

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Department of Health and Human Services, Office of Inspector General (“HHS-OIG”) (collectively, the “United States”); the State of California, acting through the Office of the California Attorney General (“California”) (collectively, the United States and California are referred to as the “Government Entities”); Alta Vista Healthcare & Wellness Centre, also known as Riverside Healthcare & Wellness Centre (referred to collectively as “Alta Vista”) and Rockport Healthcare Services (“Rockport”) (collectively, Alta Vista and Rockport are referred to as the “Settling Defendants”); and Neyirys Orozco (“Relator”).

RECITALS

A. Alta Vista is a privately held California corporation that provides skilled nursing facility services in Riverside, California. Rockport is a privately held California corporation that provides management services to skilled nursing facilities in, among others, the Southern California area.

B. On April 9, 2015, Relator filed an action under seal in the United States District Court for the Middle District of Florida, which action was later transferred to the Central District of California, amended, and captioned *United States et al. ex rel. Orozco v. Rechnitz*, CV 15-6177 JVS (JEMx) (the “Civil Action”). The Civil Action was brought pursuant to the *qui tam* provisions of the federal False Claims Act (the “FCA”), 31 U.S.C. § 3730(b), and the California False Claims Act, Cal. Gov. Code §§ 12650-12656. The Civil Action named as defendants Shlomo Rechnitz; Jonathan Weiss; Riverside Healthcare & Wellness Centre, LLC; Alta Vista Healthcare & Wellness Centre, LLC; Citrus Wellness Centre, LLC; Rechnitz Citrus, GP; Brius Management Co., Inc; Brius LLC; Sol Management, LLC; Rockport Healthcare Services; Gamal Ghaly; Joel Pengson; Ghasan Tabel; and Twin Med LLC.

C. The Government Entities contend that the Settling Defendants submitted or caused to be submitted claims for payment to Medicare and Medicaid.

D. The Government Entities contend that they have certain civil claims against the Settling Defendants arising from the following conduct, for the period from January 1, 2009, through December 31, 2019:

Willfully paying, directly or indirectly, remuneration to Drs. Gamal Ghaly, Joel Pengson, and Ghasan Tabel with the intent to induce those physicians to refer Federal or California health care program beneficiaries to Alta Vista, or to arrange for or recommend Alta Vista in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b.

The Government Entities further contend that the Settling Defendants submitted or caused the submission of claims to Medicare and Medicaid resulting from these practices. The conduct described in this paragraph is referred to below as the “Covered Conduct.”

E. This Settlement Agreement is neither an admission of liability by the Settling Defendants nor a concession by the Government Entities or Relator that their claims are not well-founded.

F. Relator claims entitlement to a share of the proceeds of this Settlement Agreement and to Relator’s reasonable expenses, attorneys’ fees and costs under 31 U.S.C. § 3730(d)(1)-(2) and Cal. Govt. Code § 12652(g)(8).

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

TERMS AND CONDITIONS

1. The Settling Defendants shall pay to the Government Entities Three Million Eight Hundred Twenty-Five Thousand Dollars and No Cents (\$3,825,000.00) (the “Settlement Amount”) and interest on the Settlement Amount at a rate of 3% per annum from November 1, 2022. Of the Settlement Amount, \$3,228,300.00 will be allocated to resolution of the United States’ claims (“Federal Allocation”) and \$596,700.00 will be allocated to resolution of California’s claims (the “California Allocation”). The Federal Allocation and interest thereon constitute restitution to the United States, and the California Allocation and interest thereon constitute restitution to

California. Collectively, the Settlement Amount and interest paid by the Settling Defendants under this Settlement Agreement shall be referred to as the “Settlement Proceeds.” Payments must be made according to the schedule attached hereto as Attachment A. Specifically:

a. Alta Vista:

(1) On June 18, 2023, Alta Vista shall pay the United States \$875,000 as indicated in Attachment A and in accordance with instructions provided by counsel for the United States, which will make disbursements to Relator and California consistent with this Agreement.

(2) Thereafter, Alta Vista shall make payments in the same manner to the United States until June 8, 2028, as indicated in Attachment A, unless otherwise instructed by counsel for the United States, which will make disbursements to Relator and California consistent with this Agreement.

