the CEMT package the STC Board approved in June 2019, which guaranteed incentive payments between 20% and 50% of their total annual compensation (see p. 14). STC Board records show Mr. Moulton's STC incentive payments for 2020 and

2021 were calculated as a percentage of Mr. Moulton's combined LSU and STC compensation. Thus, Mr. Moulton appears to have received STC incentive payments based on his LSU compensation for performing the same job duties (bringing in R&D projects) that were part of his LSU employment job duties.

Severance Pay

Records show that STC issued severance payments totaling \$980,992 to CEMT members between January 2022 and October 2022 (see table right). The CEMT fringe benefit package permitted CEMT members to receive 2,080 hours of severance for future work not performed if they voluntarily resigned STC employment or were terminated. Severance benefits flowed from the CEMT package approved by the STC Board in June 2019 with no LSU representation other than Mr. Moulton. Mr. Pursley proposed this package to the STC Board in June 2019 to benefit himself and Mr. Moulton, both of whom were already involved in Stellar.

STC Severance Payments to CEMT Members			
STC Severance Recipient	Severance Date	Payment Approver	Severance Amount
Jeffrey Moulton	12/31/2021	Dr. Homan	\$ 332,800
John Pursley	1/31/2022	Dr. Homan	\$ 192,192
Scott Draughon	2/1/2022	Dr. Homan	\$ 144,000
Joseph Homan	9/29/2022	Mr. Pursley	\$ 312,000
Total			\$ 980,992

Messrs. Moulton, Pursley, and Draughon voluntarily resigned from STC positions on or around January 2022 but maintained their STC Board positions. Dr. Homan replaced Mr. Moulton as STC's President and approved all three of those severance payments, at a time he was also a Stellar Board member. Records show STC had seven ongoing R&D projects with the federal government at that time, with \$5,296,868 in remaining funding for those projects. Only one of the projects extended past 2022, and STC only had sufficient future funding to fund 7.5 more months of operations. Email records show Mr. Pursley instructed Dr. Homan to withhold information about the severance payments from STC Board records emailed to LSU and the STC Board before the next STC Board meeting in February 2022. As such, it does not appear that the LSU or the STC Board were aware that STC issued severance payments to Mr. Moulton, Mr. Pursley, or Mr. Draughon.

Dr. Homan resigned as STC President on September 29, 2022, and Mr. Pursley approved Dr. Homan's severance payment as the STC Board Treasurer. A new STC Board elected solely by LSU then held its first meeting approximately a week later on October 7, 2022. Mr. Pursley did not disclose Dr. Homan's severance payment to LSU or the new STC Board members in advance of their first board meeting. STC's new management told us they only learned of the severance payments after Dr. Homan's severance payment.

Baton Rouge Condo & Club Memberships

Records show that Mr. Moulton leased a condo in Baton Rouge near LSU (Unit 201) to be occupied by himself and his wife in April 2015 (before STC incorporated). STC began operations in late 2016 using space on LSU's campus. Mr. Pursley emailed an STC administrative employee in February 2017 that STC needed to reimburse him for the "[STC] Office Condo" dating back to September 2016, transfer the lease from Mr. Moulton to STC, pay the lease costs directly going forward, and treat the condo as a 100% general and administrative (G&A) facility related cost. STC records show STC reimbursed Mr. Moulton \$16,450, or seven months of lease payments (September 2016 through March 2017) and paid the lessor \$23,500 (\$2,350 per month) through January 2018.

STC then switched to a larger unit in the same condo development, changing from Unit 201 to Unit 213 in February 2018, which STC leased between February 2018 and around July 2020.^D Mr. Moulton signed the initial lease for Unit 213, which listed the residents as himself and STC, and listed his wife as an occupant. Accounting records show STC directly paid \$79,650 between July 2018 and June 2020 to lease Unit 213. The lease payments for the two years ending June 30, 2020, were accounted for by STC as G&A expenses, meaning the payments were treated as allowable indirect costs billed to STC's federal government clients under STC's contracts. STC's receipt of federal awards required it comply with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (OMB Uniform Guidance). One provision of the OMB Uniform Guidance provides that personal housing costs are unallowable costs unless treated as direct costs and approved in advance by the federal agency.¹²

The Baton Rouge condo was one of the issues raised in LSU's internal audit. Mr. Moulton told LSU's Internal Auditor during a June 2018 interview that the condo was an office/condo, available for use by STC employees and the STC Board. Mr. Moulton stated he stayed at the Baton Rouge condo two weeks a month when he was not traveling, and he stayed at his personal residence in Florida on holidays. Mr. Moulton also told LSU's Internal Auditor the following in relation to the condo:

Everything in there is being recouped on our rates, right, so it doesn't cost us, doesn't cost... well, it doesn't cost us... We basically get the money back from the government because it's part of our indirect fee, right, and it doesn't cost the taxpayer here anything.

The LSU internal audit completed in February 2019 (see Attachment 1) raised concerns about the application of La. R.S. 42:31.¹³ This statute required Mr. Moulton to have a Louisiana driver's license and any vehicles registered in his name be registered in Louisiana to maintain his LSU employment. Records show

^D Email records suggest Stellar began using and/or paying for Unit 213 around July 2021. STC records show it did not pay rent for the condo for the period August 2020 through June 2022. STC recommenced rent payments for July 2022 and those payments continued through January 2023 when STC broke the lease.

Mr. Moulton used the address for Unit 201 in February 2019 to certify his Louisiana residency to LSU, obtain a Louisiana Driver's License, and register to vote in Louisiana. Mr. Moulton continued to claim Louisiana residency at Unit 213 to vote in Louisiana elections (November 2019 and November 2020) and renew his Louisiana Driver's License (March 2022). Knowingly submitting a voter registration application that is materially false and knowingly voting when not qualified are felonies in the state of Louisiana.¹⁴ Mr. Moulton swore or affirmed when he registered to vote using Unit 201 that he was a bona fide resident of Louisiana and East Baton Rouge Parish and that the facts provided were true to the best of Mr. Moulton's knowledge and belief.

Based on the information included above, it appears either Mr. Moulton's personal housing costs were improperly billed to the U.S. government or Mr. Moulton falsely claimed Louisiana residency to circumvent the requirements of La. R.S. 42:31 to maintain his LSU employment. Mr. Moulton's STC payroll records also show he did not claim Louisiana residency, and no Louisiana tax withholdings were reported on his STC Internal Revenue Service (IRS) Forms W-2 (Wage and Tax Statement). STC never reported Mr. Moulton's personal use of the condo on its IRS Forms 990 (Return of Organization Exempt from Income Tax) or Mr. Moulton's Forms W-2. Finally, Mr. Moulton's CEMT package approved by the STC Board in June 2019 expressly excluded "company provided or subsidized housing."

Club Memberships Paid for by STC		
Person	Club	Amount
Jeffrey Moulton	Westhaven Golf Club	\$ 23,419
John Pursley	Serenata Beach Club	\$ 8,395
Scott Draughon	TPC Sawgrass	\$ 40,877
Joseph Homan	Tower Club (DC)	\$ 11,317
Total		\$ 84,008

In addition, records show that STC made payments totaling \$84,008 related to golf or social club memberships for Mr. Moulton, Mr. Pursley, Mr. Draughon, and Dr. Homan as part of their CEMT benefits between 2019 and 2022 (see table at left). We found that the payments to Mr. Draughon reimbursed

him for golf club membership fees he paid during years that he was not an STC CEMT member. Although these membership payments appear to be taxable fringe benefits¹⁵ to STC's CEMT members, it does not appear that STC included the payments in the CEMT members' IRS Forms W-2. STC's Form 990 tax returns show it began reporting the memberships in 2020 with the explanation "the Company Executive Management Team Employee Fringe Benefit & Perks Includes club membership. This is expensed as an unallowable employee morale and is not included in the recipients W2."

Use of Louisiana Public Funds to Pay STC Compensation and Benefits

LSU, STC, and LED records indicate Mr. Moulton's LSU job duties included running STC and obtaining federal R&D contracts for LSU/STC, which would in turn bring in matching funds from LED to LSU to fund the majority of Mr. Moulton's LSU salary. Records show LED's Secretary contacted Mr. Moulton in November 2019 about extending the Cooperative Endeavor Agreement (CEA) between LSU and LED. Instead of extending that CEA, Mr. Moulton entered into a similar CEA in February

2020 between LED and STC (but excluding LSU) whereby STC (not LSU) received \$3 million in LED funding between September 2020 and April 2022. Based on STC records, it appears that STC used funds received from LED to fund portions of the compensation and benefits (e.g., incentive and severance payments, wages, and condo payments) that STC paid to CEMT members, including Mr. Moulton.

For example, STC submitted Project Labor Summary Reports to LED to obtain LED funds, which showed LED funded 404 hours of Mr. Moulton's STC labor at a cost of \$51,308 for the two years ended June 30, 2021, while Mr. Moulton was still an LSU employee. These reports also show LED funded expenses allocated to STC's Fringe Benefit and G&A Expense pools including compensation and benefits paid to or for the benefit of Mr. Moulton and other CEMT members, as summarized in the following table.^E

STC Compensation and Benefits Paid with LED Funds				
Period	Cost Pool	Amount of LED Funds	Compensation/Benefit Type	STC Expense
FY20 - FY22	Fringe Benefit Pool	\$ 322,630	CEMT Incentive Payments	\$ 574,639
			Moulton PTO	\$ 96,000
FY20	G&A Expense Pool	\$ 139,709	Condo Lease Payments	\$ 40,500
FY22	G&A Expense Pool	\$ 62,230	CEMT Severance	\$ 668,992

The Louisiana Attorney General has historically opined that payments of additional compensation to public employees for services previously rendered (e.g., the STC incentive payments and severance payments) are tantamount to donations of public funds and prohibited by the Louisiana Constitution.²

Rebuttal to Mr. Draughon's Response

In response to our report, Mr. Draughon stated that STC's payments to Mr. Moulton and the CEMT benefits provided to CEMT members were duly authorized by the STC Board. Mr. Draughon's argument is inconsistent with Louisiana law. STC is obligated by Louisiana law to operate within the restrictions of its Articles of Incorporation, which require STC to be an LSU affiliate as defined in La. R.S. 17:3390.³ Therefore, STC cannot operate lawfully under Louisiana law if it does not operate in accordance with all the restrictions of La. R.S. 17:3390(B) (see discussion on p. 5-6), including the requirement that STC operate under the management and control of an STC Board elected only by LSU. The STC Board (not LSU) elected Mr. Pursley to the STC Board in February 2019 – before the STC Board approved Mr. Moulton's offer letter and the CEMT benefits in June 2019. Accordingly, STC appears to have operated outside of those requirements when the STC Board, not elected solely by LSU, approved Mr. Moulton's offer letter and the CEMT benefits package.

^E The STC severance payment to Mr. Moulton was initially classified by STC as a G&A expense and was later reclassified as an unallowable cost under new management for federal compliance reasons. The severance payment was reclassified after the G&A expenses shown in this table were reported to LED in February 2022.

The fact that certain actions were approved by the STC Board does not, by itself, resolve whether those actions complied with applicable law and governing documents. As discussed above, STC was required to operate under the management and control of a Board elected solely by LSU. Accordingly, actions taken by a Board not constituted in accordance with these requirements do not, standing alone, establish compliance with Louisiana law or STC's governing documents.

STC Management Obtained R&D Projects for an Unaffiliated Entity

Records show that STC management members and employees, including Mr. Moulton and John Pursley, incorporated Stellar, an unaffiliated nonprofit corporation, in September 2018 to obtain R&D contracts from the federal government. Although certain management members were fiduciaries of STC and its sole member, LSU, they obtained R&D projects for Stellar exceeding \$57 million that did not benefit STC or LSU. In addition, records show that these STC management members and employees also received at least \$5,513,134 in reported compensation and taxable benefits from Stellar between 2019 and 2023. STC is now financially distressed and reliant on state funding from LED to meet its operating expenses. By obtaining funds for Stellar and receiving compensation and benefits from Stellar, Mr. Moulton and others may have breached their fiduciary duties to STC and LSU and violated LSU policy and state and federal law.^{4,5,6,8,9,16}

STC was incorporated in May 2015 as a Louisiana nonprofit corporation, which shall be affiliated with the LSU Board as defined in La. R.S. 17:3390. STC's Articles of Incorporation specify it shall serve a general purpose of supporting the programs, facilities, research, and educational opportunities offered by LSU and shall make distributions to other nonprofit organizations, including, but not limited to its sole member, LSU. The LSU Board approved STC as an LSU affiliate in September 2015, and the sole member of STC is LSU. STC was created to benefit LSU by obtaining applied R&D projects with the federal government, utilizing LSU employees for work on those projects, and distributing net fees generated from those projects to LSU. (see discussion on p. 6 and 8-11).

Board members and officers of STC are fiduciaries of STC and LSU under Louisiana law and are required to perform their duties for STC in good faith and in the best interests of STC and LSU.¹⁷ Mr. Moulton and Mr. Pursley were board members and/or officers of STC when they created Stellar and, therefore, fiduciaries of STC and LSU under Louisiana law.^F The STC Board's Conflicts of Interest Policy requires STC Board members and officers to disclose positions on the Board of other organizations for review by the STC Board to determine if there

^F Mr. Draughon also became a fiduciary of STC and LSU when he became an STC Board officer in June 2020.

is a conflict of interest. STC Board conflict of interest disclosures show Mr. Moulton never disclosed his roles at Stellar, but Mr. Pursley did disclose his roles at Stellar beginning in 2019. We reviewed STC Board minutes and found no discussion of potential conflicts of interest with Stellar or STC Board actions related to Stellar.

As an LSU employee whose LSU job duties included obtaining federal R&D projects, Mr. Moulton was also prohibited by Louisiana law⁹ and LSU policy (PM-11) from pursuing R&D projects outside of LSU/STC without written approval from LSU's President or Provost. The Louisiana Code of Governmental Ethics prohibits LSU employees from engaging in outside employment related to their LSU job duties, unless the outside employment is approved in accordance with LSU policy. PM-11 requires written approval by LSU's President or Provost for outside employment related to research or the LSU employee's job duties. We obtained Mr. Moulton's LSU personnel file, LSU's internal audit workpapers, and copies of LSU PM-11 forms Mr. Moulton submitted to LSU for his activities related to Stellar, which showed Mr. Moulton did not receive written approval from LSU's President or Provost as required by Louisiana law and PM-11. The LSU PM-11 forms Mr. Moulton submitted to LSU appear to include false representations by Mr. Moulton that his employment with Stellar would not yield advancements in his field and did not disclose that Mr. Moulton was obtaining R&D projects for Stellar instead of LSU/STC.

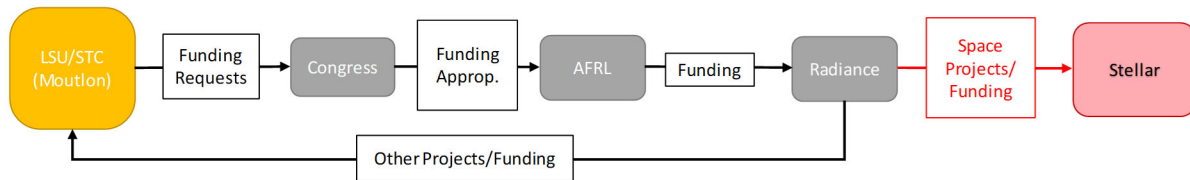
Statements Mr. Moulton made to LSU's Internal Auditor in June 2018 and subsequent emails show that Moulton was unhappy about the audit and felt that he was undercompensated by STC/LSU. Mr. Moulton's base annual salary from LSU at the time was \$242,000, which increased to \$251,577 in September 2018. Mr. Moulton pitched his idea for Stellar to an LSU donor in August 2018. Mr. Draughon, then an independent contractor providing STC with legal services, incorporated Stellar as a Florida nonprofit corporation on September 4, 2018. Stellar's Articles of Incorporation listed Mr. Moulton (President); Mr. Pursley (Treasurer); and Mr. Draughon (Secretary) as the initial directors of Stellar's Board of Directors. Mr. Moulton, Mr. Pursley, Mr. Draughon, and Ken Sweltz, then a key technical employee of STC, prepared startup documentation for Stellar during late 2018 while pursuing startup funds. Email records show one consideration of the startup plan was how Stellar would hold security clearances while "getting out from under LSU."

Stellar formally started operations in January 2019 and hired Mr. Sweltz as Stellar's Executive Director. The IRS Form 990 tax returns filed by STC and Stellar for 2018 describe those entities as having substantially the same program service accomplishments that involve performing R&D work for the federal government (See Attachment 3). Stellar was not affiliated with LSU. During our audit we found that STC management obtained at least \$57,939,339 in R&D projects for Stellar that did not benefit STC or LSU. In addition, Stellar tax records show Mr. Moulton, Mr. Pursley, Mr. Draughon, and Mr. Sweltz were paid \$5,513,134 by Stellar between 2019 and 2023, the last year for which Stellar tax records are publicly available.

We found Stellar financial records contained in STC email records which show Stellar had \$57,939,339 in R&D contracts as of January 2022, the month Mr. Moulton, Mr. Pursley, and Mr. Draughon left STC (see image below). Public records show \$43,595,320 has been obligated through June 2025 for work on these five projects, and work on the last two of these projects is ongoing. All five of these Stellar projects were for the Air Force Research Laboratory (AFRL), which was STC's largest client. Stellar performed its first three projects for AFRL as a subcontractor under Radiance Technologies Inc. (Radiance) at a time STC also worked projects for AFRL as a subcontractor to Radiance.

Stephenson Stellar Corporation a/o 31 January 2022 Active Project Invoice Summary							
Project	Contract Type	Current Value	Current Funding	Current Mo. Invoice Amt	Cumulative Invoice Amt	Remaining Funded Value	POP START
RTI CPAC-E/PSBTSSC	T&M	\$ 4,000,000	\$ 4,000,000	\$ 70,421	\$ 3,843,897	\$ 156,103	5/24/2019
RTI CPAC-/IoT	T&M	\$ 2,000,000	\$ 2,000,000	\$ 24,858	\$ 1,952,951	\$ 47,049	8/12/2019
RTI DAIHSS/DCO-S	T&M	\$ 9,500,089	\$ 9,500,089	\$ 253,552	\$ 7,023,279	\$ 2,476,810	4/15/2020
AFRL 5GITL*	CPFF	\$ 19,700,950	\$ 4,001,000	\$ 186,254	\$ 1,992,329	\$ 2,008,671	5/24/2021
AFRL SSCR*	CPFF	\$ 22,738,300	\$ 10,000,000	\$ 192,242	\$ 3,584,742	\$ 6,415,258	5/27/2021
TOTALS		\$ 57,939,339	\$ 29,501,089	\$ 727,327	\$ 18,397,199	\$ 11,103,890	
Acronyms:							
CPAC-E	Cyber Platforms and Capabilities Efficiency						
DAIHSS	Distributed, Automated, and Intelligent Hardware and Software Security						
5GITL	5G Independent Testing Laboratory						
SSCR	Stellar Space Cyber Range						

Email records show Mr. Moulton obtained Stellar's first three projects totaling \$15,500,089 by using his LSU position and LSU Foundation lobbyists to lobby United States Congressmen from Louisiana to support appropriation of increased funding to AFRL for LSU R&D projects with AFRL. However, once Congress appropriated funding to AFRL and AFRL contracted Radiance as the prime contractor, Mr. Moulton worked with a Radiance project manager to have subcontracts for space related work subcontracted to Stellar instead of STC, which is illustrated in the chart on the top of the following page.



For example, Stellar’s third project (DAIHSS) resulted from a \$15 million LSU request for additional funding for an LSU project with AFRL that Mr. Moulton submitted to LSU Foundation lobbyists while setting up Stellar at the end of 2018. Email records show Mr. Moulton submitted the request on behalf of LSU on October 14, 2018, using his LSU email. Email records show Mr. Moulton, Mr. Pursley, and Mr. Draughon were part of an email chain later that day and the following morning about incorporating the funding request into Stellar startup plans. Mr. Draughon then emailed Mr. Moulton and Mr. Pursley a mission statement for Stellar on the morning of October 15, 2018, which showed Mr. Moulton’s LSU funding request was a current initiative of Stellar. Mr. Moulton also emailed a Stellar startup presentation to Mr. Sweltz on November 5, 2018, for Mr. Sweltz to edit, which showed Mr. Moulton’s LSU funding request had already been submitted by Stellar as a space-based cyber initiative.

While the appropriations process was ongoing, Mr. Moulton and LSU Supervisor 2 signed a progress report to LED swearing that these ongoing lobbying activities and associated future projects were part of LSU and STC’s ongoing activities under a CEA between LSU and LED. As Congress appropriated \$12 million in additional funding to AFRL for the project, Mr. Moulton emailed a proposed scope of work to the Radiance project manager for Stellar to perform the project as a subcontract under the DAIHSS contract, which was a contract between AFRL and Radiance. Stellar ultimately received a \$9.5 million subcontract from Radiance (see image to top of the on prior page).

Stellar later hired the same LSU Foundation lobbyists Mr. Moulton used to pursue LSU projects to pursue Stellar’s last two projects with AFRL (5GITL & SSCR), which were direct contracts with AFRL. We were unable to determine if Mr. Moulton submitted funding requests for these projects on behalf of LSU or Stellar. However, we did find emails from AFRL’s project manager over those projects indicating he believed AFRL received funding for the projects because Stellar was a subsidiary of LSU, (see example below).

Specifically, I recently received a congressional plus up as part of my program for approximately \$20M to set up a 5G testbed as well as to launch a small cube-sat constellation (4 satellites in LEO) to form a space-based Defensive Cyber Operations test bed. The plus up was submitted by Sen Kennedy’s office in Louisiana, I’m sure in part because we’ve been working extensively with one of LSU’s subsidiary companies “Stephenson Stellar”. My intention is to build these testbeds and use them to

STC email records show STC, through Mr. Moulton, also hired a different lobbying firm in early 2021 to pursue federal funding for a project with the Space Development Agency (SDA) referred to as Defense in Depth as Mission Assurance (DiDaMas). STC paid this lobbying firm \$120,010 through February 2022, and

Mr. Moulton worked with the lobbying firm to market the project for STC as an LSU affiliate. However, STC email records also show Mr. Moulton had a person “on the inside” at SDA to push the DiDaMas project on Stellar’s behalf, and Mr. Moulton planned for the DiDaMas project be awarded to Stellar instead of STC. STC email records show Congress did not fund DiDaMas in Mr. Moulton’s final year at STC, and Mr. Moulton began working with lobbyists to push DiDaMas as a Stellar project the following year.

Stellar’s website includes public information showing DiDaMas is a component of a Stellar project for SDA named Systems, Technologies, And Emerging Capabilities (STEC). Public records show Stellar was awarded a \$48,335,780 SDA STEC contract in June 2023, after Mr. Moulton, Mr. Pursley, Mr. Draughon, and Mr. Sweltz left STC. Public records show \$13,968,948 has been obligated for the STEC project through August 2024, and work on the project will continue through June 2028.

In addition, Stellar’s public tax filings show that Mr. Moulton, Mr. Pursley, Mr. Draughon, and Mr. Sweltz collectively received \$5,513,134 in reported compensation and benefits from Stellar through the end of 2023, the last year for which Stellar’s tax returns are publicly available (see table below). As an LSU employee, Mr. Moulton was prohibited from receiving compensation from Stellar without written approval from LSU’s President or Provost, and we found no record that Mr. Moulton received the required approval from LSU.

Compensation and Benefits Reported on Stellar's IRS Forms 990						
	2019	2020	2021	2022	2023	Total
Jeffrey Moulton	\$190,883	\$ 272,305	\$ 461,122	\$ 529,351	\$ 484,251	\$1,937,912
John Pursley	\$ -	\$ 94,000	\$ 168,000	\$ 196,000	\$ 270,000	\$ 728,000
Richard Scott Draughon	\$ -	\$ 86,000	\$ 166,000	\$ 144,000	\$ 144,000	\$ 540,000
Ken Sweltz	\$432,006	\$ 549,878	\$ 516,322	\$ 420,297	\$ 388,719	\$2,307,222
Total	\$622,889	\$1,002,183	\$1,311,444	\$1,289,648	\$1,286,970	\$5,513,134

STC is now financially distressed. STC records show it was last awarded a contract or subcontract with AFRL in 2020, and its last projects for AFRL ended on December 31, 2022. STC’s current management told us STC no longer has any projects or relationship with AFRL. STC’s current management also told us STC is reliant on \$1 million per year in LED block grants to cover its operating expenses. LED records show it entered into a CEA with STC to provide up to \$3 million in funding to STC through August 2026.

Mr. Sweltz told us STC was capable of performing the projects that Stellar performed. According to Mr. Sweltz, as a Stellar employee, he was not aware that Stellar obtained funding for projects that Mr. Moulton solicited through LSU/STC. Mr. Sweltz also told us he did not know who determined whether projects would go to LSU/STC or Stellar. Mr. Sweltz stated that he had no knowledge of LSU or the STC Board approving Mr. Moulton to pursue R&D projects through Stellar instead of LSU or STC. We attempted to interview Mr. Moulton, Mr. Pursley, Mr. Draughon, and Dr. Homan, but they did not respond when we asked to interview them.

STC Improperly Funded Office Space for an Unaffiliated Entity

STC accounting records show STC paid \$626,554 for leasehold improvements to expand its Baton Rouge office space and \$412,426 to lease the expanded space between December 2021 and October 2024. Approximately one-fourth of the expanded space was dedicated for Stellar's use; however, it does not appear that the STC Board approved funding of office space for Stellar. STC expensed the leasehold improvements and lease costs to LED and STC's federal government clients. By funding office space for Stellar, STC management may have violated the Louisiana Constitution, which prohibits the donation of public funds, and state and federal law.^{1,2,4,5,6,7,8,10}

Mr. Moulton gave a presentation to the STC Board during its June 2019 meeting showing that STC was relocating to new office space in Baton Rouge, Louisiana at the Water Campus. The presentation shows STC would have office space next to a State of Louisiana Military Department (LMD) secure facility but did not include Stellar or show Stellar on maps of the space. However, Mr. Moulton's email records indicate Mr. Moulton and Stellar intended to use the STC office space and the LMD secure facility for R&D projects obtained for Stellar instead of LSU/STC (see discussion on p. 21-23). The initial \$1.5 million cost to build the STC office space and the secure facility were funded by LED through a CEA between STC, LED, and LMD.

Mr. Draughton reviewed and proposed changes to draft versions of the CEA on STC's behalf, which included inserting a provision that Stellar was authorized to use and occupy space leased to STC and thereby have access to the secure LMD facility. STC, represented by Mr. Moulton, entered into the CEA with LED and LMD in October 2019, and STC began using the space in November 2019. However, Mr. Draughton also negotiated separate leases for STC and Stellar that resulted in Stellar leasing two cubicles (108 sq. ft.) in the middle of STC's office space.

STC later funded construction of expanded office space at the Water Campus, including a segregated Stellar office and STC's "joint cyber range," a lab Stellar apparently intended to use for the 5GITL and SSCR projects obtained for Stellar instead of LSU/STC (see discussion on p. 22-23). STC and the Water Campus landlord entered into a lease for an additional office space in September 2020. This additional space was located next to the existing STC and Stellar office space and referred to as the "STC/[Stellar] Expansion." Approximately one-quarter of the expansion was a segregated Stellar office suite, and the remaining space was for the joint cyber range.

The property developer provided a proposed budget and contract for the STC/Stellar expansion space to STC and Stellar employees in April 2021. This email chain includes an April 28, 2021, email from Mr. Pursley stating the expansion space "will be funded by the LED CEA 2nd year effort (or directly by STC OHA, if

required)." Mr. Pursley then followed-up by stating "if this Leasehold Improvement is not funded by the LED CEA, then this will be a capital expenditure [sic] by STC (BR Office Leasehold Improvement) and amortized over the Lease Term (the monthly amortization will be funded by OHA)." Mr. Moulton responded "//approved//" to the group later that morning.

"STC OHA" refers to STC's Overhead A cost pool. Expenses in the STC's Overhead A cost pool were allocated to STC's projects and a CEA between STC and LED. As such, these construction costs were funded by LED with Louisiana public funds and STC's federal government clients with federal funds. According to these emails, STC – an LSU affiliate that exists for the principal purpose of benefitting LSU – funded the construction of office space for use by Stellar, which is unaffiliated with LSU and does not benefit LSU. Although it appears that Mr. Moulton and Mr. Pursley approved funding for Stellar's office space, we found no documentation to show that the STC Board was aware of, or approved funding of, office space for Stellar.

Email records show STC requested the property developer remove references to Stellar from contract documents and then contracted with the property developer for construction of the expansion space, which was completed in November 2021. STC accounting records show it paid the property developer \$626,554 for the construction project: \$587,326 paid in December 2021 and \$39,228 paid in May 2023 for retainage. STC accounting records show the construction costs were capitalized and amortized through STC's Overhead A cost pool in exactly the fashion approved by Mr. Moulton. STC began leasing the expansion space in December 2021 and made its first lease payment on January 14, 2022. STC accounting records show it paid \$412,426 to lease the entire expansion space between December 2021 and October 2024. The STC lease payments were also expensed to STC's Overhead A cost pool.

Mr. Pursley was notified by email on January 18, 2022, that "Stellar is occupying the Expansion Space, but STC is paying the rent." The email chain shows Mr. Pursley, Mr. Draughon, Dr. Homan, and others associated with Stellar were involved in a discussion about transferring the lease to Stellar. Mr. Pursley and Mr. Draughon were STC fiduciaries at that time. Mr. Pursley later confirmed to the group, on January 28, 2022, that the following statement was correct: "The STC Expansion Lease is going to remain at STC including all subject related costs of the Expansion that STC has absorbed in Overhead. The Expansion Lease is **not** going to be transitioned to Stellar." The determination not to transfer the lease occurred during the same timeframe Mr. Moulton, Mr. Pursley, and Mr. Draughon voluntarily resigned STC employment positions and received severance payments approved by Dr. Homan (see discussion on p. 16).

We were told by new STC management that Stellar later moved out of the Baton Rouge office space and moved to Shreveport, Louisiana. STC's new management also told us they were unable to find a use for the expansion space and that they terminated the lease, junked or donated equipment in the space, and wrote off remaining construction costs as an unallowable cost. Stellar is currently

operating in Shreveport, where LED is funding the construction of a secure facility for Stellar under a \$2.5 million CEA executed in October 2023. Records show that Mr. Moulton began pursuing funding for a Stellar secure facility in Shreveport through a collaboration with LED and other entities in June 2021, when he was still an LSU employee and an STC fiduciary. Mr. Moulton provided documentation to LED during the collaboration that showed Stellar intended the collaboration to support its SSCR and 5GITL projects – projects obtained for Stellar instead of LSU/STC (see discussion on p. 22-23).

Mr. Sweltz told us Stellar used STC office space at the Water Campus and may have used the joint cyber lab (also located at the Water Campus). Mr. Sweltz also told us Stellar personnel may have talked about using the joint cyber lab and the LMD secure facility for the SSCR project, but that never happened. Mr. Sweltz stated that he did not know how the expansion space was paid for. We attempted to interview Mr. Moulton, Mr. Pursley, Mr. Draughon, and Dr. Homan, but they did not respond when we asked to interview them.

STC Paid a Contractor for Legal Services Who May Not Have Been Licensed to Practice Law

Records show STC paid \$616,929 in compensation and benefits to a contractor, Scott Draughon, through his Florida company, The MyTechnologyLawyer Corporation (MTL) between January 2019 and January 2022. According to emails and the invoices MTL submitted to STC, Mr. Draughon was referred to as STC’s attorney who reviewed, edited, and negotiated changes to public and private contracts on STC’s behalf. However, we found no record that Mr. Draughon is licensed to practice law in Louisiana, and Mr. Draughon is ineligible to practice law in Florida. If Mr. Draughon received compensation from STC (and Stellar) related to the practice law without being licensed to do so, Mr. Draughon may have violated state law.^{18,19}

Mr. Draughon incorporated MTL in August 2014 as a Florida Corporation domiciled in Ponte Vedra Beach, Florida. State of Florida, Department of State, Division of Corporations records show MTL is still active and lists Mr. Draughon as its only officer or director. Mr. Draughon’s LinkedIn page as of September 2025 identifies him as “Chief Executive Counsel” (see image right) and President of MTL since 1989. His LinkedIn page also details his experience as “one of Florida’s foremost authorities on information technology law and policy. Scott is the President and Founder of MyTechnologyLawyer.com, an



online interactive resource for managing the legal affairs of the technology enterprise.” The MTL website similarly identifies Mr. Draughon as “an executive management advisor for the technology industry with 30 years of experience as technology lawyer and policy advocate, as well as author, speaker and radio host with an extensive personal network.” The MTL website also shows MTL offers a paid subscription or sponsor service.

Board minutes show that STC hired Mr. Draughon as a General Manager in April 2018^G and later elected him as the Board’s Assistant Secretary in June 2020, which made him a fiduciary of STC.¹⁷ The STC Board then elected Mr. Draughon as its Secretary in June 2021 and resolved that he was a member of the Company Executive Management Team (CEMT) with the job title of General Manager & Chief Cyber Strategist. According to STC records, Mr. Draughon billed STC monthly for legal services (MTL invoices) from October 2017 to January 2022. As such, he was treated as an independent contractor, not an employee of STC. Mr. Draughon voluntarily resigned as STC’s General Manager & Chief Cyber Strategist in January 2022.

Accounting records show STC paid MTL \$616,929 between January 2019 and January 2022, which included \$367,000 for MTL’s monthly invoices described in accounting records as monthly legal services/reviews and accounted for as professional legal services.^H STC also paid MTL \$249,929 for CEMT benefits in January 2022, the month Mr. Draughon resigned as STC’s General Manager & Chief Cyber Strategist. These benefits included \$144,000 paid to Mr. Draughon for a year of severance, even though Mr. Draughon was an independent contractor; \$40,877 to reimburse Mr. Draughon for his golf club membership fees; and \$65,052 to reimburse Mr. Draughon’s medical/dental insurance premiums. Records supporting Mr. Draughon’s reimbursements show that STC reimbursed Mr. Draughon for golf club membership fees and medical/dental premiums dating back to 2017, years before the STC Board made him a CEMT member in June 2021. We also found that a majority of the funds that STC paid to MTL (\$576,052) were accounted for as G&A expenses, meaning they were billed to the federal government and/or LED.

According to STC records, MTL invoiced STC for a Sponsor membership in amounts that ranged between \$4,000 and \$36,000 and averaged \$9,918 per month between January 2019 and January 2022. MTL invoices included a description of services provided, which often referenced work preparing legal documents or working on STC contracts. For example, MTL invoiced STC \$10,000 on October 15, 2018, which included the following line items:

- (1) LADB Work Order Services Agreement/LADB Invoices
- (2) Stephenson Stellar Corporation
Formation; Mission Statement; Strategic Imperatives; Funding Profile

^G STC records show that Mr. Draughon provided services to STC, through MTL, prior to April 2018.

^H MTL also invoiced STC for \$49,000 between October 2017 and December 2018.

- (3) LSU MEMORANDUM "STC Cash Flow Back to LSU" (September 10, 2018)
Analysis; Regulatory Overview; Funding Alternatives; Response Memorandum

Email records show Mr. Draughon was involved in developing a contract for STC to provide services to the Louisiana Attorney Disciplinary Board (LADB) during that timeframe. The MTL invoice referenced the formation of Stellar, which is consistent with Florida Divisions of Corporations records showing Mr. Draughon incorporated Stellar as a Florida nonprofit corporation in September 2018 using the same address as MTL. Finally, the LSU memorandum referenced above appears to refer to Mr. Moulton's response to Dr. Layzell about STC distributing funds to LSU, which included contractual and regulatory arguments as to why STC could not distribute funds to LSU in the ways suggested by LSU (see further discussion on p. 7 and Attachment 2).

STC email records included organizational charts for STC and Stellar¹ which both identify Mr. Draughon as "legal" or "legal counsel." Minutes from the STC Board's June 2020 meeting also identified Mr. Draughon as Esquire and "STC Counsel," and state he gave an update to the STC Board about the status of a standard affiliation agreement he helped negotiate with LSU. We reviewed MTL invoices and found MTL invoiced STC every month between February 2019 (when the LSU internal audit was completed) and January 2022 for work on proposed affiliation agreements between STC and LSU, another source of conflict with LSU (see discussion on p. 7-11 and Attachment 2). However, STC did not sign an affiliation agreement with LSU until May 2023.

We searched the LADB and Louisiana State Bar Association websites for documentation of Mr. Draughon's Louisiana license to practice law, but neither website lists Mr. Draughon in any fashion. Mr. Draughon was admitted to the Florida Bar in 1987. However, the Florida Bar's website shows Mr. Draughon's membership has lapsed, and he is not eligible to practice law in Florida. Public records show the Florida State Supreme Court suspended Mr. Draughon from the practice of law for one year in June 2012 – before Mr. Draughon incorporated MTL or worked for STC – in relation to a fraudulent property transfer. We also contacted the Florida Bar and were told Mr. Draughon's 2016 and 2017 petitions for reinstatement were dismissed. If Mr. Draughon practiced law without a license and practiced law with a suspended license, he may have violated Louisiana and Florida laws, respectively.^{18,19}

¹ Stellar's IRS Forms 990 show Stellar paid Mr. Draughon/MTL \$166,000 for legal services in 2021 and \$144,000 per year in 2022 and 2023, the years after he left STC.

Recommendations

We recommend that LSU management consult with legal counsel to determine the appropriate actions to be taken regarding affiliated organizations. In Addition, LSU management should:

- (1) Implement policies and procedures to ensure that formal affiliation agreements are executed with all affiliated agencies to clearly document management's relationship, including respective responsibilities and authority, to ensure that all expenditures are made in accordance with the established mission of each affiliate and that proper standards and procedures are in place for accounting and auditing each affiliate's funds;
- (2) Review LSU policies regarding compensation and outside employment for consistency and compliance with the Louisiana Code of Governmental Ethics and La. R.S. 17:3390;
- (3) Promptly elect LSU employees and others as board members of affiliates as required by La. R.S. 17:3990;
- (4) Require LSU employees elected to the boards of affiliates to attend all affiliate board meetings to ensure affiliates are operating for the intended benefit of LSU;
- (5) Require LSU affiliates to maintain written contracts with all board members, officers, and management personnel who are also employees or contractors of LSU, which disclose the terms of all compensation and fringe benefits;
- (6) Require these contracts to be disclosed to and approved by LSU prior to execution of the initial contract and any amendments thereto;
- (7) Develop and implement policies and procedures to verify affiliates are operating for the principal purpose of benefitting LSU as required by La. R.S. 17:3390;
- (8) Develop and implement policies and procedures to verify affiliates are fully reimbursing LSU for the cost of support provided by LSU as required by La. R.S. 17:3390;
- (9) Develop policies and procedures to verify lobbying activities paid for by affiliates and intended to benefit LSU are actually benefitting LSU and not unrelated entities;
- (10) Develop policies and procedures to ensure LSU is aware of, and given the opportunity to participate in, cooperative endeavor agreements with other Louisiana agencies that are signed by LSU employees on behalf of LSU or affiliates;

- (11) Develop policies and procedures to ensure LSU affiliates are not donating public funds in violation of the Louisiana Constitution;
- (12) Periodically perform internal audits of affiliates to ensure:
 - (a) compensation paid to board members, officers, and management personnel agree with state law, LSU policy, and contractual terms; were properly approved; are properly accounted for and are properly reported to the appropriate taxing authorities;
 - (b) affiliates are acting for the intended benefit of LSU and not engaging in conflicts of interest; and
 - (c) affiliates are properly classifying employees and contractors for tax purposes.
- (13) Amend contracts between LSU and affiliates, such as the IMSA, to prohibit payment of any compensation and benefits from the affiliate to LSU employees without express written approval from LSU;
- (14) Work with affiliates to amend their bylaws, policies, and other pertinent records to reflect requirements of Louisiana Law and LSU policy regarding the compensation of LSU employees;
- (15) Require all affiliates to properly report the payment of compensation and taxable fringe benefits to appropriate taxing authorities; and
- (16) Require LSU affiliates to periodically perform compensation studies and document the reasonableness and independent approval of compensation paid to key employees to comply with the Internal Revenue Code.

ATTACHMENTS

Attachment 1 - Internal Audit Report



EXECUTIVE SUMMARY

Internal Audit completed an audit of the University's affiliation with Stephenson Technologies Corporation (STC) from the Board-approved Fiscal Year 2018 Audit Plan. This audit report provides an evaluation of the controls for the processes used by LSU to ensure compliance with the terms of their agreement and applicable State laws governing affiliated organizations.

Louisiana Revised Statute 17:3390 defines affiliated organizations as those legally separate non-profit entities whose primary purpose is to support public institutions of higher education. STC's Articles of Incorporation list LSU as the sole member. Originally established as "Nascent Technologies Corporation" in 2015, STC's primary purpose has been to identify and procure research, development, test, and evaluation (RDT&E) opportunities with the Federal government.

LSU entered into a Cooperative Endeavor Agreement (CEA) with Louisiana Department of Economic Development (LED) on July 1, 2014, to attract grants and contracts in the fields of intelligence, defense, and cyber research. The three-year CEA provided \$1 from LED for every \$10 of contracts executed by LSU, subject to a limit of \$1 million in each project year. The CEA was subsequently amended to include STC contracts as eligible for matching funds under the agreement and extended to June 30, 2020; however, the award maximum remained \$3 million.

Related to these processes, we offer management the following recommendations where we noted opportunities for improvement:

1. Execute the Uniform Affiliation Agreement with STC and assign responsibility to an independent LSU employee for monitoring compliance with the agreement
2. Consult General Counsel to determine actions necessary to remedy actual or apparent conflicts of interest and whether external reporting is required
3. Make a full accounting of support provided to STC by the University and pursue reimbursement as necessary; evaluate the current structure for reimbursing travel costs related to STC contracts that are incurred by LSU employees

Management agreed with these recommendations and is in the process of implementing the corrective action plans included in Appendix A. We appreciate the assistance provided by STC and LSU personnel during the engagement.

BACKGROUND

LSU created the Transformational Technology and Cyber Research Center (TTCRC) in 2014 for the purpose of pursuing major research projects in the applied technology fields of intelligence, defense, and cyber research. Funding came from a three-year Cooperative Endeavor Agreement (CEA) with the Louisiana Department of Economic Development (LED) effective July 1, 2014. Pursuant to the CEA, LED would pay \$1 for every \$10 in contracts executed by TTCRC, subject to a maximum annual award of \$1 million. TTCRC encountered obstacles that limited their opportunities for securing targeted Federal contracts, including LSU’s lack of a facility security clearance and different cost accounting standards than those required for contractors providing services on Federal defense contracts. The proposed solution was to route the contracts to LSU through a separate legal entity that could meet these requirements.

Originally named “Nascent Technologies Corporation,” Stephenson Technologies Corporation (STC) was incorporated in 2015 primarily to identify and procure research, development, test, and evaluation (RDT&E) opportunities with the Federal government through other prime contractors. The LSU Board of Supervisors approved the request to establish a non-profit affiliate on September 18, 2015. The STC Bylaws and Articles of Incorporation name LSU as the sole member of the Corporation. Since inception, the Executive Director of LSU’s Stephenson National Center for Security Research and Training (SNCSRT), an LSU employee, has served as Chairman of the Board and President for STC. LSU’s Executive Vice President for Finance & Administration/CFO served as Vice Chairman of the Board until February 7, 2019. LSU’s Vice President for Legal Affairs/General Counsel also served as a Board member and Corporate Secretary until February 23, 2017.

SCOPE AND OBJECTIVES

The objectives of this audit were to assess the controls designed to ensure the following:

1. Compliance with LSU Policy and applicable State laws
2. Affiliate operates primarily to benefit the University and fulfillment of its mission
3. Compliance with the terms of agreements between LSU and STC, including proper reimbursement by the affiliate for its use of University resources

The scope of this audit included STC grants, contracts, revenues, expenditures, reports, and any documentation related to its affiliation with LSU from inception through June 30, 2018, as well as any additional information brought to our attention during the course of the audit. Below is a summary of testing performed related to the aforementioned objectives.

Compliance – Reviewed agreement between LSU and STC to determine if it contained adequate governance provisions such as those necessary to ensure compliance with State laws and manage potential conflicts of interest. See [Findings No 1 and 2](#).

Mission/Purpose – Evaluated the benefit of LSU’s affiliation with STC, including the progress toward fulfilling obligations to LED under the CEA.

Utilization of Resources – Determined whether STC provided reimbursement (directly or in-kind) for support provided by the University such as personnel, contractor services, travel, and use of facilities. See Finding No 3.

Procedures that yielded issues are discussed in our recommendations to management. This internal audit activity was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* set by the Institute of Internal Auditors.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Lack of Written Agreement Governing Affiliation

Despite being recognized by the LSU Board of Supervisors as an affiliate, a formal affiliation agreement governing the relationship with STC was never executed. The University has, for many years, used a standard affiliation agreement to memorialize the relationship between it and each recognized affiliate. The current version of the agreement, referred to as the “Uniform Affiliation Agreement,” was approved for use by the LSU Board and put into place in 2009.

The Agreement serves as a means for the University and its affiliates to clearly document their relationship, including respective responsibilities and authority, to ensure that all expenditures are made in accordance with the established mission of the affiliate and that proper standards and procedures are in place for accounting for and auditing of affiliate’s funds. The absence of this agreement severely limits the University’s ability to provide necessary oversight of its affiliate and to ensure compliance with law.

Recommendation: Management should execute the Uniform Affiliation Agreement with STC in accordance with the University’s procedures applicable to all affiliates. In addition, management should assign responsibility to an LSU employee independent of STC for monitoring compliance with the agreement including required reconciliation, approvals, and reporting.

Finding No. 2: Apparent Conflict of Interest - Compensation and Benefits Received from Affiliate

The Executive Director of LSU’s Stephenson National Center for Security Research and Training (SNCSRT), who also serves as STC President and Chairman of the Board of Directors, received compensation and benefits from the affiliate, neither of which were reported/presented to the LSU Board of Supervisors for approval. There were also no forms on file disclosing the paid outside employment, which requires approval under University Permanent Memorandum 11. As noted in detail below, the Executive Director’s roles as an LSU employee and as STC Chairman/President seem to be in conflict.

As STC President, the SNCSRT Executive Director (Executive Director), an LSU employee, received \$48,500 in the form of a bonus on July 10, 2017, as part of the Employee Incentive Program (EIP). It is unclear whether the STC Board of Directors, other than the President and Treasurer, were aware he would receive a significant portion of the \$60,000 EIP distribution approved at the June 2017 Board of Directors Meeting. The supporting documentation for the per-employee EIP allocation indicated that the Executive Director/STC Chairman and President was also provided housing at no cost to him. He told us that the condo was available to visiting STC employees as well. Based on the limited information included in the documents we received, it appears that he was reimbursed approximately \$2,500 per month (\$2,350 rent plus utilities) by STC until the company began paying those expenses directly. We did not have sufficient records to conclude on the total amount or duration of the reimbursement.

The Executive Director is responsible for ensuring that LSU is properly reimbursed for LSU employees' effort, including his own, on STC work. The two parties entered into an Intercompany Master Services Agreement (IMSA), which provides reimbursement to LSU for the use of its resources in fulfilling contract deliverables. This is achieved through issuing individual work authorizations (IWAs) for each contract, specifying professional services to be performed by LSU. The agreement specifies that LSU will be reimbursed for direct labor hours in addition to the Federally-negotiated fringe benefits rate (44%) as well as the facilities and administrative, or "F&A," rate (26%). The F&A rate is meant to cover overhead associated with LSU employees' performance of affiliate's deliverables. Since execution, LSU has issued seven IWAs under the IMSA, three of which were extensions on projects from the prior fiscal year. As of February 2018, LSU employees assisted with four of the nine contracts used to fulfill STC contract deliverables.

The Executive Director is responsible for assigning the level of effort budgeted under the IWAs with STC, determining (based on the business justification) whether travel should be paid by LSU or STC, and performing deliverables on the STC contracts. He is listed as the "technical point of contact" for LSU in the IMSA and for STC in their subawards. He is also the STC President and Chairman of the Board. According to their Bylaws, Directors have a fiduciary responsibility to perform their duties in good faith and in the best interest of the Corporation. The Bylaws also state that the President is expected to actively manage all aspects of the business, acts as the duly authorized representative of the Board, and has complete authority to enter into binding contracts on behalf of the Corporation.

Given the Executive Director is a paid employee of both LSU and STC and holds key duties and responsibilities for each party under the terms of agreements as noted above, there exists at least an appearance of, if not an actual, conflict of interest.