(3) Contingencies:

(a) In the event that, during any calendar year from the date of execution of this Agreement to five years from the execution of this Agreement, Alta Vista obtains any insurance coverage proceeds for any payments, legal fees, or expenses relating to litigation, disputes, or claims relating to the Civil Action, then Alta Vista shall pay the Governmental Entities fifty percent (50%) of the amount of each insurance payment within thirty (30) days of receipt in accordance with the same split as the payment of the Settlement Amount. Within ninety (90) days following the December 31 close of each year, Alta Vista shall submit an annual compliance statement signed by an Alta Vista officer identifying any insurance coverage proceeds received that year.

(b) In the event that Alta Vista’s annual revenues exceed an agreed upon threshold during any calendar year from the date of execution of the Agreement to five years from the execution of the Agreement, Alta Vista

shall pay the Governmental Entities 7.5% of the amount in excess of the threshold within 90 calendar days from year-end, December 31, in accordance with the same split as the payment of the Settlement Amount. The first-year threshold for revenue shall be \$15,000,000. The revenue threshold shall increase each year by 4.5%. The annual contingency payment shall not be subject to a cap.

b. Rockport

- (1) One June 18, 2023, Rockport shall pay the United States a total of \$200,000 as indicated in Attachment A and in accordance with instructions provided by counsel for the United States, which will make disbursements to Relator and California consistent with this Agreement.
- (2) Thereafter, Rockport shall make payments in the same manner to the United States until June 8, 2028, as indicated in Attachment A, unless otherwise instructed by counsel for the United States, which shall make disbursements to Relator and California consistent with this Agreement.
- (3) Contingencies
 - (a) In the event that, during any calendar year from the date of execution of this Agreement to five years from the execution of this Agreement, Rockport obtains any insurance coverage proceeds for any payments, legal fees, or expenses relating to litigation, disputes, or claims relating to the Civil Action, then Rockport shall pay the United States fifty percent (50%) of the amount of each insurance payment within thirty (30) days of receipt in accordance with the same split as the payment of the Settlement Amount. Within ninety (90) days following the December 31 close of each year, Rockport shall submit an annual compliance statement signed by a Rockport officer identifying any insurance coverage proceeds received that year.

(b) In the event that Rockport's annual revenues exceed an agreed upon threshold during any calendar year from the date of execution of the Agreement to five years from the execution of the Agreement, Rockport shall pay the Governmental Entities 7.5% of the amount in excess of the threshold within 90 calendar days from year-end, December 31, in accordance with the same split as the payment of the Settlement Amount. The first-year threshold for revenue shall be \$56,500,000. The revenue threshold shall increase each year by 4.5%. The annual contingency payment shall not be subject to a cap.

2. Relator will receive a share of 18 percent of each of the Federal Allocation, California Allocation, and a share of the same percent of the interest accrued and paid by the Settling Defendants on each allocation. These disbursements will be made by electronic funds transfer, pursuant to instructions provided by Relator's Counsel.

3. Within thirty days of the Effective Date of this Agreement, the Settling Defendants shall pay to Relator's counsel reasonable expenses and attorney's fees and costs pursuant to 31 U.S.C. § 3730(d) in the amount of \$150,000 ("Fees Settlement"). Within thirty days of the Effective Date of this Agreement, the Settling Defendants shall pay to Relator \$60,000 to resolve Relator's claims pursuant to 31 U.S.C. § 3730(h) ("Employment Settlement"). The Fees Settlement and Employment Settlement will be made by electronic funds transfer, pursuant to written instruction provided by Relator's Counsel.

4. As long as the Settling Defendants are in compliance with the terms of this Agreement, the Government Entities covenant not to sue the Settling Defendants for the Covered Conduct. Subject to the exceptions in Paragraph 10 (concerning excluded claims) below, and subject to Paragraph 20 (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement) below, upon timely payment in full of the Settlement Amount together with all accrued interest: (a) the United States' covenant will mature into a release by the United States of the Settling Defendants from any civil

or administrative monetary claim the United States has or may have for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud; and (b) California's covenant will mature into a release by California of the Settling Defendants from any civil or administrative monetary claims California has for the Covered Conduct under California Govt. Code §§ 12650-12656, or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. In consideration of the obligations of the Settling Defendants in this Agreement, and the Corporate Integrity Agreements ("CIA") entered into between HHS-OIG and the Settling Defendants, and conditioned upon the Settling Defendants' full payment of the Settlement Amount, HHS-OIG agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against the Settling Defendants under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this Paragraph and in Paragraph 10 (concerning excluded claims). HHS-OIG expressly reserves all rights to comply with any statutory obligations to exclude the Settling Defendants from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes HHS-OIG from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 10, below.

6. Subject to the exceptions in Paragraph 20 (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement) below, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases only the Settling Defendants and Defendants Jonathan Weiss, Shlomo Rechnitz, Citrus Wellness Center, LLC, Brius Management Co., Inc., SOL Management LLC, Twin Med, LLC, Steven Stroll, Tamar Rechnitz and Steven Rechnitz ("Relator Release Defendants"), along

with their current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them from any claims that Relator has asserted, or may assert in the future, against such entities or individuals related to the Civil Action, or the filing thereof, and the Covered Conduct and the Settling Defendants' and Relator Release Defendants' defense thereof. Relator expressly does not release any individual doctors named as defendants in this matter but not listed by name in this paragraph.

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

8. The Settling Defendants fully and finally release the Government Entities, their agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that they have asserted, could have asserted, or may assert in the future against the Government Entities, their agencies, officers, agents, employees, and servants, related to the Covered Conduct and the Government Entities' investigation and prosecution thereof.

9. The Settling Defendants fully and finally release Relator from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that they have asserted, could have asserted, or may assert in the future against Relator, related to the allegations in the Civil Action.

10. Notwithstanding the releases given in paragraphs 4 through 9 of this Agreement, or any other term of this Agreement, the following claims of the Government Entities are specifically

reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health care programs;
- d. Any liability to the Government Entities (or their agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due;
- i. Any civil or administrative liability to California or to individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the release in Paragraph 4 above, including, but not limited to, any and all of the following claims: (i) State or federal antitrust violations; and (ii) claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws; and
- j. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;

11. The Settling Defendants have provided sworn consolidated financial disclosure statements (“Financial Statements”) to the United States and the Government Entities have relied on the accuracy and completeness of those Financial Statements in reaching this Agreement.

The Settling Defendants warrant that the Financial Statements are complete, accurate, and current. If the Government Entities learn of asset(s) in which the Settling Defendants have an interest at the time of this Agreement that were not disclosed in the Financial Statements, or if the Government Entities learn of any misrepresentation by the Settling Defendants on, or in connection with, the Financial Statements, and if such nondisclosure or misrepresentation changes the

estimated net worth set forth in the Financial Statements by \$658,400 or more, each Government Entity may at its option: (a) rescind this Agreement and file suit based on the Covered Conduct, or (b) let the Agreement stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the net worth of the Settling Defendants' previously undisclosed. The Settling Defendants agree not to contest any collection action undertaken by the Government Entities pursuant to this provision, and immediately to pay the Government Entities all reasonable costs incurred in such an action, including attorney's fees and expenses.

12. In the event that the Government Entities, pursuant to Paragraph 11 (concerning disclosure of assets), above, opt to rescind this Agreement, the Settling Defendants agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the Government Entities within 90 calendar days of written notification to the Settling Defendants that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on February 13, 2018.

13. The Settling Defendants waive and shall not assert any defenses they may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, the Excessive Fines Clause in the Eighth Amendment of the Constitution, or analogous provisions of the California state constitutions, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

14. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and the Settling Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

15. The Settling Defendants agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of the Settling Defendants, their present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Agreement;

(2) the Government Entities' audit(s) and civil investigation(s) of the matters covered by this Agreement;

(3) The Settling Defendants' investigation, defense, and corrective actions undertaken in response to the Government Entities' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);

(4) the negotiation and performance of this Agreement;

(5) the payments the Settling Defendants make to the Government Entities pursuant to this Agreement and any payments that the Settling Defendants may make to Relator, including costs and attorneys fees; and

(6) the negotiation of, and obligations undertaken pursuant to the CIA to:

(i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to HHS-OIG; are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program ("FEHBP") (hereinafter referred to as "Unallowable Costs").