Recommendation: Management should consult General Counsel in making the appropriate determinations for any actions deemed necessary, including those to remedy any actual or apparent conflicts of interest and whether any external reporting is required. Additionally, management should ensure employees are aware of, and comply with, University policy regarding the required reporting and approval of outside employment.

Finding No. 3: Lack of Written Agreement Between LSU and Affiliate Regarding the Transfer of Public Funds

Without a written agreement between the parties, LSU provided STC with unreimbursed support in the form of contracted professional services, travel expenses, and building space. Issues are listed by category, below. It should be noted that, although we tested reimbursement for employee services, we cannot provide assurance that all LSU employee effort expended on STC contracts was billed or that LSU employees did not work on STC contracts for which there was no IWA executed.

Contracted Services:

LSU paid startup and other costs on behalf of STC in the form of professional service contracts without reimbursement, including a contract with individuals who would become STC officers or employees. On April 1, 2015, LSU entered into a contract worth \$126,000 with John Pursley, who is now STC Treasurer & CFO, for advice and expertise on the management and administration of STC. The scope of services included consultation, obtaining an IRS determination letter as a 501(c)(3) nonprofit, establishing pricing structure for prime contracts, and establishing the indirect rate structure to capture cost reimbursement on Federal subawards.

Additionally, on June 13, 2016, LSU contracted with Ken Sweltz, who subsequently became a STC employee, to provide technical support, including system engineering and cyber security activities, related to pending Department of Defense contracts awarded to STC. LSU paid \$124,196 for services provided by the contractor to STC between June 2016 and October 2016.

Travel:

The University paid travel expenses for at least two LSU employees and one contractor (above) to perform activities directly related to STC contracts. This also included trips partially for STC business but paid entirely by LSU. The IMSA specifies that travel made by LSU employees in support of the IWAs requires STC to reimburse travelers directly. Further, the current process lacks controls to ensure LSU does not incur or reimburse travel costs to employees that have also been paid by or reimbursed from STC.

In addition, a number of travel expenditures paid by LSU were for “business development,” which included meetings in Washington D.C. with high-ranking officials in various government agencies. These meetings appear to be of greater benefit to the affiliate since the University does not currently have the ability to secure Federal defense contracts and, therefore, should have been paid by STC. It should be noted that although eight of the nine STC subcontracts contain funding for reimbursement of allowable travel expenses, there does not seem to be a mechanism in place which would allow the University to recoup travel expenses paid in relation to STC business.

Facilities:

Although two of their employees occupy space in the Louisiana Emerging Technology Center, STC does not reimburse LSU for rent. The lease agreement names SNCSRT as the tenant and limits the permitted use of premises to the LSU divisions SNCSRT, SDMI, and TTCRC. The 26% F&A paid

under the IMSA would not cover leased space for individuals who aren't listed on the IWAs; therefore, it is only meant to include the cost of administration and facilities occupied by LSU employees working on STC contracts. Current rent is \$6,195 per month for the space leased in the agreement between SNCSRT and the LSU Research and Technology Foundation.

The transfer of University resources without a properly executed written agreement detailing the purpose of the transfer, terms and conditions (including reimbursement provisions), stated public benefit, etc. risks non-compliance with Article VII, Section 14 of the Louisiana Constitution, which prohibits the donation of public assets.

Recommendation: Management should make a full accounting of support it has provided to STC and pursue reimbursement, as necessary. Management should also evaluate the current structure for reimbursing travel costs incurred by LSU employees entirely or partially related to STC contracts. This would include determining the appropriate way to allocate expenses for business development meetings. Any future support provided to STC should be made in accordance with a properly executed written agreement as noted above.

Other Observation

During the course of testing, we became aware that a former TTCRC employee was hired with the understanding he would be living and working in another state. Louisiana Revised Statute 42:31 requires unclassified employees with a salary of \$100,000 or more have a Louisiana-issued driver's license and register their vehicle(s) in the state. Employers are expected to verify the requirements are met within 30 days of becoming applicable and maintained for the duration of employment. The Department Head approved an off-site justification in this case; however, we were unable to locate documentation indicating acceptance from Human Resources and could not determine whether they were aware of the situation. This issue was addressed in a separate recently completed audit.

DISTRIBUTION LIST

[Redacted Distribution List]

APPENDIX A –
MANAGEMENT’S RESPONSE



Finance & Administration

Date: June 28, 2019

To: [REDACTED] Chief Auditor
Office of Internal Audit

From: Daniel T. Layzell 
Executive Vice President for Finance and Administration/CFO

Re: **Response to LSU 1806 STC**

Thank you for the opportunity to respond to the draft of the STC Internal Audit Report. The following statements are responses to the findings and recommendations presented.

Finding 1. Lack of Written Agreement Governing Affiliation

Recommendation: Management should execute the Uniform Affiliation Agreement with STC in accordance with the University's procedures applicable to all affiliates. In addition, management should assign responsibility to an LSU employee independent of STC for monitoring compliance with the agreement including required reconciliation, approvals and reporting.

Response: Management agrees with the recommendation. An affiliation agreement between LSU and STC is in development and will be signed. An LSU employee independent of STC will be charged with monitoring compliance with the agreement and the requisite reconciliations, approvals and reporting.

Responsible Personnel: Executive Vice President for Finance & Administration/CFO
Vice President for Legal Affairs and General Counsel

Implementation Date for Follow-Up: December 31, 2019

Finding 2. Apparent Conflict of Interest – Compensation and Benefits Received from Affiliate

Recommendation: Management should consult with General Counsel in making the appropriate determination for any actions deemed necessary, including those to remedy any actual or apparent conflicts of interest.



Finance & Administration

Response: Management agrees with the recommendation. General Counsel will be consulted on this matter and appropriate action will be taken as necessary.

Responsible Personnel: Executive Vice President for Finance & Administration/CFO
Vice President for Legal Affairs and General Counsel

Implementation Date for Follow-Up: December 31, 2019

Finding 3: Lack of Written Agreement Between LSU and Affiliate Regarding the Transfer of Public Funds

Recommendation: Management should make a full accounting of support it has provided to STC and pursue reimbursement as necessary. Management should also evaluate the current structure for reimbursing travel costs incurred by LSU employees entirely or partially related to STC contracts. This would include determining the appropriate way to allocate expenses for business development meetings. Any future support provided to STC should be made in accordance with a properly executed written agreement as noted above in the response to Finding 1.

Response: Management agrees. A report of all financial support provided to STC will be assembled, and if applicable, reimbursement will be pursued. The travel reimbursement process including the allocation of expenses related to business development will be reviewed, and new processes and approvals will be implemented as needed.

Responsible Personnel: Executive Vice President for Finance & Administration/CFO
Associate Vice President for Accounting Services

Implementation Date for Follow-Up: December 31, 2019

Cc:



Attachment 2 - STC Action Email

[REDACTED]

From: [REDACTED]
Sent: Wednesday, August 20, 2025 10:42 AM
To: [REDACTED]
Subject: Fw: STC Follow-Up

From: [REDACTED]@lsu.edu>
Sent: Tuesday, October 12, 2021 8:56:06 AM
To: [REDACTED]@lsu.edu>
Cc: [REDACTED]@lsu.edu>; [REDACTED]@lsu.edu>; [REDACTED]@lsu.edu>; [REDACTED]@lsu.edu>; [REDACTED]@lsu.edu>; [REDACTED]@lsu.edu>
Subject: STC Follow-Up

Good morning,

The takeaways from the meeting about the future of STC on 9/27/2021 was to provide information to prepare you for a meeting with [REDACTED] in which you will advise [REDACTED] of upcoming actions by LSU related to STC:

1. A new CEO for STC would be named – (notes for discussion - will this be an LSU employee reporting to ORED? [REDACTED] has several leads.)
2. New board members to be appointed – [REDACTED] has a list of potential board members.)
3. Provide a list of the actions taken by Mr. Moulton that have breached LSU trust.

The list of Mr. Moulton's actions that have breached LSU trust are:

1. inaccuracies in the 9/18/2015 board resolution -
 - STC is not set up using the Ga. Tech Model.
 - STC to be fully self-funded by 2017 -
 - LSU continued to cover Mr. Moulton's salary through his departure in 6/2021.
 - LSU paid for equipment purchased for STC projects and housed off campus
 - LSU paid for Mr. Moulton's travel related to STC development and projects. No LSU leave was taken for the STC travel.
 - STC board members are to be solely appointed by LSU - this has not occurred.
 - LSU ranking has not increased due to STC activities
 - No faculty opportunities have been provided by STC
 - STC produced no student internships, externships, or post-graduate employment opportunities
 - LSU has not been informed of/included in BOD meetings
 - LSU has received no financial benefit from STC

- 2. STC has not/will not sign an affiliation agreement
 - Mr. Moulton has received bonuses from STC, a direct breach of an affiliation agreement
 - Mr. Moulton's rent was paid by STC, a breach of an affiliation agreement
 - STC does not have a revenue sharing agreement with LSU.
- 3. The state of registration for STC was changed from Louisiana to Pennsylvania without LSU's knowledge or consent
- 4. No conflict of interest (COI) paperwork has been completed. To avoid the filings Mr. Moulton has removed himself from proposals. There is an active CEA with LED - the COI filing for Mr. Moulton is required per PS-98.
- 5. Specific opportunities to develop collaborative Defense projects between LSU and STC, and to accelerate LSU research to meet Defense timelines, have been presented by LSU leadership to STC numerous times since 2017, none of which have been acted on by STC.
- 6. There was a SCIF build at the water campus with funding provided by LED to BRAF. STC is responsible for SCIF certification prior to operation. As of 9/28/21, the SCIF was not certified for operation.
 - STC is to manage the SCIF through the officially designated/required Facility Security Officer, who is on STC payroll.
- 7. \$500,000 of LSU resources at the LSU Foundation were used as seed money for STC.
- 8. False claims were made that STC could not hire staff due to the Louisiana law that requires auto registration and La. driver's license for employees earning > \$100K. This law applies to employees of the State of Louisiana.

Of the \$34,042,734 in contracts received by STC since 2017, only \$1,590,614 in funding was provided to LSU. All funding (task orders) were for salaries, associated fringe benefits and F&A for SNCRT employees.

██████████ has weighed in that we need a decision on the ultimate plan for STC – 3 options are:

1. Wind down and dissolution (We can then determine if we want to recreate in our research foundation or allow Jeff to set up an independent successor entity.)
2. Transfer to an affiliate such as our research foundation. (This will require some legal analysis as it's currently a public asset but could probably be completed through a CEA showing a net public benefit to the school)
2. Rehabilitation under new leadership. (This is the path I believe we are presently on in the short term.)

We wanted to provide this info prior to the follow-up meeting.

I will ask ██████████ to set up the meeting with this group.

Attachment 3 - STC vs. SSC Form 990 Descriptions

Software ID:

Software Version:

EIN: 47-3997182

Name: STEPHENSON TECHNOLOGIES CORPORATION

Form 990 (2018)

Form 990, Part III, Line 4a:

STEPHENSON TECHNOLOGIES CORPORATION (THE CORPORATION) UNDERTAKES SCIENTIFIC RESEARCH AND DEVELOPMENT ACTIVITIES FOR THE GOVERNMENTS OF THE UNITED STATES OF AMERICA, THE STATE OF LOUISIANA, AND/OR ANY OTHER STATE, AND POLITICAL SUBDIVISIONS, AGENCIES, AND INSTRUMENTALITIES OF FEDERAL, STATE OR LOCAL GOVERNMENT. THE CORPORATION ALSO UNDERTAKES EDUCATIONAL AND OTHER ACTIVITIES TO PROMOTE THE USE OF THE BENEFITS OF SCIENTIFIC RESEARCH AND DEVELOPMENT BY THE AMERICAN INDUSTRIAL BASE. THE CORPORATION HAS MANAGED THE PERFORMANCE OF PRIME CONTRACTS, GRANTS AND COOPERATIVE AGREEMENTS OR PERFORM SUBCONTRACTS PRIMARILY TO ASSIST THE FEDERAL GOVERNMENT IN ADDRESSING ISSUES, PARTICULARLY THOSE REQUIRING SCIENTIFIC AND TECHNICAL EXPERTISE. AS A NONPROFIT MEMBER OF THE PROFESSIONAL SERVICES INDUSTRY, THE CORPORATION PROVIDES PROFESSIONAL SERVICES PRIMARILY TO THE FEDERAL GOVERNMENT'S DOD AND OHS. THE CORPORATION'S PROFESSIONAL SERVICES INCLUDE, BUT ARE NOT LIMITED TO, RESEARCH AND DEVELOPMENT, TEST AND EVALUATION, OPERATIONS AND MAINTENANCE, SCIENTIFIC, ENGINEERING, LOGISTICS, ENVIRONMENTAL, INFORMATION TECHNOLOGY, AND CONSULTING SERVICES.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
STEPHENSON STELLAR CORPORATION (SSC) EXECUTES RESEARCH, DEVELOPMENT, DEPLOYMENT, TRAINING AND EDUCATION ACTIVITIES FOR A BROAD RANGE OF CLIENT RELATIONSHIPS IN ACADEMIA, GOVERNMENT AND INDUSTRY. SSC IS COMPRISED OF THE PROFESSIONAL STAFF HAVING THE REQUISITE EXPERIENCE, KNOWLEDGE AND RESOURCES TO RAPIDLY AND EFFECTIVELY TRANSITION SCIENCE AND TECHNOLOGY APPLICATIONS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 418,534 including grants of \$ 0) (Revenue \$ 663,814)
SSC UNDERTAKES SCIENTIFIC RESEARCH AND DEVELOPMENT ACTIVITIES FOR THE FEDERAL, STATE AND LOCAL GOVERNMENT, AGENCIES AND INSTRUMENTALITIES OF THE UNITED STATES OF AMERICA. SSC ALSO UNDERTAKES EDUCATIONAL AND OTHER ACTIVITIES TO PROMOTE THE USE OF THE BENEFITS OF SCIENTIFIC RESEARCH AND DEVELOPMENT BY THE AMERICAN INDUSTRIAL BASE. SSC MANAGES THE PERFORMANCE OF PRIME CONTRACTS, GRANTS AND COOPERATIVE AGREEMENTS OR PERFORMS SUBCONTRACTS PRIMARILY TO ASSIST THE FEDERAL GOVERNMENT IN ADDRESSING ISSUES, PARTICULARLY THOSE REQUIRING SCIENTIFIC AND TECHNICAL EXPERTISE. SSC PROVIDES PROFESSIONAL SERVICES PRIMARILY TO THE FEDERAL GOVERNMENT'S DEPARTMENT OF DEFENSE AND DEPARTMENT OF HOMELAND SECURITY. THE PROFESSIONAL SERVICES OF SSC INCLUDES, BUT ARE NOT LIMITED TO, RESEARCH AND DEVELOPMENT, TEST AND EVALUATION, OPERATIONS AND MAINTENANCE, SCIENTIFIC, ENGINEERING, LOGISTICS, ENVIRONMENTAL, INFORMATION TECHNOLOGY, AND CONSULTING SERVICES.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 418,534

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 17:3390** states, in part, "A. The legislature finds that private support enhances the programs, facilities, and research and educational opportunities offered by public institutions of higher education in Louisiana. Therefore, each higher education management board and institution is hereby encouraged to promote the activities of alumni associations, foundations, and other private, nonprofit organizations that raise private funds for the support of public institutions of higher education. Further, it is recognized that private, nonprofit organizations under the direction and control of private individuals who support institutions of higher education are effective in obtaining private support for those institutions. B. A nonprofit corporation, whose principal purpose is to support one or more programs, facilities, or research or educational opportunities offered by public institutions of higher education, including but not limited to any nonprofit corporation whose primary purpose is to finance the design, construction, renovation, or equipping of facilities to be leased to such public institutions of higher learning, shall be a private entity that shall not be deemed to be a public or quasi public corporation or an administrative unit, public servant, employee, or agent of any institution of higher education for any purpose whatsoever if it meets all of the following criteria: (1) The majority of the voting members of the corporation's board of directors are not members or employees of a higher education management board. (2) The corporation is under the management and control of a board of directors elected by the members or shareholders of the corporation. (3) The corporation reimburses, either directly or through in-kind services, the cost of housing, personnel, which personnel shall remain public servants for all purposes, and other support furnished to the corporation by any institution of higher education, if any such support is furnished.... F. Notwithstanding any other provision of this Section or of other law to the contrary, any request for payments of over one thousand dollars for any single transaction to, or on behalf of, or to reimburse the expense of a public employee of a public higher education institution or a public employee or officer of a management board of a public higher education institution by a nonprofit organization shall be approved in writing by the appropriate public higher education management board in accordance with written policies and procedures. All requests, approvals, and documents provided to a higher education institution or management board in connection with such requests or approvals, shall be retained by the public higher education institution or public higher education management board and shall be subject to inspection, examination, copying, and reproduction in accordance with the provisions of R.S. 44:1 et seq."

² **Louisiana Constitution Article VII, Section 14(A)** states, "Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

³ **La. R.S. 12:207(B)** states, in part, "Without limiting the grant of power contained in subsection A of this section, it is hereby specifically provided that every corporation shall, subject to the provisions of subsection D of this section, have authority:... (4) In any legal manner to acquire, hold, use and alienate or encumber property of any kind, including monies and its own shares, subject to special provisions and limitations prescribed by law or the articles;... (8) To exercise its powers in this state and elsewhere as may be permitted by law;... (10) To make and alter by-laws, not inconsistent with the laws of this state or with the articles, for the administration and regulation of the affairs of the corporation."

La. R.S. 12:222(C) states, "Subject to the provisions of this Chapter, the bylaws may include any provision for the regulation and management of the affairs of the corporation, its rights or powers, the rights, powers or duties of its members, directors or officers, or the directors' qualifications, classification, number or term of office, or fixing their compensation, not inconsistent with law or the articles."

⁴ **La. R.S. 14:67(A)** states, "Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

⁵ **La. R.S. 14:133(A)** states, "Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact."

⁶ **La. R.S. 14:134(A)** states, in part, "Malfeasance in office is committed when any public officer or public employee shall: (1) Intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; or (2) Intentionally perform any such duty in an unlawful manner; or (3) Knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him, or to perform any such duty in an unlawful manner..."

⁷ **La. R.S. 14:140** states, in part, "(A) Public contract fraud is committed: (1) When any public officer or public employee shall use his power or position as such officer or employee to secure any expenditure of public funds to himself, or to any partnership of which he is a member, or to any corporation of which he is an officer, stockholder, or director.... B. The fact that an expenditure has been made to any party named in Paragraphs (1) and (2) of Subsection A of this Section, or to any partnership of which he is a member, or to any corporation of which he is an officer, stockholder, or director, shall be presumptive evidence that such person has used his power, position, or influence to secure such expenditure..."

⁸ **18 U.S.C. §666** states, in part, "(a) Whoever, if the circumstance described in subsection (b) of this section exists—(1) being an agent of an organization, or of a State, local, or Indian tribal government, or any agency thereof—(A) embezzles, steals, obtains by fraud, or otherwise without authority knowingly converts to the use of any person other than the rightful owner or intentionally misapplies, property that— (i) is valued at \$5,000 or more, and (ii) is owned by, or is under the care, custody, or control of such organization, government, or agency; or (B) corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving any thing of value of \$5,000 or more; or (2) corruptly gives, offers, or agrees to give anything of value to any person, with intent to influence or reward an agent of an organization or of a State, local or Indian tribal government, or any agency thereof, in connection with any business, transaction, or series of transactions of such organization, government, or agency involving anything of value of \$5,000 or more; shall be fined under this title, imprisoned not more than 10 years, or both. (b) The circumstance referred to in subsection (a) of this section is that the organization, government, or agency receives, in any one year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance."

⁹ **La. R.S. 42:1111** states, in part, "(A)(1)(a) No public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position. (b) Any supplementary compensation or benefits provided to an employee of a public higher education institution, board, or system from funds or property accruing to the benefit of the institution, board, or system as approved by the appropriate policy or management board, through an alumni organization recognized by the management board of a college or university within the state or through a foundation organized by the alumni or other supportive individuals of a college or university within the state the charter of which specifically provides that the purpose of the foundation is to aid said college or university in a philanthropic manner shall be deemed for purposes of this Subsection as compensation and benefits from the government to which he is duly entitled...(C)(1) No public servant shall receive any thing of economic value for any service, the subject matter of which: (a) Is devoted substantially to the responsibilities, programs, or operations of the agency of the public servant and in which the public servant has participated; or (b) Draws substantially upon official data or ideas which have not become part of the body of public information. (2) No public servant and no

legal entity in which the public servant exercises control or owns an interest in excess of twenty-five percent, shall receive any thing of economic value for or in consideration of services rendered, or to be rendered, to or for any person during his public service unless such services are: (a) Bona fide and actually performed by the public servant or by the entity; (b) Not within the course of his official duties; (c) Not prohibited by R.S. 42:1112 or by applicable laws or regulations governing nonpublic employment for such public servant; and (d) Neither performed for nor compensated by any person from whom such public servant would be prohibited by R.S. 42:1115(A)(1) or (B) from receiving a gift...."

La. R.S. 42:1115(B) states, "No public employee shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public employee knows or reasonably should know that such person: (1) Conducts operations or activities which are regulated by the public employee's agency. (2) Has substantial economic interests which may be substantially affected by the performance or nonperformance of the public employee's official duty."

La. R.S. 42:1123 states, in part, "This Part shall not preclude...(9)(b) The performance of services for compensation for any person, by faculty or staff members of a public higher education institution, provided the services consist of consulting related to the academic discipline or expertise of said public employee, or the continued performance of such services by former faculty or staff members of a public higher education institution subsequent to the termination of their public service and notwithstanding contrary provisions of R.S. 42:1121, and provided the services have been approved in writing by the chief administrative officer of the public employee's institution in accordance with rules and procedures established by the management board of the institution, which rules and procedures have been approved by the Board of Regents and the Board of Ethics."

¹⁰ **La. R.S. 42:1461** states, "A. Officials, whether elected or appointed and whether compensated or not, and employees of any "public entity", which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed. B. When, pursuant to a statute, ordinance, resolution, or contract or other agreement, a public entity, as defined in Subsection A, entrusts to a contractor or to a quasi-public entity of any kind the care, administration, allocation, or disposition of funds, property, or other things of value belonging to it or under its custody or control, the contractor or the quasi-public entity, and the officers and employees thereof personally, shall be deemed to have undertaken the obligation of a fiduciary with respect to such funds, property, or other things of value of the public entity."

¹¹ **La. R.S. 47:1642** states, "Any person who willfully fails to file any return or report required to be filed by the provisions of this Subtitle, or who willfully files or causes to be filed with the secretary any false or fraudulent return, report, or statement, or who willfully fails to pay such tax, penalty, or interest, or who willfully aids or abets another in the filing with the secretary of any false or fraudulent return, report, or statement, with the intent to defraud the state or evade the payment of any tax, fee, penalty, or interest, or any part thereof, which shall be due pursuant to the provisions of this Subtitle, shall be punished as follows: (1) Fined not more than two thousand dollars or imprisoned, with or without hard labor, for not more than two years, or both, when the total actual tax exceeds one thousand dollars. (2) Fined not more than one thousand dollars or imprisoned for not more than one year, or both, for all other violations under this Section."

¹² **2 CFR §200.445** states, "(a) Costs of goods or services for the personal use of the recipient's or subrecipient's employees are unallowable regardless of whether the cost is reported as taxable income to the employees. (b) Housing costs (for example, depreciation, maintenance, utilities, furnishings, rent), housing allowances, and personal living expenses for the recipient's or subrecipient's employees are only allowable as direct costs and must be approved in advance by the Federal agency."

¹³ **La. R.S. 42:31** states, "A. Notwithstanding any other law to the contrary, any person hired or employed in an unclassified position as defined by the State Civil Service Commission, and whose annual salary or rate of compensation is equal to, or exceeds one hundred thousand dollars, shall, within thirty days of being hired or employed at such salary, provide proof to his public employer that he has been issued a Louisiana driver's license and that all vehicles registered in his name are registered in Louisiana. This requirement shall be deemed a qualification for the position for which the person was employed or hired, and for the duration of the person's employment in the event the person's salary is increased and the requirements of this Section are triggered. B. All government agencies which hire or employ any person in an unclassified position as defined by the State Civil Service Commission, whose annual salary or rate of compensation is equal to, or exceeds one hundred thousand dollars, shall verify that such person has been issued a Louisiana driver's license and that all vehicles registered in his name are registered in Louisiana. The public employer shall verify the employee meets this requirement for the duration of this person's employment. C. Any person hired or employed in an unclassified position who does not meet the requirements of this Section, or who no longer meets the requirements of this Section, shall be removed and terminated within thirty days of the public employer learning such person does not meet the requirements of this Section."

¹⁴ **La. R.S. 18:1461.2** stated prior to its 2024 amendment, in part, "(A) No person shall knowingly, willfully, or intentionally:... (2) Vote or attempt to vote, knowing that he is not qualified, or influence or attempt to influence another to vote, knowing such voter to be unqualified or the vote to be fraudulent.... (5) Procure or submit voter registration applications that are known by the person to be materially false, fictitious, or fraudulent...."

¹⁵ **Internal Revenue Code (IRC) §274(a)(3)** states, "Notwithstanding the preceding provisions of this subsection, no deduction shall be allowed under this chapter for amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose."

¹⁶ **18 U.S.C. §1001** states, "(a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully— (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both. If the matter relates to an offense under chapter 109A, 109B, 110, or 117, or section 1591, then the term of imprisonment imposed under this section shall be not more than 8 years."

¹⁷ **La. R.S. 12:226(A)** states, "Officers and directors shall be deemed to stand in a fiduciary relation to the corporation and its members and shall discharge the duties of their respective positions in good faith and with that diligence, care, judgment, and skill which ordinarily prudent men would exercise under similar circumstances in like positions."

The Bylaws of Stephenson Technologies Corporation, Amended & Restated Effective: 27 April 2017 state, in part, "2.15 Fiduciary Responsibility. A Director shall have a fiduciary responsibility to perform his or her duties as a Director of the Corporation in good faith and in a manner which such Director reasonably believes is in the best interests of the Corporation, using such care, reasonable inquiry, skill, and diligence as a person of ordinary prudence would use under similar circumstances. Except as to knowledge of a Director causing such reliance to be unwarranted, a Director shall be entitled to rely in good faith upon information prepared by the following: (a) Officers or employees of the Corporation whom the Director reasonably believes are reliable and competent in the matters presented. (b) Counsel, accountants, or other professionals as to matters which the Director reasonably believes to be within the professional or expert competence of such professional. (c) Committees formed pursuant to these Bylaws upon which such Director does not serve as to matters within the designated authority of such committee and as to which the Director reasonably believes the committee merits reliance by the Director as to such matters."

2.16 Presumed Best Interests. Absent breach of fiduciary duty, lack of good faith, or acts of self-dealing, actions of a Director or failure to act shall be presumed to be in the best interests of the Corporation. In discharging his or her duties, a Director may consider the effect of any action upon the employees, suppliers and customers of the Corporation, the community in which offices of the Corporation are located, and other pertinent factors.”

¹⁸ **La. R.S. 37:212(A)** states, in part, “The practice of law means and includes: (1) In a representative capacity, the appearance as an advocate, or the drawing of papers, pleadings or documents, or the performance of any act in connection with pending or prospective proceedings before any court of record in this state; or (2) For a consideration, reward, or pecuniary benefit, present or anticipated, direct or indirect; (a) The advising or counseling of another as to secular law; (b) In behalf of another, the drawing or procuring, or the assisting in the drawing or procuring of a paper, document, or instrument affecting or relating to secular rights; (c) The doing of any act, in behalf of another, tending to obtain or secure for the other the prevention or the redress of a wrong or the enforcement or establishment of a right...”

La. R.S. 37:213(A) states, “No natural person, who has not first been duly and regularly licensed and admitted to practice law by the supreme court of this state, no corporation or voluntary association except a professional law corporation organized pursuant to Chapter 8 of Title 12 of the Revised Statutes, and no partnership or limited liability company except one formed for the practice of law and composed of such natural persons, corporations, voluntary associations, or limited liability companies, all of whom are duly and regularly licensed and admitted to the practice of law, shall: (1) Practice law. (2) Furnish attorneys or counsel or an attorney and counsel to render legal services. (3) Hold himself or itself out to the public as being entitled to practice law. (4) Render or furnish legal services or advice. (5) Assume to be an attorney at law or counselor at law. (6) Assume, use, or advertise the title of lawyer, attorney, counselor, advocate or equivalent terms in any language, or any phrase containing any of these titles in such manner as to convey the impression that he is a practitioner of law. (7) In any manner advertise that he, either alone or together with any other person, has, owns, conducts, or maintains an office of any kind for the practice of law.”

¹⁹ **Florida Statute (Fla. Stat.) § 454.31** states, “Any person who has been knowingly disbarred and who has not been lawfully reinstated or is knowingly under suspension from the practice of law by any circuit court of the state or by the Supreme Court of the state who practices law in this state or holds himself or herself out as an attorney at law or qualified to practice law in this state commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.”

APPENDIX A

LSU's Response



April 29, 2026

Mr. Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Waguespack:

Thank you for your thorough investigation of Stephenson Technologies Corporation (STC), an affiliate of LSU. We appreciate that current STC management initiated this review.

The report clearly establishes that former STC officials breached their fiduciary responsibilities to the University. It also reveals significant deficiencies in LSU's oversight of the affiliate, particularly by individuals who held simultaneous positions with both STC and LSU. LSU fully accepts these findings.

We are committed to taking decisive action to strengthen oversight of all our affiliated organizations. As an immediate first step, LSU will review and, where necessary, strengthen the uniform affiliation agreement required of all affiliates. This agreement sets forth critical accounting, auditing, and reporting requirements essential to maintaining affiliate status. Until recently, STC refused to enter into an affiliation agreement, and former LSU administrators were slow to respond. We regret that the agreement was not properly enforced with STC previously.

Second, LSU will conduct a comprehensive review of our ongoing relationship with STC to determine its viability going forward. Affiliated organizations, such as STC, exist for the sole purpose of serving the University's mission. While current STC management is not implicated in the report, considerable funds were misdirected and misused and, as a result, did not serve the University's mission. LSU will engage law enforcement and pursue all available legal avenues to recover any funds owed to the University. We will also ensure that all required notifications and reports are promptly made to the appropriate regulatory agencies.

LSU remains firmly committed to the highest standards of accountability, transparency, and stewardship over University resources.

Sincerely,

A handwritten signature in blue ink that reads "Wade Rousse". The signature is written in a cursive, flowing style.

Wade Rousse, PhD
LSU President

APPENDIX B

STC's Response

April 23, 2026

Mr. Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Subject: Response to Draft Investigative Audit Report – Louisiana State University System /
Stephenson Technologies Corporation

Dear Mr. Waguespack:

Stephenson Technologies Corporation ("STC") appreciates the opportunity to review and respond to the draft investigative audit report referenced above. STC appreciated the thoroughness and professionalism of the Louisiana Legislative Auditors who conducted the investigation. STC provides the following factual additions for inclusion in the final report.


New STC management assumed responsibility following LSU's appointment of a new temporary Chief Executive Officer and reconstitution of the STC Board in September 2022. At no time has STC management had any connection or involvement with former officers of the company particularly those identified in the draft report.

STC records indicate LSU and the new STC management immediately began to develop an affiliate agreement. That agreement was signed on May 11, 2023. The agreement requires STC to annually certify compliance with the agreement and biennially have a third-party audit conducted to ensure compliance with the "agreed to procedures". This annual certification documents completion of actions related to recommendations 1, 3, 5, 8, 11, 13, 14, and 15 of the audit report. STC provided its most recent annual affiliate compliance certificate on October 10, 2025.

Upon discovering that severance payments had been issued under prior leadership, the STC Chief Executive Officer/Chief Operating Officer acted on October 19, 2022, to rescind the severance payment made to Dr. Joseph Homan.

As part of unwinding legacy arrangements associated with former leadership, STC terminated the final residential lease related to housing used by former CEOs on February 6, 2023.

At a meeting on October 22, 2022, STC General Counsel Brent Boxill provided information regarding the matters addressed in the audit to Winston DeCuir, General Counsel for LSU. Mr. DeCuir advised STC that LSU did not wish for STC to pursue further action and declined to



investigate the matter further. The STC Chief Executive Officer, at the time, provided the same information to the Louisiana Legislative Auditor in October 2024.

STC's current management and Board remain committed to fully complying with all laws and regulations and will proactively work with LSU on any recommendations that have not already been addressed. The actions outlined above reflect deliberate steps taken since September 2022 to address legacy issues and align STC's operations with governance and compliance expectations.

We appreciate the opportunity to provide this response and respectfully submit it for inclusion in the final published report.

Sincerely,



Brien W. Dickson
President and Chief Executive Officer

APPENDIX C

Ken Sweltz's Response

Ken Sweltz Response to Louisiana Legislative Audit as of April 3, 2026

Since I currently have limited access to STC and Stellar emails, calendars, and artifacts, my response is based on my recollection of events. **To clarify any misconceptions about my roles, responsibilities, and authorities at STC and Stellar, I voluntarily met with the Louisiana Legislative Auditor team, answered all their questions, and am providing this response to the Auditor Team's draft report.**

I have the following general comments:

- I was hired as the Executive Director for Stellar at the PL5 Principal Engineering Level in January 2019. **I was hired to provide technical and programmatic leadership for the operational side of Stellar.** I was not part of the Executive Management Team which was for higher level individuals. The Executive Management Team (Mr. Moulton and Mr. Pursley) focused on obtaining Congressional funding, obtaining donations from benefactors, managing the relationships between STC, LSU, and Stellar, and assuring compliance with applicable laws and regulations. A separate group of individuals were hired to provide Financial and Administration support, e.g., managing finances, contracts, leases, invoices, offer letters, salaries, and benefits.
- **I was not hired to obtain Congressional funding for Stellar.** I had no expertise in this area. I was not hired to establish relationships with Prime Contractors or Government Program Managers for the execution of any Congressional funds obtained. This was not my strength. The establishment and management of these relationships was done under the purvey of Mr. Moulton. I was not hired to manage relationships or interactions between STC, LSU, Stellar, or other entities in the state of Louisiana. I had limited knowledge of how this was done.
- During my entire tenure at STC and Stellar, I had limited approval authorities. Congressional funding allocations, proposals, contracts, teaming agreements, nondisclosure agreements, leases, hires, salaries, pay raises, etc. were approved by the Executive Management Team.

I have the following comment regarding the Active Project Invoice Summary Table:

- In addition to the funding listed in this table, a benefactor donated funds that were used to launch Stellar. The Executive Management Team controlled these funds. I do not have specifics about the amount of funding or how this funding was expended.

The following comment is made regarding my interaction with the Board of Directors:

- I never attended any STC or Stellar Board meetings. I received minimal feedback on what was discussed and the outcomes of these board meetings. Much of the feedback I received was presented by Mr. Moulton at all hands or manager meetings.

Ken Sweltz Response to Louisiana Legislative Audit as of April 3, 2026

The following comment is made regarding congressional funding:

- I had minimal input and involvement in obtaining congressional funding. I had no authorities into what funding was to be allocated to STC or Stellar. Mr. Mouton tightly controlled the congressional funding process. He met with legislators, briefed congressional staff in Washington, DC, interacted with lobbyists, and determined how funds were to be allocated.

The following comments are made regarding my association with STC:

- **I was never a full-time organic employee of STC.** My association with STC was as follows:
 - I served as a contractor via an LSU Contract from June 2016 to October 2016.
 - I supported STC via an STC Consulting Agreement (1099) from November 2016 to June 2017.
 - I served as contractor via an STC Contract from July 2017 to November 2017.
 - During my contract and 1099 work, I reported to Mr. Steve Tomasko, Executive Director STC.
 - I was hired as a **part-time organic STC employee** on September 1, 2017. My direct report to Line Manager was Mr. Stephen Tomasko, Executive Director, STC.
 - My focus in support of STC was providing technical expertise.

The following comments provide context regarding the Compensation and Benefits Table:

- My rate, as well as all others in the company, was approved by Prime Contractors, Government Contractors, and Government Program Managers. The Defense Contract Audit Agency (DCAA) ultimately approved the rates under which I and other Stellar employees executed our work.
- Under the purview of Mr. Moulton and Mr. Pursley, all individuals on the operational team at Stellar were paid by the hour at approved rates. Stellar personnel submitted timesheets for review and approval for hours worked.
- Because Stellar provided no benefits from January 2019 to June 2020, operational personnel received a higher hourly rate to make up for this shortfall. Once benefits were provided in July 2020, I received a pay decrease.
- I never received a cost of living or merit raise during my entire tenure at Stellar.
- The amount of compensation received in the table reflects both base pay and approved overtime pay. I routinely worked sixty-plus-hour weeks in the execution of my duties and was compensated for overtime hours. Many other individuals on the operational side of Stellar also received overtime compensation. This was not exclusive to me.

Ken Sweltz Response to Louisiana Legislative Audit as of April 3, 2026

- Per government and company policies, I submitted my time sheets to Stellar Executive Management and the Finance and Administration team for review and approval. Stellar's Finance and Administration team submitted the hours I worked and related billing for review and approval to Prime Contractors, Government Contractors, and Government Program Managers via monthly invoices and Cost Status Reports.
- The personnel listed in the Compensation and Benefits table is incomplete. Numerous individuals were employed by STC and Stellar during the time cited in this report. Several of these individuals had more insights and detailed understanding than I did on board meetings (several attended), using lobbyists, congressional funding allocations, executing leasing agreements, establishing contracts, managing external relationships, and the interrelationships and financial dealings of both STC and Stellar.

On STC's ability to perform the same work as Stellar, I have the following amplifying comments on what STC would have needed to do this:

- Since space domain work was classified, existing STC employees and new hires would have needed to obtain and maintain appropriate Full Scope and CI Poly clearances to include the ability to do compartmentalized work.
- A substantial number of individuals would need to have been hired who had specialized technical expertise in space systems, cybersecurity, artificial intelligence, systems engineering, and military operations in the space domain.
- A Field Office(s) needed to be established in those locations where space work was being executed, e.g., Colorado Springs; CO, Huntsville, AL; or the National Capital Region. In locations where a field office was not located, individual hires would be needed to meet with clients, partners, and work onsite.
- Individuals located in Louisiana would have needed to travel on a routine basis to locations such as AFRL Rome, NY; Colorado Springs, CO; the National Capital Region; Albuquerque, NM; San Antonio, TX, etc.

APPENDIX D

Scott Draughon's Response

RESPONSE OF RICHARD SCOTT DRAUGHON TO THE DRAFT
INVESTIGATIVE AUDIT REPORT ON LOUISIANA STATE UNIVERSITY
SYSTEM (MARCH 26, 2026)

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North 3rd Street
Baton Rouge, LA 70804-9397

Attention: Roger W. Harris, JD, CCEP, CFI
Executive Counsel and Assistant Legislative Auditor for Investigations

April 9, 2026

Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397
Email: responses@lla.la.gov

Attention: Michael J. "Mike" Waguespack, CPA

Re: DRAFT REVIEW – Investigative Audit Report (March 26, 2026)

Mr. Waguespack:

Thank you for forwarding a draft of your investigative audit report on the Louisiana State University System (dated March 26, 2026) [REFERENCE: DRAFT Audit Report (March 26, 2026)]. Although I do not have full access to the documents and records cited in your review, I agree generally with all your recommendations. However, several of the facts recited in your draft (as well as implications) are at odds with my recollections and documents (as attached). I also believe that several of your conclusions are based upon facts which are recited out of context and merit clarification.

STEPHENSON TECHNOLOGIES CORPORATION (STC) WAS ESTABLISHED IN 2015 BY LSU TO OPERATE AS AN INDEPENDENT NONPROFIT CORPORATION – THE AFFILIATE AGREEMENT DID NOT APPLY

The Articles of Incorporation, Bylaws, Meeting Minutes and Board Resolutions of STC document the formation and governance of STC [STC Articles and Bylaws – EXHIBIT A]. Under Article I of the STC Bylaws, LSU was the sole Member with authority to specify the number and election of Board Members [Section 2.2], and to approve transactions involving the liquidation and dissolution of STC; merger, reorganization or consolidation of STC; and the sale of substantially all the assets of STC [Section 1.2]. Section 2.1 of the Bylaws provides that the business and affairs of the Corporation are managed by the Board of Directors, subject to majority quorum and voting requirements set forth in Section 2.10. Article IV provides for the authority of the President of STC which includes presiding at Board Meetings in the absence of the Chairperson of the Board, entering binding contracts on behalf of STC as well as all financial matters (including banking, borrowing, operating leases and other similar transactions). The President may delegate this authority in his sole discretion.

Resolutions adopted by the LSU Board of Supervisors (dated September 18, 2015) documents the authority of the STC Vice President for Finance and Administration/CFO to establish a restricted account for funds generated by STC to be used exclusively for STC operations and expansion at the discretion of the President or his designee [LSU Board of Supervisors Resolutions (dated September 18, 2015 – EXHIBIT B)]. Resolutions adopted unanimously by the full STC Board (including Daniel Thomas Layzell as LSU Member Representative) document that LSU shall not have access to classified information in the custody of STC (dated October 24, 2016) [STC Board of Directors Resolutions (dated October 24, 2016) – EXHIBIT C]. STC management was also subject to Federal Government Cost Accounting Standards, applicable

federal government contract terms (including Federal Acquisition Regulations), IRS rules governing nonprofit and tax-exempt organizations, and rules governing the eligibility of nonprofit organizations cleared for classified work with the War Department.

To ensure full compliance with these governing provisions and to keep all Board Members apprised of important corporate activities, STC held three Board meetings each year – typically scheduled in February, June and October. STC also engaged independent auditors CliftonLarsonAllen LLP to audit STC accounting and financial records annually to ensure full compliance with Government Cost Accounting Standards as required for federal Government Contractors. Finally, STC was subject to audit by the Defense Contracts Audit Agency (DCAA). These audits and reviews were conducted annually and copies of all meeting minutes, Board Resolutions, audit reports and financial reports were provided to all Board Members – including the LSU Member representative.

The Affiliation Agreement was not a governance document applicable to STC for the period starting 2015 and ending 2022. While there may have been some references to an “affiliation agreement” in initial discussions, no terms were proposed until several years after the original formation of STC and the adoption of STC Articles, Bylaws, Governing Resolutions and several Federal Government Contracts. My recollection is that the Affiliate Agreement was not proposed by LSU until 2019 – perhaps in response to the recommendation of the LSU Internal Auditor’s Report completed in February of that year. By that time STC had been in operation for four years with systems, reports, processes, budgets, personnel and resources calibrated for federal government clients rather than university administrators. The Affiliation Agreement was not signed by STC during this period and, therefore, the LSU governance provisions of the Agreement did not apply.

THE AFFILIATE AGREEMENT PROPOSED TO CHANGE THE ORIGINAL MANAGEMENT STRUCTURE OF STC AND COMPROMISED ITS FEDERAL GOVERNMENT CONTRACTS BASE

The Affiliate Agreement proposed by LSU introduced management issues that created considerable uncertainty for both STC and LSU. The Agreement was inconsistent with the other governing documents applicable to STC as well as the original commitments of LSU in establishing STC as an independent nonprofit organization. The broad language in the Agreement suggested amendments to the STC Articles of Incorporation and Bylaws without clarifying the precise changes. The LSU management provisions of the Agreement raised questions concerning LSU access to classified information and the requirement for security clearances that did not exist. The terms governing LSU oversight also raised management challenges regarding operating procedures, budgetary control and STC cost accounting as well as DCAA submissions for contract cost allocations and rate approvals. The termination provisions potentially created performance and continuity uncertainty in STC clients. This is just a partial list of concerns – all of which are well documented in email exchanges, telephone conversations and corporate records between STC and LSU.

My recollection is that LSU and STC worked collaboratively and diligently under the leadership of the LSU General Counsel Office to address these concerns. Contrary to some of the language in the DRAFT Audit Report implying that STC and LSU were adverse, inattentive or negligent, my experience was that LSU and STC worked together timely and in good faith to draft an Agreement that balanced the concerns of LSU for legislative compliance with the concerns of STC in preserving the STC business base. The advice

and leadership of the LSU General Counsel Office was very helpful to both STC and LSU in attempting to reconcile the tensions between these two objectives. However, as documented in the record of these ongoing good faith discussions from 2019 to 2022, there were no easy answers.

The collaboration between STC and LSU on the Affiliate Agreement involved discussions at two levels. STC and LSU had direct discussions involving the LSU Member (and supporting staff) as well as Mr. Pursley, Jeff Moulton and myself as corporate management of STC starting 2019. STC also participated in a group of more than 15 LSU Affiliates that worked in collaboration with LSU General Counsel in reviewing a Uniform Affiliate Agreement starting in late 2019 or early 2020. Understandably, addressing all the comments and disparate views of each affiliate required an extended schedule.

Although STC and LSU worked diligently and in good faith to balance their concerns in a workable draft of the Affiliate Agreement, they could not comfortably resolve the business uncertainty created by the new management arrangement. Both LSU and STC recognized that the impact on the STC business base was unclear and risked compromising STC viability as a compliant federal government contractor. STC management saw the Affiliate Agreement as potentially restricting STC ability to build new client relationships, nurture existing client relationships, perform on existing contracts, meet federal compliance requirements, penetrate additional disciplines and new markets, as well as source and bid on new opportunities. My impression was that LSU was frustrated over the inability of STC and LSU to implement terms that would comply with LSU legislative requirements and while they recognized (and agreed) that STC business concerns were legitimate those concerns were secondary to the LSU objective. While the discussions between STC and LSU were never adversarial, frustrations did arise over the circumstances as it became clear that the tensions between the goals of LSU and STC seemed irreconcilable - leading to the resignations of Jeff Moulton, John Pursley and myself at the start of 2022.

The DRAFT Audit Report documents that STC and LSU signed an Affiliate Agreement the following year (March 2023). While I have not reviewed the terms of the Agreement that was signed, I note that STC financial stress and collapse as described in the DRAFT Audit Report coincides with the implementation of the Affiliate Agreement - and seemingly confirms the business concerns of the original LSU and STC management teams with the proposal.

STC PROVIDED SIGNIFICANT BENEFITS TO LSU – INCLUDING A CHECK FOR \$500,000 PLUS AN ADDITIONAL \$1,000,000 IN IWA FUNDING

The incubation and launch of STC as a classified federal government contract resource for Cybersecurity from 2015 to 2022 was very successful. The STC contract base included more than \$12,000,000 in federal funding in FY21 for classified cybersecurity projects, with a staff of more than 63 cybersecurity professionals, many of whom had the required classified security clearances necessary to perform this work for Federal agencies and others. STC also boasted in 2021 a high security classified cyberspace technology laboratory that was unique in the state of Louisiana and served as a national resource for cybersecurity testing. STC results for FY2017 – FY2021 document more than \$30,000,000 in contract awards with net assets at the end of the five years of more than \$5,000,000, exceeding the original objective by 57% [REPORT: STC Commitment to LSU – EXHIBIT D].

In addition to educational and job benefits, STC also provided direct financial benefits to LSU. As acknowledged by the Audit Report, one of these benefits was the INTERCOMPANY MASTER SERVICES AGREEMENT (September 2016) under which STC issued Intercompany Work Authorizations (IWA) to LSU. My partial records and recollections show that STC issued more than 40 IWAs for \$918,362.35 for FY2017 – FY2022, plus whatever may have been issued for FY2023 and beyond - thereby approaching \$1,000,000. These IWAs are documented as Related Party Transactions in the Financial Statements provided to LSU each year (as audited by CliftonLarsonAllen LLP) [IWA Summary - \$918,362.35 EXHIBIT E].

STC also paid LSU \$500,000 in cash in FY2022 [see check copy and Notes - REPORT: STC Commitment to LSU – EXHIBIT D]. The source of these funds originated from Emmet & Toni Stephenson who agreed to arrange for a donation to STC in 2016 because LSU failed to honour its original commitment to provide STC an initial line of credit for start-up funding. Contract awards in 2017 – 2022 exceeded expectations and STC forwarded the full amount of the original donation to LSU in FY2022 (\$500,000).

Finally, STC proposed using STC generated funds to establish a Strategic Investment Fund (SIF) to finance LSU campus activities associated with STC. The SIF proposal was consistent with the original LSU Board of Supervisors resolution authoring the formation of STC (September 18, 2015), and proposed STC funding at 1.5% Total Program Revenues (not to exceed 50% of the increase in Net Fund Balance) for programs as may be proposed by LSU [MEMORANDUM (dated October 12, 2018) – EXHIBIT F].

The SIF arrangement proposed by STC and authorized by the LSU Board of Supervisors offered enormous flexibility to LSU in taking advantage of STC resources and funding – but no proposals from LSU were ever forthcoming. Instead, as referenced in the DRAFT Audit Report, LSU suggested fee distributions from STC to LSU to “reimburse LSU F&A funding”. LSU also suggested the possibility of reimbursement for “indirect costs” and the idea of simply distributing a portion of the STC fund balance to LSU. My recollection is that LSU claimed an estimated amount for reimbursement of about \$400,000 – consistent with your reference in the DRAFT Audit Report (page 5).

None of the LSU proposals were workable for STC as a federal government contractor. The LSU F&A funding proposed for reimbursement was undocumented and had never actually occurred. The indirect cost sharing arrangement was equally problematic for the same reason and inconsistent with LSU Public Disclosure Statements and OMB Circular A-122. The idea of STC fee distributions to LSU risked compromising STC discretion as a provisional rate federal government contractor and was inconsistent with LSU Confirmation Letters to CliftonLarsonAllen regarding funds due to LSU from STC. These proposals were simply not credible enough to survive audit of STC records by DCAA or CliftonLarsonAllen [see detailed explanation and documented support in MEMORANDUM (dated October 12, 2018) – EXHIBIT F].

Regardless of any good faith debate between STC and LSU concerning reimbursement of LSU expenses, the fact remains that STC contributed more than \$1,500,000 to LSU – a full 5% of the total revenues of the company from FY2017 – FY2022. Further, cash payment of \$500,000 exceeds the claimed reimbursement amount by \$100,000.

ALL STC COMPENSATION PAID TO THE OFFICERS OF STC WAS REASONABLE, DULY AUTHORIZED AND CONSISTENT WITH INDUSTRY STANDARDS FOR FEDERAL GOVERNMENT CONTRACTORS

The DRAFT Audit Report argues extensively that the compensation paid to STC Officers was not authorized by LSU. This compensation includes Salary, Bonus, Severance Pay, Expense Reimbursement for Club Membership and a Condo in Baton Rouge that STC maintained for Baton Rouge travel requirements. In addressing each of these budget items, the DRAFT Audit Report implies that LSU was not aware of these expenditures and argues that approval by the STC Board of Directors was not valid. The Report also implies the amounts were excessive and reflected self-dealing. These implications are inconsistent with the facts.

As the sole Member of STC, LSU did not have direct approval authority over these matters. Article IV of the STC Bylaws designates the President of the Corporation (or his designee) as the person with authority to approve STC financial transactions. The only financial transactions subject to direct LSU approval authority were liquidation and dissolution of STC; merger, reorganization or consolidation of STC; and the sale of substantially all the assets of STC [BYLAWS - Section 1.2 EXHIBIT A].

Note also that under Article II of the STC Bylaws, STC was governed by Board action regardless of the vote or participation of LSU, subject only to STC Board majority quorum and voting requirements as set forth in Section 2.10. While LSU had the sole authority to appoint Board Members, the fiduciary responsibility of those members (once appointed) required them to use their best judgement in exercising their independent vote on any matter brought to the Board for consideration. The views of LSU (if presented) would be carefully respected and considered, but not necessarily determinative – it is the independent majority vote of the Board that is determinative under these rules. My records show that Messer Moulton, Richardson, Martin and Elder were all duly appointed to the STC Board by Daniel T. Layzell as the representative of LSU at the Board meeting dated October 24, 2016 [STC Board Meeting – October 24, 2016, EXHIBIT C]. Note also that Messer Richardson, Martin and Elder were each an independent Director as required under the STC Bylaws.

Under this structure the Board of Director vote on June 19, 2019, approving Mr. Moulton's compensation and benefits as a member of CEMT, including Club Membership and Severance package for all members of CEMT, are valid Board actions – there was a quorum present and the vote was unanimous. While I do not speak on behalf of Mr. Pursley, the comment that "Mr. Pursley proposed this package to the STC Board in June 2019 to benefit himself..." (Page 10 DRAFT Audit Report) seems disingenuous since the vote approving these benefits by all three Independent Directors was unanimous with Messer Moulton and Pursley each abstaining - thereby discrediting any implication of self-dealing. Further, even if the LSU Member Representative had attended the meeting and objected, Board approval would be sustained as a majority vote.

My experience is that the compensation and benefits approved for the officers of STC (CEMT) was not excessive, and that severance pay equalling one year compensation (including benefits) is common in the Federal Government Contracts industry. The industry is characterized by annual fluctuations in funding and contract awards that can undermine long term stability in management leadership. One way to address this issue is to provide Severance Pay that guarantees one year income with benefits for key management personnel deemed critical to the survival of the company. While these considerations may not be standard LSU policy, STC was not governed by LSU policy. The fact that the severance compensation was paid lumpsum in exchange for waiver of the rest of the benefits accrued to the financial benefit of STC [RSD Severance Agreement – EXHIBIT G].

This same analysis applies to the bonus compensation paid to officer employees of STC [Employee Incentive Program (EIP)]. Although I did not receive any EIP distributions, I am very familiar with these programs to incentivize management in sourcing, bidding and capturing new work in every annual cycle of federal government funding. Missing a single cycle can lead to depressed financial results 12 – 24 months later as performance periods run on existing contracts. My experience suggests that the EIP Distributions to STC Management employees was reasonable. Further, as documented in the DRAFT Audit Report the total funding for the EIP was approved by majority Board vote annually – including unanimous consent by all three independent Directors. The fact that LSU may not have directly participated in the vote or did not directly approve any officer payments is not relevant – payments from the approved EIP fund were within the authority of the Board of Directors and the President of STC (and his designee), including the baseline for calculating the amounts.

My understanding is that all expense reimbursements were approved for payment in advance and allocated properly in accordance with federal government cost accounting standards and DOD requirements – including all Club Membership reimbursements and the STC condo expenses. Maintaining lodging facilities for corporate representatives saves travel expenses, and the budget for the STC Condo in Baton Rouge was reasonable and properly allocated. These amounts were audited annually by CliftonLarsonAllen and STC costs were reviewed by DCAA, with all reports forwarded to LSU. I am not aware that any of these audits raised any irregularities during the entire time of my work with STC.

I am generally aware of the 2019 LSU audit and the issues recited in the DRAFT Audit Report governing the STC employment of Mr. Moulton and his use of the STC Condo while also an employee of LSU. I note that his employment with LSU during his employment with STC did not violate any STC policy, and that LSU policies governing LSU employees were simply not applicable to STC. Further, how Mr. Moulton may have handled his use of the STC Condo on his personal tax return, Louisiana Driver's License application and voter registration was a personal matter well beyond the scope of STC policy governance.

Although I do not speak for Mr. Moulton, it appears from the DRAFT Audit Report that LSU waived the application of LSU policies to Mr. Moulton as an LSU employee. The joint employment of Mr. Moulton at STC and LSU and his use of the STC condo was structured by LSU at the time of his appointment to the STC Board of Directors and election as the President of STC as approved by LSU. Mr. Moulton's STC compensation was reported in audited financial statements provided to LSU by STC annually. The arrangement continued after the issue was raised by the LSU audit of STC in 2019. If the STC employment and compensation of Mr. Moulton violated any policies of LSU or created a conflict of interest, the violation and conflict was waived by LSU – the arrangement continued with the cognizance of LSU until Mr. Moulton's resignation from LSU some years later.

The suggestion in the DRAFT Audit Report that LSU was not aware of the STC compensation and bonus paid to officers or the STC arrangement with Mr. Moulton is simply not credible. These arrangements were audited by CliftonLarsonAllen every fiscal year with financial reports to LSU annually. Even if Mr. Moulton failed to properly document his STC employment in LSU Disclosure Forms, LSU had extensive notice during the 2019 LSU audit and declined any action – which is consistent with the fact that LSU had waived the application of these LSU policies and rules in the case of Mr. Moulton.

Finally, the DRAFT Audit Report argues that STC payments to Mr. Moulton violated the Louisiana Constitution as "additional compensation" to a "public employee for services previously rendered" based upon the proposition that his LSU employment responsibilities included his services to STC. While I do not have access to any of the supporting documentation, my understanding was that Mr. Moulton's LSU

responsibilities included only his work for LSU – and that his role as STC President was separate. I am not aware of any LSU or STC document suggesting that Mr. Moulton’s STC employment was part of his LSU employment.

STEPHENSON STELLAR CORPORATION WAS ESTABLISHED AS AN INDEPENDENT NONPROFIT ENTERPRISE BASE UPON FUNDING FROM EMMET STEPHENSON (\$5,000,000)

Stephenson Stellar Corporation (“Stellar”) was formed in response to a meeting between Mr. Moulton and Emmet Stephenson who offered \$5,000,000 to create an independent nonprofit corporation to address the needs of the US Federal Government in dominating space as a war domain. The purpose of the enterprise was to create a management team and professional core of expertise focused exclusively on space-based technologies in serving the Department of War.

STC could not address these needs. STC did not have personnel with the credentials and qualifications to perform space-based projects, nor did STC have the requisite facilities or capital funding. The relationship between STC and LSU was potentially compromising because of the history of R&D projects performed by LSU and STC. As an independent nonprofit, Stellar was able to exercise independent judgement about spaced based technologies without the influence of bias from any relationship with LSU (or STC). Further, the prospect of the Affiliate Agreement proposed by LSU for STC governance and the limitations inherent in some of the terms suggested that STC did not have the management flexibility that would be required for agile bidding and performance of these projects. Mr. Stephenson did not violate any duty to STC or LSU by funding Stellar nor did Messrs Moulton, Pursley or Draughon violate any duty to STC or LSU in establishing Stellar.

Stellar is operated as an independent nonprofit corporation qualified to do business with the federal government. All the resources and finances of Stellar are dedicated to serving the needs of the federal government without fee obligation or resource allocation to any other party (including LSU), thereby maximizing the financial and management flexibility needed to respond to Department of War space domain requirements. This arrangement differs significantly from the STC business model which is subject to LSU management control and fee expectations despite “nonprofit” status. STC focuses on serving the needs of LSU as a primary objective, while Stellar focuses on serving the needs of the federal government as a first and primary objective.

All compensation paid by Stellar to Officers and Directors has been for services rendered as approved by the Stellar Board of Directors. No portion of any “fee” has been distributed to Messrs Moulton, Pursley or Draughon as Stellar officers, and all expense reimbursements and bonus distributions have complied with policies approved by the Stellar Board of Directors. Stellar financial and cost management complies with Federal Government Cost Accounting Standards and Stellar federal contracts, and are subject to DCAA review and audit as well as annual independent audit by CliftonLarsonAllen. I am not aware of any irregularities in Stellar financial or cost management identified in any audit of Stellar by DCAA or CliftonLarsonAllen.

Although Mr. Sweltz may have felt that the work proposed by Stellar could have been performed by STC, this proposition seems highly speculative and based upon unrealistic assumptions. Success in the space-based marketplace requires more than just “hiring the people”. Credible market positioning, bidding flexibility and management agility as well as capital resources and adequate facilities are required

to get the contract before any opportunity to perform materializes. Mr. Sweltz's position as a technical employee suggests that he may not have fully appreciated these complexities or even been aware of some of the limitations on STC Management proposed by the Affiliate Agreement and LSU fee expectations. This would also explain redundancies and inaccuracies in any Stellar start-up documentation initially drafted or edited by Mr. Steltz emphasizing the resume experience of its personnel as Stellar qualifications.

The DRAFT Audit Report seems to complain that because some of the Stellar contracts originated with Air Force Research Laboratory ("AFRL") and were subcontracted to Stellar by Radiance Technologies ("Radiance") they should have been awarded to STC (or LSU) as "earmarks". This argument seems based upon the notion that because STC and LSU had contracts and business relationships with Radiance and AFRL, all future contract awards from these parties would be earmarked for STC or LSU. However, these projects were never actually earmarked for STC or LSU and, in the case of DiDaMas were not even initially awarded or funded by Congress until well after Mr. Moulton's resignation from STC.

As referenced in the AFRL project manager email on page 17 of the DRAFT Audit Report, the awards to Stellar were not "earmarks". The AFRL contract awards to Stellar through Radiance were "plus-ups" – meaning they were not reserved to STC or LSU and could be awarded to any qualified contractor regardless of who may have promoted the project during the appropriations process. By the time of pending award more than a year later, Stellar was a qualified contractor – STC and LSU were not.

Under these circumstances AFRL and Radiance did not compromise any STC or LSU corporate interest or opportunity by awarding these contracts to Stellar. The relationship between AFRL, Radiance, LSU and STC was not exclusive. Further, my understanding is that all follow-on work under existing AFRL contracts with LSU and STC as well as projects promoted for STC or LSU performance during the appropriations process were awarded to STC or LSU. Finally, the fact that Mr. Moulton may have leveraged his personal relationships with AFRL and Radiance personnel in favour of Stellar after resigning from STC was not improper or a violation of any duty he may have had to STC or LSU. Mr. Moulton was free to promote space-based projects of choice for Stellar just as STC was free to promote its own professional services to AFRL and Radiance.

Stellar engagement of lobbying firms Adams & Reese, Maynard Cooper & Gale and Stiers LLC was subject to the discretion of each lobbying firm as well as Stellar management. While these lobbying firms may have had contracts and business relationships with LSU and STC, those contracts and business relationships did not preclude them from engaging with Stellar or performing lobbying services for Stellar. Adams & Reese, Maynard Cooper & Gale and Stiers LLC did not violate any duty to STC or LSU by providing lobbying services to Stellar – nor did Mr. Moulton violate any duty to STC or LSU in working with these firms on behalf of Stellar.

Stellar occupancy at 450 Main Street in Baton Rouge, LA was subject to direct lease between Stellar and WC 6A, LLC as the owner and Landlord of the facility [Lease – EXHIBIT H]. The commencement of the Stellar Lease was November 6, 2019, at a lease rate allowing for Landlord recovery of build-out costs. Although ancillary documents (including the CEA and STC Lease) may have included language acknowledging the right of Stellar to occupy space in the facility, the leasing arrangement for that occupancy was between Stellar and WC 6A, LLC directly. Neither STC nor LSU provided office space to Stellar.

Finally, the reality is that LSU and STC were aware of Stellar's formation and business operations as well as Mr. Moulton's employment with Stellar as early as January 2019. The PM-11 FORM A disclosure submitted by Mr. Moulton and signed by LSU representative on January 17, 2019, names Stephenson Steller Corporation specifically, and the description of proposed Stellar activity distinguishes Stellar from STC and LSU activities [PM-11 Form (January 17, 2019)– EXHIBIT I].

SERVICES RENDERED BY MR. DRAUGHON TO STC DID NOT CONSTITUTE THE PRACTICE OF LAW

I was originally engaged by STC on January 1, 2017, as the General Manager - Commercial Services reporting to the President of STC [RSD Severance Agreement – EXHIBIT G}. My responsibilities in this position were to manage all commercial engagements for STC. One of the projects for which I was responsible included an STC Contract with the Louisiana Attorney Discipline Board (LADB) for Digital Forensics.

The LADB project is a good example of the types of projects I handled as General Manager - Commercial Services. The Louisiana Disciplinary Board handles disciplinary matters dealing with Louisiana attorneys. LADB was interested in technologies that would allow them to pull web history of computer devices, access file activity, determine dates for modification and saving of documents, and potentially recover deleted files. Various STC technology personnel worked under my management on the project which also involved an IWA issued by STC to LSU for support. Although my background in law informed much of my decision making on the project, these services did not involve the practice of law but were general management services for commercial contracts that were not part of the STC federal government contracts business.

My title engagement with STC was later expanded to "General Manager & Chief Cyber Strategist" with additional responsibilities for Operations and Intellectual Property. My work with STC Intellectual Property involved developing policies and processes for identifying, developing, protecting and leveraging STC intellectual property assets – including an Intellectual Property manual. Again, my background and experience in law gave me insight on these matters, but the services I provided in managing STC intellectual property assets were general management services that did not involve the practice of law. For example, I would take the lead in identifying and evaluating an intellectual property asset for commercial viability and protection, but the actual filing of any copyright, trademark or patent would be handled by STC Counsel from the LSU General Counsel Office or as separately retained by STC.

My operational responsibilities as General Manager & Chief Cyber Strategist were later expanded further as Assistant Secretary and Secretary of STC. These management responsibilities were very broad and involved working with the President of STC on various matters, including operational requirements for STC Contracts. Much of this work involved review of contracts to ensure scope of work definitions and related terms were consistent with actual project performance plans. For example, I proposed language for the STC CEA and Water Campus Lease to confirm Stellar use of the facility. As another example, I developed and proposed approaches for funding LSU without compromising STC contract and regulatory requirements [MEMORANDUM (October 12, 2018) – EXHIBIT F]. My background in law, government contracts and technology uniquely qualified me to review these matters. However, I did not negotiate contracts or represent STC as lawyer in these matters – all contract negotiations were handled by the STC contracts office which reported to Mr. Pursley. All discussions with LSU concerning funding were between Messrs Pursley and Moulton and the LSU representative.

I was also part of the STC management team responsible for working with LSU General Counsel in developing an Affiliate Agreement for STC and LSU. I worked directly with LSU General Counsel to help draft an Affiliate Agreement that attempted to balance STC business concerns with LSU legislative compliance requirements. These were not arms-length negotiations between adverse parties represented by separate counsel. Rather, these collaborations recognized that LSU General Counsel had ultimate authority to determine final terms of the Affiliate Agreement as lawyers for STC. Again, my experience uniquely qualified me to help but these services did not constitute the practice of law or establish a legal client relationship between me and STC. Counsel for STC resided in the LSU General Counsel's office – I worked under his guidance.

I was also the designated STC spokesperson in a committee group of about 15 LSU affiliates that worked collaboratively with LSU General Counsel on a Uniform Affiliate Agreement. My legal background was a tremendous advantage in understanding the requirements of LSU General Counsel and the various issues triggered by the terms of the Uniform Affiliate Agreement. However, this work was a collaboration among all the Affiliates under the leadership of LSU General Counsel – each of us with different backgrounds, qualifications and concerns. None of us were practicing law – all of us were looking for practical solutions. We all looked to LSU General Counsel as our lawyer for ultimate approval authority over the terms of the Uniform Affiliate Agreement. Naturally, I briefed STC Management on our progress from time to time.

STC engaged my services as an independent contractor through MyTechnologyLawyer. MyTechnologyLawyer.com was originally launched in 2001 and operated as a sole proprietorship until incorporation in 2014. The website has had literally millions of viewers through the years with thousands of subscribers and hundreds of client sponsors. These client sponsorships are not exclusive and cross a broad range of industries. STC became one of these Sponsors in 2017.

The services available through MyTechnologyLawyer are defined at www.MyTechnologyLawyer.com and include technology policy activism, marketing, management, networking and a host of other services [MyTechnologyLawyer – EXHIBIT J]. Subscribers and Sponsors can get help structuring business deals, participating in conferences, appearing on radio shows and retaining me for speaking engagements. As documented at the footer of the home page and elsewhere throughout the website, the extensive services available at MyTechnologyLawyer.com do not constitute the practice of law, the rendering of legal advice or the formation of an attorney-client relationship.

MyTechnologyLawyer.com provides a summary of my experience as technology lawyer, management advisor, and technology policy activist as well as Radio Host, Speaker and Author. My biography at MyTechnologyLawyer.com documents my experience and credentials as a Technology Lawyer starting in 1987 until my retirement from the practice of law in 2005 to manage the services of MyTechnologyLawyer.

I was admitted to The Florida Bar in 1987 and an active member until my retirement in 2005. Later, in 2012 I was suspended for a year in connection with a personal real estate transaction in Pennsylvania. Although I considered and did file a petition for reinstatement, these petitions were voluntarily withdrawn as no longer relevant to my business activities and interests. I remain eligible to refile the petition at any time up to this very day. The statement that my petitions were “denied” is false – they were never adjudicated by The Florida Bar because they were voluntarily withdrawn by the applicant.

The services I rendered to STC (directly) and LSU (indirectly) did not constitute the practice of law and did not require me to be licensed to practice law in the State of Louisiana. Although my experience and training as a lawyer was very helpful and informed my management decision making and performance, these services did not involve me as lawyer for STC or LSU.

SUMMARY

The DRAFT Audit Report assumes LSU Policies were applicable to STC, but they were not. STC was governed by an independent Board of Directors with policies requiring compliance with federal government contract requirements – not LSU rules and regulations. In the sole case of Mr. Moulton, where LSU policy may arguably apply to his LSU employment, the application of LSU policy was demonstrably and repeatedly waived by LSU over an extended period.

The DRAFT Auditor Report offers 16 recommendations to LSU governing its future management of affiliates. The focus of these recommendations is for LSU to assert greater control over these relationships than was evident in the arrangement between LSU and STC. As a matter of LSU policy and legislative authority, I defer to your judgement on these questions and generally agree with these recommendations, assuming LSU proposes to impose LSU policies on Affiliate management.

I do believe that some of the factual errors, omissions and suggestions in the DRAFT Audit Report undermine the integrity of the recommendations. Whether Mr. Pursley proposed the CEMT Benefits Policy to the STC Board “to benefit himself...” seems irrelevant to the question of Board approval and LSU Board participation. How Mr. Moulton may have handled his use of the STC Condo on his personal tax return, Louisiana Driver’s License application and voter registration would seem to be a personal matter well beyond the scope of LSU policy governance even if LSU had exercised more assertive leadership. Focusing on the unsubstantiated claim that STC owed LSU \$400,000 while ignoring public LSU representations to the contrary, \$1,000,000 in IWAs and the STC donation to LSU of \$500,000 suggests the parties were adverse and that STC exploited LSU which is simply not true. Questioning whether my services to STC constituted the practice of law while ignoring the role of LSU General Counsel as lawyer for STC is misleading. None of these personal indictments seem relevant to the business performance of STC nor would they have been subject to LSU jurisdiction even if LSU had asserted greater control.

The lack of evidence from key parties also compromises the credibility of the DRAFT Audit Report. The Report references Emmet Stephenson as a key donor of LSU and suggests he compromised his responsibilities to LSU by funding Stellar, but there apparently was no direct outreach to Mr. Stephenson or comment from him in this regard. The Report implies that AFRL and Radiance violated their relationships with STC and LSU by awarding contracts to Stellar that were earmarked for STC and LSU without substantiation or response from either AFRL or Radiance. The Report seems to argue that STC and LSU lobbyists were not free to contract with Stellar, but there does not appear to be any statement from Adams & Reese, Maynard Cooper & Gale or Stiers LLC confirming or denying any breach of their contracts with STC or LSU. Response and supporting documentation from all these parties would seem critical to the integrity of the DRAFT Audit Report recommendations.

The regrettable financial and business circumstances of STC are the responsibility of current STC Management and LSU. Messrs Moulton, Pursley and Draughon resigned January 2022 – more than four years ago. STC has been through four full annual federal government funding cycles since these resignations. Any changes in management structure (including the Affiliate Agreement) and the related

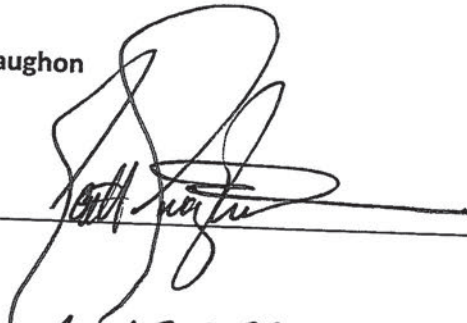
impact on STC business is the responsibility of new STC Management which must target, bid and capture new federal government contract work each (and every) year to remain fully funded.

I respect your role and diligence in this matter and appreciate the opportunity to respond. If you decide to issue the report without modification, please include my response as part of your submission. If you decide to edit your report, please forward an edited version to me along with adequate time to modify my response in return.

Sincerely,

Richard Scott Draughon

Signature: _____

A handwritten signature in black ink, appearing to read 'Richard Scott Draughon', written over a horizontal line.

Date: _____

April 8, 2026

CC: John Pursley
Jeff Moulton

REFERENCE

DRAFT Audit Report (March 26, 2026)

Mr. Draughon's Response Included a Draft
Copy of this Report

LIST OF EXHIBITS

- A STC Articles and Bylaws
- B LSU Board of Supervisors Resolution (dated September 18, 2015)
- C STC Board of Directors Resolution (dated October 24, 2016)
- D REPORT: STC commitment to LSU
- E IWA Summary - \$918,362.35
- F MEMORANDUM (dated October 12, 2018)
- G RSD Severance Agreement
- H Lease
- I PM-11 FORM (January 17, 2019)
- J MyTechnologyLawyer

EXHIBIT A
STC Articles and Bylaws

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

ARTICLE I MEMBER

1.1 Sole Member.

The sole Member of the Corporation is Louisiana State University and Agricultural and Mechanical College ("LSU") as defined in La.R.S. 17:3390 (the "Member").

1.2 Voting Rights.

In addition to any voting rights the Member may have at law or pursuant to the Articles of Incorporation and these Bylaws, the following fundamental transactions each requires the Member's approval: 1) the liquidation or dissolution of the Corporation, 2) a merger, reorganization or consolidation in which the Corporation is acquired by another entity other than the Member, or 3) the sale of all or substantially all of the assets of the Corporation to an entity that is unrelated to the Member.

1.3 Manner of Exercise of Member Rights and Duties.

The Member shall exercise its voting or other rights, and carry out its duties, if any, hereunder by official action of the Member's Board of Supervisors or by action of the Member's President acting in his or her official capacity.

ARTICLE II BOARD OF DIRECTORS

2.1 General.

All powers vested by law in the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board of Directors (the "Board").

2.2 Number, Qualifications, Term of Office.

The Board of Directors of the Corporation shall consist of at least three (3) and not more than eleven (11) Directors, the exact number to be set from time to time by action of the Member of the Corporation. Each Director shall be a natural person of legal age but need not be a resident of State of Louisiana. The Board of Directors shall have two classes of Directors, Class A Directors and Class B Directors. Such classifications and designations shall have solely to do with the terms of office of Directors so classified, and each such Director classification shall have, as near as practicable, an equal number of Directors. If the number of Directors (or vacancies) at any time is not equally divisible by two, the Class A Directors shall number, in the aggregate, one more than the Class B Directors. The initial Board of Directors shall consist of three (3) Directors, of whom there shall be two Class A Directors and one Class B Director.

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

2.3 Election of Directors.

Directors of the Corporation shall be elected by the Member. In electing each Director, the Member shall designate the Director's class (A or B). When, in electing a Director, the Member thereby increases the number of Directors then serving on the Board, 1) the Member shall assign the new Director to Class A or Class B as provided in Section 2.2; and 2) such new Director's initial term shall expire coincident with the terms of incumbent Directors of the same class.

2.4 Term.

The normal term of office of each Class A Director shall be two (2) years, with each Class A Director's term expiring, and a Class A Director elected or reelected to a new two-year term, beginning at the annual meeting of the Board held in odd years. However, in connection with the reorganization of the Board of Directors in October 2015, the initial two Class A Directors shall be elected for a term beginning on such date and ending at the annual meeting of the Board in the month of October, 2017. Thereafter, the term of all Class A Directors shall expire at the annual meeting of the Board in odd years (2017, 2019, etc.). The normal term of office of each Class B Director shall be two (2) years, with each Class B Director's term expiring, and a Class B Director elected or reelected to a new two-year term, beginning at the annual meeting of the Board held in even-numbered years. However, in connection with the reorganization of the Board of Directors in October, 2015, the initial sole Class B Director shall be elected for a term beginning on such date and ending at the annual meeting of the Board in the month of October, 2016. Thereafter, the term of all Class B Directors shall expire at the annual meeting of the Board in even years (2016, 2018, etc.). (For purposes of this Section 2.4, the phrase "two-year term" means a term beginning at the annual meeting of the Board at which the Director is elected or reelected, and ending approximately two years later at the annual meeting of the Board which occurs closest in time --before or after -to the expiration of twenty-four (24) consecutive months from the beginning of the term. Thus, a "two-year term" may be shorter or longer than twenty- four (24) consecutive months, depending on the dates of the annual meetings of the Board.)

2.5 Vacancies.

In the event of a vacancy in the Board of Directors, including a vacancy resulting from an increase in the number of Directors, the Member shall elect a successor to fill the vacancy, and each person so selected shall be a Director to serve for the balance of the unexpired term and until his or her successor has been selected and qualified or until his or her earlier death, resignation or removal.

2.6 Removal and Resignation.

(a) Removal by action of Member. The Member may, without assigning any cause therefor, remove from office the entire Board of Directors, a class of the Board or any individual Director. In the case of any Director(s) so removed, (a) new Director(s) may be elected at the same meeting.

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

(b) Removal by action of the Directors. The Board of Directors may declare vacant the office of a Director if said Director: 1) has been judicially declared of unsound mind; 2) has been convicted of an offense punishable by imprisonment for a term of more than one (1) year; or 3) if within sixty (60) days after notice of his or her election, said Director does not accept such office either in writing or by attending a meeting of the Board of Directors and fulfilling such other requirements of qualification as these Bylaws or the Articles of Incorporation may provide.

(c) Resignation. Any Director may resign at any time from his or her position as a Director of the Corporation upon written notice to the Corporation. The resignation shall be effective upon receipt thereof by the Corporation or at such subsequent time as may be specified in the notice of resignation.

2.7 Regular Meetings.

The Board of Directors shall hold an annual meeting, at the day, hour and place as may be fixed by the Board, in the month of October or as soon as practicable thereafter, for the purpose of reviewing the audit report of the Corporation's auditors, receiving a report from the Officers on the activities of the Corporation, reviewing and approving the annual report of the Board to the Member, as required under Section 6.1 of these Bylaws, and the transaction of other proper business. The Board of Directors may designate by resolution the day, hour and place, within or without the State of Louisiana, of other regular meetings.

2.8 Special Meetings.

Special meetings of the Board may be called by the Chairperson of the Board, the President, or any three (3) Directors. The person or persons calling the special meeting may fix the day, hour and place, within or without the State of Louisiana, of the meeting.

2.9 Notice of Meetings.

Written notice of each regular or special meeting of the Board of Directors, specifying the place, day and hour of the meeting, shall be given to each Director at least seven (7) days before the time set for the meeting.

2.10 Quorum of and Action by Directors.

A majority of the Directors in office shall constitute a quorum for the transaction of business, and the acts of a majority of Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors except where a different vote is required by law or the Articles of Incorporation or these Bylaws. Every Director shall be entitled to one (1) vote.

2.11 Interested Directors or Officers, Quorum.

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

No contract or transaction between the Corporation and one or more of its Directors or Officers or between the Corporation and any other corporation, partnership, association or other organization in which one or more of the Corporation's Directors or Officers are directors or officers, or have a financial or other interest, shall be void or voidable solely for such reason, or solely because the Director or Officer is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, or solely because votes of such Director or Officer or other Directors are counted for such purpose, if: 1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors even though the disinterested Directors are less than a quorum; 2) the material facts as to such Director's or Officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Member and the contract or transaction is specifically approved in good faith by the Member, or 3) the contract or transaction is fair as to this Corporation as of the time it is authorized, approved or ratified by the Board of Directors or the Member. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes a contract or transaction specified in this Section 2.11.

2.12 Compensation.

A Director shall not be entitled to receive any compensation for serving as a Director (as such) but may, by resolution of the Board of Directors, be paid his or her reasonable expenses, if any, for attendance at each meeting of the Board of Directors or committee thereof. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor, and a Director may be a salaried Officer or employee of the Corporation.

2.13 Presumption of Assent.

A Director of the Corporation who is present at a meeting of the Board of Directors, or of a committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless such Director files his or her written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this section shall bar a Director from asserting that minutes of a meeting incorrectly omitted said Director's dissent if, promptly upon receipt of a copy of such minutes, said Director notified the Secretary, in writing, of the asserted omission or inaccuracy.

2.14 Chairperson of the Board, Presiding Officer.

(a) The Member shall appoint one of the Directors as the Chairperson of the Board of Directors, who shall preside at all meetings of the Directors at which he or she is present, serve as Chairperson of the Executive Committee of the Board of Directors, and shall have such other authority and perform such other duties as the Board of Directors may from time to time designate.

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

(b) All meetings of the Board of Directors shall be called to order and presided over by the Chairperson of the Board of Directors, or in the Chairperson's absence, by the President or, in the absence of the Chairperson and President, by a Chairperson of the meeting elected at such meeting by the Board of Directors.

2.15 Fiduciary Responsibility.

A Director shall have a fiduciary responsibility to perform his or her duties as a Director of the Corporation in good faith and in a manner which such Director reasonably believes is in the best interests of the Corporation, using such care, reasonable inquiry, skill, and diligence as a person of ordinary prudence would use under similar circumstances. Except as to knowledge of a Director causing such reliance to be unwarranted, a Director shall be entitled to rely in good faith upon information prepared by the following:

(a) Officers or employees of the Corporation whom the Director reasonably believes are reliable and competent in the matters presented.

(b) Counsel, accountants, or other professionals as to matters which the Director reasonably believes to be within the professional or expert competence of such professional.

(c) Committees formed pursuant to these Bylaws upon which such Director does not serve as to matters within the designated authority of such committee and as to which the Director reasonably believes the committee merits reliance by the Director as to such matters.

2.16 Presumed Best Interests.

Absent breach of fiduciary duty, lack of good faith, or acts of self-dealing, actions of a Director or failure to act shall be presumed to be in the best interests of the Corporation. In discharging his or her duties, a Director may consider the effect of any action upon the employees, suppliers and customers of the Corporation, the community in which offices of the Corporation are located, and other pertinent factors.

ARTICLE III COMMITTEES OF THE BOARD

3.1 Executive Committee.

(a) In order to facilitate the Corporation's governance, the Executive Committee of the Board shall exercise all powers of the Board of Directors between meetings of the Board, subject to the limitations of law and these Bylaws and any other limitations that may be established from time to time by the Board of Directors. The Executive Committee shall consist of three Directors, namely, the Chairperson of the Board (appointed pursuant to Section 2.14) and two other Directors appointed to such Committee by the Member.

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

(b) At any meeting of the Executive Committee, the number of committee members necessary to constitute a quorum for the transaction of business shall be a simple majority of the

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members of the Executive Committee. When a quorum is present at any meeting, the acts of a majority of the members present or by proxy shall be the acts of the Executive Committee.

(c) Minutes of all Executive Committee meetings shall be kept, filed with the records of the Corporation and shall be presented to the Board of Directors at the next scheduled Board meeting.

3.2 Other Committees of the Board.

The Board of Directors may, by resolution adopted by a majority of the Directors in office, establish one or more other committees (in addition to the Executive Committee), each such other committee to consist of one or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any such other committee who may replace any absent or disqualified member at any meeting of the committee or for purposes of any written action of the committee. Such a committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all of the powers and authority of the Board of Directors except that a committee shall not have any power or authority as to: 1) the submission to members of any action requiring the approval of members pursuant to the Nonprofit Corporation Law of the State of Louisiana (La.R.S. 12:201 et seq.) (the "Act"), as it may hereafter be amended, 2) the creation or filling of vacancies on the Board of Directors, 3) the adoption, amendment or repeal of these Bylaws, 4) the amendment, adoption or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board, or 5) action on matters committed by the Bylaws or resolution of the Board to another committee of the Board. Each committee of the board shall serve at the pleasure of the Board.

3.3 Committee Rules.

Unless the Board of Directors provides otherwise by resolution each committee shall conduct its business and take action in the same manner as the Board conducts its business pursuant to the Articles of Incorporation of the Corporation and these Bylaws.

ARTICLE IV OFFICERS

4.1 Officers and Qualifications.

The Corporation shall have a President, a Secretary and a Treasurer, each of whom shall be elected or appointed by the Board of Directors. The Corporation may also have one or more Vice Presidents, and such other Officers (including, e.g., an "Executive Director") and assistant Officers, each elected by the Board of Directors, as the Board deems necessary or advisable. All Officers shall be natural persons of full age. It shall not be necessary for Officers to be Directors of the Corporation. Officers of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as is provided by or pursuant to these Bylaws or, in the absence of controlling provisions in these Bylaws, as is determined by or pursuant to resolutions or orders of the Board of Directors or the Member.

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4.2 Election, Term and Vacancies.

The President, any Vice President, the Secretary, the Treasurer, and any other designated Officers of the Corporation, may be elected by the Board at the annual meeting of the Board or from time to time as the Board shall determine, and each Officer shall hold office until the next annual meeting of the Board following his or her election, or until his or her successor has been duly elected and qualified or until said Officer's earlier death, resignation or removal. A vacancy in any office occurring in any manner may be filled by the Board of Directors and, if the office is one for which these Bylaws prescribe a term, shall be filled for the unexpired portion of the term.

4.3 Removal, Resignation, Bond.

(a) Removal. Any Officer or agent of the Corporation may be removed by the Member or by the Board of Directors with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an Officer or agent shall not of itself create contract rights.

(b) Resignation. Any Officer may resign at any time upon written notice to the Corporation. The resignation shall be effective upon receipt thereof by the Corporation or at such subsequent time as may be specified in the notice of resignation.

(c) Bond. The Corporation may secure the fidelity of any or all of its Officers by bond or otherwise.

4.4 President.

The President shall, in the absence of the Chairperson of the Board, if any, preside at all meetings of the Board of Directors at which he or she is present, and shall be the Chief Executive Officer of the Corporation. Subject to the control of the Board of Directors and, within the scope of its authority, any committees thereof, the President shall:

(a) have general and active management of all the business, property and affairs of the Corporation;

(b) see that all orders and resolutions of the Board of Directors and the committees thereof are carried into effect;

(c) appoint and remove assistant Officers and agents, other than those appointed or elected by the Board of Directors, as the business of the Corporation may require;

(d) have custody of the corporate seal, or entrust the same to the Secretary;

(e) act as the duly authorized representative of the Board in all matters, except where the Board has formally designated some other person or group to act; and

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(f) in general perform all the usual duties incident to the Office of President and such other duties as may be assigned to such person by the Board of Directors. The President, or such other Officer of the Corporation to whom the President may delegate such authority in writing, shall have complete authority to initiate and enter into binding contracts and other obligations on behalf of the Corporation, including, without limiting the generality of the foregoing, those relating to banking, debt financing and corporate borrowing of any kind with any parties (including the pledge of corporate property as security); operating leases; purchases; and the like.

4.5 Vice President.

Each Vice President, if any, shall perform such duties as may be assigned to him or her by the Board of Directors or the President. In the absence or disability of the President, the most senior in rank of the Vice Presidents, if any, shall perform the duties of the President.

4.6 Secretary.

The Secretary shall:

(a) keep or cause to be kept the minutes of all meetings of the Member, the Board of Directors, and any committees of the Board of Directors in one or more books kept for that purpose;

(b) have custody of the corporate records of the Corporation;

(c) keep or cause to be kept a register of the address and contact information of each member of the Board, which has been furnished to the Secretary by such Board member;

(d) see that all notices are duly given in accordance with law, the Articles of Incorporation, and these Bylaws; and

(e) in general perform all the usual duties incident to the Office of Secretary and such other duties as may be assigned to him or her by the Board of Directors or the President.

4.7 Assistant Secretary.

The Assistant Secretary, if any, or assistant secretaries if more than one, shall perform the duties of the Secretary in his or her absence and shall perform such other duties as the Board of Directors, the President or the Secretary may from time to time designate.

4.8 Treasurer.

The Treasurer shall have general supervision of the fiscal affairs of the Corporation. The Treasurer shall, with the assistance of the President and managerial staff of the Corporation:

(a) see that a full and accurate accounting of all financial transactions is made;

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- (b) invest and reinvest the capital funds of the Corporation in such manner as may be directed by the Board, unless such function shall have been delegated to a nominee or agent;
- (c) deposit or cause to be deposited in the name and to the credit of the Corporation, in such depositories as the Board of Directors shall designate, all monies and other valuable effects of the Corporation not otherwise employed;
- (d) prepare such financial reports as may be requested from time to time by the Board;
- (e) cooperate in the conduct of any annual audit of the Corporation's financial records by certified public accountants duly appointed by the Board; and
- (f) in general perform all the usual duties incident to the Office of Treasurer and such other duties as may be assigned to him or her by the Board of Directors or the President.

4.9 Assistant Treasurer.

The Assistant Treasurer, if any, or assistant treasurers if more than one, shall perform the duties of the Treasurer in his or her absence and shall perform such other duties as the Board of Directors, the President or the Treasurer may from time to time designate.

4.10 Executive Director.

The Executive Director, if any, or executive directors if more than one, shall perform such duties as the President may from time to time designate.

ARTICLE V MANNER OF GIVING NOTICE, WAIVER OF NOTICE, ACTION WITHOUT MEETING, BY CONFERENCE TELEPHONE, AND MODIFICATION OF PROPOSALS

5.1 Manner of Giving Notice.

Whenever written notice is required to be given to any person under the provisions of the Nonprofit Corporation Law of the State of Louisiana (the "Act"), as it may hereafter be amended, or by the Articles of Incorporation or these Bylaws, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), or courier service, charges prepaid, or by telecopier (with confirmation of receipt), or by e-mail or other electronic communication, to the Director's address, telecopier number, or address for e-mail or other electronic communication, as applicable and as supplied by the Director to the Corporation for the purpose of notice. Notice sent by mail, by telegraph or by courier service shall be deemed to have been given when deposited in the United States mail or with a telegraph office or courier service for delivery, except that notice sent by regular mail shall be deemed to have been given forty-

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eight (48) hours after being deposited in the United States mail or, in the case of telecopier, when dispatched.

5.2 Waiver of Notice.

Whenever any written notice is required to be given by statute or the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of such meeting. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of the meeting, except where the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

5.3 Action by Unanimous Written Consent.

Any action required or permitted to be taken at a meeting of the Member or the Directors, or of any committee of Directors, may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto in writing setting forth the action so taken is signed by the Member, by all of the Directors in office, or by all of the members of such committee in office, as the case may be, and is filed with the Secretary of the Corporation.

5.4 Meetings by Means of Conference Telephone.

One or more persons may participate in a meeting of the Directors, or of any committee of Directors, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at the meeting.

5.5 Modification of Proposals.

Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given by statute or by the Articles of Incorporation or these Bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

ARTICLE VI CERTAIN MEMBER RIGHTS

6.1 Annual Report of Directors or Other Body.

(a) Contents. The Board of Directors shall present annually to the Member a report (the "Annual Report to the Member"), verified by the President and Treasurer or by a majority of the Directors, showing in appropriate detail the following:

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(i) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the Annual Report to the Member.

(ii) The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the Annual Report to the Member.

(iii) The revenue of receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the Annual Report to the Member, including separate data with respect to each trust fund held by or for the Corporation.

(iv) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the Annual Report to the Member, including separate data with respect to each trust fund held by or for the Corporation.

(b) Place of Filing. The Annual Report to the Member of the Board of Directors shall be filed with the corporate actions of the Member.

ARTICLE VII CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

7.1 Prohibition, Exceptions.

Any contract or other transaction between the Corporation or any of its affiliated entities and one or more of the Directors or Officers or any related party to such Directors or Officers, may be rejected or declared void or voidable by the Board unless all of the following conditions are met:

(a) The relevant and material facts as to such Directors or Officer's interest (or the interest of any related party to such Director or Officer) in such contract or transaction were disclosed in good faith in advance, by such Director or Officer to the Board, and such facts are reflected in the minutes of the Board meeting; and

(b) The relevant and material facts, if any, known to such interested Director or Officer with respect to such contract or transaction which might reasonably be construed to be adverse to the Corporation's interest were disclosed in good faith in advance by such Director or Officer to the Board, and such facts are reflected in the minutes of the Board meeting; and

(c) Such interested Director or Officer has, as determined by the judgment of the Board: 1) made the disclosures and fully responded to questions concerning the matters referred to in Section 7.1, Subsections (a) and (b) of this Article VII; 2) in the case of a contract or transaction,

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established that the contract or transaction is fair and reasonable to the Corporation at the time such contract or transaction is authorized; and 3) in the case of a contract or transaction,

not otherwise significantly influenced the action of the Board with respect to the contract or transaction; and all such determinations by the Board are reflected in the minutes of the Board meeting; and

(d) The Board authorized such contract or transaction by a vote of at least two-thirds (2/3rds) of the Directors present at a meeting at which a quorum was present, and such interested Director or Officer was not counted in determining the presence of a quorum or in determining the two-thirds (2/3rds) vote; and

(e) Such interested member, Director or Officer was not present at such time as the vote was taken.

7.2 Gifts.

No Director or Officer of the Corporation shall, directly or indirectly, accept any gift in violation of applicable law or, in accordance with Section 5 of Article X of these Bylaws, in violation of the Louisiana Code of Governmental Ethics, from any person or from any officer, director, agent or employee of such person, if such Director, Officer, employee, or other agent of the Corporation knows or reasonably should know that such person has or is seeking to obtain contractual or other business or financial relationships with the Corporation.

7.3 Disclosure.

On an annual basis, the Directors and Officers shall complete and execute a written statement in which each shall disclose all financial transactions and other relationships between such Director and Officer, and any related party to such Director and Officer, and the Corporation or any of its affiliated entities or any of its competitors and all other matters in which there is a conflict of interest between such Director and the Corporation or any of its affiliated entities or any of its competitors. The Directors shall update such statements periodically to disclose matters which may arise during a year and which would be required to be disclosed on an annual basis. Such written statements shall be reviewed by the Chairperson of the Board which shall thereafter report its findings and recommendations, if any, to the Board.

7.4 Policies.

The Board shall adopt conflict of interest policies for the Corporation including, without limitation, requirements and procedures with respect to: 1) regular annual statements disclosing any existing and potential conflicts of interest; 2) limitations on the solicitation and acceptance of gifts from persons having or seeking to obtain contractual or other business or financial relationships with the Corporation, and 3) corrective action with respect to transgressions of such policies.

7.5 Definitions.

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As used in this Article VII, "person" shall mean an individual or legal entity and "any related party to such Director or Officer" shall mean: 1) any member of the immediate family of such Director or Officer, specifically his or her children, spouses of his or her children, his or her brothers and their spouses, his or her sisters and their spouses, his or her parents, his or her spouse and the parents of his or her spouse, 2) any person of which such Director or Officer is an owner, officer, director, trustee, partner, or employee, 3) any person in which such Director or Officer has a substantial economic interest of which he may reasonably be expected to know, 4) any person with whom such Director or Officer is negotiating or has an arrangement concerning prospective employment, and 5) any person who is a party to an existing contract with such Director or Officer, or with any legal entity in which the Director or Officer exercises control or owns an interest in excess of twenty-five percent (25%), and who by reason thereof is in a position to affect directly the economic interest of such Director or Officer.

7.6 Board Membership.

Notwithstanding the foregoing, it is acknowledged and accepted and shall not be a violation of this provision for a Director to be a member of the Board of Directors of the Corporation and a member of the Board of Supervisors of LSU or a member or employee of any other higher education management board or any entity, organization, department, division or affiliate that is under the control or direction of the Board of Supervisors of LSU or any other higher education management board. Such a Director, however, in voting on matters affecting the Corporation, must vote in the best interests and as a fiduciary of the Corporation, unless the interests of the Corporation and the interests of the Board of Supervisors of LSU or any other higher education management board or any entity, organization, department, division or affiliate that is under the control or direction of the Board of Supervisors of LSU or any other higher education management board diverge on a matter, in which case the Director shall recuse himself or herself from voting on any such matter by complying with all of the following:

(a) The Director shall disclose to the Board in advance the relevant and material facts as to such divergent interests, and such facts shall be reflected in the minutes of the Board meeting; and

(b) The Director shall not participate in discussion and debate concerning the matter, either during the meeting or at any other time; and

(c) The Director shall not be counted in determining the presence of a quorum and shall not vote on the matter.

ARTICLE VIII NO PERSONAL LIABILITY, STANDARD OF CARE

8.1 No Personal Liability.

The Members, Directors and Officers of the Corporation shall not be personally liable or responsible for any contract, debt, liability, default or obligation of the Corporation except to the

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extent required by Louisiana law. For example, a Director shall not be held personally liable to the Corporation or its Member for monetary damages for breach of fiduciary duty as a Director, except to the extent required by Louisiana Law for liability 1) for breach of the Director's duty of loyalty to the Corporation or its Member, 2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, 3) under Section 226(D) of the Louisiana Nonprofit Corporation Law, or 4) for any transaction from which the Director derived an improper personal benefit. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the Corporation, may look only to the funds and property of the Corporation for the payment of any such contract or claim, or any debt, damages, judgment or decree, or any money that may otherwise become due or payable to them from the Corporation.

8.2 Further Limitation on Personal Liability.

If the Act is hereafter amended to authorized corporate action further limiting or eliminating the personal liability of the Member, Directors or Officers, then the liability of the Member, Directors or Officers shall be limited or eliminated to the full extent permitted by the Act as so amended from time to time. Neither the amendment nor repeal of this Article VIII, nor the adoption of any provision of the Articles of Incorporation or these Bylaws inconsistent with this Article VIII shall eliminate or reduce the effect of this Article VIII, in respect to any matter occurring, or any cause of action, suit or claim that, but for this Article VIII, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision.