However, nothing in Paragraph 15(a)(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to the Settling Defendants.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be

separately determined and accounted for in nonreimbursable cost centers by the Settling Defendants, and the Settling Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the Government Entities or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by the Settling Defendants or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Settling Defendants further agree that within 90 days of the Effective Date of this Agreement they shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the Government Entities, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by the Settling Defendants or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. The Settling Defendants agree that the Government Entities, at a minimum, shall be entitled to recoup from the Settling Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the Government Entities pursuant to the direction of the Department of Justice, the offices of the state attorneys general, and/or the affected agencies. The Government Entities reserve their rights to disagree with any calculations submitted by the Settling Defendants or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on the Settling Defendants' or any of their subsidiaries or affiliates' cost

reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the Government Entities to audit, examine, or re-examine the Settling Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

16. The Settling Defendants agree to cooperate fully and truthfully with the Government Entities' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, the Settling Defendants shall encourage, and agree not to impair, the cooperation of their directors, officers, and employees, and shall use their best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. The Settling Defendants further agree to furnish to the Government Entities, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that has been performed by another on their behalf.

17. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 18 (waiver for beneficiaries paragraph), below.

18. The Settling Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

19. The Settling Defendants warrant that they have reviewed their financial situation and that they are currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following payment to the Government Entities of the Settlement Proceeds. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth

constitute a contemporaneous exchange for new value given to the Settling Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which the Settling Defendants were or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

20. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, any Settling Defendants commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of any Settling Defendants' debts, or seeking to adjudicate any Settling Defendant as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for any Settling Defendants or for all or any substantial part of any Settling Defendants' assets, the Settling Defendants agree as follows:

a. The Settling Defendants' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and the Settling Defendants shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) The Settling Defendants' obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) any Settling Defendant was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the Government Entities; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to the Settling Defendants.

b. If any Settling Defendants' obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, any Government Entity, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against the Settling Defendants for the claims that would otherwise be covered

by the releases provided in Paragraphs 4 to 9, above. The Settling Defendants agree that (i) any such claims, actions, or proceedings brought by the Government Entities are not subject to an “automatic stay” pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and the Settling Defendants shall not argue or otherwise contend that the Government Entities’ claims, actions, or proceedings are subject to an automatic stay; (ii) The Settling Defendants shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the Government Entities within 90 calendar days of written notification to such Settling Defendants that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on February 13, 2018; and (iii) the Government Entities have valid claims against such Settling Defendants for treble damages and statutory penalties, totaling at least \$13,168,000 million, for the Covered Conduct pursuant to 31 U.S.C. § 3729(a), the Government Entities may pursue their claims in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. The Settling Defendants acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

Time is of the essence as to all payments required under Paragraph 1 and Attachment A. In the event that the Settling Defendants fail to pay the complete amount of any of the payments owed pursuant to this Agreement within ten (10) days of the due date, the Settling Defendants shall be in “Default” of this Agreement. The Government Entities will provide written notice of the Default to The Settling Defendants (the “Notice of Default”) and the Settling Defendants shall have the opportunity to cure such Default within five (5) business days from the date of receipt of the notice. If the Settling Defendants fail to cure such Default within five (5) business days of receiving the Notice of Default, the remaining unpaid balance of the Settlement Amount and any interest then accrued shall become accelerated and immediately due and payable, and interest shall accrue at a

simple rate of 12% per annum from the date of Default until the date of payment. Moreover, if the Settling Defendants fail to cure such Default within five (5) business days of receiving the Notice of Default, any Government Entity may, at its sole option, (a) offset the remaining unpaid balance from any amount due and owing to the Settling Defendants, or any of their subsidiaries or affiliates, by any department, agency, or agent of the Government Entity at the time of default; (b) file an action for specific performance of this Agreement; (c) file a civil action for the Covered Conduct; or (d) exercise any other rights granted by law or in equity. In the event a complaint is filed pursuant to subsection (c) of the preceding sentence, the Settling Defendants agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, except to the extent such defenses were available to the Settling Defendants on February 13, 2018. The Settling Defendants further agree not to contest any collection action undertaken by the Government Entities pursuant to this paragraph, either administratively or in any state or federal court. The Settling Defendants shall pay the Government Entities all reasonable costs of collection enforcement under this paragraph, including attorney's fees and expenses, provided however that this sentence shall not apply to the extent the Government Entities elect to file a civil action for the Covered Conduct pursuant to subsection (b) of this paragraph.