8.3 Standard of Care.

A Director or Officer of the Corporation shall perform such person's duties as such including, in the case of a Director, duties as a member of a committee of the Board of Directors upon which the Director may serve, in good faith and in a manner such person reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position with respect to a similar corporation organized under the Act would use under similar circumstances. In performing such person's duties, a Director or Officer shall be entitled to rely on information, opinions, reports or records, including financial statements, books of account and other financial records, in each case presented by or prepared by or under the supervision of 1) one or more Officers or employees of the Corporation whom the Director or Officer reasonably believes to be reliable and competent in the matters presented, or 2) counsel, public accountants or other persons as to matters which the Director or Officer reasonably believes to be within such person's professional or expert competence, or 3) in case of a Director, a duly constituted committee of the Board of Director upon which the Director does not serve, as to matters within its delegated authority, which committee the Director reasonably believes to merit confidence, but the Director shall not be considered to be acting in good faith if the

Director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A Director or Officer of the Corporation shall not be liable for the performance of such person's duties if such person acts in compliance with this Section 8.3. The standard of care for Directors described in this Section 8.3 is in addition to the fiduciary duties of Directors described in Section 2.15 of Article II of these Bylaws.

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8.4 Ethical Standards.

The Corporation and its Member, Directors and Officers will endeavor to comply with the spirit of the standards set forth in the Louisiana Code of Governmental Ethics. However, the Louisiana Code of Governmental Ethics, including its reporting requirements, is not applicable to the Corporation and neither the Corporation nor its Member, Directors and Officers are bound thereby or are required to file any reports in connection therewith.

ARTICLE IX INDEMNIFICATION

9.1 Indemnification.

Indemnity will be provided in the following circumstances:

(a) The Corporation agrees, to the fullest extent legally permissible under the Act, as amended from time to time, and only to the extent that the status of the Corporation as an organization exempt under Section 501(c)(3) of the Code is not affected thereby, to indemnify each of the Directors and Officers of the Corporation against all liabilities or expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by such Director or Officer in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which such individual may be involved or with which such individual may be threatened, while in office or thereafter, by reason of such individual being or having been such a Director or Officer of the Corporation, or by reason of such individual serving or having served at the request of the Corporation as a director, officer, employee or other agent of another organization, except with respect to any matter as to which such Director or Officer shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interest of the Corporation or of such other organization; provided, however, that as to any matter disposed of by a compromise payment by such Director or Officer pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such indemnification shall be ordered by a court or unless such compromise shall be approved as in the best interest of the Corporation, after notice that it involves such indemnification: 1) by a disinterested majority of the Board of Directors then in office; or 2) provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such person appears to have acted in good faith in reasonable belief that his or her action was in the best interest of the Corporation.

(b) Expenses, including counsel fees, reasonably incurred by any Director or Officer of the Corporation in connection with the defense or disposition of any such action, suit or other

proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof if authorized by the Board of Directors in the manner indicated in Section 9.1, Subsection

(a) of this Article IX, upon receipt of an undertaking by such individual to reimburse the Corporation any such sums so advanced in the event the Director or Officer shall be adjudicated to be not entitled to indemnification under this Article. As used in this Article IX, the terms

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..**Director**" and "**Officer**" include the individual's heirs, executors and administrators, an "**interested**" individual is one against whom in such capacity the proceeding in question or another proceeding on the same or similar grounds is then pending, a "**disinterested**" individual is an individual who is not "interested", and "**subsidiary or affiliate of the Corporation**" means any corporation, business trust, trust, partnership, limited partnership, limited liability company, limited liability partnership or other entity of which the Corporation controls, directly or indirectly or through another entity, the election or appointment of a majority of its directors, managers or partners. The indemnification by the Corporation provided for in this Article IX shall not be exclusive of or affect any other rights to which any Director, Officer or other person may be entitled. Nothing contained in this Article IX shall either limit the power of the Corporation to indemnify corporate personnel other than Directors and Officers or affect any rights to indemnification by the Corporation to which corporate personnel other than such Directors or Officers of the Corporation and persons who serve at the request of the Corporation as officers or directors of subsidiaries or affiliates of the Corporation may be entitled by contract or otherwise under law. The Corporation may purchase and maintain insurance on behalf of any person who may be indemnified under this Article IX against such liability hereunder.

(c) Any right of indemnification provided under the applicable Bylaws of the Members shall be secondary to any right of indemnification provided hereunder and such secondary right of indemnification shall be exercised only to the extent that indemnification authorized by this Article IX is not paid by the Corporation after proper request therefor.

9.2 **Statutory Indemnification.**

To the extent that a Director, Officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.1, Subsection (a) of this Article IX, or in defense of any claim, issue or matter arising in such action, suit or proceeding, then such individual shall be indemnified against expenses (including but not limited to attorney's fees) actually and reasonably incurred by such individual in connection therewith.

9.3 **Indemnity Preference.**

Notwithstanding anything in this Article IX to the contrary, in the event that: 1) a person is or was serving at the written request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other legal entity, including, without limitation, an entity owned by or affiliated with the Corporation, with or without compensation; 2) such person was or is a party or is threatened to be made a party to an action, suit or proceeding (including but not limited to an action by or in the right of such other entity) by reason of the fact of such person's service to or on behalf of such other entity; and 3) such person has a right to receive indemnification or insurance coverage against expenses, judgments, fines

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and amounts actually and reasonably incurred by such person in connection with the defense or settlement of such action, suit or proceeding from such other entity, then the provisions of Section 9.1, Subsection (a) of this Article IX shall not apply to such person with respect to an action, suit or proceeding as described in this Section 9.3 to the extent of any such insurance or indemnification coverage.

ARTICLEX GENERAL PROVISIONS

10.1 Registered Agent Office.

The Registered Agent Office of the Corporation, required by law to be maintained in the State of Louisiana is set forth in the Articles of Incorporation.

10.2 Other Offices.

The Mailing Address and Registered Business Office Address for the Corporation required by law to be maintained in the State of Louisiana is set forth in the Articles of Incorporation. The Corporation may have additional offices and places of business in such places, within or without the State of Louisiana, as the Board of Directors may designate or as the business of the Corporation may require.

10.3 Corporate Seal.

The Corporation may have a corporate seal which shall have inscribed thereon the name of the Corporation ("STEPHENSON TECHNOLOGIES CORPORATION"), the date of incorporation (MAY 08, 2015) and the words "INCORPORATED LOUISIANA" or such inscription as the Board of Directors may determine. The seal may be used by causing it or a facsimile thereof to be impressed or affixed, or in any manner reproduced.

10.4 Fiscal Year.

The fiscal year of the Corporation shall begin on the 1st day of July in each year.

10.5 Audit.

Financial transactions of the Corporation and its books and accounts shall be audited or reviewed annually as determined by the Board of Directors.

10.6 Incidental Profit.

Whenever the lawful activities of the Corporation involve fees for services or products, the Corporation shall have the right to receive such income and, in so doing, may make an incidental profit.

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All such incidental profits (receipts over disbursements) shall be applied to the maintenance and operation of the lawful activities of the Corporation, and shall not be divided or distributed in any manner among the Directors or Officers of the Corporation. However, this

provision shall not be construed to preclude an Officer of the Corporation from participating in any lawfully established employee benefit programs of the Corporation.

10.7 Checks.

All monies of the Corporation shall be deposited in such banks, and shall be withdrawn upon checks, drafts and orders signed by such Officers or agents as the Board of Directors may from time to time determine.

ARTICLE XI ARTICLES OF INCORPORATION OTHER PROVISIONS, RESTATED

11.1 Purposes.

(a) General Purposes. The Corporation 1) is organized exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or successor provisions thereto and 2) shall be affiliated with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU") as defined in La.R.S. 17:3390, with a general purpose of supporting the programs, facilities and research and educational opportunities offered by LSU. The Corporation shall make distributions to other organizations recognized as exempt under Section 501(c)(3) of the Code, including, but not limited to, the Corporation's sole member, LSU (hereinafter, the "Member"), so long as such Member qualifies as exempt under Section 501(c)(3) of the Code.

(b) Specific Purposes. In furtherance of its general charitable, scientific, and educational purposes, and to support the purposes and activities of the Corporation's sole Member, the Corporation, in the public interest and to lessen the burdens of government, shall undertake scientific research and development activities for the governments of the United States of America, the State of Louisiana, other states, and political subdivisions, agencies, and instrumentalities of any of the foregoing, and shall undertake educational and other activities to promote the use of the benefits of scientific research and development by the American industrial base.

The Corporation shall also undertake activities in the public interest to promote the economic, social and educational development of local, state and regional economies (particularly those in the State of Louisiana, and including low-income and economically-distressed sectors and regions) into dynamic, environmentally-sustainable, and socially-inclusive economies that offer economic opportunity to all residents and are able to compete successfully in the global marketplace. To those ends, the Corporation shall research and analyze key public needs and critical

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issues, and evaluate and design best practices and solutions to address those needs and issues, in order to assist government at all levels in the creation of prudent and responsive public policies and the creation and implementation of effective programs and initiatives (including public-private partnerships and similar cooperative endeavors involving the private and non-profit sectors) to promote such economic, social and educational

development.

The Corporation shall also engage in activities designed to assist in the practical implementation of such public policies, programs and initiatives, including outreach to public, education, training, workforce development; and promotion of capital investment and job-creating entrepreneurship. Without otherwise limiting its powers, the Corporation may exercise all rights and powers conferred by the laws of the State of Louisiana upon nonprofit corporations.

11.2 Restrictions.

(a) Anti-Inurement. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers, or other persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it, to reimburse persons incurring reasonable expenses on its behalf, and to make payments and distributions in furtherance of the Purposes set forth hereof.

(b) Political Activities. No substantial part of the activities of the Corporation shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public, and the Corporation shall not participate in, or intervene (including by publication or distribution of statements) in, any political campaign on behalf of (or in opposition to) any candidate for public office.

(c) Other Activities. Notwithstanding any other provisions of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on 1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or 2) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

(d) Private Foundation Status. If the Corporation is ever determined by the Internal Revenue Service to be a "private foundation" as that term is defined by Section 509(a) of the Code, the Corporation shall:

(i) not engage in any act of self-dealing as defined in Section 4941(d) of the Code;

(ii) distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

BYLAWS OF STEPHENSON TECHNOLOGIES CORPORATION

(iii) not retain any excess business holdings as defined in Section 4943(c) of the Code;

(iv) not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and

(v) not make any taxable expenditures defined in Section 4945(d) of the Code.

BYLAWS OF NASCENT TECHNOLOGIES CORPORATION

11.3 Limitation of Liability.

(a) No Personal Liability. The Member, Directors and Officers of the Corporation shall not be personally liable or responsible for any contract, debt, liability, default or obligation of the Corporation except to the extent required by Louisiana law. No mere informality in organization shall have the effect of rendering these Articles of Incorporation null and void or of exposing the Member, Directors or Officers to any liability.

(b) Indemnification. The Directors of the Corporation shall be indemnified for claims against them to the fullest extent permitted by law.

11.4 Dissolution.

Upon the liquidation or dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for payment of all the liabilities and expenses of the Corporation, dispose of all the assets of the Corporation exclusively for the purpose of the Corporation in such a manner, or to such organizations, including the Member, organized and operated exclusively for charitable, educational or scientific purposes as at the time shall qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Directors, with the Member's consent, shall determine. Any such assets not so disposed of shall be distributed to the federal government, or to a state or local government, for a public purpose.

ARTICLE XII AMENDMENTS

12.1 Articles of Incorporation.

The Articles of Incorporation may be amended, restated or repealed only by the Member. The Board of Directors may recommend such changes to the Articles to the Member.

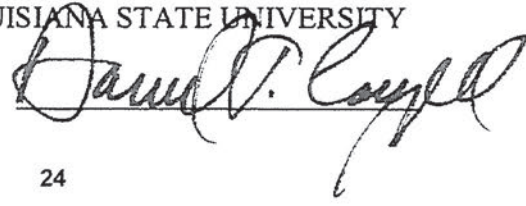
12.2 Bylaws.

These Bylaws may be amended, restated or repealed either by the Member, or by the Board of Directors subject to the approval of the Member. Any change in the Bylaws shall take effect when approved by the Member of the Corporation unless otherwise provided in the Member resolution effecting the change.

The undersigned certifies that the foregoing constitutes the Bylaws of STEPHENSON TECHNOLOGIES CORPORATION, as amended and restated by LSU, at the time of action being the Sole Member of NASCENT TECHNOLOGIES CORPORATION, such Bylaws being effective 27 April 2017, and currently in effect.

LOUISIANA STATE UNIVERSITY

By:

A handwritten signature in black ink, appearing to read "David P. Lloyd", written over a horizontal line.

Page 24

ATTACHMENT
TO
ARTICLES OF INCORPORATION
OF
STEPHENSON TECHNOLOGIES CORPORATION

1) **PURPOSES**

- a) **General Purposes:** The Corporation (a) is organized exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or successor provisions thereto and (b) shall be affiliated with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU") as defined in La. R.S. 17:3390, with a general purpose of supporting the programs, facilities and research and educational opportunities offered by LSU. The Corporation shall make distributions to other organizations recognized as exempt under Section 501(c)(3) of the Code, including, but not limited to, the Corporation's sole member, LSU (hereinafter, the "Member"), so long as such Member qualifies as exempt under Section 501(c)(3) of the Code.
- b) **Specific Purposes:** In furtherance of its general charitable, scientific, and educational purposes, and to support the purposes and activities of the Corporation's sole Member, the Corporation, in the public interest and to lessen the burdens of government, shall undertake scientific research and development activities for the governments of the United States of America, the State of Louisiana, other states, and political subdivisions, agencies, and instrumentalities of any of the foregoing, and shall undertake educational and other activities to promote the use of the benefits of scientific research and development by the American industrial base.

The Corporation shall also undertake activities in the public interest to promote the economic, social and educational development of local, state and regional economies (particularly those in the State of Louisiana, and including low-income and economically-distressed sectors and regions) into dynamic, environmentally-sustainable, and socially-inclusive economies that offer economic opportunity to all residents and are able to compete successfully in the global marketplace. To those ends, the Corporation shall research and analyze key public needs and critical issues, and evaluate and design best practices and solutions to address those needs and issues, in order to assist government at all levels in the creation of prudent and responsive public policies and the creation and implementation of effective programs and initiatives (including public-private partnerships and similar cooperative endeavors involving the private and non-profit sectors) to promote such economic, social and educational development.

The Corporation shall also engage in activities designed to assist in the practical implementation of such public policies, programs and initiatives, including outreach to public, education, training, workforce development; and promotion of capital investment and job-creating entrepreneurship. Without otherwise limiting its powers, the Corporation may exercise all rights and powers conferred by the laws of the State of Louisiana upon nonprofit corporations.

ATTACHMENT
TO
ARTICLES OF INCORPORATION
OF
STEPHENSON TECHNOLOGIES CORPORATION

2) **RESTRICTIONS**

- a) **Anti-Inurement:** The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers, or other persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it, to reimburse persons incurring reasonable expenses on its behalf, and to make payments and distributions in furtherance of the Purposes set forth hereof.
- b) **Political Activities:** No substantial part of the activities of the Corporation shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public, and the Corporation shall not participate in, or intervene (including by publication or distribution of statements) in, any political campaign on behalf of (or in opposition to) any candidate for public office.
- c) **Other Activities:** Notwithstanding any other provisions of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.
- d) **Private Foundation Status:** If the Corporation is ever determined by the Internal Revenue Service to be a "private foundation" as that term is defined by Section 509(a) of the Code, the Corporation shall:
- (1) not engage in any act of self-dealing as defined in Section 4941(d) of the Code;
 - (2) distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;
 - (3) not retain any excess business holdings as defined in Section 4943(c) of the Code;
 - (4) not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and
 - (5) not make any taxable expenditures defined in Section 4945(d) of the Code.

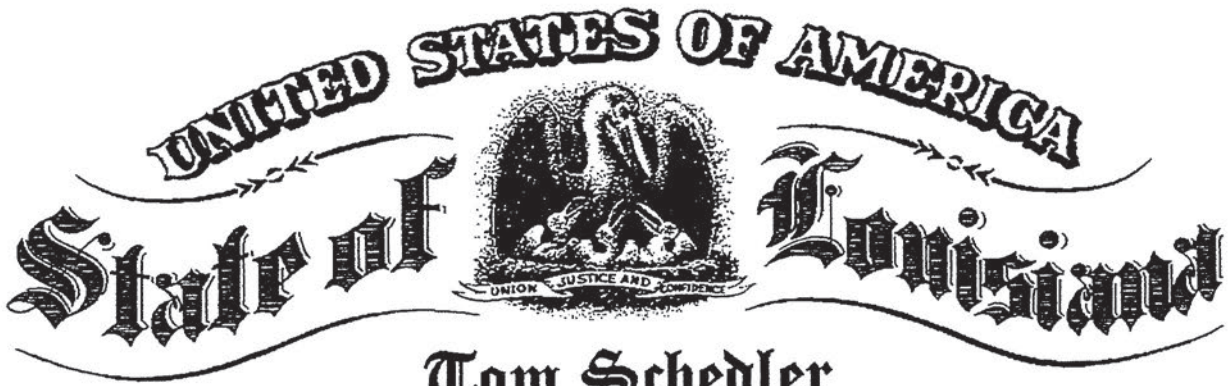
ATTACHMENT
TO
ARTICLES OF INCORPORATION
OF
STEPHENSON TECHNOLOGIES CORPORATION

3) LIMITATION OF LIABILITY

- a) **No Personal Liability:** The Member, Directors and Officers of the Corporation shall not be personally liable or responsible for any contract, debt, liability, default or obligation of the Corporation except to the extent required by Louisiana law. No mere informality in organization shall have the effect of rendering these Articles of Incorporation null and void or of exposing the Member, Directors or Officers to any liability.
- b) **Indemnification:** The Directors of the Corporation shall be indemnified for claims against them to the fullest extent permitted by law.

4) DISSOLUTION

Upon the liquidation or dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for payment of all the liabilities and expenses of the Corporation, dispose of all the assets of the Corporation exclusively for the purpose of the Corporation in such a manner, or to such organizations, including the Member, organized and operated exclusively for charitable, educational or scientific purposes as at the time shall qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Directors, with the Member's consent, shall determine. Any such assets not so disposed of shall be distributed to the federal government, or to a state or local government, for a public purpose.



Tom Schedler
SECRETARY OF STATE

As Secretary of State of the State of Louisiana, I do hereby Certify that

STEPHENSON TECHNOLOGIES CORPORATION

A corporation domiciled in BATON ROUGE, LOUISIANA,

Filed charter and qualified to do business in this State on May 08, 2015,

I further certify that the records of this Office indicate the corporation has paid all fees due the Secretary of State, and so far as the Office of the Secretary of State is concerned is in good standing and is authorized to do business in this State as a Non-Profit Corporation.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

April 27, 2017

Secretary of State

Web 41882350N



Certificate ID: 10822518#MJH62

To validate this certificate, visit the following web site, go to **Business Services, Search for Louisiana Business Filings, Validate a Certificate**, then follow the instructions displayed.
www.sos.la.gov

Tom Schedler
SECRETARY OF STATE

State of Louisiana
Secretary of State



COMMERCIAL DIVISION
225.925.4704

04/27/2017

Administrative Services
225.932.5317 Fax
Corporations
225.932.5314 Fax
Uniform Commercial Code
225.932.5318 Fax

ONLINE FILING
filing@harborcompliance.com

STEPHENSON TECHNOLOGIES CORPORATION

It has been a pleasure to approve and place on file your name change. The appropriate evidence is attached for your files.

Payment of the filing fee is acknowledged by this letter.

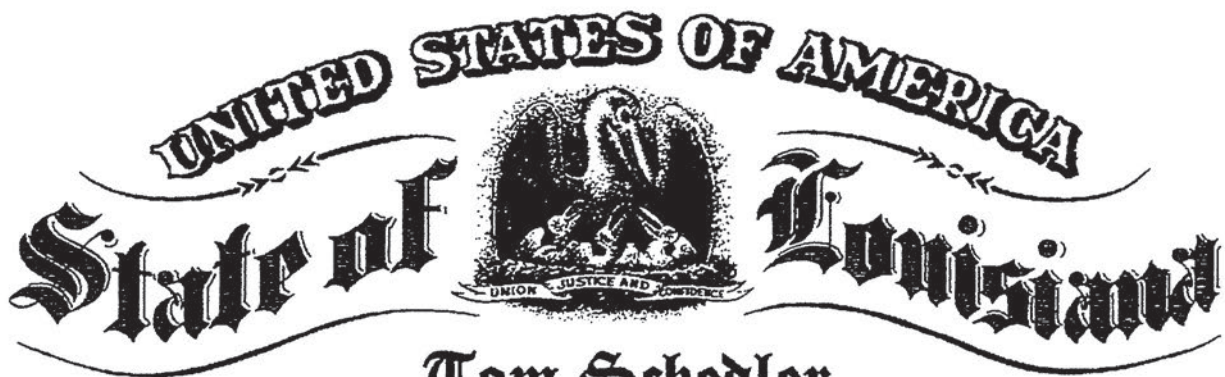
In addition to email and text notifications, business owners now have the option to enroll in our secured business filings (SBF) service. This service is available for a one-time fee of \$35 accompanied by a notarized affidavit. Upon enrollment, an amendment cannot be made to your entity without approval using your personal identification number. This is another way to protect your business from fraud and identity theft.

Please note that as of January 1, 2018, business owners in the following parishes will be required to file all available business documents online through **geauxBIZ**: Ascension, Bossier, Caddo, Calcasieu, East Baton Rouge, Jefferson, Lafayette, Livingston, Orleans, Ouachita, Rapides, St. Tammany, Tangipahoa and Terrebonne.

Online filing options are available if changes are necessary to your registration or you need to file an annual report. Please visit our website at **GeauxBiz.com** for your future business needs.

Sincerely,

The Commercial Division
WEB



Tom Schedler
SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that

a copy of an Amendment to the Articles of Incorporation of

NASCENT TECHNOLOGIES CORPORATION

Domiciled at BATON ROUGE, LOUISIANA, changing the corporate name to

STEPHENSON TECHNOLOGIES CORPORATION

Was filed and recorded in this Office on April 26, 2017.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

April 27, 2017

Secretary of State

WEB 41882350N



Certificate ID: 10822330#PKH62

To validate this certificate, visit the following web site, go to **Business Services, Search for Louisiana Business Filings, Validate a Certificate**, then follow the instructions displayed.

www.sos.la.gov

UNITED STATES OF AMERICA



State of Louisiana

Tom Schedler
SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that
the attached document(s) of

STEPHENSON TECHNOLOGIES CORPORATION

are true and correct and are filed in the Louisiana Secretary of State's Office.

42629436

NMCHG

04/26/2017 1 page

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

April 27, 2017



Secretary of State

WEB 41882350N



Certificate ID: 10822331#XYB42

To validate this certificate, visit the following web site, go to **Business Services**, Search for **Louisiana Business Filings**, Validate a **Certificate**, then follow the instructions displayed.

www.sos.la.gov

STATE OF LOUISIANA
NAME CHANGE AMENDMENT

R.S. 12:238

Old Name:

NASCENT TECHNOLOGIES CORPORATION

New Name:

STEPHENSON TECHNOLOGIES CORPORATION

Date Amendment Adopted:

04/26/2017

Manner of Adoption:




NO SHAREHOLDERS, UNANIMOUSLY APPROVED BY DIRECTORS

The filing of a false public record, with the knowledge of its falsity, is a crime, subjecting the filer to fine or imprisonment or both under R.S. 14:133.

BY TYPING MY NAME BELOW, I HEREBY CERTIFY THAT I AM AN OFFICER.

ELECTRONIC SIGNATURE: JOHN PURSLEY, JR. (4/26/2017)

TITLE: TREASURER

<p>Tom Schedler Secretary of State</p> 	<p>DOMESTIC CORPORATION ANNUAL REPORT For Period Ending 5/8/2017</p>	 41882350N  2017											
<p>Mailing Address Only (INDICATE CHANGES TO THIS ADDRESS IN THIS BOX)</p> <p>41882350 N NASCENT TECHNOLOGIES CORPORATION</p> <p>P.O. BOX 80623 BATON ROUGE, LA 70898</p>	<p>1</p>	<p>(INDICATE CHANGES TO THIS ADDRESS IN THIS BOX)</p> <p>Registered Office Address in Louisiana (Do not use P. O. Box)</p> <p>340 EAST PARKER STREET SUITE 368 BATON ROUGE, LA 70803</p> <p style="text-align: right;">Federal Tax ID Number</p>											
<p>Our records indicate the following registered agents for the corporation. Indicate any changes or deletions below. All agents must have a Louisiana address. Do not use a P. O. Box. A NEW REGISTERED AGENT REQUIRES A NOTARIZED SIGNATURE.</p> <p>NORTHWEST REGISTERED AGENT LLC 201 RUE BEAUREGARD, STE. 202 LAFAYETTE, LA 70508</p>													
<p>I hereby accept the appointment of registered agent(s).</p>		<p>Sworn to and subscribed before me on</p> <p>NOTARY NAME MUST BE TYPED OR PRINTED WITH NOTARY #</p>											
<p>New Registered Agent Signature</p>		<p>Notary Signature Date</p>											
<p>This report reflects a maximum of three officers or directors from our records for this corporation. Indicate any changes or deletions below. Include a listing of all names along with each title held and their address. Do not use a P. O. Box. If additional space is needed attach an addendum.</p>													
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p>JEFFREY MOULTON 340 EAST PARKER STREET SUITE 368 BATON ROUGE, LA 70803</p> <p>JOHN PURSLEY, JR [REDACTED]</p> <p>DANIEL LAYZELL 3810 WEST LAKESHORE DRIVE BATON ROUGE, LA 70808</p> </td> <td style="width: 50%; border: none; vertical-align: top;"> <p>President</p> <p>Treasurer</p> <p>Director</p> </td> </tr> </table>			<p>JEFFREY MOULTON 340 EAST PARKER STREET SUITE 368 BATON ROUGE, LA 70803</p> <p>JOHN PURSLEY, JR [REDACTED]</p> <p>DANIEL LAYZELL 3810 WEST LAKESHORE DRIVE BATON ROUGE, LA 70808</p>	<p>President</p> <p>Treasurer</p> <p>Director</p>									
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<p>The filing of a false public record, with the knowledge of its falsity, is a crime, subjecting the filer to the fine or imprisonment or both under R.S. 14:133.</p>													
<p>SIGN →</p>	<p>To be signed by an officer or director</p> <p>John Pursley, Jr. (SIGNED ELECTRONICALLY)</p> <p>Signee's address</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Title</td> <td style="width: 33%;">Phone</td> <td style="width: 34%;">Date</td> </tr> <tr> <td>Treasurer</td> <td></td> <td>04/14/2017</td> </tr> <tr> <td colspan="2">Email Address</td> <td rowspan="2" style="text-align: center;">(For Office Use Only)</td> </tr> <tr> <td colspan="2">filing@harborcompliance.com</td> </tr> </table>	Title	Phone	Date	Treasurer		04/14/2017	Email Address		(For Office Use Only)	filing@harborcompliance.com	
Title	Phone	Date											
Treasurer		04/14/2017											
Email Address		(For Office Use Only)											
filing@harborcompliance.com													
<p>Enclose filing fee of \$10.00 Return by: 5/8/2017</p> <p>Make remittance payable to Secretary of State Do Not Send Cash Do Not Staple</p> <p>web site: www.sos.louisiana.gov DO NOT STAPLE</p>													
		<p>5</p>											

UNSIGNED REPORTS WILL BE RETURNED

**Annual Report Supplemental Page
for Period Ending 5/8/2017**

Charter Number : 41882350N

Charter Name: NASCENT TECHNOLOGIES CORPORATION

Additional Officers

JEFFREY MOULTON Director
340 EAST PARKER STREET
SUITE 368 BATON ROUGE, LA 70803

STEPHEN MARTIN Secretary, Director
[REDACTED]

Tom Schedler
SECRETARY OF STATE

State of Louisiana
Secretary of State



COMMERCIAL DIVISION
225.925.4704

05/08/2015

Administrative Services

225.932.5317 Fax

Corporations

225.932.5314 Fax

Uniform Commercial Code

225.932.5318 Fax

ONLINE FILING
sgreen@harborcompliance.com

NASCENT TECHNOLOGIES CORPORATION

It has been a pleasure to approve and place on file your articles of incorporation. The appropriate evidence is attached for your files.

Payment of the filing fee is acknowledged by this letter.

Online filing options are available if changes are necessary to your registration or you need to file an annual report. Please visit our website at **GeauxBiz.com** for your future business needs.

Sincerely,

The Commercial Division
WEB

UNITED STATES OF AMERICA
State of Louisiana

Tom Schedler
SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that
a copy of the Articles of Incorporation of

NASCENT TECHNOLOGIES CORPORATION

Domiciled at BATON ROUGE, LOUISIANA,

Was filed and recorded in this Office on May 08, 2015,

And all fees having been paid as required by law, the corporation is authorized to transact business in this State, subject to the restrictions imposed by law, including the provisions of R.S. Title 12, Chapter 2.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

May 8, 2015



Secretary of State


WEB 41882350N



Certificate ID: 10598680#VMVA4

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www.sos.la.gov

UNITED STATES OF AMERICA



State of Louisiana

Tom Schedler
SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that

the attached document(s) of

NASCENT TECHNOLOGIES CORPORATION

are true and correct and are filed in the Louisiana Secretary of State's Office.

Original Filing 05/08/2015 5 pages

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

May 8, 2015



Secretary of State

WEB 41882350N



Certificate ID: 10598681#52N83

To validate this certificate, visit the following web site, go to **Business Services**, Search for **Louisiana Business Filings**, Validate a **Certificate**, then follow the instructions displayed.

www.sos.la.gov

**STATE OF LOUISIANA
ARTICLES OF INCORPORATION
(R.S. 12:203)**

1. The name of this corporation is: NASCENT TECHNOLOGIES CORPORATION

2. This corporation is formed for the purpose of: engaging in any lawful activity for which corporations may be formed under Chapter 2, Title 12, of the LA Revised Statutes (Non-Profit Corporation Law).

3. The duration of this corporation is (may be perpetual): PERPETUAL

4. This corporation is a nonprofit corporation.

5. The location and municipal address (not a P.O. Box only) of this corporation's registered office is:

8550 UNITED PLAZA BLVD. STE 702-N
BATON ROUGE, LA 70809

6. The full name and address (not a P.O. Box only) of this corporation's registered agent(s) is/are:

NORTHWEST REGISTERED AGENT LLC
8550 UNITED PLAZA BLVD., STE. 702-N
BATON ROUGE, LA 70809

7. The full name and address of each incorporator of this corporation is:

JOHN PURSLEY JR.



8. The corporation's initial board of directors, municipal addresses (not a P.O. Box only) and term of office are:

JEFFREY MOULTON (President)
3000 BUSINESS EDUCATION COMPLEX
ROOM 3033
BATON ROUGE, LA 70803

JOSEPH BOOTH (Secretary)
LOUISIANA STATE UNIVERSITY
134 DAVID BOYD HALL
BATON ROUGE, LA 70803

JOHN PURSLEY, JR (Treasurer)



9. This corporation is to be organized on a non-stock basis.

10. Other Provisions:

1)PURPOSES A)GENERAL PURPOSES: THE CORPORATION (A) IS ORGANIZED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL AND SCIENTIFIC PURPOSES WITHIN THE MEANING OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR SUCCESSOR PROVISIONS THERETO AND (B) SHALL BE AFFILIATED WITH THE BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE ("LSU") AS DEFINED IN LA. R.S. 17:3390, WITH A GENERAL PURPOSE OF SUPPORTING THE PROGRAMS, FACILITIES AND RESEARCH AND EDUCATIONAL OPPORTUNITIES OFFERED BY LSU. THE CORPORATION SHALL MAKE DISTRIBUTIONS TO OTHER ORGANIZATIONS RECOGNIZED AS EXEMPT UNDER SECTION 501(C)(3) OF THE CODE, INCLUDING, BUT NOT LIMITED TO, THE CORPORATION'S SOLE MEMBER, LSU (HEREINAFTER, THE "MEMBER"), SO LONG AS SUCH MEMBER QUALIFIES AS EXEMPT UNDER SECTION 501(C)(3) OF THE CODE. B)SPECIFIC PURPOSES: IN FURTHERANCE OF ITS GENERAL CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES, AND TO SUPPORT THE PURPOSES AND ACTIVITIES OF THE CORPORATION'S SOLE MEMBER, THE CORPORATION, IN THE PUBLIC INTEREST AND TO LESSEN THE BURDENS OF GOVERNMENT, SHALL UNDERTAKE SCIENTIFIC RESEARCH AND DEVELOPMENT ACTIVITIES FOR THE GOVERNMENTS OF THE UNITED STATES OF AMERICA, THE STATE OF LOUISIANA, OTHER STATES, AND POLITICAL SUBDIVISIONS, AGENCIES, AND INSTRUMENTALITIES OF ANY OF THE FOREGOING, AND SHALL UNDERTAKE EDUCATIONAL AND OTHER ACTIVITIES TO PROMOTE THE USE OF THE BENEFITS OF SCIENTIFIC RESEARCH AND DEVELOPMENT BY THE AMERICAN INDUSTRIAL BASE. THE CORPORATION SHALL ALSO UNDERTAKE ACTIVITIES IN THE PUBLIC INTEREST TO PROMOTE THE ECONOMIC, SOCIAL AND EDUCATIONAL DEVELOPMENT OF LOCAL, STATE AND REGIONAL ECONOMIES (PARTICULARLY THOSE IN THE STATE OF LOUISIANA, AND INCLUDING LOW-INCOME AND ECONOMICALLY-DISTRESSED SECTORS AND REGIONS) INTO DYNAMIC, ENVIRONMENTALLY-SUSTAINABLE, AND SOCIALLY-INCLUSIVE ECONOMIES THAT OFFER ECONOMIC OPPORTUNITY TO ALL RESIDENTS AND ARE ABLE TO COMPETE SUCCESSFULLY IN THE GLOBAL MARKETPLACE. TO THOSE ENDS, THE CORPORATION SHALL RESEARCH AND ANALYZE KEY PUBLIC NEEDS AND CRITICAL ISSUES, AND EVALUATE AND DESIGN BEST PRACTICES AND SOLUTIONS TO ADDRESS THOSE NEEDS AND ISSUES, IN ORDER TO ASSIST GOVERNMENT AT ALL LEVELS IN THE CREATION OF PRUDENT AND RESPONSIVE PUBLIC POLICIES AND THE CREATION AND IMPLEMENTATION OF EFFECTIVE PROGRAMS AND INITIATIVES (INCLUDING PUBLIC-PRIVATE PARTNERSHIPS AND SIMILAR COOPERATIVE ENDEAVORS INVOLVING THE PRIVATE AND NON-PROFIT SECTORS) TO PROMOTE SUCH

ECONOMIC, SOCIAL AND EDUCATIONAL DEVELOPMENT. THE CORPORATION SHALL ALSO ENGAGE IN ACTIVITIES DESIGNED TO ASSIST IN THE PRACTICAL IMPLEMENTATION OF SUCH PUBLIC POLICIES, PROGRAMS AND INITIATIVES, INCLUDING OUTREACH TO PUBLIC, EDUCATION, TRAINING, WORKFORCE DEVELOPMENT; AND PROMOTION OF CAPITAL INVESTMENT AND JOB-CREATING ENTREPRENEURSHIP. WITHOUT OTHERWISE LIMITING ITS POWERS, THE CORPORATION MAY EXERCISE ALL RIGHTS AND POWERS CONFERRED BY THE LAWS OF THE STATE OF LOUISIANA UPON NONPROFIT CORPORATIONS. 2)RESTRICTIONS A)ANTI-INUREMENT: THE CORPORATION DOES NOT CONTEMPLATE PECUNIARY GAIN OR PROFIT, INCIDENTAL OR OTHERWISE. NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTABLE TO ITS DIRECTORS, OFFICERS, OR OTHER PERSONS, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED TO IT, TO REIMBURSE PERSONS INCURRING REASONABLE EXPENSES ON ITS BEHALF, AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES SET FORTH HEREOF. B)POLITICAL ACTIVITIES: NO SUBSTANTIAL PART OF THE ACTIVITIES OF THE CORPORATION SHALL CONSTITUTE THE CARRYING ON OF PROPAGANDA OR OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION, OR ANY INITIATIVE OR REFERENDUM BEFORE THE PUBLIC, AND THE CORPORATION SHALL NOT PARTICIPATE IN, OR INTERVENE (INCLUDING BY PUBLICATION OR DISTRIBUTION OF STATEMENTS) IN, ANY POLITICAL CAMPAIGN ON BEHALF OF (OR IN OPPOSITION TO) ANY CANDIDATE FOR PUBLIC OFFICE. C)OTHER ACTIVITIES: NOTWITHSTANDING ANY OTHER PROVISIONS OF THESE ARTICLES OF INCORPORATION, THE CORPORATION SHALL NOT CARRY ON ANY OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON (A) BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE CODE, OR (B) BY A CORPORATION, CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTION 170(C)(2) OF THE CODE. D)PRIVATE FOUNDATION STATUS: IF THE CORPORATION IS EVER DETERMINED BY THE INTERNAL REVENUE SERVICE TO BE A "PRIVATE FOUNDATION" AS THAT TERM IS DEFINED BY SECTION 509(A) OF THE CODE, THE CORPORATION SHALL: (1)NOT ENGAGE IN ANY ACT OF SELF-DEALING AS DEFINED IN SECTION 4941(D) OF THE CODE; (2)DISTRIBUTE ITS INCOME FOR EACH TAXABLE YEAR AT SUCH TIME AND IN SUCH MANNER AS NOT TO BECOME SUBJECT TO THE TAX ON UNDISTRIBUTED INCOME IMPOSED BY SECTION 4942 OF THE CODE; (3) NOT RETAIN ANY EXCESS BUSINESS HOLDINGS AS DEFINED IN SECTION 4943(C) OF THE CODE; (4) NOT MAKE ANY INVESTMENTS IN SUCH MANNER AS TO SUBJECT IT TO TAX UNDER SECTION 4944 OF THE CODE; AND (5) NOT MAKE ANY TAXABLE EXPENDITURES DEFINED IN SECTION 4945(D) OF THE CODE. 3)LIMITATION OF

LIABILITY A)NO PERSONAL LIABILITY: THE MEMBER, DIRECTORS AND OFFICERS OF THE CORPORATION SHALL NOT BE PERSONALLY LIABLE OR RESPONSIBLE FOR ANY CONTRACT, DEBT, LIABILITY, DEFAULT OR OBLIGATION OF THE CORPORATION EXCEPT TO THE EXTENT REQUIRED BY LOUISIANA LAW. NO MERE INFORMALITY IN ORGANIZATION SHALL HAVE THE EFFECT OF RENDERING THESE ARTICLES OF INCORPORATION NULL AND VOID OR OF EXPOSING THE MEMBER, DIRECTORS OR OFFICERS TO ANY LIABILITY.

B)INDEMNIFICATION: THE DIRECTORS OF THE CORPORATION SHALL BE INDEMNIFIED FOR CLAIMS AGAINST THEM TO THE FULLEST EXTENT PERMITTED BY LAW.

4)DISSOLUTION UPON THE LIQUIDATION OR DISSOLUTION OF THE CORPORATION, THE BOARD OF DIRECTORS SHALL, AFTER PAYING OR MAKING PROVISIONS FOR PAYMENT OF ALL THE LIABILITIES AND EXPENSES OF THE CORPORATION, DISPOSE OF ALL THE ASSETS OF THE CORPORATION EXCLUSIVELY FOR THE PURPOSE OF THE CORPORATION IN SUCH A MANNER, OR TO SUCH ORGANIZATIONS, INCLUDING THE MEMBER, ORGANIZED AND OPERATED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL OR SCIENTIFIC PURPOSES AS AT THE TIME SHALL QUALIFY AS AN EXEMPT ORGANIZATION OR ORGANIZATIONS UNDER SECTION 501(C)(3) OF THE CODE, AS THE BOARD OF DIRECTORS, WITH THE MEMBER'S CONSENT, SHALL DETERMINE. ANY SUCH ASSETS NOT SO DISPOSED OF SHALL BE DISTRIBUTED TO THE FEDERAL GOVERNMENT, OR TO A STATE OR LOCAL GOVERNMENT, FOR A PUBLIC PURPOSE.

The filing of a false public record, with the knowledge of its falsity, is a crime, subjecting the filer to fine or imprisonment or both under R.S. 14:133.

I hereby certify that I am the Incorporator and have the authority to sign on behalf of any other Incorporator listed.

Electronic Signature: JOHN PURSLEY, JR (5/8/2015)

Title: INCORPORATOR / TREASURER

SECRETARY OF STATE



Agent Affidavit and Acknowledgement of Acceptance

Charter Number: 41882350N

Charter Name: NASCENT TECHNOLOGIES CORPORATION

The agent / agents listed below accept the appointment of registered agent for and on behalf of the Charter Name above.

Date Responded	Agent(s)	Agent(s) Electronic Signature
05/08/2015	NORTHWEST REGISTERED AGENT LLC	TOM GLOVER

EXHIBIT B

LSU Board of Supervisors Resolution (dated September 18, 2015)



Request from LSU A&M for the Establishment of a Nonprofit 501(c)(3) Affiliate for the Purposes of Expanding Research, Development, Testing, and Evaluation Opportunities with the Federal Government

To: Members of the Board of Supervisors

Date: September 18, 2015

Pursuant to Article VII, Section D.1 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

D.1 Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

1. Summary of Matter

LSU is expanding its Research, Development, Test & Evaluation (RDT&E) opportunities with the Federal government through the establishment of a LSU Nonprofit 501(c)(3) Affiliate, Nascent Technologies Corporation (NTC). NTC shall be managed and operated by the NTC Board of Directors and Officers who are solely appointed by LSU as the sole member, and in accordance with the Articles of Incorporation and Bylaws that may be amended, restated or repealed only by LSU.

Under the proposed Nonprofit Affiliate, beginning in the fall of 2015, NTC in furtherance of its general charitable, scientific, and educational purposes, and in support of the purposes and activities of LSU, NTC will be organized and operated primarily to identify and procure RDT&E opportunities with the Department of Defense (DoD) and the Department of Homeland Security (DHS).

NTC will seek a Bank Line of Credit from a local financial institution to supplement funding as necessary for its start-up and on-going operational costs for fiscal years 2016 and 2017, until NTC is in a sufficient position to fully fund itself. It is anticipated based on current and projected contract activity that NTC will be in a sufficient position to fund itself and/or extend the line of credit as necessary before the end of fiscal year 2017.

The capture of additional RDT&E opportunities with the DoD and DHS will contribute to the Flagship 2020 mission by: (1) diversifying the faculty and student body study opportunities; (2) providing additional networking opportunities for the business community; and (3) improving LSU's worldwide university ranking.

2. Review of Business Plan

As a LSU Nonprofit 501(c)(3) Affiliate, NTC will manage the performance of prime contracts, grants and cooperative agreements or perform subcontracts primarily to assist the Federal government in addressing issues, particularly those requiring scientific and technical expertise. As a nonprofit member of the professional services industry, NTC provides professional services primarily to the Federal government's Department of Defense (DoD) and the Department of Homeland Security (DHS). The NTC professional services include, but are not limited to, research and development, test and evaluation, operations and maintenance, scientific, engineering, logistics, environmental, information technology, and consulting services.

- a. **University Risks.** Doing business/contracting with the Federal government, especially with the Department of Defense (DoD), has certain business risks and extra costs (e.g., financial, legal, operational, etc.) as outlined in Attachment I, "The Risks and Extra Costs of Federal Government

Contracting.” Establishing NTC as a Nonprofit Affiliate primarily addresses these risks and extra costs with limited impact to the on-going operations of LSU.

- b. University Benefits.** The key benefits to the University are: (1) leveraging the past performance and capabilities of LSU to capture new Federal government funding sources; (2) thereby increasing the funding opportunities for the faculty, students and staff; and (3) expanding into new RDT&E opportunities, which otherwise would not be pursued by the University.
- c. Precedent.** This proven business model is successful across the academic landscape. Representative university examples include: Georgia Tech, Michigan State, Texas A&M, and others.
- d. Accountability.** Top-down oversight and bottom-up operations as follows:
 - **Oversight.** Three Board of Directors meetings per year: (1) October as the Annual Meeting, to include Audited Financial Statements and Government Filings (e.g. IRS Form 990 and OMB A133); (2) February, to include business and organizational development; and (3) June, to include contract and financial performance.
 - **Operations.** Five management modules: (1) business development, (2) organizational development, (3) human resources, (4) contract performance, and (5) financial performance.

As a University Affiliated Nonprofit Organization, NTC is a Large Business (LB) as defined by applicable federal regulations. Accordingly, as a nonprofit prime contractor, NTC is not eligible for award of any Small Business set-asides. NTC, as a prime contractor and subcontractor, shall acquire vehicles (contracts, grants, cooperative agreements, etc.) and capture funding to accomplish the NTC goals and objectives by entering into Teaming Relationships ---

- As the Prime Contractor with:
 1. Large Businesses (LB);
 2. Small Businesses (SB);
 3. Service-Disabled Veteran Owned Small Businesses (SDVOSB);
 4. Other Set-aside SB;
 5. Commercial Enterprises & Concerns; and
 6. Nonprofit Organizations.
- As a Subcontractor with:
 1. Small Businesses (SB) Federal Prime Contractors; and
 2. Nonprofit (NP) Federal Prime Contractors.

3. Fiscal Impact

NTC is expected to generate revenues in excess of expenditures for fiscal year 2016 and thereafter. The following presents the NTC Proforma Statement of Activities from fiscal year 2016 through fiscal year 2020 (see also Attachment II). LSU is asking to restrict the Funds (Net Assets) generated by NTC so that they may be reinvested exclusively for the continued operations and expansion of the purposes of NTC; including supportive campus activities associated with NTC.

NASCENT TECHNOLOGIES CORPORATION
(A Nonprofit Affiliate of Louisiana State University)
Proforma Statement of Activities: FY16 through FY20

Description	FY16	FY17	FY18	FY19	FY20
Revenues	\$ 1,400,000	\$ 2,500,000	\$ 3,500,000	\$ 5,000,000	\$ 7,000,000
Costs and Expenses:					
Direct contract costs	\$ 1,041,359	\$ 1,866,601	\$ 2,607,677	\$ 3,875,262	\$ 5,491,152
Indirect contract costs	304,795	537,245	757,707	932,431	1,239,638
Other operating expenses	26,923	48,077	67,308	96,154	134,615
Total Costs and Expenses	<u>1,373,077</u>	<u>2,451,923</u>	<u>3,432,692</u>	<u>4,903,846</u>	<u>6,865,385</u>
Change in Net Assets	\$ 26,923	\$ 48,077	\$ 67,308	\$ 96,154	\$ 134,615
Net Assets, beginning of year	-	26,923	75,000	142,308	278,462
Net Assets, end of year	<u>\$ 26,923</u>	<u>\$ 75,000</u>	<u>\$ 142,308</u>	<u>\$ 238,462</u>	<u>\$ 373,077</u>

The estimated revenues presented in the Proforma Statement are 100 percent from new NTC contract awards.

The Contract Indirect (Overhead Pool A and General & Administrative) Costs includes reimbursements to the University for: (1) the use of Facilities; and (2) other allowable reimbursable costs allocable to NTC in accordance with applicable Government agreements. In addition, the Net Fees Earned are 100 percent available to the University as directed by the Member (LSU). The basis for estimating the amounts for these Indirect Costs and Expenses (cash flow back) are to be determined.

The NTC Proforma Operating Statement presents the basis of the financial assumptions for: (1) the Revenues (100 percent from Contract Sources); (2) Direct (Labor & Nonlabor) and Indirect (Employee Fringe Benefits, Overhead Pools A & B, and General & Administrative) Contract Costs; (3) Other Operating (Non-reimbursable and Non-allocable) Expenses; and (4) the Gross Fees Earned. The Provisional Indirect Rates and other assumptions included in the Proforma Operating Statement are based on the Government marketplace for a Nonprofit Organization with Modified Total Direct Cost (MTDC) Indirect Rates.

The expected Revenues (100 percent from new NTC Contract awards) for fiscal year 2016 and fiscal year 2020 are \$1,400,000 and \$7,000,000, respectively, reflect a five year compound growth rate of approximately 50 percent.

4. Description of Competitive Process

Not Applicable.

5. Review of Legal Documents

The Articles of Incorporation and Proposed Bylaws for NTC have been prepared by the LSU staff in consultation with the Office of General Counsel. These NTC documents are included in Attachment III: Bylaws and Articles of Incorporation.

For NTC to operate as a Compliant Government Contractor requires only the following Member (LSU) documents: (1) the signed Bylaws; (2) the initial operating Line of Credit; (3) the Facility Lease(s), and (4) the Home Office (Member) allocations in accordance any Government agreements, as applicable

6. Parties of Interest

LSU A&M is the sole Member of the LSU Nonprofit 501(c)3 Affiliate, NTC.

7. Related Transactions

Not Applicable.

8. Conflicts of Interest

None.

ATTACHMENTS:

- Attachment I – Risks and Extra Cost of Federal Government Contracting Summary
- Attachment II – NTC Proforma Operating Statement, FY16 – FY20
- Attachment III – NTC Bylaws and Articles of Incorporation

RECOMMENDATION:

The staff recommends that the Board consider the resolution(s) set forth below.

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) authorizes F. King Alexander, in his capacity as President of LSU, or his designee, acting on behalf of and in the name of the Board, and in consultation with legal counsel, to establish and execute the Articles of Incorporation and Bylaws for the LSU Nonprofit 501(c)(3) Affiliate, Nascent Technologies Corporation (NTC), to be operated for the benefit of the sole Member (LSU), and any related documents necessary or desirable to accomplish and implement the purposes of NTC, with as such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including funding, that the President deems to be in the best interest of LSU;

AND

BE IT FURTHER RESOLVED that the Board does hereby approve establishing a restricted account for the funds generated by NTC. These funds to be used exclusively for the continued operations and expansion of the purposes of NTC; including campus activities associated with NTC at the discretion of the President or his designee, who shall be the Vice President for Finance and Administration/CFO unless the President names another designee.

12B3. Request from LSU AgCenter to Approve the Implementation of a Retirement Incentive Plan

Upon motion of Mr. Danos, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve the implementation of the proposed LSU Agricultural Center Retirement Incentive Program and;

BE IT FURTHER RESOLVED that this resolution shall become effective on October 1, 2015 and;

BE IT FURTHER RESOLVED that the Vice President for Agriculture and Dean of the College of Agriculture shall report on the outcome of the program at the December 2015 meeting of the Board of Supervisors, including the actual number of participants, financial results, and any modifications made in the final implementation of this program.

12B4. Request from LSU A&M for the Establishment of a Nonprofit 501(c)(3) Affiliate for the Purposes of Expanding Research, Development, Testing, and Evaluation Opportunities with the Federal Government

Dr. Layzell introduced Jeff Moulton, Senior Executive Nascent Technologies Corporation (NTC) who gave a presentation on the LSU Non-Profit Affiliate. The NTC would focus on providing a facility for the University to compete for applied research and development contracts with the federal government (primary with Dept. of Defense and Homeland Security).

Mr. Angelle asked how this is different from our current structure. Mr. Moulton said setting up this corporation would allow LSU to open the door under the model of federal acquisition regulation (FAR) to compete for monies under the federal system and hopefully spin off with other companies. Dr. Layzell confirmed that the Board would retain direct oversight, and accountability. It was requested to follow up with a progress report to the Committee semi-annually. **(Copy of the Presentation is on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

Upon motion of Mr. McCollister, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") authorizes F. King Alexander, in his capacity as President of LSU, or his designee, acting on behalf of and in the name of the Board, and in consultation with legal counsel, to establish and execute the Articles of Incorporation and Bylaws for the LSU Nonprofit 501(c)(3) Affiliate, Nascent Technologies Corporation (NTC), to be operated for the benefit of the sole Member (LSU), and any related documents necessary or desirable to accomplish and implement the purposes of NTC, with as such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including funding, that the President deems to be in the best interest of LSU;

AND

BE IT FURTHER RESOLVED that the Board does hereby approve establishing a restricted account for the funds generated by NTC. These funds to be used exclusively for the continued operations and expansion of the purposes of NTC; including campus activities associated with NTC at the discretion of the President or his designee, who shall be the Vice President for Finance and Administration/CFO unless the President names another designee.

12B5. Request from LSU A&M for the Establishment of a Restricted Account in the LSU Libraries for the Louisiana Digital Consortium

Upon motion of Mr. Anderson, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve establishing a restricted account for the LSU Libraries. The funds are to be used exclusively for the use of the Louisiana Digital Consortium for the purpose of supporting the improvement, maintenance, and operations of the Louisiana Digital Library and other digital services.

12B6. Request from LSU A&M for the Establishment of a Restricted Account in the LSU Press for The Southern Review

Upon motion of Mr. Yarborough, seconded by Mr. Danos, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve establishing a restricted account for the LSU Press. The funds are to be used exclusively for the use of the LSU Press for the purpose of operations of The Southern Review.

12B7. Request from LSU Health Care Services Division to Direct Bogalusa Community Medical Center to Forward Funds to LSU Health Care Services Division

Upon motion of Mr. Anderson, seconded by Mr. Danos, the Board voted unanimously to approve the following resolution:

NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board of Supervisors") does hereby direct Bogalusa Community Medical Center and the Trustee for the \$4,625,000 Health Care Community Development Corporation Taxable Revenue Bonds (Bogalusa Community Medical Center Project) Series 2007B to transfer to LSU Health Care Services Division ("LSU HCSD") all funds in that certain trust account designated Series 2007B Special Sinking Fund Account (the "Account") established with Regions Bank as Trustee, which payments were made pursuant to Section 3.1(c) of the Amended and Restated Lease Agreement dated September 28, 2007 by and between Bogalusa Community Medical Center as Lessor and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College as Lessee.

BE IT FURTHER RESOLVED that the Board of Supervisors does hereby authorize Dr. F. King Alexander, President, to execute any and all documents necessary to effectuate the transfer to LSU HCSD of all funds held in said Account.

EXHIBIT C

STC Board of Directors Resolution (dated October 24, 2016)

**NASCENT TECHNOLOGIES CORPORATION
BOARD OF DIRECTORS
MEETING MINUTES - 24 OCT 2016**

This Annual Meeting of the Board of Directors of the Nascent Technologies Corporation (NTC) was held at the Louisiana Emerging Technology Center board room in Baton Rouge, LA. The following Directors of NTC attended the meeting: Jeffrey A. Moulton (Chairman) and Daniel T. Layzell (Vice Chairman). The Board Member and NTC Secretary was absent: Thomas V. Skinner. The following guests attended the meeting: John B. Pursley, Jr. (NTC Treasurer), and Kelly S. Wolshon (LSU Business Manager, Stephenson National Center for Security Research & Training).

1. **Call to Order:** A quorum being present, the meeting was called to order at 9:07AM by Mr. Moulton.
2. **Old Business:** Mr. Moulton moved and the Board approved the 23 June 2016 Board Meeting minutes.
3. **President's Report:** In accordance with the Standing Agenda Items for this Board Meeting, Mr. Moulton presented an Overview of Current FY Operations which included the following:
 - a) **Business Development:**
 - 1) Three new proposals were submitted and awarded:
 - (1) Caribbean Coalition Environment (CCE) (\$2,650,000.00);
 - (2) Office of Naval Intelligence Support (\$289,868.40); and
 - (3) Secure the Energy Grid (\$700,000.00).
 - 2) NTC was awarded a U.S Special Operations Command (USSOCOM) Cooperative Research and Development Agreement (CRADA).
 - 3) A twenty-four (24) Month BD Projection of targets for future Contract and Funded awards was presented.
 - b) **Human Resources:** Mr. Moulton discussed the #1 priority of hiring skilled and cleared employees.
 - c) **Other – Corporate Name Change:** Mr. Moulton moved and the Board approved requesting from the Member (LSU) a name change for NASCENT TECHNOLOGIES CORPORATION (NTC) to STEPHENSON TECHNOLOGIES CORPORATION (STC) in recognition of the Corporation's appreciation of the \$500,000 donation by the LSU Foundation funded by Emmitt & Toni Stephenson. This NAME CHANGE for NTC to STC was presented and Approved by the NTC Member (LSU) President Designee, Daniel Thomas Layzell, LSU Vice President for Finance and Administration/CFO.

**NASCENT TECHNOLOGIES CORPORATION
BOARD OF DIRECTORS
MEETING MINUTES - 24 OCT 2016**

- d) **Board of Directors & Officers:** This being the Annual Meeting of the Board of Directors, Mr. Moulton presented, the Board moved and the NTC Member (LSU) President Designee, Mr. Layzell approved the following list of Board Members and Officers:

CLASS A Directors (Term Ends October 2017 Annual Meeting):

- 1) Layzell, Daniel Thomas (Vice Chairman of the Board)
- 2) Elder, Robert James (Board Member)
- 3) Richardson, Clifton Sanford (Board Member)

CLASS B Directors (Term Ends October 2018 Annual Meeting):

- 4) Moulton, Jeffery Allen (Chairman of the Board)
- 5) Martin, Stephen Coppage (Board Secretary)

OFFICERS:

- 1) Moulton, Jeffery Allen (Corporate President)
- 2) Pursley Jr., John Bunyan (Corporate Treasurer)
- 3) Skinner, Thomas Vernon (Corporate Secretary)

- e) **Resolution for Exclusion of Certain Directors or Officers:** Mr. Moulton reminded the Board that NTC is in the process of obtaining a contractor facility security clearance. Accordingly, Mr. Moulton moved and the Board approved the attached **Resolution for Exclusion of Certain Directors or Officers**.

4. **Treasurer's Report:** In accordance with the Standing Agenda Items for this Board Meeting, Mr. Pursley presented an Overview of Financial Performance which included the following:

- a) **FY17 Proforma:** Mr. Pursley presented to the Board the Statement of Financial Position and Statement of Activities for FY16 and the 1st Quarter of FY17. Also presented was a schedule of the Gross, Contract and Funded Backlog as of the 1st of October 2016. Mr. Pursley requested, Mr. Moulton presented, the Board moved and the NTC Member (LSU) President Designee, Mr. Layzell approved the engagement by NTC of an Independent CPA Firm for the FY17 Audited Financial Statements and OMB Circular A-133 Requirements.
- b) **COI Policy & Disclosures:** The NTC Conflict of Interest Policy and Annual Disclosures Form were presented to the Board by Mr. Pursley. All Members of the Board and Officers are required to complete the Annual Disclosures and submit them to the Chairman of the Board before the February 2017 Board of Directors Meeting.

**NASCENT TECHNOLOGIES CORPORATION
BOARD OF DIRECTORS
MEETING MINUTES - 24 OCT 2016**

c) **Next Year's Board Meetings:** The following dates were established for the next three Board Meetings:

- 1) Friday, 24th of February 2017
- 2) Friday, 23rd of June 2017
- 3) Friday, 27th of October 2017 (Annual Meeting)

d) **Other Items:** The Board was informed by Mr. Pursley that the name (Stephenson Technologies Corporation) has been reserved in the State of Louisiana, and that the name change will include the requisite filings with State of Louisiana for the Articles of Incorporation, the IRS, the Federal SAM System, the NTC Clients, and Doing Business as (DBA) Registrations such as Nascent Technologies Corporation and Nascent Technologies Center (NTC).

5. **Adjournment:** The Board Meeting concluded at 9:45AM, whereupon a motion to adjourn was made and seconded and the meeting adjourned.

Secretary: _____ Date: _____
Thomas V. Skinner

Chairman: _____ Date: _____
Jeffrey A. Moulton

**UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
NASCENT TECHNOLOGIES CORPORATION
IN LIEU OF SPECIAL MEETING**

The undersigned, being all the Directors of the Nascent Technologies Corporation ("NTC"), a nonprofit Louisiana corporation (the "Corporation"), acting pursuant to Section 2.8 of the Bylaws of the Corporation, hereby waive any notice requirement and consent in writing to the following resolutions or other corporate actions as though approved or adopted at a duly noticed and called Special Meeting of the Board of Directors of the Corporation (the "Board") in January 2016 (pursuant to Section 2.8 of the Bylaws of the Corporation), or with respect to any corporate actions or resolutions having a different effective date, as though approved or adopted at a duly noticed and called meeting held on such specified effective date.

RESOLUTION FOR EXCLUSION OF CERTAIN DIRECTORS OR OFFICERS

WHEREAS, acting in his capacity as the President of NTC, Jeffrey Allen Moulton furnished to the local Defense Security Service (DSS) Industrial Security field office the following documents (Attachment A) in accordance with the 24th of October 2016 Board of Directors Meeting (Attachment B):

- 1) Resolution for Exclusion of Certain Directors or Officers;
- 2) Certificate Pertaining to Foreign Interests (SF 328); and
- 3) Department of Defense Security Agreement (SF 441).

RESOLUTION TO EXCLUDE PARENT ORGANIZATION

WHEREAS, the DSS requires that the NTC Board of Directors and the NTC Member (LSU, the Parent Organization) each pass a Resolution to Exclude Parent Organization before continuing to process a Facility Security Clearance for NTC (Attachment C provides the DSS Template for each of the Resolutions). Accordingly, the Board of Directors of NTC by this Unanimous Written Consent pass the following, effective the 4th of January 2017:

BE IT RESOLVED, that officials of LSU, the ultimate tier entity organization, or any of the intermediate tier entities of NTC (Address: 340 East Parker Street, Baton Rouge, LA 70803) shall not require and shall not have access to classified information in the custody of NTC, a subsidiary organization or any other facilities reporting to NTC that require access to classified information.

**UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
NASCENT TECHNOLOGIES CORPORATION
IN LIEU OF SPECIAL MEETING**

BE IT FURTHER RESOLVED, that NTC hereby acknowledges the execution of a resolution by LSU (Address: Office of the Vice President for Finance and Administrative Services, Louisiana State University and A&M College, 111B University Administration Building, Baton Rouge, Louisiana 70803) whereby the Corporation, its officers and directors, as such, and intermediate entities will not require and will not have access to classified information in the custody of NTC, a subsidiary corporation, and further that this action will not affect adversely the policies of said subsidiary involving the security and safeguarding of classified information or performance of classified contracts.

BE IT FURTHER RESOLVED, that these actions of the Board of Directors of the NTC are taken for the purpose of exempting the LSU from the necessity of being processed for a Facility Security Clearance equivalent to that held by the NTC in conformity with the "National Industrial Security Program Operating Manual".

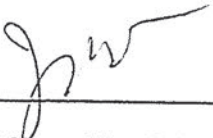
FACILITY SECURITY CLEARANCE

FURTHER RESOLVED, that all actions of the Corporation, its Directors, Officers, agents and employees heretofore taken in connection with the aforesaid matters, are hereby ratified, approved and confirmed.

AND BE IT FURTHER RESOLVED, that this Unanimous Written Consent may be executed in one or more counterparts and executed signature pages may be delivered by facsimile transmission, all of which shall be taken together as one document.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent of the Board of Directors of the Nascent Technologies Corporation effective as of 4th of January 2017 or, with respect to any matters specifying a different effective date, then effective as of such specified date.

Board of Directors:



Jeffrey Allen Moulton

Daniel Thomas Layzell

Stephen Coppage Martin

Robert James Elder

Clifton Sanford Richardson

**UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
NASCENT TECHNOLOGIES CORPORATION
IN LIEU OF SPECIAL MEETING**

BE IT FURTHER RESOLVED, that NTC hereby acknowledges the execution of a resolution by LSU (Address: Office of the Vice President for Finance and Administrative Services, Louisiana State University and A&M College, 111B University Administration Building, Baton Rouge, Louisiana 70803) whereby the Corporation, its officers and directors, as such, and intermediate entities will not require and will not have access to classified information in the custody of NTC, a subsidiary corporation, and further that this action will not affect adversely the policies of said subsidiary involving the security and safeguarding of classified information or performance of classified contracts.

BE IT FURTHER RESOLVED, that these actions of the Board of Directors of the NTC are taken for the purpose of exempting the LSU from the necessity of being processed for a Facility Security Clearance equivalent to that held by the NTC in conformity with the "National Industrial Security Program Operating Manual".

FACILITY SECURITY CLEARANCE

FURTHER RESOLVED, that all actions of the Corporation, its Directors, Officers, agents and employees heretofore taken in connection with the aforesaid matters, are hereby ratified, approved and confirmed.

AND BE IT FURTHER RESOLVED, that this Unanimous Written Consent may be executed in one or more counterparts and executed signature pages may be delivered by facsimile transmission, all of which shall be taken together as one document.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent of the Board of Directors of the Nascent Technologies Corporation effective as of 4th of January 2017 or, with respect to any matters specifying a different effective date, then effective as of such specified date.

Board of Directors:

_____		_____
Jeffrey Allen Moulton	Daniel Thomas Layzell	Stephen Coppage Martin

_____	_____
Robert James Elder	Clifton Sanford Richardson

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**UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
NASCENT TECHNOLOGIES CORPORATION
IN LIEU OF SPECIAL MEETING**

BE IT FURTHER RESOLVED, that NTC hereby acknowledges the execution of a resolution by LSU (Address: Office of the Vice President for Finance and Administrative Services, Louisiana State University and A&M College, 111B University Administration Building, Baton Rouge, Louisiana 70803) whereby the Corporation, its officers and directors, as such, and intermediate entities will not require and will not have access to classified information in the custody of NTC, a subsidiary corporation, and further that this action will not affect adversely the policies of said subsidiary involving the security and safeguarding of classified information or performance of classified contracts.

BE IT FURTHER RESOLVED, that these actions of the Board of Directors of the NTC are taken for the purpose of exempting the LSU from the necessity of being processed for a Facility Security Clearance equivalent to that held by the NTC in conformity with the "National Industrial Security Program Operating Manual".

FACILITY SECURITY CLEARANCE

FURTHER RESOLVED, that all actions of the Corporation, its Directors, Officers, agents and employees heretofore taken in connection with the aforesaid matters, are hereby ratified, approved and confirmed.

AND BE IT FURTHER RESOLVED, that this Unanimous Written Consent may be executed in one or more counterparts and executed signature pages may be delivered by facsimile transmission, all of which shall be taken together as one document.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent of the Board of Directors of the Nascent Technologies Corporation effective as of 4th of January 2017 or, with respect to any matters specifying a different effective date, then effective as of such specified date.

Board of Directors:

Jeffrey Allen Moulton

Daniel Thomas Layzell

Stephen Coppage Martin

Stephen Coppage Martin

Robert James Elder

Clifton Sanford Richardson

**UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
NASCENT TECHNOLOGIES CORPORATION
IN LIEU OF SPECIAL MEETING**

BE IT FURTHER RESOLVED, that NTC hereby acknowledges the execution of a resolution by LSU (Address: Office of the Vice President for Finance and Administrative Services, Louisiana State University and A&M College, 111B University Administration Building, Baton Rouge, Louisiana 70803) whereby the Corporation, its officers and directors, as such, and intermediate entities will not require and will not have access to classified information in the custody of NTC, a subsidiary corporation, and further that this action will not affect adversely the policies of said subsidiary involving the security and safeguarding of classified information or performance of classified contracts.

BE IT FURTHER RESOLVED, that these actions of the Board of Directors of the NTC are taken for the purpose of exempting the LSU from the necessity of being processed for a Facility Security Clearance equivalent to that held by the NTC in conformity with the "National Industrial Security Program Operating Manual".

FACILITY SECURITY CLEARANCE

FURTHER RESOLVED, that all actions of the Corporation, its Directors, Officers, agents and employees heretofore taken in connection with the aforesaid matters, are hereby ratified, approved and confirmed.

AND BE IT FURTHER RESOLVED, that this Unanimous Written Consent may be executed in one or more counterparts and executed signature pages may be delivered by facsimile transmission, all of which shall be taken together as one document.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent of the Board of Directors of the Nascent Technologies Corporation effective as of 4th of January 2017 or, with respect to any matters specifying a different effective date, then effective as of such specified date.

Board of Directors:

Jeffrey Allen Moulton

Daniel Thomas Layzell

Stephen Coppage Martin



Robert James Elder

Clifton Sanford Richardson

**UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
NASCENT TECHNOLOGIES CORPORATION
IN LIEU OF SPECIAL MEETING**

BE IT FURTHER RESOLVED, that NTC hereby acknowledges the execution of a resolution by LSU (Address: Office of the Vice President for Finance and Administrative Services, Louisiana State University and A&M College, 111B University Administration Building, Baton Rouge, Louisiana 70803) whereby the Corporation, its officers and directors, as such, and intermediate entities will not require and will not have access to classified information in the custody of NTC, a subsidiary corporation, and further that this action will not affect adversely the policies of said subsidiary involving the security and safeguarding of classified information or performance of classified contracts.

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Board of Directors:

Jeffrey Allen Moulton

Daniel Thomas Layzell

Stephen Coppage Martin

Robert James Elder


Clifton Sanford Richardson

EXHIBIT D

REPORT: STC commitment to LSU

STEPHENSON TECHNOLOGIES CORPORATION

REPORT: STC COMMITMENT TO LSU

Stephenson Technologies Corporation ("STC" or "Company" formerly NTC, Nascent Technologies Corporation) was approved to be established by the LSU Board of Supervisors on the 18th of September 2015. Refer to **Attachment A**, Minutes - Regular Board Meeting, Page 9 & 10, Item 12B4.

Afterwards the STC Member, LSU decided not to provide STC a line-of-credit to finance On-going Operations for FY16 and FY17 in accordance with the LSU funding commitments to STC. Refer to **Attachment B**, FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE, Page 1 of 5, Item 1. Summary of Matter (3).

Subsequently, STC Officers met with Emmet & Toni Stephenson who agreed to arrange for the LSU Foundation to donate \$500,000 to STC. STC was awarded its first funded subcontract on the 30th of August 2016. Thus the Company's first Fiscal Year of Operations was 2017 versus 2016.

The following presents the STC Financial Commitments to LSU and the Delivered actual results for the first five years of the Company's Operations by Fiscal Year and Cumulative:

<u>Description</u>	<u>Commitment</u>	<u>Delivered</u>	<u>\$</u>	<u>%</u>
Revenues:				
Fiscal Year 2017	\$ 1,400,000	\$ 2,508,264	\$ 1,108,264	79.2%
Fiscal Year 2018	\$ 2,500,000	\$ 3,404,323	\$ 904,323	36.2%
Fiscal Year 2019	\$ 3,500,000	\$ 4,247,495	\$ 747,495	21.4%
Fiscal Year 2020	\$ 5,000,000	\$ 5,863,244	\$ 863,244	17.3%
Fiscal Year 2021	\$ 7,000,000	\$ 14,463,727	\$ 7,463,727	106.6%
Total 5 Years	<u>\$ 19,400,000</u>	<u>\$ 30,487,053</u>	<u>\$ 11,087,053</u>	<u>57.1%</u>
Net Assets End of 5 Years	<u>\$ 373,077</u>	<u>\$ 5,051,274</u>	<u>\$ 4,678,197</u>	<u>1253.9%</u>

Attachment C, STC STATEMENT OF ACTIVITIES for Fiscal Years 2021 through 2017 presents the audited financial results by CliftonLarsonAllen LLP (CLA).

STC financial results exceeded the Commitments to LSU for both Revenues & Net Assets.

In addition, the other STC Commitments to LSU identified in **Attachment B** were also delivered which included the following:

- 1) STC is a Compliant Federal Prime Contractor with TS/SCI Contract Awards;
- 2) STC has a marketplace established Published Price List (Company T&M Rate Schedule);
- 3) STC has a DCAA Approved Accounting System & MTDC Indirect Rate Structure; and
- 4) STC has an established Intercompany Master Services Agreement (IMSA) with LSU for the award of Intercompany Work Orders (IWA) for LSU to perform funded services by STC.

The CLA Audited Financial Statements for STC's Fiscal Year 2022 are provided as **Attachment D**. The FY22 Revenues and Net Assets are \$13,311,133 and \$4,592,954, respectively.

STC returned the \$500,000 to the LSU Foundation in FY22.

3309 SNCRT_061022 06/10/2022 500,000.00 \$500,000.00 \$.00 \$500,000.00

SUBTOTALS	<hr/>	\$500,000.00	<hr/>	\$.00	<hr/>	\$500,000.00
TOTALS		\$500,000.00		\$.00		\$500,000.00

06/14/2022 000000300 \$500,000.00

Five Hundred Thousand And 00/100 Dollars

LSU FOUNDATION
365 LA EMERGING TECHNOLOGY CENTER
ATTN: BUSINESS MANAGER
BATON ROUGE, LA 70803

LSU FOUNDATION
365 LA EMERGING TECHNOLOGY CENTER
ATTN: BUSINESS MANAGER
BATON ROUGE, LA 70803

Barb Honkus

From: Kelly S Martinez <kellyw@lsu.edu>
Sent: Thursday, June 23, 2022 2:47 PM
To: John Pursley; Donna K Torres
Cc: Joe Homan; Barb Honkus; James M Olson; Andrew L Cox; Sam Bentley
Subject: RE: LSU Foundation --- NTC Stephenson Donation

I wanted to let you all know that the check arrived today. I have contacted the Foundation to let them know so that it may be deposited into our Foundation account. Thank you!

From: John Pursley <jbpursley@[REDACTED]>
Sent: Tuesday, June 7, 2022 9:16 AM
To: Donna K Torres <dtorres@lsu.edu>
Cc: Joe Homan <jhoman@stephensontechnologies.org>; Barb Honkus <Bhonkus@stephensontechnologies.org>; James M Olson <jmolson@lsu.edu>; Kelly S Wolshon <kellyw@lsu.edu>; Andrew L Cox <acox8@lsu.edu>; Samuel J Bentley <sjb@lsu.edu>
Subject: Re: LSU Foundation --- NTC Stephenson Donation

Thank you ... cheque is on its way.

On Tue, Jun 7, 2022, 10:13 AM Donna K Torres <dtorres@lsu.edu> wrote:

Good morning,

Please prepare a check payable to the LSU Foundation and send to Kelly Wolshon, Business Manager for SNCRT. The address for mailing is 365 LA Emerging Technology Center, Baton Rouge, LA 70803.

Please let me know if I can provide additional information.

Donna K. Torres, CPA
LSU Vice President for Finance

On Jun 6, 2022, at 5:55 PM, John Pursley <jbpursley@[REDACTED]> wrote:

Dr. Homan was recently provided a copy of the attached. Please provide me the requisite information for STC to send the LSU Foundation the belated \$500,000.00.

Would like to fulfill this obligation as soon as possible but not later than 30 June 2022.

EXHIBIT E

IWA Summary - \$918,362.35

LSU IWA SUMMARY									
Invoice Period	IWA	Invoice Number	Amount						
			FY17	FY18	FY19	FY20	FY21	FY22	FY23
CCE Project									
10/12/16-4/30/17	FY16-004	CI-00007567	\$103,916.73						
7/1/17-5/31/18	FY18-004-CCE	CI-00015758		\$67,743.03					
6/1/18-6/30/18	FY18-004-CCE	CI-00016786		\$9,132.38					
7/1/18-9/30/18	FY19-004-CCE	CI-00019266			\$18,064.76				
CCE Project Subtotal			\$103,916.73	\$76,875.41	\$18,064.76	\$0.00	\$0.00	\$0.00	\$0.00
NRL C4ISR Project									
10/2/18-1/31/19	FY19-007-C4ISR	CI-00021009			\$812.64				
3/1/19-4/30/19	FY19-007-C4ISR	CI-00022921			\$712.37				
5/1/19-6/30/19	FY19-007-C4ISR	CI-00000000-A			\$0.00				
NRL C4ISR Project Subtotal			\$0.00	\$0.00	\$1,525.01	\$0.00	\$0.00	\$0.00	\$0.00
IADS Project									
9/1/16-6/30/17	FY16-002	CI-00009495	\$74,639.00						
IADS Project Subtotal			\$74,639.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PATRIOT Project									
9/1/16-6/30/17	FY16-001	CI-00009487	\$41,129.65						
7/1/17-12/6/17	FY18-001-PATRIOT	CI-00015764		\$16,641.91					
PATRIOT Project Subtotal			\$41,129.65	\$16,641.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STEG Project									
9/1/16-6/30/17	FY16-003	CI-00009490	\$101,217.12						
7/1/17-5/31/18	FY18-003-STEG	CI-00015768		\$201,670.60					
6/18/18-6/30/18	FY18-003-STEG	CI-00017142		\$16,269.40					
7/1/18-10/31/18	FY19-003-STEG	CI-00019267			\$27,215.03				
11/1/18-11/30/18	FY19-003-STEG	CI-00020045			\$5,433.67				
12/1/18-12/31/18	FY19-003-STEG	CI-00020543			\$2,744.67				
1/1/19-1/31/19	FY19-003-STEG	CI-00021301			\$6,369.72				
2/1/19-2/28/19	FY19-003-STEG	CI-00021618			\$2,282.31				
3/1/19-3/31/19	FY19-003-STEG	CI-00022644			\$1,035.71				
4/1/19-4/30/19	FY19-003-STEG	CI-00023110			\$1,372.98				
5/1/19-5/31/19	FY19-003-STEG	CI-00023953			\$1,780.89				
6/1/19-6/30/19	FY19-003-STEG	CI-00024926			\$2,207.90				
STEG Project Subtotal			\$101,217.12	\$217,940.00	\$50,442.88	\$0.00	\$0.00	\$0.00	\$0.00
SB-CSoC Project									
7/1/18-9/30/18	FY19-005-SB-CSoC	CI-000-19259			\$2,066.38				
10/1/18-11/30/18	FY19-005-SB-CSoC	CI-00020046			\$5,581.72				
12/1/18-12/31/18	FY19-005-SB-CSoC	CI-00020544			\$11,031.15				
1/1/19-1/31/19	FY19-005-SB-CSoC	CI-00021303			\$12,189.58				
2/1/19-2/28/19	FY19-005-SB-CSoC	CI-00021619			\$5,705.75				
3/1/19-3/31/19	FY19-005-SB-CSoC	CI-00022646			\$4,992.56				
4/1/19-4/30/19	FY19-005-SB-CSoC	CI-00023111			\$144.91				
5/1/19-5/31/19	FY19-005-SB-CSoC	CI-00023954			\$1,011.48				
6/1/19-6/30/19	FY19-005-SB-CSoC	CI-00024927			\$2,449.77				
7/1/20-11/30/20	FY21-005-SB-CSOC	CI-00035759					\$9,727.95		
12/1/20-2/28/21	FY21-005-SB-CSOC	CI-00037923					\$5,888.86		
SB-CSoC Subtotal					\$45,173.30	\$0.00	\$15,616.81	\$0.00	\$0.00
EMAP Project									
11/1/18-6/30/19	FY19-006-EMAP	CI-00024828			\$27,458.38				
7/1/2019-8/21/2019	FY20-006-EMAP	CI-00026156				\$12,124.00			
9/1/2019-6/20/2020	FY20-006-EMAP	CI-00032084				\$39,936.94			
7/1/20-10/31/20	FY21-006-EMAP	CI-00035699					\$14,263.99		
EMAP Subtotal					\$27,458.38	\$52,060.94	\$14,263.99	\$0.00	\$0.00
CESER Project									
9/1/21-9/30/21	FY22-001-CESER	CI-00043141						\$8,995.59	
10/1/21-10/31/21	FY22-001-CESER	CI-00043660						\$9,370.75	
11/1/2021-1/31/2022	FY22-001-CESER	CI-00045822						\$22,840.69	
2/1/2022-2/28/2022	FY22-001-CESER	CI-00046531						\$1,209.04	
3/1/2022-3/31/2022	FY22-001-CESER	CI-00047241						\$4,654.12	
4/1/2022-4/30/2022	FY22-001-CESER	CI-00047587						\$3,512.31	
5/1/2022-6/30-2022	FY22-001-CESER	CI-00049117						\$10,813.96	
CESER Subtotal								\$61,396.46	
FY Totals			\$320,902.50	\$311,457.32	\$142,664.33	\$52,060.94	\$29,880.80	\$61,396.46	\$0.00
GRAND TOTAL					\$775,024.15	\$827,085.09	\$856,965.89	\$918,362.35	\$918,362.35

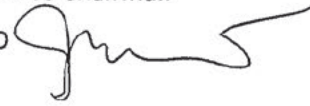
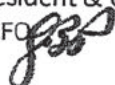
EXHIBIT F

MEMORANDUM (dated October 12, 2018)



Memorandum

To: Daniel T. Layzell, LSU Executive Vice President for Finance & Administration/CFO;
LSU Member President's Designee to STC; and STC Vice Chairman

From: Jeffrey A. Moulton, STC Chairman, President & CEO 
John B. Pursley, Jr., STC Treasurer & CFO 

Date: October 12, 2018

Subject: STC Cash Flow to LSU

References

- 1) Email from Daniel T. Layzell to STC, SUBJECT: STC Cash Flow to LSU, dated 10 September 2018;
- 2) LSU CAMPUS CORRESPONDANCE from Donna K. Torres to Daniel T. Layzell, SUBJECT: STC Cash Flow to LSU, dated 10 September 2018;
- 3) CliftonLarsonAllen LLP INDEPENDENT AUDITORS' REPORT for STC FY18 and FY17 Financial Statements, dated 13 August 2018;
- 4) Intercompany Master Services Agreement (IMSA) with LSU effective 1 September 2017 with Modifications Number 1 and 2 fully executed on 7 July 2017 and 18 July 2018, respectively;
- 5) LSU Confirmation Letter to CliftonLarsonAllen LLP stipulating no STC liability ("no funds due") to LSU as of 30 June 2018 signed by Donna K. Torres, dated 8 July 2018;
- 6) LSU Confirmation Letter to CliftonLarsonAllen LLP stipulating the \$500,000 contribution to STC did not include any temporary or permanent restrictions for future use signed by Daniel T. Layzell, dated 12 February 2018; and
- 7) Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") Minutes – Regular Board Meeting, Page 9 Item 12B4 (Request from LSU A&M for the Establishment of a Nonprofit 501(c)(3) Affiliate for the Purposes of Expanding Research, Development, Testing, and Evaluation Opportunities with Federal Government), dated 18 September 2015.

Thank you for your recent email (dated September 10, 2018) exploring opportunities for structuring expanded LSU financial participation in STC. We believe the best approach for LSU funding from STC is through the proposed Strategic Investment Fund (SIF).

As you know, STC proposes to establish "... a restricted account for the funds generated by [STC] ... to be used exclusively for the continued operations and expansion of the purposes of [STC]; including campus activities associated with [STC] at the discretion of the President or his designee ...". The establishment of



the SIF is consistent with the LSU Board resolution of September 18, 2015 requiring STC to use funds generated by STC to finance activities exclusively for the purposes for which STC was initially established. The proposed Board resolution establishing the SIF is as follows:

Effective for Fiscal Year 2021 (1 July 2020 through 30 June 2021) and for each Fiscal Year thereafter STC will fund a Strategic Investment Fund (SIF) at 1.5% of Total Program Revenues not to exceed 50.0% of the increase in Net Fund Balance. The SIF to be used exclusively for the continued operations and expansion of the purposes of STC; including LSU campus activities associated with the STC.

One of the contributing reasons for the establishment of STC by LSU was the success in the research & development marketplace of GT's GTRI. The funding of the GTRI SIF for GT was recently \$6.5 million or approximately 1.5% of \$450 million in revenues for GTRI. Fiscal Year 2021 was selected for two reasons:

- 1) The Interagency Cooperative Endeavor Agreement between the State of Louisiana and Louisiana Department of Economic Development and LSU ends 30 June 2020 (Fiscal Year 2020); and
- 2) The STC banking relationship with Chase Bank requires STC to have three Fiscal Year Audited Financial Statements (STC FY17, FY18 & FY19) before their underwriters will consider establishing a Receivables Line of Credit and a Capital Line of Credit which are required for the continued operations and expansion of STC. The STC Fiscal Year 2019 Audited Financial Statements will be available to submit to Chase Bank after the 15th of August 2019.

We believe that the SIF will provide STC an opportunity to fund "LSU campus activities associated with STC" as may be proposed by LSU, and we are looking forward to considering your proposals.

We do not believe that the "three potential alternatives for cash flow back to the University from STC" referenced in your email and the attached CAMPUS CORRESPONDENCE will be workable. The idea of LSU F&A funding from STC flies in the face of the reality that no such support has ever been rendered. Our internal corporate records document your decision to not provide any Contracts & Procurement, Finance & Accounting, nor any other administrative services to STC. Your proposal is also at odds with the LSU public Disclosure Statement (<https://www.lsu.edu/administration/ofa/oas/spa/disclosurestatement.php>) and



STEPHENSON TECHNOLOGIES CORPORATION
AN LSU 501(C)3 AFFILIATE

the LSU F&A Rate Letter, and violates the guidelines set forth in 2 CFR 230 – Cost Principles for Nonprofit Organizations (OMB Circular A-122).

These same arguments also preclude indirect cost sharing between LSU and STC, except as provided under the Intercompany Master Services Agreement (IMSA). Any arguments supporting general and administrative indirect cost recovery by LSU from STC would have to start with identifying and allocating such costs on a defensible basis, which is somewhat problematic since we have essentially been operating independent of LSU services and support from our inception. Any such arguments favoring indirect cost sharing are also inconsistent with the LSU public Disclosure Statement as well as OMB Circular A-122.

STC established with LSU an Intercompany Master Services Agreement (IMSA) with individual Intercompany Work Authorizations (IWA) for each independent STC Client Effort supported by any LSU Staff by Fiscal Year [Reference (4)]. Each IWA includes full reimbursement to LSU for all applicable direct and indirect costs including F&A in accordance with the LSU Disclosure Statement and F&A Rate Letter. Under the IMSA, any services and indirect cost sharing between STC and LSU is limited to RDT&E funded awards to STC and cannot be extended to general and administrative services rendered by LSU to STC (even if there were some – which there are not).

The idea of distributing any portion of the STC fund balance to LSU presents even greater compliance risk. The problem with distributing “net fees” is that the distribution of the fee to our sole member as such is unjustifiable under our Articles and Bylaws, and would be inconsistent with the notation in the CliftonLarsonAllen LLP INDEPENDENT AUDITOR’S REPORT that our fund balance is to be used for continued STC operations in furtherance of our nonprofit purpose. Transferring any portion of the STC fund balance to LSU is not within our discretion as a provisional rate federal government contractor, and would be inconsistent with the attached LSU Confirmation Letters [References (5) and (6)]. Any such arrangement would likely increase our government contract audit risks substantially, and be viewed unfavorably by Chase Bank in evaluating our financial creditworthiness for a line of credit that is critical to our FY20 operations.

In addition, subsequent to the LSU Board Resolution for the establishment of STC [Reference (7)] — STC concurred with the LSU decisions not to provide any funding nor any loan guarantees for the financing the establishment and continued operations of STC. Therefore, STC has been funding its continued operations and expansion of its purposes solely without assistance from LSU.

Louisiana Emerging Technology Center, 340 East Parker Street, Suite 368, Baton Rouge, LA 70803

██████████ | jmoulton@stc-ntc-lsu.org



STEPHENSON TECHNOLOGIES CORPORATION
AN LSU 501(C)3 AFFILIATE

Consistent with the Independent Auditors' Report [Reference (3)] the STC Fund Balance is required to fund the continued operations and the expansion of its purposes by anticipated award of a twenty-four (\$24) million, five (5) year period of performance Federal Prime Contract during Fiscal Year 2019.

For these reasons we feel that the SIF is the best alternative for funding LSU using STC resources beyond the IMSA. We look forward to discussing your ideas further on October 24th (Wednesday) and at STC Board of Directors Meeting on October 26, 2018.

Louisiana Emerging Technology Center, 340 East Parker Street, Suite 368, Baton Rouge, LA 70803

██████████ | jmoulton@stc-ntc-lsu.org

From: Daniel T Layzell
Sent: Monday, September 10, 2018 4:35 PM
To: Jeffrey A Moulton; jbpursley@[REDACTED]
Cc: Donna K Torres; Daniel T Layzell; Ashley S Territo
Subject: STC Cash Flow to LSU

Dear Jeff and John:

As you know, we have not yet put in place the formal mechanism for STC to provide cash flow back to LSU per the original resolution adopted by the Board of Supervisors in September 2015, in large part due to the expectation that there would be a ramp up period for STC operations. We are now at the point where we need to come to an agreement on the cash flow mechanism/methodology, and Donna has prepared the attached potential scenarios as an initial point of discussion along with any ideas you both may have. Ashley will be reaching out to you to schedule a meeting or conference call in the near future to begin those discussions.

Thanks,
Dan


Dan Layzell
Executive Vice President & CFO
Louisiana State University



CAMPUS CORRESPONDENCE

To: Daniel T. Layzell
Executive Vice President for
Finance & Administration/CFO

Date: September 10, 2018

From: Donna K. Torres, CPA
Associate Vice President for
Accounting Services 

Subject: Stephenson Technologies Corporation Cash Flow Back to LSU

Stephenson Technologies Corporation (STC) has completed the second year of operations and the revenues are showing steady growth. In accordance with the resolution adopted at the September 18, 2015 Board of Supervisors meeting the "Contract Indirect Costs includes reimbursements to the University for F&A and other allowable reimbursable costs allocable to NTC (now STC) in accordance with applicable Government Agreements...net fees earned are 100% available to the University. The basis for estimating the amounts for these Indirect Costs and Expenses (cash flow back) are to be determined."

From the STC FY18 audited financial statements I submit the following information:

Description	FY17	FY18	Total
Revenue	2,008,264	3,362,571	5,370,835
Indirect Costs	387,536	1,060,464	1,448,000
Change in Net Assets – Net Fees	777,367	663,558	1,113,925
Cash	808,652	1,114,546	
Accounts Receivable	603,851	517,524	

For your consideration are three potential alternatives for cash flow back to the University from STC:

1. Amount due if the LSU negotiated F&A rate is applied:

Description	2018	2017	Total
Program Revenue	3,362,571	2,008,624	
Less LSU Contracts from STC	-511,701		
Net Program Revenue	2,850,870		
LSU F&A 48%	1,368,417	963,967	2,332,384
LSU on campus F&A 26%	741,226	522,149	1,263,375

2. Amount due if LSU and STC share indirect costs recovered:

Description	FY18	FY17	Total
Indirect Contract Costs	1,060,464	387,536	
LSU Shares 50%	530,232	193,768	724,000

3. Amount due if LSU recovers 100% of net fees:

Description	FY18	FY17	Total
Revenue	3,362,571	2,008,264	
Less Total Costs & Expenses	-2,740,765	-1,730,897	
Net Fees Earned	621,806	277,367	899,173

Please review these scenarios and let me know if there are other iterations you would like to see. As a next step, I would recommend setting a meeting with Jeff Moulton and John Pursley to discuss the path forward.

STEPHENSON TECHNOLOGIES CORPORATION
Baton Rouge, Louisiana

FINANCIAL STATEMENTS
Year ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Stephenson Technologies Corporation
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Stephenson Technologies Corporation (STC), which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities and cash flows for the year and nine-month period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Stephenson Technologies Corporation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stephenson Technologies Corporation as of June 30, 2018 and 2017, and the changes in its assets and its cash flows for the year and nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenbelt, Maryland
August 13, 2018

STEPHENSON TECHNOLOGIES CORPORATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,114,546	\$ 808,652
Accounts receivable	517,524	603,851
Other current assets	9,900	2,350
Total current assets	1,641,970	1,414,853
TOTAL ASSETS	\$ 1,641,970	\$ 1,414,853
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 59,454	\$ 509,050
Accrued compensation and annual leave	141,591	110,935
Deferred revenue	-	17,501
Total current liabilities	201,045	637,486
TOTAL LIABILITIES	201,045	637,486
UNRESTRICTED NET ASSETS	1,440,925	777,367
TOTAL LIABILITIES AND NET ASSETS	\$ 1,641,970	\$ 1,414,853

The accompanying notes are an integral part of the financial statements.

STEPHENSON TECHNOLOGIES CORPORATION
STATEMENTS OF ACTIVITIES
Year ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

	2018	2017
REVENUE		
Program revenue	\$ 3,362,571	\$ 2,008,264
Contributions and donations	41,752	500,000
Total Revenue	3,404,323	2,508,264
COSTS AND EXPENSES		
Program:		
Direct contract costs	1,653,837	1,326,710
Supporting services:		
Indirect contract costs	1,060,464	387,536
Other operating expenses	26,464	16,651
Total supporting services	1,086,928	404,187
Total costs and expenses	2,740,765	1,730,897
CHANGE IN NET ASSETS	663,558	777,367
NET ASSETS, BEGINNING OF PERIOD	777,367	-
NET ASSETS, END OF PERIOD	\$ 1,440,925	\$ 777,367

The accompanying notes are an integral part of the financial statements.

STEPHENSON TECHNOLOGIES CORPORATION
STATEMENTS OF CASH FLOWS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 663,558	\$ 777,367
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Related party non-cash contribution	(41,752)	-
Accounts receivable, net	86,327	(603,851)
Other assets	(7,550)	(2,350)
Accounts payable and accrued expenses	(407,844)	509,050
Accrued compensation and annual leave	30,656	110,935
Deferred revenue	(17,501)	17,501
Cash provided by operating activities	305,894	808,652
NET INCREASE IN CASH AND CASH EQUIVALENTS	305,894	808,652
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	808,652	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,114,546	\$ 808,652
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Related party non-cash contribution	\$ 41,752	\$ -

The accompanying notes are an integral part of the financial statements.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Stephenson Technologies Corporation (STC) is an Affiliate of the Louisiana State University and Agriculture and Mechanical College (LSU) that operates primarily for scientific and educational services. STC conducts contract research and development (R&D), test and evaluation (T&E), operations and maintenance (O&M), and policy development for the government, academia, and industry. STC has its headquarters in Baton Rouge, Louisiana, and conducts operations in various corporate and client locations throughout the United States. Stephenson Technologies Corporation (STC, formerly Nascent Technologies Corporation) was established on the 8th of May 2015, began operations in October 2016, and changed its name to STC in April 2017.

Revenue Recognition

STC recognizes revenue when a contract has been executed, the contract price is fixed and determinable, delivery of services or products has occurred, and collectability at the contract price is considered probable and can be measurably estimated. Substantially all revenue is earned under cost reimbursable agreements and is recognized based on costs incurred.

Revenue on time and material contracts is recognized based on hours incurred, extended at contract rates.

Contribution revenue is recognized during the period in which it is earned. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or STC's incurrence of donor-specified expenses, temporarily restricted net assets are reclassified to unrestricted net assets. Cash received in advance and not yet earned is deferred to the applicable period.

Net Assets

STC has presented its financial statements in accordance with accounting principles generally accepted in the United States of America. Under those principles, STC is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets: Represents the expendable resources that are available for operations at management's discretion.

Temporarily restricted net assets: Represents resources restricted by donors as to purpose or by the passage of time.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Permanently restricted net assets: Represents resources whose use by STC is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of STC. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

Restricted and Unrestricted Revenue Support

Unconditional promises to give are recorded as contributions at their net realizable value in the period in which the promise is made. All contributions are available for unrestricted purposes unless specifically restricted by the donor. Conditional promises to give are specifically restricted by the donor. There were no conditional promises to give at June 30, 2018 and 2017.

STC reports contributions as restricted support (temporarily restricted or permanently restricted, depending on the nature of the restriction) if they are received with donor stipulations that limit the use of the assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. There were no restricted contributions at June 30, 2018 and 2017.

Deferred Revenue

Deferred revenue consists of the excess of billings for direct and indirect costs over the actual revenue earned to date based on contract provisions for time and material contracts that are in process at June 30, 2018 and 2017.

Accounts Receivable

Accounts receivable are generated from subcontracting arrangements with commercial entities that perform work for U.S. governmental entities. Accounts receivable are stated at gross value less an allowance for doubtful accounts. Credit is extended to commercial customers after an evaluation of the customer's financial condition, and generally collateral is not required. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions, and other risks inherent in the accounts receivable portfolio.

Billed accounts receivable are considered past due if the invoice has been outstanding more than 30 days. STC does not charge interest on accounts receivable; however, U.S. governmental agencies may pay interest on invoices outstanding more than 30 days. STC records such interest as income when received.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Unbilled accounts receivable are included in accounts receivable and include work-in-process which will be billed in accordance with contract terms and delivery schedules, as well as amounts billable upon final execution of contracts, contract completion, milestones or completion of indirect rate negotiations. Performance-based fees, including award and incentive fees, are considered earned when STC can demonstrate satisfaction of performance, based upon historical experience, or has received contractual notification from the customer that the fee has been earned. To the extent that a revised estimate affects contract profit or revenue previously recognized, STC records the cumulative effect of the revision in the period in which the facts requiring the revision become known. Generally, unbilled accounts receivable are expected to be billed and collected within one year and have been recorded at amounts expected to be realized upon final settlement.

Management assessed the need for an allowance by regularly evaluating receivables and considering their customers' financial condition, credit history, and current economic conditions. At June 30, 2018 and 2017, management has determined that no allowance for collectability is required.