21. Notwithstanding the foregoing, in the event of Default and failure to cure such Default as defined in Paragraph 20, above, HHS-OIG may exclude the Settling Defendants from participating in all Federal health care programs until the Settling Defendants pay the Settlement Amount and accrued interest as set forth in Paragraph 20, above. HHS-OIG will provide written notice of any such exclusion to the Settling Defendants. The Settling Defendants waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, the Settling Defendants wish to apply for reinstatement, they must submit a written request for reinstatement to HHS-OIG in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. The Settling Defendants will not be

reinstated unless and until HHS-OIG approves such request for reinstatement. The option for Exclusion for Default as defined in this paragraph is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

22. Upon receipt of the payments described in Paragraphs 1(a)(1), 1(b)(1), and 3 above, the Government Entities and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action, consistent with the terms of this Agreement, pursuant to Rule 41(a)(1).

23. Except as expressly provided to the contrary in this Agreement, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

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

26. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

27. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

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

29. This Agreement is binding on the Settling Defendants' successors, transferees, heirs, and assigns.

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


31. All parties consent to the Government Entities' disclosure of this Agreement, and

information about this Agreement, to the public.

32. This Agreement is effective on the date of signature of the last signatory to the Agreement (the “Effective Date” of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 6/8/23

BY: 
Rohith Srinivas
Senior Trial Counsel
Civil Division
Department of Justice

DATED: _____

BY: _____
Ross Cuff
Assistant United States Attorney
Central District of California

DATED: _____

BY: _____
Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
Department of Health and Human Services

THE STATE OF CALIFORNIA

DATED: _____

BY: _____
Randal Glaser
Deputy Attorney General
State of California

DATED: _____

BY: _____
Michelle Baass
Director
California Department of Health Care Services

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Rohith Srinivas
Senior Trial Counsel
Civil Division
Department of Justice

DATED: June 9, 2023

BY:  _____

Ross Cuff
Assistant United States Attorney
Central District of California

DATED: _____

BY: _____

Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
Department of Health and Human Services

THE STATE OF CALIFORNIA

DATED: _____

BY: _____

Randal Glaser
Deputy Attorney General
State of California

DATED: _____

BY: _____

Michelle Baass
Director
California Department of Health Care Services

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Rohith Srinivas
Senior Trial Counsel
Civil Division
Department of Justice

DATED: _____

BY: _____

Ross Cuff
Assistant United States Attorney
Central District of California

DATED: _____

BY: _____

LISA RE Digitally signed by LISA RE
Date: 2023.06.12 20:48:12
-04'00'

Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
Department of Health and Human Services

THE STATE OF CALIFORNIA

DATED: _____

BY: _____

Randal Glaser
Deputy Attorney General
State of California

DATED: _____

BY: _____

Michelle Baass
Director
California Department of Health Care Services

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Rohith Srinivas
Senior Trial Counsel
Civil Division
Department of Justice

DATED: _____

BY: _____

Ross Cuff
Assistant United States Attorney
Central District of California

DATED: _____

BY: _____

Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
Department of Health and Human Services

THE STATE OF CALIFORNIA

DATED: June 8, 2023

BY:  _____

Randal Glaser
Deputy Attorney General
State of California

DATED: _____

BY: _____

Michelle Baass
Director
California Department of Health Care Services

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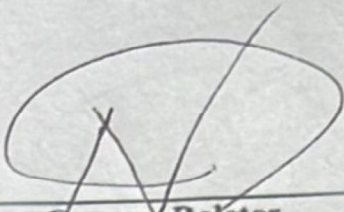
BY: _____

Michelle
Baass
Michelle Baass
Director
California Department of Health Care Services

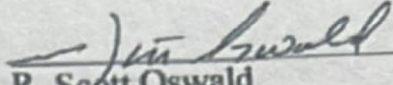
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Michelle Baass
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RELATOR