Major Client Concentrations Risk

Substantially all of STC's revenue is generated from subcontracts with various commercial entities. All contract receivables at June 30, 2018 and 2017, were indirectly due from various entities of the U.S. government through contracted commercial entities.

During the year ended June 30, 2018 and the nine-month period ended June 30, 2017, the Company had significant contracts with three customers comprising 91% and 99%, respectively. At June 30, 2018 and 2017, the Company had significant receivables from two and three customers representing 88% and 87% of total receivables, respectively.

Risks and Uncertainties

Reliance on subcontracts with prime contractors that have government contracts subjects STC to risks associated with public budgetary restrictions and uncertainties, discrepancies between awarded contract amounts and actual revenues, and cancellation at the option of the government. STC attempts to mitigate these risks by staffing only to meet reasonably anticipated average workloads, by using subcontractors to handle peak workloads, and by obtaining termination benefit contract provisions. Cancellation of any of STC's major subcontracts, however, could have a material adverse effect on STC.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Using Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Purchased property and equipment are stated at cost and are depreciated on the straight-line method over the estimated useful lives of the assets of 2 to 10 years. Assets with a cost greater than or equal to \$5,000 and an estimated life of two years or more are capitalized. In addition, assets with a cost of less than \$5,000 are also capitalized if they are included in an "original complement" greater than or equal to \$25,000. Leasehold improvements are amortized using the straight-line method over the term of the lease or useful life, whichever is shorter.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Income Taxes

STC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation for Internal Revenue Service purposes. Such organizations are taxed only on unrelated business income. STC has no unrelated business income; therefore, no tax provision has been established.

STC has evaluated the effect of guidance in *Accounting for Uncertainty in Income Taxes* (ASC 740-10). Management believes that STC continues to satisfy the requirements of a tax-exempt organization at June 30, 2018 and 2017. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined STC had no uncertain income tax positions at June 30, 2018 and 2017.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Company maintains all of its cash and cash equivalents in bank accounts that may at times exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC), up to specified limits, insures the Company's bank accounts with financial institutions in the U.S. Balances in excess of FDIC Limits are uninsured. Total cash deposits held by the banks at June 30, 2018 and 2017, was and \$1,114,546 and \$808,652, respectively.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of June 30:

	2018	2017
Billed, net of allowance of \$0	\$ 517,524	\$ 603,623
Unbilled	-	228
Total	\$ 517,524	\$ 603,851

Unbilled receivables consist primarily of timing differences between billings (which are determined based upon contractually set milestones) and amounts recognized as earned (which are based upon costs incurred and contract performance).

NOTE 4 – PENSION PLAN

STC established a 401(k) pension plan on January 1, 2017. Existing employees are eligible to enter the plan June 1, 2017 and start contributing July 1, 2017. New employees are eligible to participate in the plan once they have attained the age of 21 and completed one full year of service and will enter the plan on January 1 or the date six months later, coincident with or next following the satisfaction of the eligibility requirements. Employee contributions are allowed up to the maximum permitted by law. STC may match deferral contributions, contribute a profit sharing contribution, or a safe harbor nonelective contribution of 3% of compensation. For those employees eligible to make salary deferrals, STC may make a contribution up to 6% of compensation. The safe harbor contribution is immediately 100% vested. Employees vest in employer profit sharing and matching contributions per the below schedule;

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Contribution expense incurred by STC for the fiscal year ended June 30, 2018 and nine months ended June 30, 2017, totaled \$30,000 and \$20,000 respectively. STC accrued \$8,793 and \$20,000 as of June 30, 2018 and 2017, respectively.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 5 – OPERATING LEASE COMMITMENT

In April 2017, STC entered into a one-year operating lease for office space. The lease calls for monthly payments of \$2,350. Prior to entering into the lease, STC made monthly payments for the office space.

In February 2018, STC entered into a 19-month operating lease for office space. The lease calls for monthly rent of \$3,300.

Rent expense for the fiscal year ended June 30, 2018 and nine-month period ended June 30, 2017, was \$34,805 and \$21,150, respectively.

Future minimum lease payments are as follows:

Year Ending June 30:	Lease Payments
2019	\$ 39,600
2020	9,900
Total	\$ 49,500

NOTE 6 – CONTINGENCY

From time to time, STC has been involved in various legal proceedings, including employment disputes, in the normal course of business. In management’s opinion, STC is not currently involved in any legal proceedings that, individually or taken together, could have a material effect on the financial condition, operations, and/or cash flows of STC.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company is an Affiliate of the Louisiana State University and Agriculture and Mechanical College (LSU), and has conducted ordinary business with LSU during the year ended June 30, 2018 and the nine-month period ended June 30, 2017. LSU contributed \$41,792 and \$500,000 of services and funds for the year ended June 30, 2018 and period ended June 30, 2017, respectively. There were no receivables from the related party as of June 30, 2018 and 2017.

LSU also performs reimbursable services for STC in accordance with Intercompany Work Authorizations (IWA) issued by STC to LSU in accordance with Intercompany Master Services Agreement (IMSA). Expenses related to the services LSU performed totaled \$311,457 and \$320,903 for the year ended June 30, 2018 and nine-month period ended June 30, 2017, respectively. The Company had accrued expenses owed to LSU of \$25,401 and \$216,986 as of June 30, 2018 and 2017, respectively.

STEPHENSON TECHNOLOGIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018 and Nine-Month Period Ended June 30, 2017

NOTE 8 – SUBSEQUENT EVENTS

Management evaluated subsequent events through August 13, 2018, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2018, but prior to August 13, 2018, that provided additional evidence about conditions that existed at June 30, 2018, have been recognized in the financial statements for the year ended June 30, 2018. Events or transactions that provided evidence about conditions that did not exist at June 30, 2018, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2018.

Subsequent to June 30, 2018, STC invested in three certificates of deposits totaling \$735,000. The investments were entered into as part of STC's overall cash management policy.

MODIFICATION NUMBER 02
TO
INTERCOMPANY MASTER SERVICES AGREEMENT
IMSA NUMBER NTC-IMSA-FY16,
EFFECTIVE 1 SEPTEMBER 2016

THE PURPOSE OF THIS MODIFICATION NUMBER 02 TO IMSA NUMBER NTC-IMSA-FY16 executed between **Stephenson Technologies Corporation (STC)** and **Louisiana State University (LSU)** is to effect the following change to the End Date associated with each Intercompany Work Authorizations (IWA) under this Agreement: The Period of Performance for all IWAs shall end on the last day of the month unless prohibited by the agreement between STC and its funding agency that funds the task orders. All other terms and conditions remain the same.

Accordingly, the following terms have been updated:

SECTION F-1 Period of Performance and Place

The period of performance for this IMSA begins the 1st of September 2016 continuing until this IMSA is terminated or cancelled under H-1 Termination of this IMSA. **The period of performance for each IWA will be specifically defined within the individual IWA. Further, the parties agree that the Period of Performance for all IWAs shall end on the last day of the month unless prohibited by the agreement between STC and its funding agency that funds the task orders.** The place of performance is the facility on LSU Campus located at 340 East Parker Street, Suite 368, Baton Rouge, LA 70803 or another facility location specifically defined within the individual IWA.

IN WITNESS WHEREOF, this Modification 02 has been executed as shown below:

STEPHENSON TECHNOLOGIES CORPORATION

LOUISIANA STATE UNIVERSITY

By: Nancy M. Homan

By: Darya Courville

Name: Nancy M. Homan

Name: Darya Courville

Title: Contracting Officer

Title: Executive Director

Date: July 11, 2018

Date: 7/18/2018

MODIFICATION NUMBER 01
TO
INTERCOMPANY MASTER SERVICES AGREEMENT
IMSA NUMBER NTC-IMSA-FY16
EFFECTIVE 1 SEPTEMBER 2016

THE PURPOSE OF THIS MODIFICATION NUMBER 01 TO IMSA NUMBER NTC-IMSA-FY16 executed between **Nascent Technologies Corporation (NTC)** and **Louisiana State University (LSU)** is to effect Nascent Technologies Corporation's legal name change to Stephenson Technologies Corporation (STC); and to revise Sections A, G-3, and G-4 to update the Contractual Notification and Contracting Officer point of contact for STC. All other terms and conditions remain the same.

Accordingly, the following terms have been updated:

Effective 01 May 2017, Nascent Technologies Corporation filed an Amendment to its Articles of Incorporation with the State of Louisiana effecting a name change. Therefore, Nascent Technologies Corporation is now known as Stephenson Technologies Corporation throughout this IMSA.

SECTION A - INTERCOMPANY MASTER SERVICES AGREEMENT (IMSA)

IMSA STC ADMINISTRATOR: Nancy Homan, Contracting Officer

G-3 Contractual Notifications

All correspondence or notifications involving contractual or financial matters under this IMSA shall be addressed as follows:

Stephenson Technologies Corporation
Attn: Nancy Homan, Contracting Officer
Phone: [REDACTED]

Louisiana State University
Attn: Darya Courville, Executive Director
Phone: (225) 578-2760

G-4 Contracting Officers

Any change or modification to the statement of work, terms, conditions, delivery dates, or price shall not be binding on either party unless the appropriate contractual document has been signed by a duly authorized representative of both parties. For the purpose of this IMSA, those duly authorized representatives are:

Stephenson Technologies Corporation
Name: Nancy Homan
Title: Contracting Officer

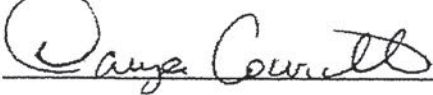
Louisiana State University
Name: Darya Courville
Title: Executive Director

IN WITNESS WHEREOF, this ~~unilateral~~^{bilateral} Modification 01 has been executed as shown below:

STEPHENSON TECHNOLOGIES CORPORATION

LOUISIANA STATE UNIVERSITY

By: 

By: 

Name: John B. Pursley Jr.

Name: Darya Courville

Title: Treasurer & CFO

Title: Executive Director

Date: July 7, 2017

Date: 7-7-2017

019878

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

BETWEEN

NASCENT TECHNOLOGIES CORPORATION
P.O. Box 80623
Baton Rouge, LA 70803

AND

LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE
202 Himes Hall
Baton Rouge, LA 70803

SECTION A – INTERCOMPANY MASTER SERVICES AGREEMENT (IMSA)

IMSA NUMBER:	<u>NTC-IMSA-FY16</u>
IMSA EFFECTIVE DATE:	<u>1 September 2016</u>
IMSA TYPE:	<u>Cost Reimbursement, ONLY</u>
IMSA NOT TO EXCEED AMOUNT:	<u>As identified in each IWA</u>
IMSA TERMS:	<u>Net 5 Days After NTC Paid</u>
IMSA FOR:	<u>Professional Technical Services</u>
SECURITY REQUIREMENT & CLASSIFICATION:	<u>As identified in each IWA</u>
IMSA NTC ADMINISTRATOR:	<u>John B. Pursley, Jr., Treasurer</u>

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

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**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

This Intercompany Master Services Agreement (IMSA) is entered into by and between Nascent Technologies Corporation, a State of Louisiana Nonprofit Corporation, P.O. Box 80623 Baton Rouge, LA 70803, (hereinafter sometimes referred to as "NTC") and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, 202 Himes Hall, Baton Rouge, LA 70803, (hereinafter sometimes referred to as "Louisiana State University" or "University" or "LSU").

WITNESSETH THAT:

In accordance with the NTC Bylaws and Articles of Incorporation (Reference: Attachment A), the Louisiana State University is the sole Member of NTC. Accordingly, NTC is a Nonprofit Affiliate of the University.

In consideration of mutual promises, covenants, and agreements herein set forth, the Parties agree that LSU shall furnish and deliver to NTC all of the supplies, and perform all of the services set forth in the individual Intercompany Work Authorizations (IWA) issued against this IMSA. Each IWA will contain the Budget, Schedule, Deliverables and Statement of Work. The rights and obligations of the Parties to this IMSA shall be subject to and governed by this IMSA, the IWA, and other documents or specifications attached hereto or referenced herein.

This IMSA supersedes any and all prior agreements of the parties, whether written or oral, concerning the subject matter hereof.

This IMSA shall not be varied in its terms or conditions by any oral agreement or representation, or otherwise than by an instrument in writing of even or subsequent date thereto, properly executed by the Authorized Representatives of both NTC and LSU.

This IMSA and all IWA hereunder will only be applicable for Federal Research Development Test & Evaluation (RDT&E) funded awards to NTC either as a Prime Contractor or Subcontractor.

This IMSA and IWA hereunder will not be applicable to any Non-Federal (Industrial, Commercial, or Academic) engagements.

The section titles used herein are for convenience only and shall in no way be construed as part of this IMSA as an indication of the meaning of the particular section.

SECTION B - SERVICES AND COSTS

B-1 Scope

The scope of the Professional Services to be performed by LSU will be documented in specific IWA as executed by NTC and LSU, the terms of which are incorporated herein and made a part hereof. In the event of any conflict between the terms of this IMSA and the terms of the IWA, the terms of this IMSA shall govern.

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

B-2 Level of Effort

NTC's and LSU's best estimate of the maximum level of effort required to fulfill these requirements will be determined in the individual IWA.

B-3 LSU Accounting System Practices

Each IWA issued pursuant to this IMSA shall be costed and invoiced in accordance with the LSU Accounting Systems Practices described in Attachment A.

B-4 Travel Costs

This IMSA and IWA issued thereunder do not cover travel expenditures incurred by LSU. Any travel made by LSU employees in support of the IWA issued under this IMSA requires advance approval by NTC and such travel costs shall be reimbursed directly to travelers by NTC in accordance with U.S. Government Joint Travel Regulations.

SECTION C - DESCRIPTION/SPECIFICATION

LSU shall provide the necessary personnel, material and facilities for and/or incidental to the furnishing and delivery to NTC of the services set forth in the individual IWA, all in accordance with the specifications and other requirements applicable thereto and referenced therein.

SECTION D - PACKAGING/MARKING

Unless otherwise specified in the applicable Specifications(s), packaging and packing of all items for delivery shall be in accordance with good practice and adequate to reasonably assure safe arrival at destination.

The delivery point for all items to be delivered by LSU hereunder shall be F.O.B. destination and, unless NTC is notified to the contrary, shall be marked for delivery to Jeffrey A. Moulton and addressed as follows:

Nascent Technologies Corporation
P.O. Box 80623
Baton Rouge, LA 70803

SECTION E - INSPECTION AND ACCEPTANCE

Notwithstanding any prior preliminary inspection and/or acceptance, final inspection and acceptance of all and services shall be made at NTC. Final acceptance of any services shall not be deemed a waiver of any guarantee contained herein.

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

SECTION F - DELIVERIES OR PERFORMANCE

E-1 Period of Performance and Place

The period of performance for this IMSA begins the 1st of September 2016 continuing until this IMSA is terminated or cancelled under H-1 Termination of this IMSA. The place of performance is the facility on LSU Campus located at 340 East Parker Street, Baton Rouge, LA 70803 or another facility location specifically defined within the individual IWA.

SECTION G - ADMINISTRATION DATA

G-1 NTC Program Manager

The NTC Program Manager for this IMSA and all issued IWA is Steve Tomasko, who is the point of contact for all technical matters under this IMSA. The NTC Program Manager is authorized to issue technical directions under the IMSA and IWA on behalf of NTC. This direction may include instruction to LSU which provides details or otherwise completes the general scope of the work set forth in the IWA. This direction may not constitute new assignments of work or changes, modifications, or amendments of such a nature as to justify an adjustment in the IMSA, terms, conditions or price.

G-2 LSU Program Manager

The LSU Program Manager is Jeffrey A. Moulton, who is the point of contact for all technical matters under this IMSA and all issued IWA.

G-3 Contractual Notifications

All correspondence or notifications involving contractual or financial matters under this IMSA shall be addressed as follows:

Nascent Technologies Corporation

Attn: John B. Pursley, Jr., Treasurer
Phone: [REDACTED]

Louisiana State University

Attn: Darya Courville, Executive Director
Phone: (225) 578-2760

G-4 Contracting Officers

Any change or modification to the statement of work, terms, conditions, delivery dates, or price shall not be binding on either party unless the appropriate contractual document has been signed by a duly authorized representative of both parties. For the purpose of this IMSA, those duly authorized representatives are:

Nascent Technologies Corporation

Name: John B. Pursley, Jr.
Title: Treasurer

Louisiana State University

Name: Darya Courville
Title: Executive Director

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

G-5 Submission of Invoices

- A. Invoices or vouchers for payments hereunder shall be certified by a responsible official of the LSU organization and shall be submitted as follows:

Nascent Technologies Corporation
P.O. Box 80623
Baton Rouge, LA 70803

Or Electronically to: JBPursley@[REDACTED]

- B. Invoices will be submitted in accordance with the practices of LSU but not more frequently than on a monthly basis unless specified otherwise in the individual IWA. NTC shall pay LSU within 5 days after NTC receives payment from its Government Clients. In the event NTC does not receive timely payments from its Government Clients and is unable to provide timely payments to LSU, NTC shall provide prompt notification to LSU's Authorized Representative.

- C. Each invoice submitted by LSU shall contain the following information:

1. IMSA and IWA numbers.
2. Period of performance for which the invoice is submitted.
3. A breakdown of all costs by major cost categories (salaries, fringe benefits and facilities and administrative costs) for month and cumulative.
4. Cumulative amounts for costs invoiced by major cost categories through the period for which the current invoice is rendered.

- D. All invoices shall contain the following Certification signed by a duly authorized representative of the LSU:

"I certify, to the best of my knowledge and belief, that all costs contained herein are current, complete, accurate and in accordance with the provisions of the IMSA and individual IWA."

Signature: _____
Title: Jaime Estave, Director, Sponsored Program Accounting

Date: _____

- E. LSU has a predetermined F&A rate. Pursuant to FAR 52.216-15 and 52.216-7 Alt. IV there will be no after the fact adjustments to the F&A rate.

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

SECTION H - SPECIAL PROVISIONS

H-1 Termination

Both NTC and LSU shall have the right, at any time, with 30 days advance written notice, to terminate this IMSA or the performance of any IWA issued hereunder. Upon receipt of the notice to terminate, LSU shall there upon immediately cease work to the extent required and shall turn over to NTC any work completed and any work in progress, including designs, drawings, specifications, plans, lists, or other material produced in connection with the performance of services hereunder. LSU shall invoice NTC for all costs incurred up to the effective date of the termination. NTC shall pay LSU for all costs incurred, including any non-cancellable commitments incurred up to the date of termination.

H-2 Indemnification

NTC shall indemnify and hold harmless LSU from and against any and all losses, claims, demands, judgments, costs and expenses, of every nature and kind, arising out of the performance of this IMSA and individual IWAs.

H-3 Order of Precedence

In the event of an inconsistency between the terms and conditions of this IMSA, the inconsistency shall be resolved by giving precedence in the following order:

1. The IMSA Schedule. (Sections A through H including Section C, Statement of Work, and Attachment A.)
2. All other terms and conditions of this IMSA which are incorporated by reference.

H-4 Applicable Law

This IMSA shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Louisiana. Suits under this IMSA shall only be brought in a court of competent jurisdiction.

H-5 Release of News Information

In the event either party desires to issue a news release, public announcement, advertisement, or other form of publicity concerning their efforts in connection with this IMSA, both parties shall obtain the written approval of the other prior to the release of said information and shall give full consideration to the role and contribution of each party. Written approval shall not be unreasonably withheld. This Special Provision (H-5) shall survive termination of this IMSA. This provision shall not apply to any disclosure required by law.

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

H-6 Dissemination of Information

There shall be no dissemination or publication, except within and between NTC and LSU, of information developed under this IMSA. Both parties acknowledge that the information generated under this IMSA may be provided to NTC's Government Clients. This Special Provision (H-6) shall survive termination of this IMSA.

However, publication is of utmost importance to LSU to advance its mission of disseminating information. The parties agree that LSU employees outside of LSU's Transformational Technologies & Cyber Research Center (TTCRC) may request deviation to the above paragraph and when mutually agreed by the parties such deviation shall be separately addressed in the individual IWA. For the purpose of any deviation of this clause (H-6 Dissemination of Information), the IWA shall take precedence.

H-7 Non-Waiver of Rights

The failure of either party to insist upon strict performance of the terms and conditions of this IMSA to exercise any rights or remedies shall not be construed as a waiver of its rights to assert any of same rights or to rely on any such terms or conditions at any time thereafter.

H-8 Entire Agreement

This IMSA is the entire agreement between the parties hereto which supersedes any prior oral or written agreements, commitments, understandings, or communication with respect to the subject matter of this IMSA.

H-9 General Provisions

It is expressly agreed that NTC is responsible for ensuring no employee draws salary from both NTC and LSU under this IMSA and individual IWAs.

It is expressly agreed that NTC is responsible for flowing down any applicable federal and agency specific prime contract clauses, regulations, restrictions and security requirements to LSU in the individual IWAs.

Neither Party is authorized to act as agent for the other for any purpose. Neither party shall have any power or authority to accept on behalf of the other any offer, agreement, or contract, or to make, incur, contract or create any claim, promise, guarantee, debt, obligation, expense or liability of any kind whatsoever in the name of or on behalf of or for the other Party.

Title to any inventions resulting from LSU employees' performance of the statement of works set forth in the individual IWAs shall be in accordance with LSU's Bylaws & Regulations.

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

SECTION I - LIST OF DOCUMENTS AND OTHER ATTACHMENTS

Attachment A – NTC Bylaws and Articles of Incorporation

The attached NTC Bylaws includes as an attachment the NTC Articles of Incorporation.

Attachment B – LSU Accounting System Practices

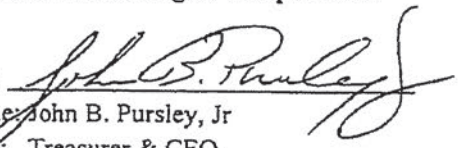
Each IWA issued pursuant to this IMSA shall be costed and invoiced in accordance with the LSU Accounting Systems Practices described in Attachment A which includes the determination of Direct Labor Hours and Dollars and the application of the applicable LSU Federally Negotiated Rates.

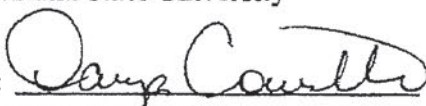
NOTE: All required flow down provisions from any particular Prime Contract or Subcontract awarded to NTC will be included in each IWA, as required.

IN WITNESS WHEREOF, the parties hereto have caused this IMSA to be executed on the day, month, and year set forth below by their duly authorized representatives.

Nascent Technologies Corporation

Louisiana State University

BY: 
Name: John B. Pursley, Jr
Title: Treasurer & CFO

BY: 
Name: Darya Courville
Title: Executive Director

DATE: 24 OCT 14

DATE: 1-9-2017

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

ATTACHMENT A – NTC BYLAWS & ARTICLES OF INCORPORATION

**INTERCOMPANY MASTER SERVICES AGREEMENT
(NTC-IMSA-FY16)**

ATTACHMENT B – LSU ACCOUNTING SYSTEM PRACTICES

LSU is an Educational Institution subject to FAR 31.3 and its Accounting System does not record personnel time on an hourly basis, but rather as a percentage distribution of all activities. Accordingly, salary will be calculated using the percentage of individuals' time applied to a project as prescribed in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

LSU shall use the following calculations to show percentage-of-effort as equivalent labor hours in order to satisfy the requirements of any IWA which requires the reporting of labor hours and rates by LSU employee.

For purposes of any IWA effort:

- (1) Labor rates for employees appointed on an academic year are calculated on 1,360 direct labor hours (170 days during an academic year x 8 hours per day).
- (2) Labor rates for employees appointed on a fiscal year are calculated on 2,080 direct labor hours (260 days during a fiscal year x 8 hours per day).

For purposes of any IWA effort, LSU shall charge its current Federally Negotiated Fringe Benefits and Facilities & Administrative Rates. No amendment to this IMSA is needed for approved increases to LSU's Federally Negotiated Fringe Benefits and Facilities & Administrative Rates.

LSU's FY 16-17 Federally Negotiated Rates are:

- a) Fringe Benefits (FB) @ 44% of Direct Labor (DL); and
- b) Facilities & Administration (F&A) @ 26% of DL plus FB or 48% of DL and FB for on-campus projects.



STEPHENSON TECHNOLOGIES CORPORATION
A PUBLIC COMPANY
SIC IS A PUBLIC COMPANY AFFILIATE

July 31, 2018

Louisiana State University
Attn: Daniel T Layzell
dlayzell@lsu.edu
Vice President for Finance and Administration
111B University Administration Building
Baton Rouge, Louisiana 70803

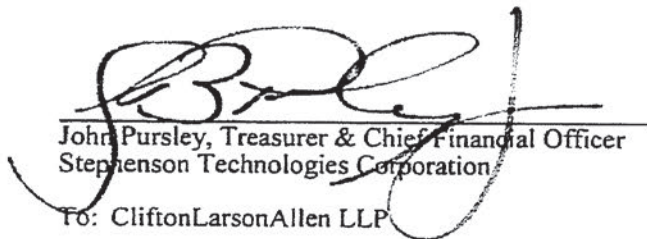
Dear Mr. Layzell:

Our auditors, CliftonLarsonAllen LLP are performing an annual audit of our financial statements. Please confirm the amount of our indebtedness to your company as of 6/30/2018, which is shown on our records for the amount of \$20,612.06.

Please indicate in the space below whether this is in agreement with your records. If there are differences, please provide any information that will assist our auditors in reconciling the difference.

Please sign and date your response and mail your reply directly to CliftonLarsonAllen LLP, Attn: Daniel Austin, 1966 Greenspring Drive, #300, Timonium, MD 21093, in the enclosed return envelope. Please also e-mail a PDF copy to Mr. Austin at: Daniel.Austin@CLAconnect.com.

Very truly yours,


John Pursley, Treasurer & Chief Financial Officer
Stephenson Technologies Corporation

To: CliftonLarsonAllen LLP

The liability to Louisiana State University of \$20,312.06 as of 6/30/2018 is correct with the following exceptions (if any): There were no funds due to LSU at 6/30/2018. See the attached copy of invoices and payments. All invoices were paid by 6/30/2018. Amount due to LSU is 0.

Signature: Dorcas K. Jupp
Title: Associate Vice President
Date: 7/8/2018

Louisiana Emerging Technology Center, 340 East Parker Street, Suite 368, Baton Rouge, LA 70803

Find Sponsor Payments



Sponsor for Transaction: Stephenson Technologies Corporation (STC)
Stephenson Technologies Corporation (STC) | 01

Payment Status: Approved
Complete
Draft
In Progress

Include Deposited Payments: Yes

Payment	Company	Transaction ID	Payment Date	Sponsor	Payment Status	Application Status	Payment Amount	On Account Amount	Payment Type	Payment Reference	Memo	Payment In Deposit
CP-00004603 - 06/28/2018 - 0.01 - USD	Louisiana State University and Agricultural and Mechanical College	CP-00004603	06/28/2018	Stephenson Technologies Corporation (STC) 01	Complete	Fully Applied	0.01	0.00	Check	Stephenson Tech Corp /25739029		Yes
CP-00004604 - 06/28/2018 - 67,743.03 - USD	Louisiana State University and Agricultural and Mechanical College	CP-00004604	06/28/2018	Stephenson Technologies Corporation (STC) 01	Complete	Fully Applied	67,743.03	0.00	Check	Stephenson Tech /25739029		Yes
CP-00004605 - 06/28/2018 - 201,670.59 - USD	Louisiana State University and Agricultural and Mechanical College	CP-00004605	06/28/2018	Stephenson Technologies Corporation (STC) 01	Complete	Fully Applied	201,670.59	0.00	Check	Stephenson Tech /25794337		Yes
CP-00004606 - 06/28/2018 - 16,641.91 - USD	Louisiana State University and Agricultural and Mechanical College	CP-00004606	06/28/2018	Stephenson Technologies Corporation (STC) 01	Complete	Fully Applied	16,641.91	0.00	Check	Stephenson Tech /25792317		Yes
CP-00002092 - 08/31/2017 - 216,985.77 - USD	Louisiana State University and Agricultural and Mechanical College	CP-00002092	08/31/2017	Stephenson Technologies Corporation (STC)	Complete	Fully Applied	216,985.77	0.00	Check	Stephenson Tech /19643582		Yes
CP-00001563 - 06/28/2017 - 103,916.73 - USD	Louisiana State University and Agricultural and Mechanical College	CP-00001563	06/28/2017	Stephenson Technologies Corporation (STC)	Complete	Fully Applied	103,916.73	0.00	Check	Stephenson Tech /18459212		Yes

January 26, 2018

Louisiana State University
Daniel T Layzell
Vice President for Finance and Administration
111B University Administration Building
Baton Rouge, Louisiana 70803

Dear Sir or Madam:

Our auditors, CliftonLarsonAllen LLP are performing an annual audit of our financial statements. Could you please confirm that there are no restrictions on the following contribution as of 6/30/2017:

Payment Date	Contribution Amount
10/19/2016	\$500,000

Please indicate in the space below whether this is in agreement with your records. If there are differences (primarily in the restriction requirement), please provide any information that will assist our auditors in reconciling the difference.

Please sign and date your response and mail your reply directly to CliftonLarsonAllen LLP, Attn: Daniel Austin, 1966 Greenspring Dr #300, Timonium, MD 21093, in the enclosed return envelope. Please also e-mail a PDF copy to Mr. Austin at Daniel.Austin@CLAconnect.com (email preferred).

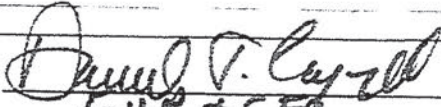
Very truly yours,



John Bursley, Treasurer & Chief Financial Officer
Stephenson Technologies Corporation

To: CliftonLarsonAllen LLP

The contribution to Stephenson Technology Corporation of \$500,000 did not include any temporary or permanent restrictions for future use. This statement is correct with the following exceptions (if any): _____

Signature: 
 Title: FVP & CFO
 Date: 2/12/18

Reference 7

Minutes – Regular Board Meeting
September 18, 2015
Page 9

12B3. Request from LSU AqCenter to Approve the Implementation of a Retirement Incentive Plan

Upon motion of Mr. Danos, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve the implementation of the proposed LSU Agricultural Center Retirement Incentive Program and;

BE IT FURTHER RESOLVED that this resolution shall become effective on October 1, 2015 and;

BE IT FURTHER RESOLVED that the Vice President for Agriculture and Dean of the College of Agriculture shall report on the outcome of the program at the December 2015 meeting of the Board of Supervisors, including the actual number of participants, financial results, and any modifications made in the final implementation of this program.

12B4. Request from LSU A&M for the Establishment of a Nonprofit 501(c)(3) Affiliate for the Purposes of Expanding Research, Development, Testing, and Evaluation Opportunities with the Federal Government

Dr. Layzell introduced Jeff Moulton, Senior Executive Nascent Technologies Corporation (NTC) who gave a presentation on the LSU Non-Profit Affiliate. The NTC would focus on providing a facility for the University to compete for applied research and development contracts with the federal government (primary with Dept. of Defense and Homeland Security).

Mr. Angelle asked how this is different from our current structure. Mr. Moulton said setting up this corporation would allow LSU to open the door under the model of federal acquisition regulation (FAR) to compete for monies under the federal system and hopefully spin off with other companies. Dr. Layzell confirmed that the Board would retain direct oversight, and accountability. It was requested to follow up with a progress report to the Committee semi-annually. (Copy of the Presentation is on file in the Office of the LSU Board of Supervisors of Louisiana State University)

Upon motion of Mr. McCollister, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") authorizes F. King Alexander, in his capacity as President of LSU, or his designee, acting on behalf of and in the name of the Board, and in consultation with legal counsel, to establish and execute the Articles of Incorporation and Bylaws for the LSU Nonprofit 501(c)(3) Affiliate, Nascent Technologies Corporation (NTC), to be operated for the benefit of the sole Member (LSU), and any related documents necessary or desirable to accomplish and implement the purposes of NTC, with as such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including funding, that the President deems to be in the best interest of LSU;

AND

BE IT FURTHER RESOLVED that the Board does hereby approve establishing a restricted account for the funds generated by NTC. These funds to be used exclusively for the continued operations and expansion of the purposes of NTC; including campus activities associated with NTC at the discretion of the President or his designee, who shall be the Vice President for Finance and Administration/CFO unless the President names another designee.

12B5. Request from LSU A&M for the Establishment of a Restricted Account in the LSU Libraries for the Louisiana Digital Consortium

Upon motion of Mr. Anderson, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve establishing a restricted account for the LSU Libraries. The funds are to be used exclusively for the use of the Louisiana Digital Consortium for the purpose of supporting the improvement, maintenance, and operations of the Louisiana Digital Library and other digital services.

12B6. Request from LSU A&M for the Establishment of a Restricted Account in the LSU Press for The Southern Review

Upon motion of Mr. Yarborough, seconded by Mr. Danos, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve establishing a restricted account for the LSU Press. The funds are to be used exclusively for the use of the LSU Press for the purpose of operations of The Southern Review.

12B7. Request from LSU Health Care Services Division to Direct Bogalusa Community Medical Center to Forward Funds to LSU Health Care Services Division

Upon motion of Mr. Anderson, seconded by Mr. Danos, the Board voted unanimously to approve the following resolution:

NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board of Supervisors") does hereby direct Bogalusa Community Medical Center and the Trustee for the \$4,625,000 Health Care Community Development Corporation Taxable Revenue Bonds (Bogalusa Community Medical Center Project) Series 2007B to transfer to LSU Health Care Services Division ("LSU HCSD") all funds in that certain trust account designated Series 2007B Special Sinking Fund Account (the "Account") established with Regions Bank as Trustee, which payments were made pursuant to Section 3.1(c) of the Amended and Restated Lease Agreement dated September 28, 2007 by and between Bogalusa Community Medical Center as Lessor and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College as Lessee.

BE IT FURTHER RESOLVED that the Board of Supervisors does hereby authorize Dr. F. King Alexander, President, to execute any and all documents necessary to effectuate the transfer to LSU HCSD of all funds held in said Account.

EXHIBIT G
RSD Severance Agreement

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT ("Agreement") is made as of January 31, 2022 ("Effective Date") by and between Stephenson Technologies Corporation a 501(c)3 nonprofit organization affiliated with Louisiana State University with offices located at 340 East Parker Street, No. 368, Baton Rouge, Louisiana ("STC") and Richard Scott Draughon with an address at [REDACTED]

WITNESSETH:

WHEREAS, STC and RSD entered into that certain Engagement Agreement as of January 1, 2017 under which STC agreed to engage RSD originally as General Manager – Commercial Services and subsequently as the General Manager & Chief Cyber Strategist at STC reporting to the President of STC; and

WHEREAS, under the Engagement Agreement RSD was employed as a member of the Company Executive Management Team (CEMT) and entitled to certain Benefits and Perquisites including (without limitation) Severance Pay in the event of resignation by RSD or termination by STC (as unanimously approved by the STC Board of Directors by duly adopted resolution dated June 11, 2021); and

WHEREAS, the Severance Pay includes one year compensation (paid in twelve monthly installments) plus continuation of certain CEMT Benefits & Perks for one year from the date of resignation or termination ("Severance Period") including (without limitation) reimbursement for certain out-of-pocket healthcare and dental costs not covered by insurance as well as Club Membership; and

WHEREAS, RSD has resigned as General Manager & Chief Cyber Strategist of STC as set forth in that certain Resignation Letter (dated February 1, 2022); and

WHEREAS, the monthly compensation rate for RSD as of the date of his resignation is \$12,000.00; and

WHEREAS, STC proposes to pay the severance salary benefit to RSD in a single lump sum payment in exchange for waiver by RSD of any and all participation during the Severance Period in CEMT Benefits & Perks including (without limitation) all reimbursement for certain out-of-pocket healthcare and dental costs not covered by insurance as well as Club Membership during the Severance Period; and

WHEREAS, RSD has agreed to accept from STC payment of the severance salary benefit to RSD in a single lump sum payment in exchange for waiver by RSD of any participation during the Severance Period in CEMT Benefits & Perks including (without limitation) all reimbursement for certain out-of-pocket healthcare and dental costs not covered by insurance as well as Club Membership during the Severance Period.

NOW, THEREFORE, in consideration of the mutual benefits of the covenants and restrictions herein contained, STC and RSD hereby agree as follows:

TERMS AND CONDITIONS

Section 1 – Recitals: The above recitals and statement of parties is true and correct.

Section 2 – Payment: STC shall pay RSD a severance salary benefit in the lump sum amount of One Hundred Forty-Four Thousand Dollars (\$144,000.00) as of the Effective Date.

Section 3 – Waiver: RSD hereby waives any and all participation during the Severance Period in CEMT Benefits & Perks including (without limitation) any claim for reimbursement for certain out-of-pocket healthcare and dental costs not covered by insurance as well as Club Membership, and releases STC from any and all claims by RSD to participate therein.

Section 4 – Transition: RSD shall cooperate in good faith to transition his responsibilities as General Manager & Chief Cyber Strategist of STC to his successor.

IN WITNESS WHEREOF, this Agreement is made as of the Effective Date.

STC:

Stephenson Technologies Corporation

By: _____

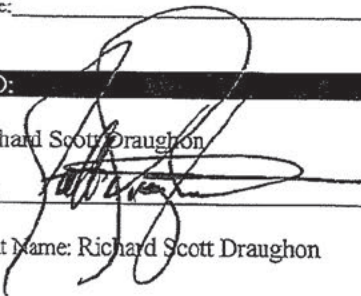
Print Name: Dr. Joseph V. Homan

Title: Acting President

Date: _____

RSD:

Richard Scott Draughon

By: 

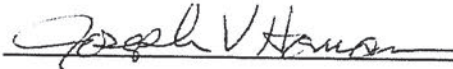
Print Name: Richard Scott Draughon

Date: February 1, 2022

To: MyTechnologyLawyer
From: John B. Pursley, Jr.
Subject: Richard Scott Draughon

Stephenson Technologies Corporation (STC or Company) since its founding 8th of May 2015 has engaged the Professional Services of Scott Draughon. As the General Manager & Chief Cyber Strategist (GM & CCS) for STC, Scott is a Member of the Company Executive Management Team (CEMT). However, Scott is not an Employee (W2) of STC, and the Employee Fringe Benefits (EFB) and certain CEMT EFB & Perks are not applicable except for the following which are applicable:

- 1) First-class Air Travel which includes the plus one when required to attend Company sponsored functions.
- 2) Club Membership – currently limited to one per Member of the CEMT.
- 3) Reimbursement for Family Healthcare and Dental Insurance and all out-of-pocket cost not covered by Insurance Coverages.
- 4) Severance Package – applicable with Resignation by CEMT Member or Termination by Company and Package is a Lump-Sum Payment of \$144,000.00.



Approval: Dr. Joseph V. Homan, Acting President

February 1, 2022

Stephenson Technologies Corporation
1200 Brickyard Lane
Baton Rouge, LA 70802

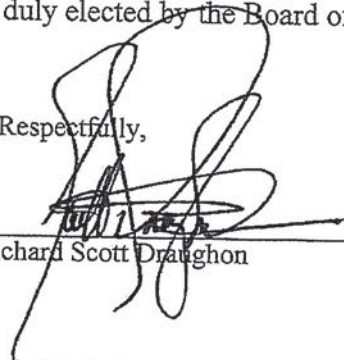
Re: Letter of Resignation – Richard Scott Draughon

Gentlemen:

Effective 1 February 2022, I hereby resign as General Manager & Chief Cyber Strategist of Stephenson Technologies Corporation (STC).

I will continue to serve STC as the Secretary of the Board of Directors (an uncompensated position) until replaced by a qualified successor duly elected by the Board of Directors.

Respectfully,



Richard Scott Draughon

cc: Dr. Robert J Elder, Jr., PhD, Lt Gen (ret.), USAF (Independent Board Member – Acting)
Dr. Clifton S. Richardson, DPM (Independent Board Member – Acting)
Joseph V. Homan (Acting President)
John B. Pursley, Jr. (Treasurer)
Jeffery A. Moulton (Chairman of the Board)

EXHIBIT H

LEASE

OFFICE LEASE

WC 6A, LLC
Landlord

BATON ROUGE, LOUISIANA

STEPHENSON STELLAR CORPORATION
Tenant

Dated April 22, 2020

THIS OFFICE LEASE is entered into by Landlord and Tenant as described in the following basic lease information on the date that is set forth for reference only in the following basic lease information. Landlord and Tenant agree as follows:

1. BASIC LEASE INFORMATION

In addition to the terms that are defined elsewhere in this Lease, these terms as used in this Lease are defined as follows:

- (a) **LEASE DATE:** April 22, 2020
- (b) **LANDLORD:** **WC 6A, LLC**
a Louisiana limited liability company
- (c) **LANDLORD'S ADDRESS:** 450 Main Street
Baton Rouge, LA 70801
- (d) **TENANT:** Stephenson Stellar Corporation
a nonprofit Corporation
- (e) **TENANT'S ADDRESS FOR NOTICES:**
1200 Brickyard Lane, Ste. 200
Baton Rouge, LA 70802
- (f) **BUILDING ADDRESS:** 1200 Brickyard Lane
Baton Rouge, LA 70802
- (g) **LEASED PREMISES:**
That portion of the Project (located on the Land described on Exhibit A to this Lease) known as Suite 200.
- (h) **RENTABLE AREA OF THE LEASED PREMISES:**
108 square feet, subject to confirmation as set forth in Section 5.1.
- (i) **RENTABLE AREA OF THE BUILDING:**
Approximately 89,303 square feet, subject to confirmation as set forth in Section 5.1.

- (j) **PRIMARY TERM:** Five (5) years, beginning on the Commencement Date and expiring on the Expiration Date.
- (k) **OPTIONS TO RENEW:** One (1) successive period of five (5) years, beginning on the Expiration Date.
- (l) **COMMENCEMENT DATE:** November 6, 2019
- (m) **CONTEMPLATED USE:** General and executive office use.
- (n) **EXPIRATION DATE:** Sixty (60) months after the Commencement Date, or as may be extended upon the Tenant's exercising its option to renew.
- (o) **SECURITY DEPOSIT:** None.
- (p) **BASE RENT:** Base Rent for the Leased Premises shall be as set forth in Section 8.1.
- (q) **EARLY OCCUPANCY:** Not Applicable.
- (r) **GUARANTOR(S):** None.
- (s) **BROKERS:** None.

2.0 DEFINITIONS

2.1 **"Additional Rent"** means any amounts that this Lease requires Tenant to pay in addition to Base Rent, as adjusted, including without limitation Tenant Specific Expenses as set forth in Section 9.1. If Tenant fails to pay any Additional Rent, Landlord will have all the rights and remedies available because of Tenant's failure to pay Rent.

2.2 **"Accounting Expenses"** means and includes, among other things, the reasonable fees and charges of accountants as well as assistants, bookkeepers, and others used by accountants and under accountant supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

2.3 **"Alterations"** means alterations, additions, substitutions, installations, changes and improvements.

2.4 **"Building"** means the building located on the Land and of which the Leased Premises are a part.

2.5 **"Business Days"** means Monday through Friday inclusive, excluding Holidays.

2.6 **"Business Hours"** means 7:00 a.m. to 6:00 p.m. C.S.T., on Business Days, except Holidays; and 8:00 a.m. to 12:00 p.m. on Saturdays, except Holidays.

2.7 **"Common Areas"** means, without limitation, the hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, and all other areas and facilities in the Project that are provided and designated from time to time by Landlord for the general nonexclusive use and convenience of Tenant with Landlord and other tenants of the Project and their

respective employees, invitees, licensees, or other visitors.

2.8 **"Days"** refers to calendar days, except as used in "Business Days".

2.9 **"Default"** means a breach or failure to perform any of the covenants or provisions of this Lease to be performed by the Parties or any one of them.

2.10 **"Expert Expenses"** means and includes, among other things, the reasonable fees and charges of experts as well as their staff and other Persons used by experts and under expert supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

2.11 **"Hazardous Material"** means any substance:

- a) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or
- b) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.), as amended, and/or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), as amended, and/or Federal Water Pollution Control Act (33 U.S.C. §1321 et seq.) and/or Hazardous Materials Transportation Uniform Safety Act of 1990 (49 U.S.C. App. §1802 et seq.), as amended and/or Clean Water Act (33 U.S.C. §1251 et seq.), as amended and/or Toxic Substances Control Act, 15 U.S.C. §2601 et seq.), as amended and/or Louisiana Environmental Quality Act (La.R.S. 30:2001 et seq.), as amended (**"Environmental Laws"**); or
- c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, Carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority or agency, department, commission, board, agency or instrumentality of the United States, the State of Louisiana or any political subdivision thereof,

excluding, however, the safe and lawful use and storage of quantities of substances, which under the aforesaid definitions would be deemed Hazardous Materials, customarily used in the operation and maintenance of facilities for normal general office or normal household uses and purposes.

2.12 **"Holidays"** means New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

2.13 **"Land"** means the land on which the Project is located, and which is described on Exhibit A.

2.14 **"Landlord Group"** means Landlord, its affiliates, partners, shareholders, directors, officers, agents, representatives, employees and invitees, individually and collectively.

2.15 **"Late Fee"** means \$50.00 plus \$5.00 per day thereafter until the entire amount due is paid.

2.16 **"Late Rate Charge"** means 8% per annum (but in no event in an amount more than the

maximum rate allowed by applicable law)

2.17 **"Lease"** means this Lease Agreement.

2.18 **"Legal Expenses"** means and includes, among other things, the reasonable fees and charges of attorneys as well as legal assistants, paralegals, law clerk and others used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

2.19 **"Legal Requirements"** means all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, certificates, authorizations, restrictions and requirements of all government, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Leased Premises, or any of the streets or ways, or any use or condition of the Leased Premises, including without limitation all applicable building codes and zoning requirements, including without limitation the Americans with Disabilities Act of 1990 (P.L. 101-336, 42 U.S.C. Sections 12101, et seq.), as amended.

2.20 **"Litigation Expenses"** means and includes, among other things, all the following arising because of Default:

- a) Legal Expenses;
- b) Accounting Expenses;
- c) Expert Expenses; and
- d) Court costs and expenses.

2.21 **"Notice"** shall have the meaning provided in Section 31.14.

2.22 **"Operating Expenses"** shall have the meaning provided in Section 9.0.

2.23 **"Party" or "Parties"** means Landlord and Tenant, individually and collectively.

2.24 **"Person"** means and includes all juridical persons, whether corporate or natural and includes individuals, persons, firms, corporations, associations, joint ventures and partnerships.

2.25 **"Project"** means the development consisting of the Land and all improvements built on the Land, including without limitation the Building, parking lots and areas, walkways, driveways, fences, and landscaping.

2.26 **"Rent"** includes Base Rent, as adjusted, Additional Rent and all charges or payments which Tenant is or becomes obligated to make pursuant to this Lease.

2.27 **"Tenant Group"** means Tenant, its agents, contractors, affiliates, shareholders, directors, officers, representatives, employees, partners, and invitees, individually and collectively.

2.28 **"Weekdays"** means Monday through and inclusive of Friday.

If any other provision of this Lease contradicts any definition of this Section, the other provision will prevail.

3.0 **EXHIBITS**

The following addendum and exhibits are attached to this Lease and are made part of this Lease.

EXHIBIT A - The Leased Premises

EXHIBIT B - Legal Description of the Land

EXHIBIT C - Description of Landlord Work

EXHIBIT D - Rules & Regulations

EXHIBIT E - Commencement and Termination Agreement

4.0 **AGREEMENT**

Landlord leases the Leased Premises to Tenant, and Tenant leases the Leased Premises from Landlord, according to this Lease. The duration of this Lease will be the Term. The Term will commence on the Commencement Date and will expire on the Expiration Date. Notwithstanding the foregoing, the Parties shall be bound to perform all their respective obligations which are to be performed prior to the Commencement Date and after the Expiration Date.

5.0 **LEASED PREMISES**

5.1 **Rentable Square Feet.**

The Leased Premises comprise 108 rentable square feet as determined by Section 5.2 below of a total of 89,303 rentable square feet of office rentable area in the Building.

5.2 **Calculation of Rentable Square Feet.**

The rentable square footage measurements of the Leased Premises and Building were made using the American National Standard Method of Measuring Floor Area in Office Buildings, ANSI Z65.1-2010, published by the Building Owners and Managers Association International (BOMA Standard Methods of Measurements for Office, 1996), utilizing a 1.180% add on factor to usable square footage.

6.0 **TERM**

6.1 **Primary Term.**

The Primary Term of this Lease will be five (5) years, beginning on the Commencement Date and terminating on the Expiration Date.

6.2 **Extension Term.**

Provided the Tenant is not in default under any of the terms, covenants and conditions of this Lease beyond any applicable grace or cure period, and Tenant or any of Tenant's affiliates are occupying the Leased Premises, Tenant shall have the option to extend the Primary Term of this Lease for One (1) successive period of 5 years (60 months) (such extension of the Primary Term being referred to herein as the "**Extension Term**"). If the option to extend the Primary Term is properly exercised, the Extension Term shall commence on the Expiration Date. The Primary Term and the Extension Term (if properly exercised) is collectively referred to as the "**Term**".

6.3 Notice to Extend Primary Term.

If Tenant desires to elect its option to extend the Primary Term pursuant to Section 6.2, Tenant shall give Notice to Landlord, which Notice shall state that Tenant elects to extend the Primary Term for the Extension Term. Tenant's Notice shall be given at least one hundred eighty (180) Days prior to the Expiration Date, and upon the giving of the required Notice, Landlord and Tenant shall be bound to the agreements of this Lease for such Extension Term. If Tenant fails to give timely Notice, then Tenant's right to extend this Lease for the Extension Term shall lapse and this Lease shall terminate on the Expiration Date.

6.4 Terms and Conditions.

In the event Tenant timely exercises its option to extend the Primary Term contained in this Section 6, Base Rent for the Extension Term will be adjusted as follows:

Initial Term	Rent (PSF)	Base Annualized Rent	Total Base Rent for Five Year Term
Year 1-5	\$34.00	\$3,672.00	\$18,360.00

6.5 Right of First Refusal

In the event of expiration, termination or cancellation of that certain Office Lease between Stephenson Technologies Corporation ("STC") and WC 6A, LLC, Landlord shall provide Tenant advance written notice of such expiration, termination or cancellation. Upon receiving such notice from Landlord, Tenant shall have the Right of First Refusal (with such right, Tenant shall lease the space vacated by STC under the terms and at the same prorate Base Monthly Rent and Operating Expenses rates as set forth under this Lease. Should additional space become available within the Building for Lease, Landlord will advise Tenant of such and Tenant shall have ten (10) days from the date the notice was received to elect to lease such space at the same Base Monthly Rent and Operating Expenses rate as set forth under this Lease.

7.0 DELIVERY OF LEASED PREMISES

7.1 Delivery of Possession.

Landlord will be deemed to have delivered possession of the Leased Premises to Tenant on the Commencement Date, and Tenant shall be deemed to have accepted the Leased Premises in its "AS IS" condition.

7.2 Waiver of Warranties.

Tenant acknowledges that neither Landlord nor its agents or employees have made any representations or warranties (and all such warranties being specifically disclaimed) as to the suitability or fitness of the Leased Premises for the conduct of Tenant's Contemplated Use or for any other purpose, nor have Landlord or its agents or employees agreed to undertake any Alterations or construct any Tenant improvements to the Leased Premises (other than as expressly set forth on Exhibit C attached hereto).

RENT

7.2 Payment of Base Rent.

(a) Throughout the Primary Term of this Lease, beginning on the Commencement Date, Tenant will pay Base Rent for the full five (5) year term to Landlord for the Leased Premises as set forth below:

Initial Term	Rent (PSF)	Base Annualized Rent	Total Base Rent for Five Year Term
Year 1-5	\$32.00	\$3,456.00	\$17,280.00

(b) Throughout the Extension Term, Tenant will pay Base Rent to Landlord as rent for the Leased Premises as determined by Section 6.4 above.

(c) Base Rent will be paid in advance on the date of Lease Execution for the Primary Term and on or before the first day of the Extension Term for the full five (5) year Term. Base Rent will be paid to Landlord, without any Notice or demand, and without deduction, set off or offset, except as otherwise expressly provided in this Lease, in lawful money of the United States of America at Landlord's Address, or to such other address as Landlord may from time to time designate in writing.

9.0 OPERATING EXPENSE REIMBURSEMENT

9.1 Other Tenant Specific Expenses

In addition to Base Rent, Tenant shall pay costs of excess or additional or special services provided exclusively to Tenant in the Building which are not provided on a regular basis to other tenants in the Building. Such expenses shall be billed annually to Tenant based on its proportionate share.

10.0 USE

10.1 Contemplated Use.

The Leased Premises will be used only for the Contemplated Use, and for no other purpose. Tenant will use the Leased Premises in a careful, safe, and proper manner. Tenant will not use or permit the Leased Premises to be used or occupied for any purpose or in any manner prohibited by any Legal Requirements. Tenant will not commit waste or suffer or permit waste to be committed in, on, or about the Leased Premises. Tenant will conduct its business and control its employees, agents, and invitees in such a manner as not to create any nuisance or interfere with, annoy, or disturb Landlord, or any other tenant or occupant of the Project.

11.0 COMMON AREAS

Landlord grants Tenant, its employees, invitees, licensees, and other visitors a nonexclusive license for the Term to use the Common Areas in common with others entitled to use the Common Areas, subject to the terms and conditions of this Lease. Upon prior written notice, except in the case of emergencies, and without any liability to Tenant in any respect, provided Landlord will take no action permitted under this Section 11 in such a manner as to unreasonably impair or adversely affect Tenant's use, benefit and enjoyment of the Leased Premises, Landlord will have the right to:

a) Close off any of the Common Areas to whatever extent required in the opinion of Landlord and its counsel to prevent a dedication of any of the Common Areas or the accrual of any rights by any person or the public to the Common Areas;

b) Temporarily close any of the Common Areas for maintenance, alteration, or improvement purposes; and

c) Change the size, use, shape, or nature of any such Common Areas, including erecting additional buildings on the Common Areas, expanding the existing Building or other buildings to cover a portion of the Common Areas, converting Common Areas to a portion of the Building or other buildings, or converting any portion of the Building (excluding the Leased Premises) or other buildings to Common Areas. Upon erection of any additional buildings or change in Common Areas, the portion of the Project upon which buildings or structures have been erected will no longer be deemed to be a part of the Common Areas. In the event of any such changes in the size or use of the Building or Common Areas of the Building or Project, Landlord will make an appropriate adjustment in the Rentable Area of the Building, as appropriate.

12.0 QUIET ENJOYMENT

Subject to the provisions of Section 25, Landlord covenants and agrees with Tenant that so long as Tenant pays the Rent and observes and performs all the terms, covenants, and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Leased Premises subject, nevertheless, to the terms and conditions of this Lease.

13.0 [INTENTIONALLY OMITTED]

14.0 LANDLORD'S SCOPE OF WORK.

Landlord shall have no obligation to make any improvements to the Leased Premises other than as set forth in Exhibit C "Description of Landlord Work", and any further tenant improvements will be at the cost and expense of Tenant.

15.0 TENANT'S CARE OF THE LEASED PREMISES

Tenant shall maintain and repair the Leased Premises at Tenant's sole cost and expense including, without limitation, all interior partitions, plate glass, windows, doors, walls (including paint and wall coverings), ceilings, floor coverings, door locks, fixtures, leasehold improvements and all equipment, wires, pipes, outlets, and conduits within the Leased Premises in a manner consistent with a first-class office building. Provided, however, Tenant shall not be responsible for structural repairs to the Building, or for repairs to the Building's systems (such as plumbing, electrical, mechanical, and HVAC systems), the need for which repairs is not the direct result of Tenant Group's actions, omissions, or negligence. All such maintenance and repair work shall be of a class of quality which equals or exceeds the original work or improvements and shall otherwise be completed by engineers, contractors and sub-contractors approved by Landlord. Tenant shall give to Landlord prompt Notice of any accident, defect, damage or injury to the Leased Premises or any part thereof however caused; provided that nothing herein shall be construed to require repairs to be made by the Landlord except as expressly provided herein. If Tenant should fail to make any repair required of Tenant under this Lease, Landlord, after at least 10 Days prior written Notice to Tenant, may enter the Leased Premises and make such repairs in which event the Tenant shall reimburse Landlord, as Additional Rent, the expense incurred by Landlord in making such repairs plus 10% to cover Landlord's administrative costs. All repairs and replacements to the Leased Premises made by Tenant under this Section are subject to the Landlord's review and prior reasonable approval.

16.0 LANDLORD'S SERVICES

16.1 Landlord's Repair and Maintenance.

Landlord shall maintain or cause to be maintained in good repair and working order and make all repairs, replacements and restorations to the Building and all structural parts of the Building which are required in the normal maintenance, operation and use of the Building and Common Areas, including without limitation, the structural elements, mechanical, plumbing, electrical and HVAC systems, walkways, paths, exterior walls and roofs, foundation and interior walls and ceiling of the Common Areas, and in a manner and as is befitting a first-class office building in Baton Rouge, Louisiana.

16.2 Landlord's Other Services.

a) Landlord will furnish or cause the Leased Premises to be furnished with the following services ("Services"):

- 1) Electricity for lighting and the operation of low-wattage office machines (such as laptop and desktop computers, desktop calculators, and typewriters); Landlord will furnish 277/480V 3 phase electrical service to the building with local distribution on each floor;
- 2) Heat, ventilation and air conditioning ("HVAC") reasonably required for the comfortable occupation of the Leased Premises during Business Hours considering Tenant's space plan, subject to Legal Requirements;
- 3) Access and passenger elevator service in common with others during Business Hours, and access to the Leased Premises for Tenant only, 24 hours a Day, 365 Days a year. The use of the passenger elevator shall be subject to such reasonable rules as may be established from time to time by Landlord. Landlord shall provide Tenant with enough security cards to allow Tenant access 24 hours a day, 7 days a week, to the Leased Premises;
- 5) Replacement of lighting tubes, lamp ballasts and bulbs during Business Hours (for Building standard lights, but not for any special Tenant lights, which will be replaced at Tenant's sole cost and expense);
- 6) Restroom supplies;
- 7) Window washing with reasonable frequency, as befitting a first-class office building in Baton Rouge, Louisiana;
- 8) Tempered water at those points of supply provided and in amounts normally required for general tenant use for drinking, lavatory, toilet and ordinary cleaning purposes;
- 9) Extermination and pest control when necessary; and
- 10) Daily cleaning and janitorial services.

Landlord may provide or cause to be provided, but will not be obligated to provide, any such Services (except as otherwise provided herein) on Holidays or weekends or non-Business Hours.

b) Upon Tenant's request, Landlord will provide 24/7 HVAC service for Tenant's server room, which may include the installation of a separate supplemental HVAC unit at Tenant's expense.

16.3 Conservation.

Tenant agrees to make reasonable efforts to use such means as are reasonably available to it, and as may be directed by Landlord to conserve energy if such conservation measures do not interfere with the Contemplated Use of Tenant.

16.4 Limitation on Liability.

Landlord will not be in default under this Lease or be liable to Tenant or any other person for direct or consequential damage, or otherwise, for any failure to supply any heat, air conditioning, elevator, cleaning, lighting, or security; for surges or interruptions of electricity; or for other Services Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such Services. Landlord will use reasonable efforts to diligently remedy any interruption in the furnishing of such Services. Landlord reserves the right temporarily to discontinue such Services at such times as may be necessary by reason of accident; repairs, alterations or improvements; strikes; lockouts; riots; acts of God; governmental preemption in connection with a national or local emergency; any rule, order, or regulation of any governmental agency; conditions of supply and demand that make any product unavailable; Landlord's compliance with any mandatory governmental energy conservation or environmental protection program, or any voluntary governmental energy conservation program at the request of or with consent or acquiescence of Tenant; or any other happening beyond the control of Landlord. Landlord will not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the admission to or exclusion from the Building or Project of any Person. In the event of invasion, mob, riot, public excitement, strikes, lockouts, or other circumstances rendering such action advisable in Landlord's sole opinion, Landlord will have the right to prevent access to the Building or Project during the continuance of the same by such means as Landlord, in its sole discretion, may deem appropriate, including without limitation locking doors and closing parking areas and other Common Areas. Landlord will not be liable for damages to Person or property or for injury to, or interruption of, business for any discontinuance permitted under this Section 16.4, nor will such discontinuance in any way be construed as an eviction of Tenant or cause an abatement of Rent or operate to release Tenant from any of Tenant's obligations under this Lease.

Notwithstanding the foregoing, if any essential services (such as HVAC, electricity, water) supplied by Landlord are interrupted, Landlord shall use commercially reasonable efforts to restore the Services as soon as possible.

16.5 Acknowledgement Relative to Security.

Tenant acknowledges that Landlord has made no representation or warranty with respect to systems and/or procedures for the security of the Building, any persons occupying, using or entering the Building, or any equipment, finishes, or contents of the Building. It is the sole responsibility of Tenant to provide for its security of person and/or property.

17.0 ALTERATIONS

17.1 General.

a) During the Term, Tenant will not make or allow to be made any Alterations to or of the Leased Premises or any part of the Leased Premises, or attach any fixtures or equipment to the Leased Premises which have a value more than \$10,000.00, or which affect the Building's structure or its systems, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. All such Alterations consented to by Landlord will be performed by an insured and licensed general contractor approved by Landlord, which approval shall

not be unreasonably withheld, conditioned or delayed. All work will require all contractors to provide general liability coverage in a minimum combined single limit of \$1,000,000 for bodily injury, including death and personal injury, and property damage for any one occurrence and \$2,000,000 general aggregate. The policy will include an additional insured endorsement in favor of Tenant, Landlord and any entity designated by Landlord. All contractors shall be required to provide worker's compensation coverage in amounts not less than as required by the State in which the Leased Premises are located. All policies of insurance shall be written with a reliable company having at least an "A" or better financial rating per the latest A.M. Best Report and shall contain an endorsement that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days written notice. The insurance shall be approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to Landlord no later than fifteen (15) days prior to the date of commencement of the work.

b) Notwithstanding any other provision to the contrary, all Alterations, whether temporary or permanent in character, made in or upon the Leased Premises either by Tenant or Landlord, will immediately become Landlord's property at the expiration of the Term or other termination of this Lease, and will remain on the Leased Premises without compensation to Tenant, unless when consenting to such Alterations, Landlord has advised Tenant in writing that such Alterations will be Tenant's and must be removed at the expiration or other termination of this Lease. All fixtures, equipment, improvements, appurtenances and other property attached to, incorporated or built into, or which become a component part of the Leased Premises at the commencement of or during the Term, whether or not at the expense of Tenant, and any replacements thereof, whether or not at the expense of Tenant, shall be and remain a part of the Leased Premises, shall be deemed the property of Landlord, and shall not be removed by Tenant under any circumstances without Landlord's prior written approval, which approval shall be in Landlord's sole and uncontrolled discretion, all without compensation, allowance or credit to Tenant.

17.2 Compliance with the Americans with Disabilities Act.

Landlord warrants and represents that the Common Areas of the Building and Land comply with the requirements of the Americans with Disabilities Act of 1990 (P.L. 101-336, 42 U.S.C. §§12101, et seq.), as amended (the "Act"). Tenant covenants and agrees that all Alterations to the Leased Premises constructed by Tenant, or on Tenant's behalf, pursuant to the terms and provisions of this Lease shall be constructed in accordance with the Act. If, after the date Tenant takes possession of the Leased Premises, Tenant requests Landlord to perform any Alterations to the Leased Premises, whether by expansion, extension or otherwise, Tenant agrees to and shall be responsible for all costs and expenses incurred in connection with any such Alteration necessary to ensure compliance with the Act. It is the intent of this Section that any additional Alterations required by the Act regarding the Leased Premises after the date Tenant takes possession of the Leased Premises, whether resulting from amendments to the Act or otherwise, shall be the sole responsibility of Tenant. Tenant covenants and agrees to and does hereby indemnify, defend and hold Landlord harmless from and against all liability (including, without limitation, Litigation Expenses) that Landlord may sustain because of Tenant's breach of its obligations under this Section. If Tenant fails to comply with its obligations under this Section for a period of ten (10) Days after Notice from Landlord to Tenant specifying the action required to be taken, Landlord shall have the right, but not the obligation, to enter the Leased Premises and perform such action on behalf of Tenant. In such event, Landlord shall not be liable for and Tenant hereby waives any claims against Landlord arising out of any damage or injury to the Leased Premises or any property situated therein, and Landlord shall have no liability to Tenant for any interruption of Tenant's operations conducted in or about the Leased Premises. Any costs and expenses incurred by Landlord in performing such action on behalf of Tenant shall be reimbursed by Tenant to Landlord as Additional Rent and the failure to do so shall, at the option of Landlord, constitute an Event of Default under this Lease. Landlord agrees that Tenant shall not be responsible for, and Landlord shall

indemnify, defend and hold Tenant harmless from any liability (including without limitation Litigation Expenses) resulting from Landlord's failure to cause the Project (excluding the Leased Premises) to comply with the Act.

17.3 **Free-Standing Partition.**

Tenant will have the right to install free-standing work station partitions, without Landlord's prior written consent, so long as no building or other governmental permit is required for their installation or relocation; however, if a permit is required, Landlord will not unreasonably withhold its consent to such relocation or installation. Landlord's right to consent to the installation of free-standing work station partitions shall extend to the location and density of such stations. The free-standing work station partitions for which Tenant pays will be part of Tenant's trade fixtures for all purposes under this Lease. All other built-in partitions installed in the Leased Premises are and will be Landlord's property for all purposes under this Lease.

17.4 **Removal**

If Landlord has required Tenant to remove any or all Alterations that are made in or upon the Leased Premises pursuant to this Section 17 prior to the Expiration Date, Tenant will remove such Alterations at Tenant's sole cost and will restore the Leased Premises to the condition in which they were before such Alterations were made, reasonable wear and tear and damage by casualty excepted.

18.0 **MECHANICS' LIENS**

a) Tenant will pay or cause to be paid all costs and charges for (i) work done by Tenant or caused to be done by Tenant, in or to the Leased Premises, and (ii) all materials furnished for or in connection with such work. Tenant will indemnify Landlord against and hold Landlord, the Leased Premises, and the Project free, clear, and harmless of and from all mechanics' liens and claims of liens, and all other liabilities, liens, claims, and demands related to such work by or on behalf of Tenant.

b) If any such lien, at any time, is filed against the Leased Premises or any part of the Project, Tenant will cause such lien to be bonded over, or discharged of record within 20 Days after the filing of such lien, except that if Tenant desires to contest such lien, it will furnish Landlord, within such 20-Day period, security reasonably satisfactory to Landlord of at least 125% of the amount of the claim, plus estimated costs and interest, or comply with such statutory procedures as may be available to release the lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant will pay and satisfy the same at once.

c) If, within the 20-Day period described in subsection b), Tenant fails to pay any charge for which a mechanics' lien has been filed, and has not given Landlord security as described above, or has not complied with such statutory procedures as may be available to release the lien, Landlord may, at its option, pay such charge and related costs and interest, and the amount so paid, together with reasonable attorneys' fees incurred in connection with such lien, will be immediately due from Tenant to Landlord as Additional Rent. Nothing contained in this Lease will be deemed the consent or agreement of Landlord to subject Landlord's interest in the Project to liability under any mechanics' or other lien law. If Tenant receives written notice that a lien has been or is about to be filed against the Leased Premises or the Project, or that any action affecting title to the Project has been commenced related to work done by or for or materials furnished to or for Tenant, it will immediately give Landlord Notice of such notice.

d) At least 15 Days prior to the commencement of any work (including but not

limited to any maintenance, repairs, and Alterations) in or to the Leased Premises, by or for Tenant, Tenant will give Landlord Notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work. Landlord will have the right to post notices of non-responsibility or similar written notices on the Leased Premises to protect the Leased Premises against any such liens.

19.0 ENTRY BY LANDLORD

a) Landlord, its agents, employees, and contractors may enter the Leased Premises at any time in response to an emergency, and at reasonable hours and upon reasonable prior Notice (except as set forth in subparagraphs 4) and 7) below), to:

- 1) Inspect the Leased Premises;
- 2) Exhibit the Leased Premises to prospective purchasers, lenders and prospective tenants;
- 3) Determine whether Tenant is complying with its obligations in this Lease;
- 4) Supply cleaning service and any other service to be provided by Landlord to Tenant according to this Lease (no Notice required);
- 5) Post written notices of non-responsibility or similar notices;
- 6) Remove any Alteration made by Tenant in violation of this Lease; and/or
- 7) Make repairs required of Landlord under the terms of this Lease or make repairs to any adjoining space or utility services or make repairs, Alterations, or improvements to any other portion of the Building; however, all such work will be done as promptly and as reasonably as possible and to cause as little interference to Tenant as reasonably possible (no Notice required).

b) Tenant, by this Section 19, waives any claim against Landlord Group for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Leased Premises, occasioned by any entry in accordance with this Section 19. Landlord reserves the right, at its option, to have and retain a key with which to unlock all doors in, on, or about the Leased Premises (excluding Tenant's vaults, safes, and similar areas designated in writing by Tenant in advance). Landlord will be solely responsible for such key and will reimburse Tenant and defend, indemnify, and hold Tenant, its agents, and employees harmless, for any damages, including reasonable attorneys' fees and costs, caused to Tenant or the Leased Premises arising from any improper use of Landlord's key. Landlord will have the right to use any means Landlord may deem proper to open doors in and to the Leased Premises in an emergency to obtain entry to the Leased Premises, provided that Landlord will promptly repair any damages caused by any forced entry. Any entry to the Leased Premises by Landlord in accordance with this Section 19 will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Leased Premises or an eviction, actual or constructive, of Tenant from the Leased Premises or any portion of the Leased Premises, nor will any such entry entitle Tenant to an abatement of Base Monthly Rent, Additional Rent, or other charges that this Lease requires Tenant to pay.

20.0 INDEMNIFICATION, WAIVER, AND RELEASE

20.1 Indemnification of Landlord.

Except for any injury or damage to persons or property on the Leased Premises that is

proximately caused by or results proximately from the negligence or deliberate act of Landlord Group, and subject to the provisions of Section 21.5, Tenant will neither hold nor attempt to hold Landlord Group liable for, and Tenant will indemnify and hold harmless Landlord Group from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments (including without limitation Litigation Expenses) incurred in connection with or arising from:

the use or occupancy or manner of use or occupancy of the Leased Premises by Tenant or any person claiming under Tenant;

(a) any activity, work, or thing done by Tenant or by a person or entity with whom Tenant has contracted for work to be done at the direction of Tenant on its behalf in or about the Leased Premises, the Building, or the Project, to the extent not covered by insurance maintained or required to be maintained by Landlord or Tenant hereunder;

(b) any breach by Tenant or its employees, agents, contractors, or invitees of this Lease; and

(c) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, or invitees entering upon the Leased Premises under the express or implied invitation of Tenant.

If any action or proceeding is brought against Landlord Group because of any such claim for which Tenant has indemnified Landlord Group, Tenant, upon Notice from Landlord, will defend the same at Tenant's expense, with counsel reasonably satisfactory to Landlord and shall be liable for all Litigation Expenses. Landlord agrees that counsel selected by Tenant's insurer shall be acceptable to Landlord.

When any demand, claim, cause of action, fine, penalty, damage, liability, or judgment (including without limitation Litigation Expenses) is caused by the joint negligence or willful misconduct of (i) the Parties, or (ii) Tenant and a third party unrelated to Tenant, except Tenant's agents, employees, or invitees, Tenant shall have a duty to defend, indemnify and hold Landlord Group harmless in proportion to Tenant's allocable share of the joint negligence or willful misconduct.

20.2 Indemnification of Tenant.

Except for any injury or damage to persons or property on the Leased Premises that is proximately caused by or results proximately from the negligence or deliberate act of Tenant Group, and subject to the provisions of Section 21.5, Landlord will neither hold nor attempt to hold Tenant Group liable for, and Landlord will indemnify and hold harmless Tenant Group from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments (including without limitation Litigation Expenses) incurred in connection with or arising from:

a) the use or occupancy or manner of use or occupancy of the Leased Premises by Landlord;

b) any activity, work, or thing done by Landlord or by a person or entity with whom Landlord has contracted for work to be done at the direction of Landlord on its behalf in or about the Leased Premises, the Building, or the Project, to the extent not covered by insurance maintained or required to be maintained by Landlord or Tenant hereunder;

c) any breach by Landlord or its employees, agents, contractors, or invitees of this Lease; and

d) any injury or damage to the person, property, or business of Landlord, its employees, agents, contractors, or invitees entering upon the Leased Premises under the express or implied invitation of Landlord.

If any action or proceeding is brought against Tenant Group because of any such claim for which Landlord has indemnified Tenant Group, Landlord, upon Notice from Tenant, will defend the same at Landlord's expense, with counsel reasonably satisfactory to Tenant and shall be liable for all Litigation Expenses. Tenant agrees that counsel selected by Landlord's insurer shall be acceptable to Tenant.

When any demand, claim, cause of action, fine, penalty, damage, liability or judgment (including without limitation Litigation Expenses) is caused by the joint negligence or willful misconduct of (i) the Parties, or (ii) Landlord and a third party unrelated to Landlord, except Landlord's agents, employees, or invitees, Landlord shall have a duty to defend, indemnify and hold Tenant Group harmless in proportion to Landlord's allocable share of the joint negligence or willful misconduct.

21.0 INSURANCE

21.1 Landlord's Insurance.

At all times during the Term, Landlord will carry and maintain:

- a) Fire and extended coverage insurance covering the Project;
- b) Bodily injury and property damage insurance; and
- c) Such other insurance as Landlord reasonably determines from time to time.

The insurance coverages and amounts in this Section 21.1 will be reasonably determined by Landlord, based on coverages carried by prudent owners of comparable buildings in Baton Rouge, Louisiana.

21.2 Increase in Insurance Premiums.

Tenant agrees not to knowingly use or keep any substance or material in or about the Leased Premises which may impair the insurance on the Building, Land and/or Project or increase the hazard of the insurance risk. To the extent any such use by Tenant impairs the insurance on or increases the hazard of insurance risk on the Building, Land and/or the Project, Tenant shall be responsible to pay to Landlord 100% of the increase in Landlord's insurance premiums resulting from such use of the Leased Premises by Tenant, or at Tenant's option eliminate any such hazard caused by Tenant's use.

21.3 Tenant's Insurance.

At all times during the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the amounts specified below or such other amounts as Landlord may from time to time reasonably request, with insurance companies and on forms satisfactory to Landlord:

- a) Bodily injury and property damage liability insurance, with a combined single occurrence limit of not less than \$1,000,000 and a general aggregate limit of \$2,000,000. All such insurance will be equivalent to coverage offered by a commercial

general liability form, including without limitation personal injury and contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in Section 20 of this Lease;

- b) Insurance covering all of Tenant's furniture and fixtures, machinery, equipment, stock, and any other personal property owned and used in Tenant's business and found in, on, or about the Project, and all leasehold improvements to the Leased Premises in an amount not less than the full replacement cost. Insurance covering business interruption and/or loss of rental insurance in an amount equivalent to twelve (12) month's rent and additional rent which shall not contain a deductible greater than seventy-two (72) hours. Property forms will provide coverage on a broad form basis insuring against all risks of direct physical loss, including flood coverage if the Project is in a flood zone as classified by FEMA; and
- c) Worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the Worker's Compensation laws of the State of Louisiana, including employer's liability insurance in the limits required by the laws of the State of Louisiana.

The limit of any such insurance required by Landlord shall not limit the liability of Tenant.

21.4 Insurance Criteria.

Tenant's insurance policies required by this Lease shall:

- a) Be issued by insurance companies licensed to do business in Louisiana with general policyholder's ratings of at least A and a financial rating of a least XI in the most current Best's Insurance Reports;
- b) Name Landlord, Landlord's Managing Agent, Mortgagee and any other entity designated by Landlord as additional insured, as their interest may appear, entitling them to recover under such policies for any loss sustained by them, their agents, and employees because of the negligent acts or omissions of Tenant; other landlords may also be added as additional insureds in a blanket policy;
- c) Name Landlord as Loss Payee for the leasehold improvements;
- d) Provide that the insurance not be canceled or materially changed in the scope or amount of coverage unless thirty (30) Days' notice is given to Landlord and its mortgagee;
- e) Be primary policies - not contributing with, or more than, the coverage that other parties may carry;
- f) Be permitted to be carried through a "blanket policy" or "umbrella" coverage; and
- g) Be maintained during the entire Term and so long thereafter as Tenant continues to occupy the Leased Premises.

21.5 Forms of Policies.

Certificates of insurance, together with copies of the endorsements, when applicable, and a copy of the flood policy, if applicable, will be delivered to Landlord prior to Tenant's occupancy of the Leased Premises and thereafter at least 10 Days prior to the expiration of the term of each such policy. If Tenant fails to give the required certificate within fifteen (15) Days after Notice of demand, Landlord may obtain and pay the premiums for the liability and property insurance for the leasehold improvements and receive reimbursement from Tenant as Additional Rent payable hereunder.

21.6 **Waiver of Subrogation.**

Landlord and Tenant each waive any and all rights to recover against the other, or against the officers, directors, shareholders, partners, joint venturers, employees, agents, customers, invitees, or business visitors of such other party, for any loss or damage to such waiving party arising from any cause covered by any liability and property insurance required to be carried by such party pursuant to this Section 21 or any other liability and property insurance actually carried by such party to the extent any such claim or right exceeds the limits of such policy, but only to the extent the loss or damage is covered by (i) the injured party's insurance; or (ii) the insurance which the injured party is required to carry pursuant to this Lease, whichever is greater. The waiver does not apply to claims caused by a Party's willful misconduct.

Landlord and Tenant will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all liability and property insurance policies carried in connection with the Project or the Leased Premises or the contents of the Project or the Leased Premises.

21.7 **Adequacy of Coverage.**

Landlord, its agents, and employees make no representation that the limits of liability specified to be carried by Tenant pursuant to this Section 21 are adequate to protect Tenant. If Tenant believes that any of such insurance coverage is inadequate, Tenant will obtain such additional insurance coverage as Tenant deems adequate, at Tenant's sole expense.

22.0 **REQUIREMENTS OF LAW; FIRE INSURANCE**

22.1 **General.**

At its sole cost and expense, Tenant will promptly comply with Legal Requirements now in force or in force after the Lease Date, with the requirements of any board of fire underwriters or other similar body constituted now or after the Lease Date, with occupancy certificates issued pursuant to any law by any public officer or officers, as well as with the provisions of all recorded documents affecting the Leased Premises, insofar as they relate to the use or occupancy of the Leased Premises as opposed to general office use, excluding requirements of structural changes to the Leased Premises or the Building or the Building's systems, unless required by the unique nature of Tenant's use or occupancy of the Leased Premises for the Contemplated Use. At its sole cost and expense, Landlord will promptly comply with Legal Requirements now in force or in force after the Lease Date, with the requirements of any board of fire underwriters or other similar body constituted now or after the Lease Date, with occupancy certificates issued pursuant to any law by any public officer or officers, as well as with the provisions of all recorded documents affecting the Leased Premises, insofar as they relate to the general office use, including requirements of structural changes to the Leased Premises or the Building or the Building's systems.

22.2 **Hazardous Materials.**

a) Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Leased Premises by Tenant Group. Tenant shall not discharge, leak, or emit, or permit to be discharged, leaked, or emitted, any material into the atmosphere, ground, sewer system, or any body of water, if that material (as is reasonably determined by Landlord, or any governmental authority) does or may pollute or contaminate the same, or may adversely affect (1) the health, welfare, or safety of persons, whether located on the Leased Premises, the Project or elsewhere, or (2) the condition, use, or enjoyment of the Building or any other real or personal property.

b) Tenant hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Material located in or about the Leased Premises or passing through any Common Areas by Tenant Group, and Tenant shall give immediate Notice to Landlord of any violation or potential violation of the provisions of this Section 22.2. Tenant shall defend, indemnify, and hold harmless Landlord and its agents, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses (including, without limitation, Litigation Expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to Tenant's breach of its obligations under this Section 22. The provisions of this Section 22.2 shall be in addition to any other obligations and liabilities Tenant may have to Landlord at law or equity and shall survive the expiration or other termination of this Lease.

22.3 Environmental Requirements.

Notwithstanding anything above to the contrary, Landlord covenants and warrants to Tenant that to the best of its knowledge, information and belief there has not been a past and there is no current release or threats of release of any Hazardous Material on the Project. Landlord and Tenant covenant and agree that they will not store, use and/or dispose of any Hazardous Material on or about the Leased Premises, the Building or the Project, except to the extent consistent with the customary and reasonable business practices of entities conducting businesses similar to Landlord's and Tenant's businesses, provided Landlord and Tenant comply with all applicable Environmental Laws with reference to such Hazardous Materials, and that such Hazardous Materials do not endanger the life, health and safety of the occupants of the Project. Landlord and Tenant covenant and agree to indemnify, protect, defend and save each other harmless from and against any claims, demands, liabilities, and costs arising from damage or injury of whatsoever kind and character, to property and persons, occurring in, on or about the Leased Premises, the Building or the Project arising as a direct result of such Party's breach of the covenants and agreements contained in this Section 22. Notwithstanding anything contained herein to the contrary, Hazardous Material shall not include those hazardous substances in an amount less than a "reportable quantity" as defined in 40 C.F.R. Part 302, as amended, or hereafter amended, that are used, stored, handled and disposed of in accordance with applicable Environmental Laws.

22.4 Liability.

In the event Tenant brings any Hazardous Materials on the Leased Premises or through the Common Areas, Tenant will be solely responsible for and will defend, indemnify, and hold Landlord, its agents, and employees harmless from and against any environmental damages, including reasonable attorneys' fees and costs, necessary to return the Leased Premises and any other property of whatever nature located on the Project to their condition existing prior to the appearance of Tenant's Hazardous Materials on the Leased Premises or passing through the Common Areas. Tenant's obligations under this Section 22 will survive the expiration or other termination of this Lease.

22.5 Certain Insurance Risks.

Tenant will not knowingly do or permit to be done any act or thing upon the Leased Premises or the Project which would (a) jeopardize or conflict with fire insurance policies covering the Project and fixtures and property in the Project; or (b) increase the rate of fire insurance applicable to the Project to an amount higher than it otherwise would be for general office use of the Project.

23.0 DAMAGE AND DESTRUCTION

a) If the Leased Premises or the Building is damaged by fire or other insured casualty, Landlord will give Tenant Notice of the time which will be needed to repair such damage, as determined by Landlord in its reasonable discretion, and the election (if any) which Landlord has made

according to this Section 23. Such Notice will be given before the 45th Day ("**Notice Date**") after the fire or other insured casualty.

b) If the Leased Premises or the Building, without fault or neglect of Tenant or its Affiliates, are damaged by fire or other insured casualty to an extent which may be repaired within 120 Days after the Notice Date, as reasonably determined by Landlord, Landlord will promptly begin to repair the damage after the Notice Date and will diligently pursue the completion of such repair. In that event this Lease will continue in full force and effect except that Rent will be abated on a pro rata basis from the date of the damage until the date of the completion of such repairs ("**Repair Period**") based on the proportion of the Rentable Area of the Leased Premises Tenant is unable to use for conducting its business during the Repair Period.

c) If the Leased Premises or the Building, without fault or neglect of Tenant Group, are damaged by fire or other insured casualty to an extent that may not be repaired within 120 Days after the Notice Date, as reasonably determined by Landlord, then (1) Landlord may cancel this Lease as of the date of such damage by Notice given to Tenant on or before the Notice Date; or (2) Tenant may cancel this Lease as of the date of such damage by Notice given to Landlord within 10 Business Days after Landlord's delivery of Notice that the repairs cannot be made within such 120-Day period. If neither Landlord nor Tenant so elects to cancel this Lease, Landlord will diligently proceed to repair the Leased Premises and Rent will be abated on a pro rata basis during the Repair Period based on the proportion of the Rentable Area of the Leased Premises Tenant is unable to use during the Repair Period.

d) Notwithstanding the provisions of subsections a), b), and c) above:

if the Leased Premises or the Building is damaged by uninsured casualty, or if the proceeds of insurance are insufficient to pay for the repair of any damage to the Leased Premises or the Building, Landlord will have the option to repair such damage or cancel this Lease as of the date of such casualty by Notice to Tenant on or before the Notice Date; and

if the Leased Premises is damaged by fire or other casualty such that the damage cannot be repaired within 120 days of the date of the fire or other casualty, Tenant may cancel this Lease as of the date of such damage by Notice given to Landlord within ten (10) Business Days after being notified by Landlord that the damage cannot be repaired within 120 days.

e) If any such damage by fire or other casualty is the result of the negligence or willful misconduct of Tenant, its agents, contractors, employees, or invitees, there will be no abatement of Rent as otherwise provided for in this Section 23. Tenant will have no rights to terminate this Lease because of any damage to the Leased Premises, the Building, or the Project, except as set forth in this Lease.

f) Notwithstanding anything to the contrary contained herein, in the event of fire or other casualty, Landlord shall have no obligation to repair or restore any damage to Tenant's furniture, fixtures, equipment or other personal property, or other Tenant improvements paid for by Tenant, resulting from such fire or other casualty.

24.0 EMINENT DOMAIN

If all the Leased Premises are taken by exercise of the power of eminent domain (or conveyed by Landlord in lieu of such exercise) this Lease will terminate on a date ("**Condemnation Date**") which is the earlier of the date upon which the condemning authority takes possession of the Leased Premises or the date on which title to the Leased Premises is vested in the condemning authority. If more than 25% of the Rentable Area of the Leased Premises is so taken, Tenant will have the right to cancel this Lease by Notice to Landlord given within 20 Days after the Condemnation Date. If less than 25% of the Rentable Area of the Leased Premises is so taken, or if Tenant does not cancel this Lease per the preceding sentence, the Rent will be abated in

the proportion of the rentable area of the Leased Premises so taken to the Rentable Area of the Leased Premises immediately before such taking, and Tenant's Share will be appropriately recalculated. If 25% or more of the Building or the Project is so taken, Landlord may cancel this Lease by Notice to Tenant given within 45 Days after the date of any condemnation proceeding or the granting of a deed in lieu of a condemnation proceeding. In the event of any such taking, the entire award will be paid to Landlord and Tenant will have no right or claim to any part of such award; however, Tenant will have the right to assert a claim against the condemning authority in a separate action, for Tenant's relocation expenses and leasehold improvements owned and paid for by Tenant.

25.0 SUBORDINATION

25.1 General.

This Lease and Tenant's rights under this Lease are subject and subordinate to any ground or underlying lease, mortgage, or other lien encumbrance (each a "**Superior Lien**"), now or after the date hereof affecting or placed, charged, or enforced against the Land, the Building, or all or any portion of the Project or any interest of Landlord in them or Landlord's interest in this Lease and the leasehold estate created by this Lease (except to the extent any such instrument expressly provides that this Lease is superior to such instrument); provided, however, that so long as Tenant performs all of the terms, covenants and conditions of this Lease and agrees to attorn to the Superior Lien holder, Tenant's rights under this Lease shall not be disturbed and shall remain in full force and effect for the Term, and Tenant shall not be joined by the Superior Lien holder in any action or proceeding to foreclose thereunder. This provision will be self-operative, and no further instrument of subordination will be required to affect it. Notwithstanding the foregoing, Tenant will execute, acknowledge, and deliver to Landlord, within 20 Days after written demand by Landlord, such reasonable documents as may be reasonably requested by Landlord or the holder of any Superior Lien to confirm or effect any such subordination.

25.2 Attornment and Nondisturbance.

Tenant agrees that if any holder of a Superior Lien succeeds to Landlord's interest in the Leased Premises, Tenant will pay to such holder all Rent subsequently payable under this Lease. Written Notice from the holder of any such Superior Lien to pay Rent to such holders shall be all the direction required to be given Tenant, and Tenant shall have no duty or obligation to make further inquiry. Further, Tenant agrees that in the event of the enforcement by the holder of a Superior Lien of the remedies provided for by law or by such Superior Lien, Tenant will, upon request of any Person succeeding to the interest of Landlord because of such enforcement, automatically become Tenant of and attorn to such successor in interest without change in the terms or provisions of this Lease.

Upon request by such successor in interest and without cost to Landlord or such successor in interest, Tenant will, within 20 Days after written demand, execute, acknowledge, and deliver an instrument or instruments confirming the attornment, so long as such instrument provides that such successor in interest will not disturb Tenant in its use and possession of the Leased Premises in accordance with this Lease, as long as Tenant is not in default beyond any applicable grace or cure period granted in this Lease.

26.0 ASSIGNMENT AND SUBLETTING

26.1 General.

Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors, and assigns, covenants that it will not assign, mortgage, or encumber this Lease, nor sublease, nor permit the Leased Premises or any part of the Leased Premises to be used or

occupied by others, without the prior written consent of Landlord in each instance, which consent may be withheld by Landlord for any reason. Any assignment or sublease in violation of this Section 26.1 will be void.

If this Lease is assigned, or if the Leased Premises or any part of the Leased Premises are subleased or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect Rent from the assignee, subtenant, or occupant, and apply the net amount collected to Rent. No assignment, sublease, occupancy, or collection will be deemed (a) a waiver of the provisions of this Section 26.1; (b) the acceptance of the assignee, subtenant, or occupant as Tenant; or (c) a release of Tenant from the further performance by Tenant of covenants on the part of Tenant contained in this Lease. The consent by Landlord to an assignment or sublease will not be construed to relieve Tenant from obtaining Landlord's prior written consent in writing to any further assignment or sublease. No permitted subtenant may assign or encumber its sublease or further sublease all or any portion of its subleased space, or otherwise permit the subleased space or any part of its subleased space to be used or occupied by others, without Landlord's prior written consent in each instance.

26.2 Submission of Information.

If Tenant requests Landlord's consent to a specific assignment or subletting, Tenant will submit in writing to Landlord:

- a) The name and address of the proposed assignee or subtenant;
- b) The business terms of the proposed assignment or sublease;
- c) Reasonably satisfactory information as to the nature and character of the business of the proposed assignee or subtenant, and as to the nature of its proposed use of the space;
- d) Banking, financial, or other credit information reasonably sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; and
- e) The proposed form of assignment or sublease for Landlord's reasonable approval.

26.3 Payments to Landlord.

If Landlord consents to a proposed assignment or sublease, then Landlord will have the right to require Tenant to pay to Landlord a sum equal to

- a) Any profit or gain (after deducting any necessary expenses incurred) realized by Tenant from any such sublease or assignment; and
- b) Landlord's reasonable attorneys' fees and costs incurred in connection with negotiation, review, and processing of the transfer.

All such sums payable will be payable to Landlord at the time the next payment of Base Monthly Rent is due.

26.4 Permitted Transfer.

Landlord consents to an assignment of this Lease or sublease of all or part of the Leased Premises to a wholly-owned subsidiary of Tenant or the parent of Tenant or to any corporation into or with which Tenant may be merged or consolidated or any other affiliate or related company

of Tenant; provided that Tenant promptly provides Landlord with a fully executed copy of such assignment or sublease (which contains a provision that such sub-lessee or assignee agrees to be bound by all of the terms and conditions of this Lease) and that Tenant is not released from liability under the Lease.

27.0 RULES

Tenant Group will observe faithfully, and comply strictly with, the Rules set forth in Exhibit D. Landlord may from time to time reasonably amend, delete, or modify existing Rules, or adopt reasonable new Rules for the use, safety, cleanliness, and care of the Leased Premises, the Building, and the Project, and the comfort, quiet, and convenience of occupants of the Project provided:

- a) Tenant is given thirty (30) Days' Notice to effect compliance; and
- b) Such Rules do not unreasonably and materially interfere with Tenant's Contemplated Use.

In the event of any breach of any Rules or any amendments or additions to such Rules, Landlord will have all remedies that this Lease provides for default by Tenant and will in addition have any remedies available at law or in equity, including the right to enjoin any breach of such Rules.

Landlord will not be liable to Tenant for violation of such Rules by any other tenant, its employees, agents, visitors, or licensees or any other person. Landlord agrees to enforce such Rules in a non-discriminatory manner.

28.0 END OF TERM

At the Expiration Date or earlier termination of this Lease, Tenant will promptly surrender the Leased Premises broom clean, in good order and repair, ordinary wear and tear, fire or other insured casualty excepted. If Tenant is not then in default and subject to the provisions of Section 15, Tenant may remove from the Leased Premises any trade fixtures, equipment, and movable furniture placed in the Leased Premises by Tenant, whether or not such trade fixtures or equipment are fastened to the Building; Tenant will not remove any trade fixtures or equipment without Landlord's prior written consent if such fixtures or equipment are used in the operation of the Building, or if the removal of such fixtures or equipment will result in impairing the structural strength of the Building. Tenant will remove such Alterations, trade fixtures, equipment, and furniture as Landlord has requested in accordance with Section 17. Tenant will fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, and Alterations. All trade fixtures, equipment, furniture, inventory, effects, and Alterations on the Leased Premises after the end of the Term will be deemed conclusively to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without any notice to Tenant or any other person and without obligation to account for them. Tenant will pay Landlord for all expenses incurred in connection with the removal of such property, including but not limited to the cost of repairing any damage to the Building or Leased Premises caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

29.0 DEFAULT

29.1 Events of Default.

The following events are referred to, collectively, as "Events of Default" or, individually, as an "Event of Default":

- a) Tenant defaults in the due and punctual payment of Rent, and such default continues for five (5) Days after Tenant's receipt of Notice of such default; however, Tenant will not be entitled to more than two (2) Notices of monetary default during any twelve (12) month period, and if after such Notices any Rent is not paid when due in the succeeding 11 months, an Event of Default will be considered to have occurred, *ipso facto* and without further notice of any kind;
- b) This Lease or the Leased Premises or any part of the Leased Premises is/are taken upon execution or by other process of law directed against Tenant, or are taken upon or subject to any such seizure or attachment by any creditor of Tenant or claimant against Tenant, and such seizure or attachment is not released, discharged or disposed of within fifteen (15) Days after it becomes effective;
- c) Tenant files a petition or other request for relief or arrangement under the insolvency, bankruptcy, receivership, dissolution, liquidation, or similar laws of the United States or of any state or other jurisdiction, or admits the material allegations of any such petition by answer or otherwise, or is dissolved, or makes an assignment for the benefit of creditors;
- d) Involuntary proceedings under any such insolvency, bankruptcy, receivership, dissolution, liquidation, or similar laws of the United States or of any state or other jurisdiction are instituted against Tenant, or a receiver or trustee is appointed for all or substantially all property of Tenant, and such proceedings are not dismissed or such receivership or trusteeship vacated within 90 Days after such institution or appointment;
- e) Tenant breaches any of the other agreements, terms, covenants, or conditions that this Lease requires Tenant to perform, and such breach continues for a period of 30 Days after written Notice from Landlord to Tenant or, if such breach cannot be cured reasonably within such 30-Day period, if Tenant fails to diligently commence to cure such breach within 30 Days after written Notice from Landlord and to complete such cure within an additional 15 Day thereafter; or
- f) Any other Events of Default as defined elsewhere in this Lease.

29.2 Landlord's Remedies.

If any one or more Events of Default occur(s) then Landlord has the right, at its election, to undertake any one or more of the following non-exclusive actions:

- a) To give Tenant Notice of Landlord's intention to terminate this Lease on the earliest date permitted by law or on any later date specified in such Notice, in which case Tenant's right to possession of the Leased Premises will cease and this Lease will be terminated, except as to Tenant's liability, as if the date fixed in such Notice were the end of the Term, without, however, waiving Landlord's right to collect all Rent and other payments due or owing for the period up to the time Landlord regains possession, as well as any and all other Litigation Expenses;
- b) Without further demand or notice of any kind, to reenter and take possession of the Leased Premises or any part of the Leased Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or Litigation Expenses or as a result of any preceding breach of covenants

or conditions;

- c) Proceed for past due installments of Rent, reserving its right to proceed later for the remaining installments as well as any Litigation Expenses;
- d) Declare all unpaid installments of Rent at once due and payable, whereupon the whole thereof shall become and be immediately due and payable, anything herein to the contrary notwithstanding, and proceed to enforce its legal remedies hereunder; and/or,
- e) Without further demand or notice of any kind, to cure any Event of Default and to charge Tenant for the cost of effecting such cure, including without limitation all Litigation Expenses and interest on the amount so advanced at the Late Rate Charge, provided Landlord will have no obligation to cure any such Event of Default.

Should Landlord elect to reenter, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice or remedy provided by law, Landlord shall use commercially reasonable efforts, without terminating this Lease, to re-let the Leased Premises or any part of the Leased Premises in Landlord's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Leased Premises) as Landlord, in its reasonable discretion, may determine, and Landlord may collect and receive the Rent, Tenant hereby granting to Landlord its power of attorney for such purposes. Landlord will in no way be responsible or liable for any failure to re let the Leased Premises, or any part of the Leased Premises, or for any failure to collect any Rent due upon such re letting. No such reentry or taking possession of the Leased Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless Notice of such intention is given to Tenant. No Notice from Landlord under this Section or proceeding under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such Notice or proceeding specifically so states. Landlord reserves the right following any such reentry or re-letting to exercise its right to terminate this Lease by giving Tenant such Notice, in which event this Lease will terminate as specified in such Notice.