DATED: 6/8/2023

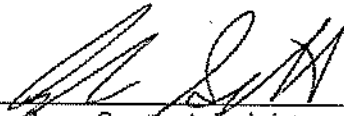
BY: 
Neyirys Orozco, Relator

DATED: 6/8/2023

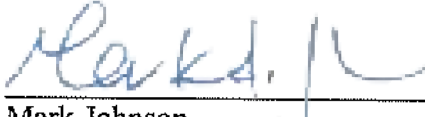
BY: 
R. Scott Oswald
The Employment Law Group, P.C.
Counsel for Relator

ALTA VISTA HEALTHCARE & WELLNESS CENTRE

DATED: 6/8/23

BY: 
Andrew Scott, Administrator
Alta Vista Healthcare & Wellness Centre

DATED: June 8, 2023

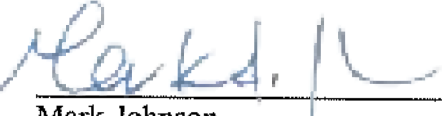
BY: 
Mark Johnson
Hooper Lundy & Bookman P.C.
Counsel for Alta Vista Healthcare & Wellness
Centre

ROCKPORT HEALTHCARE SERVICES

DATED: _____

BY: _____
David Silver, Chief Executive Officer
Rockport Healthcare Services

DATED: June 8, 2023

BY: 
Mark Johnson
Hooper Lundy & Bookman P.C.
Counsel for Rockport Healthcare Services

ALTA VISTA HEALTHCARE & WELLNESS CENTRE

DATED: _____


BY: _____
Andrew Scott, Administrator
Alta Vista Healthcare & Wellness Centre

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Mark Johnson
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Mark Johnson
Hooper Lundy & Bookman P.C.
Counsel for Rockport Healthcare Services

APPENDIX A

**Alta Vista
Payment Schedule**

Payment Date	Payment	3.0% Interest	Principal	Balance
Settlement Amount				\$2,625,000.00
6/18/2023	\$924,407.53	\$49,407.53	\$875,000.00	\$1,750,000.00
12/8/2023	\$201,250.00	\$26,250.00	\$175,000.00	\$1,575,000.00
6/8/2024	\$198,625.00	\$23,625.00	\$175,000.00	\$1,400,000.00
12/8/2024	\$196,000.00	\$21,000.00	\$175,000.00	\$1,225,000.00
6/8/2025	\$193,375.00	\$18,375.00	\$175,000.00	\$1,050,000.00
12/8/2025	\$190,750.00	\$15,750.00	\$175,000.00	\$875,000.00
6/8/2026	\$188,125.00	\$13,125.00	\$175,000.00	\$700,000.00
12/8/2026	\$185,500.00	\$10,500.00	\$175,000.00	\$525,000.00
6/8/2027	\$182,875.00	\$7,875.00	\$175,000.00	\$350,000.00
12/8/2027	\$180,250.00	\$5,250.00	\$175,000.00	\$175,000.00
6/8/2028	\$177,625.00	\$2,625.00	\$175,000.00	\$0.00
Total	\$2,818,782.53	\$193,782.53	\$2,625,000.00	

**Rockport
Payment Schedule**

Payment Date	Payment	3.0% Interest	Principal	Balance
Settlement Amount				\$1,200,000.00
6/18/2023	\$222,586.30	\$22,586.30	\$200,000.00	\$1,000,000.00
12/8/2023	\$115,000.00	\$15,000.00	\$100,000.00	\$900,000.00
6/8/2024	\$113,500.00	\$13,500.00	\$100,000.00	\$800,000.00
12/8/2024	\$112,000.00	\$12,000.00	\$100,000.00	\$700,000.00
6/8/2025	\$110,500.00	\$10,500.00	\$100,000.00	\$600,000.00
12/8/2025	\$109,000.00	\$9,000.00	\$100,000.00	\$500,000.00
6/8/2026	\$107,500.00	\$7,500.00	\$100,000.00	\$400,000.00
12/8/2026	\$106,000.00	\$6,000.00	\$100,000.00	\$300,000.00
6/8/2027	\$104,500.00	\$4,500.00	\$100,000.00	\$200,000.00
12/8/2027	\$103,000.00	\$3,000.00	\$100,000.00	\$100,000.00
6/8/2028	\$101,500.00	\$1,500.00	\$100,000.00	\$0.00
Total	\$1,305,086.30	\$105,086.30	\$1,200,000.00	