29.3 Certain Damages.

In the event that Landlord does not elect to terminate this Lease as provided in Section 29.2a), but on the contrary elects to take possession as provided in Section 29.2b), Tenant will pay to Landlord Rent and other sums as provided in this Lease that would be payable under this Lease if such repossession had not occurred, less the net proceeds, if any, of any re-letting of the Leased Premises after deducting all of Landlord's reasonable expenses in connection with such re-letting, including without limitation all repossession costs, brokerage commissions prorated for that part of the re-letting Term ending concurrently with the then current Term of this Lease, Litigation Expenses, expenses of employees, the cost of minor repairs, alterations, and remodeling necessary to put the Premises in a condition reasonably acceptable to a new Tenant, and expenses of preparation for such re-letting. If, in connection with any re-letting, the new lease term extends beyond the existing Term, or the Leased Premises covered by such new lease include other leased premises not part of the Leased Premises, a fair apportionment of the rent received from such re-letting and the expenses incurred in connection with such re-letting as provided in this Section will be made in determining the net proceeds from such re-letting, and any rent concessions will be equally apportioned over the Term of the new lease. Tenant will pay such Rent and other sums to Landlord monthly on the Day on which the monthly Rent would have been payable under this Lease if possession had not been retaken, and Landlord will be entitled to receive such Rent and other sums from Tenant on each such Day.

29.4 Continuing Liability After Termination.

If this Lease is terminated on account of the occurrence of an Event of Default, Tenant will remain

liable to Landlord for damages in an amount equal to Rent and other amounts that would have been owing by Tenant for the balance of the Term, had this Lease not been terminated, less the net proceeds, if any, of any re-letting of the Leased Premises by Landlord subsequent to such termination, after deducting all of Landlord's expenses in connection with such re-letting, including without limitation the expenses enumerated in Section 29.3. Landlord will be entitled to collect such damages from Tenant monthly on the Day on which Rent would have been payable under this Lease if this Lease had not been terminated, and Landlord will be entitled to receive such Rent from Tenant on each such Day.

29.5 Cumulative Remedies.

Any suit or suits for the recovery of the amounts and damages set forth in Sections 29.3 and 29.4 may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease or the Term would have expired had there occurred no Event of Default. Each right and remedy provided for in this Lease to Landlord and/or Tenant is cumulative and is in addition to every other right or remedy provided for in this Lease or now or after the Lease Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord or Tenant of any one or more of the rights or remedies provided for in this Lease or now or after the Lease Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by Landlord or Tenant of any or all other rights or remedies provided for in this Lease or now or after the Lease Date existing at law or in equity or by statute or otherwise. All costs incurred by Landlord or Tenant in collecting any amounts and damages owing by Tenant or Landlord pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether one or more actions are commenced by Landlord or Tenant, will also be recoverable by Landlord or Tenant from the non-prevailing Party.

30.0 BANKRUPTCY

If a petition is filed by or against Tenant for relief under Title 11 of the United States Code, as amended (the "**Bankruptcy Code**"), in the United States Bankruptcy Court or such other court of competent jurisdiction ("**Bankruptcy Court**") and Tenant (including for purposes of this Section Tenant's successor in bankruptcy, whether a trustee or Tenant as debtor in possession) assumes and proposes to assign, or proposes to assume and assign, this Lease pursuant to the provisions of the Bankruptcy Code to any person or entity who has made or accepted a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then Notice of the proposed assignment setting forth (a) the name and address of the proposed assignee, (b) all of the terms and conditions of the offer and proposed assignment, and (c) the adequate assurance to be furnished by the proposed assignee of its future performance under the Lease, shall be given to Landlord by Tenant no later than twenty (20) Days after Tenant has made or received such offer. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or documentation, to have assumed all the Tenant's obligations arising under this Lease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Landlord an instrument confirming such assumption. No provision of this Lease shall be deemed a waiver of Landlord's rights or remedies under the Bankruptcy Code to oppose any assumption and/or assignment of this Lease, to require a timely performance of Tenant's obligations under this Lease, or to regain possession of the Leased Premises if this Lease has neither been assumed or rejected within sixty (60) Days after the date of the order for relief or within such additional time as the Bankruptcy Court may have fixed. Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether expressly denominated as Rent, shall constitute rent for the purposes of Section 502(b)(6) of the Bankruptcy Code. Provided further, no provision herein regarding assignment of this Lease by Tenant shall be considered to waive or modify any other provision of this Lease governing Tenant's ability to assign or sublease, and the provisions of this Section are

included herein for the sole purpose of providing for the situation in which Landlord is compelled by the Bankruptcy Court to acquiesce in an assignment of this Lease approved by the Bankruptcy Court.

31.0 MISCELLANEOUS

31.1 No Offer.

This Lease is submitted to Tenant on the understanding that it will not be considered an offer and will not bind Landlord in any way until Tenant has duly executed and delivered duplicate originals to Landlord and Landlord has executed and delivered one of such originals to Tenant.

31.2 Joint and Several Liability.

If Tenant is composed of more than one signatory to this Lease, each signatory will be jointly and severally liable with each other signatory for payment and performance according to this Lease. The act of, Notice to, Notice from, refund to, or signature of any signatory to this Lease on behalf of Tenant (including without limitation modifications of this Lease made by fewer than all such signatories) will bind every other signatory of Tenant as though every other signatory had so acted, or received or given the Notice or refund, or signed.

31.3 Time of the Essence.

Time is of the essence of each provision of this Lease.

31.4 Recordation.

Tenant's recordation of this Lease will be void and an Event of Default under this Lease. Landlord and Tenant agree that Tenant may record a Memorandum of Lease at Tenant's cost and expense.

31.5 No Waiver.

The waiver by Landlord or Tenant of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease, nor will any custom or practice that may grow up between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of the other Party to insist upon the performance by the other in strict accordance with the terms of this Lease. The subsequent acceptance of Rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

31.6 Survival.

All of Landlord's and Tenant's remedies, each Party's indemnification of the other, and all obligations for the payment of money pursuant to this Lease shall survive the Term.

31.7 Gender.

Whenever the sense of this Lease so requires, the use of (a) the singular number shall be deemed to include the plural, (b) the masculine gender shall be deemed to include the feminine or

neuter gender, and (c) the neuter gender shall be deemed to include the masculine or feminine gender.

31.8 Counterparts.

This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

31.9 Limitation on Recourse.

Tenant specifically agrees to look solely to Landlord's interest in the Project, including the rental income ("**Landlord's Interest in the Project**") for the recovery of any judgments against Landlord, regardless of the nature and extent of the liability giving rise to the judgment taken against Landlord. Any and all judgments obtained by Tenant against Landlord in the event of a breach by Landlord of its obligations under this Lease (including without limitation the obligation to provide Tenant peaceful possession of the Leased Premises) shall only be recoverable from Landlord's Interest in the Project, and Landlord Group shall not incur any personal liability, and Tenant shall not be entitled to any deficiency judgment against Landlord Group as a result of Landlord's breach of its obligations hereunder. It is agreed that Landlord Group will not be personally liable for any such judgments (Landlord Group's liability hereunder being **in rem or non-recourse only** and limited to Landlord's Interest in the Project). The provisions contained in the preceding sentences are not intended to and will not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by Landlord.

31.10 Estoppel Certificates.

At any time and from time to time but within 10 Business Days after prior written request by Landlord, Tenant will execute, acknowledge, and deliver to Landlord, promptly upon request, a certificate certifying (a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which Rent and other sums payable under this Lease have been paid; (c) that no Notice of any default has been delivered to Landlord which default has not been cured, except as to defaults specified in said certificate; (d) that there is no Event of Default under this Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by Landlord. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Building or any part of the Project. Tenant's failure to deliver such a certificate within such time will be conclusive evidence of the matters set forth in it.

31.11 Waiver of Jury Trial.

Landlord and Tenant waive trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Lease against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, or any other claims (except claims for personal injury or property damage), and any emergency statutory or any other statutory remedy.

31.12 Termination of Subleases.

The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by agreement of Tenant and Landlord or the termination of this Lease because of Tenant's default will, at Landlord's option, (a) terminate all or any subleases and sub-tenancies or (b) operate as an

assignment to Landlord of all or any subleases or sub-tenancies. Landlord's option will be exercised by Notice to Tenant and all known sub-lessees or subtenants in the Leased Premises or any part of the Leased Premises.

31.13 Holding Over.

Tenant will have no right to remain in possession of all or any part of the Leased Premises after the expiration of the Term. If Tenant remains in possession of all or any part of the Leased Premises after the expiration of the Term, with the express or implied consent of Landlord: (a) such tenancy will be deemed to be a periodic tenancy from month-to-month only; such tenancy will not constitute a renewal or extension of this Lease for any further term; and such tenancy may be terminated by Landlord upon the earlier of 30 Days' prior Notice or the earliest date permitted by law. In such event, Base Monthly Rent will be increased to an amount equal to 125% of the Base Monthly Rent payable during the last month of the Term, and any other sums due under this Lease will be payable in the amount and at the times specified in this Lease. Such month-to-month tenancy will be subject to every other term, condition, and covenant contained in this Lease except the Term.

31.14 Notices.

Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease must be in writing and will be deemed to have been given (a) one day after being deposited with any nationally recognized overnight carrier that routinely issues receipts, or (b) five days after being deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the party for whom it is intended at its address set forth in Section 1. Either Landlord or Tenant may add additional addresses or change its address for purposes of receipt of any such communication by giving 10 Days' prior Notice of such change to the other party in the manner prescribed in this Section 31.14.

31.15 Severability.

If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid, or unenforceable a provision will be added as a part of this Lease as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

31.16 Written Amendment Required.

No amendment, alteration, modification of, or addition to the Lease will be valid or binding unless expressed in writing and signed by Landlord and Tenant.

31.17 Entire Agreement.

This Lease, the exhibits and addenda, if any, contain the entire agreement between Landlord and Tenant. No promises or representations, except as contained in this Lease, have been made to Tenant respecting the condition or the manner of operating the Leased Premises, the Building, or the Project.

31.18 Captions.

The captions of the various sections of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of such sections.

31.19 **Notice of Landlord's Default.**

In the event of any alleged default in the obligation of Landlord under this Lease, Tenant will deliver to Landlord Notice listing the reasons for Landlord's default, and, except as expressly set forth to the contrary herein, Landlord will have 30 Days following receipt of such Notice to cure such alleged default, or, in the event the alleged default cannot reasonably be cured within a 30-Day period, to commence action and proceed diligently to cure such alleged default. A copy of such Notice to Landlord will be sent to any holder of a Mortgage or other encumbrance on the Building or the Project of which Tenant has been notified in writing, and any such holder will also have the same time periods to cure such alleged default.

31.20 **Parking.**

Landlord agrees to make available to Tenant the parking spaces which service the Project, which shall be unassigned and non-reserved. In the event such parking spaces are not available to Tenant due to causes beyond the reasonable control of Landlord during any portion of the Term, Landlord shall not incur any liability to Tenant resulting from the unavailability of parking spaces or any responsibility to make available to Tenant other parking spaces.

31.21 **Signage and Name of Building.**

Tenant will not attach any sign on any part of the outside of the Building and/or the Project, or on any part of the inside of the Leased Premises that is visible outside the Leased Premises, or in the halls, lobbies, windows, or elevator banks of the Building, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. All approved signs or lettering on doors will be printed, painted, affixed, or inscribed at the expense of the Tenant by a person approved by Landlord. Landlord may remove all unpermitted signs without Notice to Tenant and at Tenant's expense. Landlord may name the Building and/or Project and change the name, number, or designation of the Building and/or the Project. Tenant will not use the name of the Building and/or Project for any purpose other than the address of the Building. Landlord will provide a directory in a conspicuous place in the Building with names of tenants of the Building. Tenant will be given two (2) lines on the Building directory and shall have the right to install signage at the suite entrance that conforms to building standards and is subject to Landlord's approval. Landlord will pay for the initial 2 lines for directory and the suite entry identification sign.

31.22 **Litigation Expenses.**

Should either Party employ an attorney or attorneys to enforce any of the provisions of the Lease, or to protect its interest in any matter arising under this Lease, or to recover damages for a breach of this Lease, the Party prevailing in any final judgment shall have the right to collect from the losing Party all reasonable Litigation Expenses incurred or expended in connection therewith.

31.23 **Brokers.**

Landlord and Tenant respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder regarding the Leased Premises with the exception of the broker described in Section 1, if any ("**Broker**"). Landlord will pay the commission due to Broker as described in Section 1, if any ("**Commission**") in connection with the negotiation and execution of this Lease and will hold Tenant harmless from payment of the Commission, if any. Landlord and Tenant will indemnify the other against and hold the other harmless from any claims for fees or commissions from anyone with whom either of them has consulted or negotiated regarding the Leased

Premises except Broker, if any.

31.24 Governing Law and Venue.

This Lease will be governed by and construed pursuant to the laws of the State of Louisiana. Venue of any action arising out of this Lease will be proper only in the 19th Judicial District Court, Parish of East Baton Rouge, Louisiana.

31.25 No Easements for Air or Light.

Any diminution or blocking of light, air, or view by any structure that may be erected on lands adjacent to the Building will in no way affect this Lease or impose any liability on Landlord. This Lease does not grant any rights to light, view and/or air over the Land and/or Building.

31.26 Tax Credits.

Landlord will be entitled to all credits and depreciation for those items for which Landlord has paid by means of any Tenant finish allowance or otherwise. Tenant will be entitled to any tax credits and depreciation for all items for which Tenant has paid with funds not provided by Landlord.

31.27 Binding Effect.

The covenants, conditions, and agreements contained in this Lease will bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and, except as otherwise provided in this Lease, their assigns.

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Landlord has executed this Lease on the 22nd day of April 2020

WITNESSES:

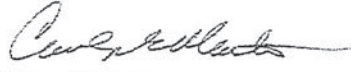


Print Name: Andrew T. McMains



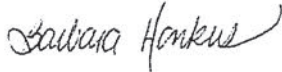
Print Name: Richele D. Rome

LANDLORD:
WC 6A, LLC

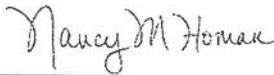
By: 
Carolyn E. Martin
Its: **President**

Tenant has executed this Lease on the 21st day of April 2020.

WITNESSES:



Print Name: Barbara B. Honkus



Print Name: Nancy M. Homan

TENANT:

STEPHENSON STELLAR CORPORATION


By: 
John B. Pursley Jr.
Title: Treasurer

EXHIBIT A

THE LEASED PREMISES – FLOOR PLAN

Second Floor
Suite 200

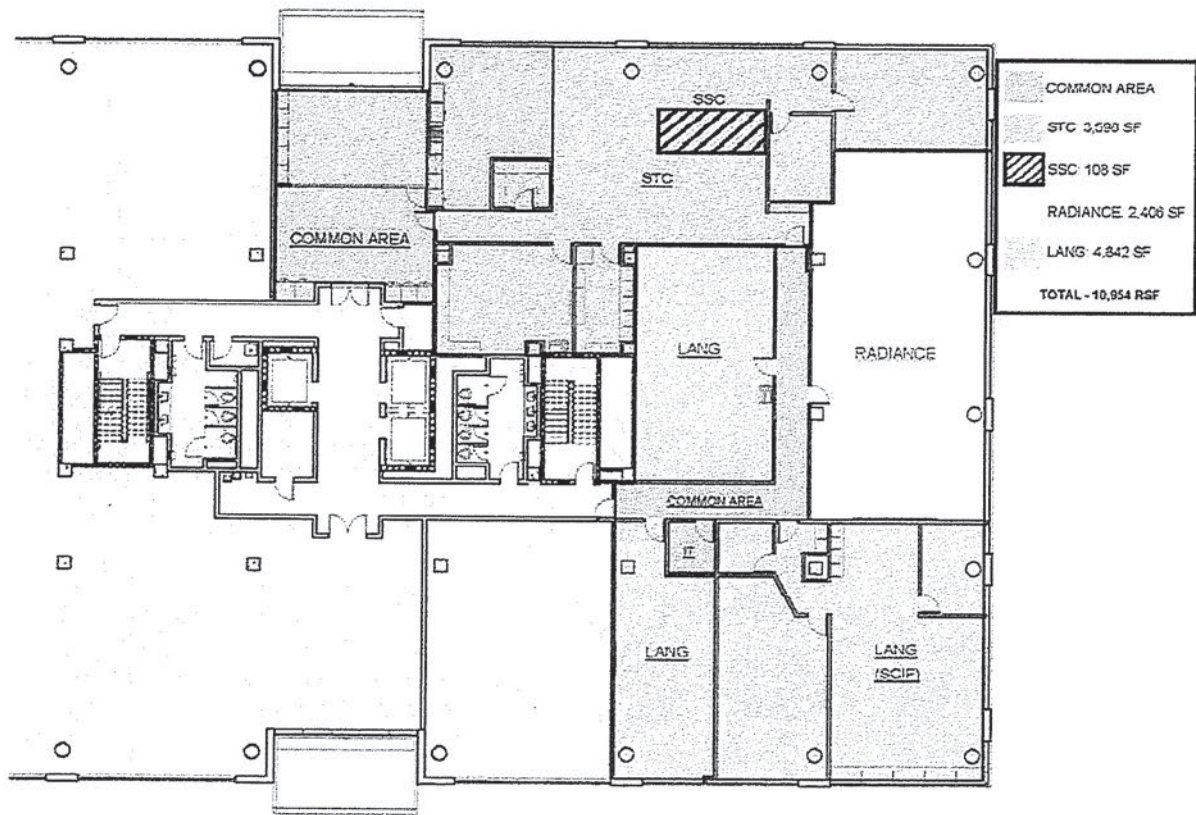


EXHIBIT B

THE LEGAL DESCRIPTION OF THE LAND

Lease Site 6A

A certain parcel of land located within Section 50, Township 7 South, Range 1 West, Greensburg Land District, East Baton Rouge Parish, Louisiana designated as Block 6 of Water Campus Phase 1, being comprised of portions of Tracts A and C-1-A of the Brickyard Property and Magnolia Mound, comprising 0.754 acres, more or less, and being more particularly described as follows:

Commencing at the point of intersection of the westernmost right-of-way of Arches Street (40' R/W) with the projected line of the northernmost right-of-way of the 40' wide portion of the Terrace Street right-of-way, said point also being on the easternmost boundary of the Canadian National Railroad 60' right-of-way; thence proceed, departing said Canadian National Railroad right-of-way heading back along said projected line, North 88° 25' 00" East a distance of 40.00'; thence proceed, departing said projected line, North 01° 49' 21" West a distance of 10.00' to a point at the intersection of the easternmost right-of-way of Arches Street and the northernmost right-of-way of the 50' wide portion of the Terrace Street right-of-way, said point also being the POINT OF BEGINNING

Thence proceed, along said easternmost right-of-way of Arches Street, North 01° 49' 21" West a distance of 209.00' to a point on the southernmost right-of-way of Water Street (80' R/W); thence proceed, along said southernmost right-of-way of Water Street, North 88° 25' 00" East a distance of 157.54' to a point on the westernmost right-of-way of Brickyard Lane (70' R/W); thence proceed, along said westernmost right-of-way of Brickyard Lane, South 01° 35' 00" East a distance of 209.00' to a point on the northernmost right-of-way of the 50' wide portion of the Terrace Street right-of-way; thence proceed, along said northernmost right-of-way of the 50' wide portion of the Terrace Street right-of-way, South 88° 25' 00" West a distance of 156.67' to the POINT OF BEGINNING.

The above description is based on the survey titled "MAP SHOWING SURVEY OF BLOCKS 4, 5, 6, 8 & BLOCK MS and DEDICATION of PUBLIC RIGHT-OF-WAYS OF WATER STREET, BRICKYARD LANE, ARCHES STREET (EXTENSION) & TERRACE STREET (WIDENING) BEING A-1 & B AND PORTIONS OF TRACTS A, C-1-A & C-2-D-1 OF THE BRICKYARD PROPERTY & MAGNOLIA MOUND LOCATED IN SECTION 50, T-7-S, R-1-W, GREENSBURG LAND DISTRICT, EAST BATON ROUGE PARISH, LOUISIANA for STATE OF LOUISIANA" by Sam M. Holladay, III, PLS, Stantec, Dated January 24, 2018.

EXHIBIT C
DESCRIPTION OF LANDLORD WORK

LANDLORD’S WORK: Landlord shall provide, at no cost to Tenant, the following work (collectively Landlord’s Work) to the Leased Premises and in compliance with standard construction practices and all applicable code requirements as referenced in Section 14.0 titled “Landlord’s Scope of Work”.

The Leased Premises will be delivered in accordance with the following documents:

- Construction Drawing Set dated June 17, 2019
- ASI 01 dated August 21, 2019
- ASI 02 dated August 20, 2019
- ASI 03 dated August 21, 2019
- ASI 04 dated August 21, 2019

The Leased Area consists of the following rooms:

- 202 – SBU Workspace

EXHIBIT D RULES AND REGULATIONS

The Rules and Regulations (“Rules”) are attached to and form a part of that certain Office Lease dated April 22, 2020 (“Lease”), pursuant to which WC 6A, LLC (“Landlord”) has leased to Stephenson Stellar Corporation (“Tenant”) office space in the Building known as 1200 Brickyard aka Building 6A. These Rules are subject to any restrictions set forth in the Cooperative Endeavor Agreement by and between State of Louisiana through the Division of Administration, Department of Economic Development and Coastal Protection and Restoration Authority and Water Campus, LLC effective January 1, 2004 as amended. All definitions set forth in the Lease shall be deemed applicable in these Rules as if reproduced herein in their entirety. These Rules were promulgated by Landlord. The use of the term “Tenant” herein shall be deemed to mean and include all tenants of the Building, including Tenant.

1. Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using, or entering the Building, or any equipment, finishings, or contents of the Building, and Tenant will comply with Landlord’s reasonable requirements relative to such systems and procedures, with reasonable written notice to Tenant.

2. The sidewalks, halls, passages, exits, entrances, elevators, and stairways of the Building will not be obstructed by any Tenant or used by any of them for any purpose other than for ingress to and egress from their respective Leased Premises. The halls, passages, exits, entrances, elevators, escalators, and stairways are not for the general public, and Landlord will in all cases retain the right to control and prevent access to such halls, passages, exits, entrances, elevators, and stairways of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation, and interests of the Building and its Tenants, provided that nothing contained in these Rules will be construed to prevent such access to persons with whom any Tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No Tenant and no employee or invitee of any Tenant will go upon the roof of the Building. No Tenant will be permitted to place or install any object (including without limitation radio and television antennas, loudspeakers, sound amplifiers, microwave dishes, solar devices, or similar devices) on the exterior of the Building or on the roof of the Building, without Landlord’s prior written consent.

3. No sign, placard, picture, name, advertisement, or written notice visible from the exterior of Tenant’s Leased Premises will be inscribed, painted, affixed, or otherwise displayed by Tenant on any part of the Building or the Leased Premises without the prior written consent of Landlord. Landlord will adopt and furnish to Tenant general guidelines relating to signs inside the Building on the office floors. Tenant agrees to conform to such guidelines. All approved signs or lettering on doors will be printed, painted, affixed, or inscribed at the expense of the Tenant by a person approved by Landlord. Other than draperies expressly permitted by Landlord and Building standard mini-blinds, material visible from outside the Building will not be permitted. In the event of the violation of this rule by Tenant, Landlord may remove the violating items without any liability, and may charge the expense incurred by such removal to the Tenant or Tenants violating this rule.

4. No cooking will be done or permitted by any Tenant on the Leased Premises, except in areas of the Leased Premises which are specially constructed for cooking and except that use by the Tenant of microwave ovens and Underwriters’ Laboratory approved equipment for brewing coffee, tea, hot chocolate, and similar beverages will be permitted, provided such use is in accordance with all applicable federal, state, and city laws, codes, ordinances, rules, and regulations. Tenant will not cause or permit any unusual or objectionable odors to be produced upon or permeate from Leased Premises.

5. No Tenant will employ any person or persons other than the cleaning service of Landlord cleaning the Leased Premises, unless otherwise mutually agreed to by Tenant and Landlord. Except with the written consent of Landlord, no person or persons other than those approved by Landlord will be permitted to enter the Building for cleaning. No Tenant will cause any unnecessary labor by such Tenant's carelessness or indifference in the preservation of good order and cleanliness. Should Tenant's actions result in any increased expense for any required cleaning, Landlord reserves the right to assess Tenant for such expenses.

6. The toilet rooms, toilets, urinals, wash bowls and other plumbing fixtures will not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other foreign substances will be thrown in such plumbing fixtures. All damages resulting from any misuse of the fixtures will be borne by the Tenant who, or whose servants, employees, agents, visitors, or licensees, caused the same.

7. No Tenant will in any way deface any part of the Leased Premises or the Building of which they form a part. In those portions of the Leased Premises where carpet has been provided directly or indirectly by Landlord, Tenant will at its own expense install and maintain pads to protect the carpet under all furniture having casters other than carpet casters.

8. No Tenant will alter, change, replace, or rekey any lock or install a new lock or a knocker on any door of the Leased Premises. Landlord, its agents, or employees will retain a pass (master) key to all door locks on the Leased Premises. Any new door locks required by Tenant or any change in keying of existing locks will be installed or changed by Landlord following Tenant's written request to Landlord and will be at Tenant's expense. All new locks and rekeyed locks will remain operable by Landlord's pass (master) key. Landlord will furnish each Tenant, free of charge, with two (2) keys to each door lock on the Leased Premises. Building/area access cards for employees, as designated by tenant, will be provided by Landlord. Landlord will have the right to collect a fee of \$25.00 each for additional keys and cards requested by any Tenant. Each Tenant, upon termination of its tenancy, will deliver to Landlord all keys and access cards for the Leased Premises and Building that have been furnished to such Tenant. Notwithstanding this rule, Tenant may designate some areas of the Leased Premises for storage of information protected by attorney/client privileges and Landlord will have no access to these areas without prior written consent of Tenant, and a representative of Tenant being present.

9. The elevator designated for freight by Landlord will be available for use by all Tenants in the Building during the hours and pursuant to such procedures as Landlord may determine from time to time. The persons employed to move Tenant's equipment, material, furniture, or other property in or out of the Building must be acceptable to Landlord. The moving company must be a locally recognized professional mover, whose primary business is the performing of relocation services, and must be bonded and fully insured. A certificate or other verification of such insurance must be received and approved by Landlord prior to the start of any moving operations. Insurance must be sufficient, in Landlord's sole opinion, to cover all personal liability, theft or damage to the project, including but not limited to floor coverings, doors, walls, elevators, stairs, foliage, and landscaping. Specific protective measures as prescribed by Landlord shall be adhered to for the protection of walls, flooring, furniture, fixtures, glass storefront and decor during said move. Special care must be taken to prevent damage to foliage and landscaping during adverse weather. All moving operations will be conducted at such times and in such a manner as Landlord will direct, and all moving will take place during non-business hours unless Landlord agrees in writing otherwise. All moving boxes, supplies, or refuse associated with a Tenant's move will be broken down and hauled away by Tenant. The property dumpster is not to be used for any trash or debris associated with a Tenant's moving operations. Tenant will be responsible for the provision of Building security during all moving operations and will be liable for all losses and damages sustained by any party because of the failure to supply adequate security. Landlord will have the right to prescribe the weight, size, and position of all equipment, materials, furniture, or other property brought into the Building. Heavy

objects will, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property will be repaired at the expense of Tenant. Landlord reserves the right to inspect all such property to be brought into the Building and to exclude from the Building all such property which violates any of these rules and regulations or the Lease of which these rules and regulations are a part. Supplies, goods, materials, packages, furniture, and all other items of every kind delivered to or taken from the Leased Premises will be delivered or removed through the entrance and route designated by Landlord, and Landlord will not be responsible for the loss or damage of any such property unless such loss or damage results from the negligence of Landlord, its agents, or employees.

10. No Tenant will use or keep in the Leased Premises or the Building any kerosene, gasoline, or inflammable or combustible or explosive fluid or material or chemical substance other than limited quantities of such materials or substances reasonably necessary for the operation or maintenance of office equipment or limited quantities of cleaning fluids and solvents required in Tenant's normal operations in the Leased Premises. Without Landlord's prior written approval, no Tenant will use any method of heating or air conditioning other than that supplied by Landlord. Floor, under desk, or space heaters of any kind are expressly prohibited by Landlord. Use of this type of equipment will be subject to a \$250.00 fine for each cited violation found after reasonable notice in writing by Landlord. No Tenant will use or keep or permit to be used or kept any foul or noxious gas or substance in the Leased Premises.

11. Landlord will have the right, exercisable upon written notice and without liability to any Tenant, to change the name and street address of the Building.

12. Landlord will have the right to prohibit any advertising by Tenant mentioning the Building that, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as a Building for offices, and upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.

13. Tenant will not use any portion of the Leased Premises as living, sleeping or lodging quarters or bring any animals (except "Service Animals") into the Building, and will not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by Landlord for such purposes.

14. All persons entering or leaving the Building between the hours of 6 p.m. and 7 a.m. Monday through Friday, and at all hours on Saturdays, Sundays, and holidays will comply with such off-hour regulations as Landlord may establish and modify from time to time. Landlord reserves the right to limit reasonably or restrict access to the Building during such time periods in accordance with the Lease.

15. Each Tenant will store all its trash and garbage within its Leased Premises. No material will be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal will be made only through entryways and elevators provided for such purposes and at such times as Landlord designates. Delivery or removal of any furniture or furnishings, large equipment, packing crates, packing materials, and boxes will be the responsibility of each Tenant and such items may not be disposed of in the Building trash receptacles nor will they be removed by the Building's janitorial service, except at Landlord's sole option and at the Tenant's expense. No furniture, appliances, equipment, or flammable products of any type may be disposed of in the Building trash receptacles.

16. Canvassing, peddling, soliciting, and distributing handbills or any other written materials in the Building are prohibited, and each Tenant will cooperate to prevent the same.

17. The requirements of the Tenants will be attended to only upon application by written, personal, or telephone notice at the office of the management company for the Building. Employees of Landlord will not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

18. A directory of the Building will be provided for the display of the name and location of Tenants only and such reasonable number of the principal officers and employees of Tenants as Landlord in its sole discretion approves. Any additional name(s) that Tenant desires to place in such directory must first be approved by Landlord, and if so approved, Tenant will pay to Landlord a charge, set by Landlord, for each such additional name. All entries on the Building directory display will conform to standards and style set by Landlord in its sole discretion. Space on any exterior signage will be provided in Landlord's sole discretion. No Tenant will have any right to the use of any exterior sign.

19. Tenant will see that the doors of the Leased Premises are closed and locked and that all water faucets, water apparatus, and utilities are shut off before Tenant or Tenant's employees leave the Leased Premises, to prevent waste or damage, and for any default by Tenant in this regard Tenant will make good all damage sustained and incurred by other Tenants or occupants of the Building or Landlord as a direct result of Tenant's default of its obligations hereunder. On multiple-tenancy floors, all Tenants will keep the doors to the Building corridors closed except for ingress and egress.

20. Tenant will not conduct itself in any manner that is inconsistent with the character of the Building as a first quality Building or that will impair the comfort and convenience of other Tenants in the Building.

21. Neither Landlord nor any operator of the parking areas within the Project, as the same are designated and modified by Landlord, in its sole discretion, from time to time (the "parking areas") will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the parking areas, resulting from fire, theft, vandalism, accident, conduct of other users of the parking areas and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (a) Landlord will not be obligated to provide any traffic control, security protection or operator for the parking areas; (b) Tenant uses the parking areas at its own risk; and (c) Landlord will not be liable for personal injury or death, or theft, loss of, or damage to property. Tenant waives and releases Landlord from any liability arising out of the use of the parking areas by Tenant, its employees, agents, invitees, and visitors, whether brought by any of such persons or any other person.

22. Tenant (including Tenant's employees, agents, invitees, and visitors) will use the parking spaces solely for parking passenger model cars, small vans, and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord from time to time with respect to the parking areas. The parking areas may be used by Tenant, its agents, or employees, for occasional overnight parking of vehicles. Any overnight or occasional extended Tenant parking needs should be approved in writing by Landlord and violation will be subject to placement of boot or towing of vehicle. Tenant will ensure that any vehicle parked in any of the parking spaces will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the parking spaces are at any time used (a) for any purpose other than parking as provided above; (b) in any way or manner reasonably objectionable to Landlord; or (c) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an event of default under the Lease.

23. Tenant's right to use the parking areas will be in common with other Tenants of the project and with other parties permitted by Landlord to use the parking areas. Landlord reserves the right to assign and reassign, from time to time, parking spaces for use by persons selected by Landlord, provided that

Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant and its employees will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

24. If the parking areas are damaged or destroyed, or if the use of the parking areas is limited or prohibited by any governmental authority, or the use or operation of the parking areas is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's control, Tenant's inability to use the parking spaces will not subject Landlord or any operator of the parking areas to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect.

25. Tenant has no right to assign or sublicense any of its rights in the parking spaces, except as part of a permitted assignment or sublease of the Lease.

26. The Project is designated as a "Non-Smoking" project. There will be "No Smoking" within the Leased Premises or on the immediate grounds of the Building.

27. Any loitering by Tenant or its' Visitors is expressly prohibited. Any social gathering, large meeting, or other gathering of more than usual number of employees and guests will be prohibited without prior approval in writing by Landlord. Use of the plaza area is solely for quiet enjoyment by Tenants and Visitors of Stephenson Stellar Corporation. No social gathering or employee meeting should be conducted in plaza area without prior Landlord approval. Specific cleanup and other provisions will be prescribed by Landlord in granting approval and may be subject to a reasonable charge for porter service in association with such event.

28. Tenant will not place any bottles, parcels or other articles on window ledges.

29. No tenant will make, or permit to be made, any unseemly or disturbing noises, or disturb or interfere with occupants of the neighboring buildings or premises or those having businesses with them.

30. In these Rules, Tenant includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Leased Premises.

31. No act or thing done or omitted to be done by Landlord or Landlord's agent during the Term of the Lease in connection with the enforcement of these Rules will constitute an eviction by Landlord of any Tenant nor will it be deemed an acceptance of surrender of the Leased Premises by any Tenant, and no agreement to accept such termination or surrender will be valid unless in a writing signed by Landlord. The delivery of keys to any employee or agent of Landlord will not operate as a termination of the Lease or a surrender of the Leased Premises unless such delivery of keys is done in connection with a written instrument executed by Landlord approving the termination or surrender.

32. Landlord may waive any one or more of these Rules for the benefit of any Tenant or Tenants, but no such waiver by Landlord will be construed as a waiver of such rules and regulations in favor of any other Tenant or Tenants, nor prevent Landlord from enforcing any such rules and regulations against any or all Tenants of the Building after such waiver.

EXHIBIT E

COMMENCEMENT AND TERMINATION AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into this 22nd day of April 2020, by and between WC 6A, LLC ("Landlord"), and STEPHENSON STELLAR CORPORATION ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated April 22, 2020 for certain real property (the "Premises") located in the City of Baton Rouge, State of Louisiana (together with any amendments thereto, the "Lease"); and

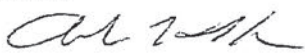
WHEREAS, it is the desire of Landlord and Tenant to clearly define the terms of the Lease.

NOW, THEREFORE, it is agreed by and between Landlord and Tenant that:

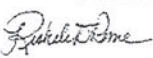
1. The Rent Commencement Date of the Lease is November 6, 2019.
2. The Primary Term of the Lease commenced on November 6, 2019 and shall terminate at 11:59 p.m. on October 31, 2019.
3. The Lease is now in full force and effect and all terms and conditions of the Lease are hereby ratified and confirmed.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the day and year first above written.

WITNESSES:




PRINTED NAME: Andrew T. McMains



PRINTED NAME: Richele D. Rome

WC 6A, LLC, as Landlord

BY: 

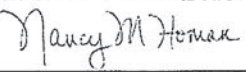
Printed Name: Carolyn E. Martin
Title: President & CEO

DATE: April 22, 2020

WITNESSES:




PRINTED NAME: Barbara B. Honkus



PRINTED NAME: Nancy M. Homan

Stephenson Stellar Corporation, as Tenant

BY: 

Printed Name: John B. Pursley Jr.
Title: Treasurer

DATE: April 21, 2020

EXHIBIT I

PM=11 FORM (January 17, 2019)

FOR USE BY VICE CHANCELLOR
 FILE NO. 10032
 FORM B approval necessary
 YES NO

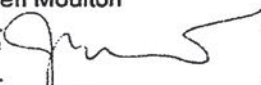
PM-11 FORM A (For FY 2018 - 2019)

Disclosure of Outside Employment

Louisiana State University & Agricultural & Mechanical College
 Baton Rouge, Louisiana

AND Louisiana State University Agricultural Center
 Baton Rouge, Louisiana

Louisiana State University Presidential Memorandum Number 11 requires that all full-time employees of the LSU System comply with its provisions and disclose all outside employment as defined within it. Completion of Form A is required for each outside employment event. Blanket approvals will not be granted. If the approval of the Chancellor or President is required, Form B must also be attached. Employees are required to become familiar with PM-11 before completing this form.

EMPLOYEE DISCLOSURE	
Employee Name: Jeff Moulton	Name of employer or business: Stephenson Stellar Corporation (SSC)
Department: ORED	Time commitment required: Minimal
Describe proposed activity below: Professional Services enterprise focused on providing solutions to space-based markets. Three primary focus areas: 1) Influence the National Space Conversation; 2) Support the Founders of the Community; 3) Deliver Commercial Performance to DoD	
1. My outside employment would be with an entity currently doing or actively seeking to do business with my unit at the University. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4. I am collaborating with or on special assignment to a unit within the University with which the company is doing or is seeking to do business. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. My outside employment would involve teaching which results in university level credit, will be conducted on University time or will utilize University property or services. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5. My outside employment would yield results which advance a theory or practice in my field. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. My outside employment would involve my providing professional, personal, consulting and social services to a department, commission, council, board, office, bureau, committee, institution, agency, government, corporation, or any other establishment of the Executive Branch of the State of Louisiana. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6. My outside employment would result in my receiving compensation to assist in the passage or defeat of state legislation during the fiscal year in which the legislation was pending in the legislature. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I will explain to the proposed outside employer that: (1) I do not represent said outside employer as an employee of the University in any manner, (2) any views I express on behalf of an outside employer do not necessarily reflect the view of the University, and (3) in no way may the name of the University nor my official University capacity be used in support of any position I may take on behalf of said outside employer. Furthermore, I certify that University personnel, laboratories and equipment will not be used in connection with outside employment other than as provided in PM-11.	
My signature attests to my understanding of and compliance with PM-11.	
Name: Jeff Moulton	Title: Executive Director
Signature: 	Department: ORED
Date: 01/17/2019	

NOTE: If #3 and/or #10 is YES, needs President's approval and Form B. If any answers #1-10 are YES, needs Chancellor's approval and Form B. If all answers #1-10 are NO, Vice Chancellor's approval is all that is needed and do not attach Form B.
 PM11FORM.993

ADMINISTRATIVE REVIEW						
Circle the number corresponding to any employee responses with which you disagree.						
Department Chair/Head/Institute Director	[1]	[2]	[3]	[4]	[5]	[6]
Dean/Executive Director	[1]	[2]	[3]	[4]	[5]	[6]
Vice Chancellor (ORED/Ag Center)	[1]	[2]	[3]	[4]	[5]	[6]
Indicate your agreement or disagreement with the following statements.						
7. The proposed duties ordinarily would be performed as part of the public service portion of the employee's duties and responsibilities.	Department Chair/Head/Institute Director	[]	Yes	[]	No	
	Dean/Executive Director	[]	Yes	[]	No	
	Vice Chancellor (ORED/Ag Center)	[]	Yes	[X]	No	
8. The proposed activity more appropriately would be accomplished by a contract through the University.	Department Chair/Head/Institute Director	[]	Yes	[]	No	
	Dean/Executive Director	[]	Yes	[]	No	
	Vice Chancellor (ORED/Ag Center)	[]	Yes	[X]	No	
9. The legal entity for which the outside employment is proposed has substantial economic interest which may be materially affected by the way in which the employee performs his or her duties and responsibilities as a University employee.	Department Chair/Head/Institute Director	[]	Yes	[]	No	
	Dean/Executive Director	[]	Yes	[]	No	
	Vice Chancellor (ORED/Ag Center)	[]	Yes	[X]	No	
10. The outside employment involves public policy.	Department Chair/Head/Institute Director	[]	Yes	[]	No	
	Dean/Executive Director	[]	Yes	[]	No	
	Vice Chancellor (ORED/Ag Center)	[]	Yes	[X]	No	

ADMINISTRATIVE APPROVALS	
If the answer is YES to either question [3] or [10], the President's approval is required. If the answer is YES to any other question, the Chancellor's approval is required. If all responses are NO, then outside employment may be approved by the Vice Chancellor for Research and Economic Development (ORED)/Vice Chancellor & Director for Research (Ag Center).	
<input type="checkbox"/> RECOMMENDED <input type="checkbox"/> NOT RECOMMENDED	Signature: _____ Department Chair/Head/Institute Director _____ Date _____
<input type="checkbox"/> RECOMMENDED <input type="checkbox"/> NOT RECOMMENDED	Signature: _____ Dean/Executive Director _____ Date _____

ACTION BY VICE CHANCELLOR FOR RESEARCH AND ECONOMIC DEVELOPMENT	
Louisiana State University & Agricultural & Mechanical College	
<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/> Forwarded thru Chancellor for action by President <input type="checkbox"/> Returned to employee for compliance with PM-11 requirements requiring approval of Chancellor.	Signature: <u>Kelvin T. Voz</u> <u>1/17/19</u> Vice Chancellor for Research & Economic Development _____ Date _____

ACTION BY VICE CHANCELLOR & DIRECTOR FOR RESEARCH OR EXTENSION	
Louisiana State University & Agricultural & Mechanical College	
<input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/> Forwarded thru Chancellor for action by President <input type="checkbox"/> Returned to employee for compliance with PM-11 requirements requiring approval of Chancellor.	Signature: _____ Vice Chancellor & Director for Research or Extension _____ Date _____

All reviewing administrators hereby certify that they have read and are familiar with the Louisiana Code of Governmental Ethics and that approval of this outside employment does not knowingly violate the Code of Ethics, PM-11 or any other rule or regulation of the University.

EXHIBIT J

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MyTechnologyLawyer.com is an exclusive networking resource for the Technology Industry - including buyers, users, vendors and the professionals serving them. MyTechnologyLawyer was founded by **Scott Draughon**, an executive management advisor for the technology industry with 30 years of experience as technology lawyer and policy advocate, as well as author, speaker and radio host with an extensive personal network. No matter what your executive management challenge, Scott or someone in his personal contacts list can help you. You can contact Scott directly at (904) 868-0498 or send emails to his personal attention at radiodgn@gmail.com.

Be an Activist: Our Technology Policy articles, videos and audios address the key policy debates affecting the technology industry and highlight the arguments favored by the MyTechnologyLawyer community, including Net Neutrality, ObamaCare, UN taxation of the internet and many other issues affecting your future. Scott is also heavily involved in many community outreach and volunteer initiatives featuring local charities around the nation. These volunteer efforts leverage our sponsorship base and technologies to help local communities meet their mission. Get involved - send us your thoughts on the policy issues affecting your industry and let us know about charities in your local community needing support from our Sponsors.

Negotiate Deals: Our **Software** and **E-Commerce** forms libraries provide you with templates for structuring transactions that leverage technology to your commercial advantage, including over 200 forms supported by educational videos, detailed instructions and audio Q&A. If you would like to retain a lawyer to help you, check out our **lawyer directory** of more than 100 attorneys around the country who have used our resources.

Build Your Company: Scott can help you source high profile board members, equity financing and management talent using the databases of MyTechnologyLawyer. Check out our extensive library of more than 500 **audio questions and answers** giving you suggestions and ideas for deploying your marketing plans, building your distribution channels, financing your business as well as acquisitions and sales of business assets. Our **Corporation**, **Marketing** and **Employment** forms give you the tools you need to achieve the growth you are looking for in your company.

Leverage Your Technology: Leveraging your technology means securing the rights you need for commercial viability for your intellectual property as licensor, developer, distributor and user. Check out our extensive library of more than 200 **articles** giving you key criteria for negotiating technology rights, protecting intellectual property and securing licensing transactions. Our **Intellectual Property** and **Technology Services** forms help you secure your trademarks, patents and copyrights and structure your contracts for maximum advantage.

Expand Your Network: Scott can also promote your business as part of his on-going media appearances, including radio show interviews, promotions at speaking engagements and articles covering key management initiatives, new technologies and technology policy issues. Our **List of Subscribers, Members and Sponsors** includes literally thousands of technology industry participants around the country. Our networking services range from email promotions and commercials on radio to conference management planning featuring your organization.

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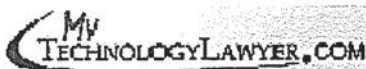
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Scott has experience in helping buyers and sellers with corporate take-overs, buy-outs and equity sourcing as well as intellectual property transactions

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AUTHOR

Books and Articles

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TECHNOLOGY LAW

Find a Technology Lawyer

Scott practiced technology law as a member of The Florida Bar starting in 1987 until his retirement in 2005. Since his retirement in 2005 Draughon no longer practices law and does not render legal advice. If you need a lawyer consult our Lawyer Directory.

Continue >>



Who is Scott Draughon?

Scott Draughon is the President and Founder of MyTechnologyLawyer, a networking resource for the technology industry. Scott has more than thirty years of experience in high technology matters involving the internet, software, hardware, multimedia, e-commerce and telecommunications as well as experience in technology, business, and intellectual property law matters. Scott practiced as a technology lawyer from 1987 until his retirement in 2005 to lead The MyTechnologyLawyer Corporation. Scott takes an active and high profile role in managing The MyTechnologyLawyer Corporation, including hosting and producing the MyTechnologyLawyer Radio Shows, authoring technology articles and audios, speaking engagements and developing educational materials supporting website content.



Scott also serves as a senior executive management advisor to many of the sponsors of MyTechnologyLawyer, including board participation and working with key executives on technology deployments in the marketplace. Through the years, Scott has worked closely with entrepreneurs, technologists and developers in bringing products and services to the market. He also has been active as an advisor to investors, Boards of Directors and IT Management in user groups and communities. Scott's experience spans a broad number of industries that leverage technology including government, finance/banking, insurance, medicine/health care, retail, real estate, oil & gas, transportation and many other sectors of the economy. Scott is an active owner and participant in many enterprises including Health Cues Corporation - an innovative platform launched in 2020 for Employee Wellness Programs and Services.

Scott has been very active in sponsoring local technology law programs in the community, and has published in the areas of taxation, securities and labor law, as well as technology law. He maintains an active speaking schedule around the country and is frequently interviewed by the press on technology policy, regulatory and legal issues. He has appeared on local broadcasts as well as programs featured by Fox News and CBS.

Scott has been an outspoken advocate for government initiatives and legislation favoring the technology industry. He participated on the Advisory Board of Empower America, a pro-growth free market policy action organization established by Jack Kemp and Bill Bennett. Scott is also an active participant of The Heritage Foundation, a research and educational institute for formulating and advocating conservative public policies. He has contributed articles addressing legislative initiatives affecting the technology industry and has been quoted and published in the Miami Herald, the Orlando Sentinel, the Florida Times-Union, St. Petersburg Times and the Tallahassee Democrat as well as the Baltimore Sun, the Standard Examiner and the Information Executive (a monthly newsletter for the Association of Information Technology

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Draughon
Radio Network

Professionals).

Scott founded MyTechnologyLawyer, and remains an active spokesman and President of the corporation. MyTechnologyLawyer was launched on March 8, 2001 and provides extensive free materials on technology issues, as well as industry news updates, access to a national network of technology lawyers as well as forms, instructions and video supporting templates for more than 200 technology transactions. The website has more than 7000 subscribers and members with more than two million visitors to date.

A key feature of the MyTechnologyLawyer Website are the MyTechnologyLawyer Radio Shows. These shows are produced and hosted by Scott and have audiences around the world. Scott has been producing these shows for more than ten years and continues to work with technology associations and trade show media companies in producing quality programming.

Scott completed his Juris Doctor (1986) and LL.M. degrees (1987) from the George Washington National Law Center. He earned his B.A.(1979) and M.B.A.(1981) degrees from the University of North Florida and is a native of Florida. He has authored many articles and several books on technology law and business as well as litigation and contracting.

Scott has also been instrumental in supporting the development of an intellectual property law program at the University of Florida College of Law where he served as an adjunct professor. He has also served as an intellectual property law adjunct professor at the Florida Coastal School of Law and taught business law in the M.B.A. program at the University of North Florida.

Scott is an active volunteer in national as well as local charitable organizations. In addition to volunteering for such national initiatives as The Challenge Program, Energetics Technology Corporation and Student Resources Corporation, Scott has help local nonprofits in his community such as the St. John's County library, St. Augustine Lighthouse and St. John's County school district mentor assist program.

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