

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 Office of Inspector General (“OIG-HHS”) of the Department of Health and Human Services (“HHS”) (collectively, the “United States”), the State of California, acting through the California Department of Justice Division of Medi-Cal Fraud and Elder Abuse (“California”), Sansum Clinic, and Julio Bordas (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Sansum Clinic is a non-profit outpatient clinic operating in Santa Barbara County, California. Sansum Clinic contracted with Santa Barbara San Luis Obispo Regional Health Authority d/b/a CenCal Health (“CenCal”) to provide healthcare services to patients under California’s Medicaid program (known as “Medi-Cal”).

B. On December 22, 2015, Relator filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States and California ex rel. Julio Bordas v. CenCal Health, Cottage Health System, Dignity Health, Lompoc Valley Medical Center, and Tenet Healthcare Corporation*, [REDACTED] pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (“FCA”) and the California False Claims Act (“CFCA”), California Government Code § 12650, et seq. (the “Civil Action”). On December 20, 2018, Relator filed a First Amended Complaint in the Civil Action, adding Community Health Centers of the Central Coast, Inc., Pacific Central Coast Health Centers, and Sansum Santa Barbara Medical Clinic, Inc. as defendants. Relator alleges, generally, that Sansum Clinic violated the FCA and the CFCA in connection with certain payments made by CenCal to Sansum Clinic in connection with Medi-Cal Adult Expansion under the Affordable

Care Act (referred to as the “Sansum Clinic Allegations”). Relator further alleges that CenCal and the other defendants also violated the FCA and CFCA in connection with certain payments made by CenCal to the other defendants in connection with Medi-Cal Adult Expansion under the Affordable Care Act. The United States intervened in the Civil Action on December 2, 2022.

C. The United States and California contend that Sansum Clinic submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5.

D. The United States and California contend that they have certain civil claims against Sansum Clinic arising from Sansum Clinic causing the submission of false claims to Medi-Cal pursuant to Medi-Cal Access and Coordination Expansion (“ACE”) Program Agreements (the “ACE Agreements”):

- (1) executed by CenCal on August 24, 2015 and by Sansum Clinic on August 31, 2015, for “Enhanced Services” to Adult Expansion Medi-Cal members, and
- (2) executed by CenCal on March 30, 2016 and by Sansum Clinic on April 5, 2016, for “Enhanced Services” to Adult Expansion Medi-Cal members.

The United States and California contend that payments claimed and received by Sansum Clinic pursuant to the above-referenced ACE Agreements were wrongful because (a) the payments were not for “Allowed Medical Expenses” under CenCal’s contract with DHCS; (b) the payments were unlawful gifts of public funds in violation of the California Constitution; and (c) the payments were for pre-determined amounts that did not reflect the cost or fair market value of any Enhanced Services provided, and/or the Enhanced Services were duplicative of Services already required to be rendered. That conduct is referred to below as the “Covered Conduct.”

E. Sansum denies the allegations in Paragraph D.

F. This Agreement is neither an admission of liability by Sansum Clinic nor a concession by the United States and California that their claims are not well founded.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) and California Government Code § 12652(g) to a share of the proceeds of this Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

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 Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Sansum Clinic shall pay to the United States and California \$5,000,000 (the "Settlement Amount"), plus interest on the Settlement Amount at a rate of 3.875% per annum from December 8, 2022, as follows:

a. Sansum Clinic shall pay the United States \$1,500,000, plus interest at a rate of 3.875% per annum from December 8, 2022, no later than 30 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions, including interest calculations, to be provided by the Civil Division of the United States Department of Justice.

b. Sansum Clinic shall pay California \$166,666.67, plus interest at a rate of 3.875% per annum from December 8, 2022, no later than 30 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions, including interest calculations, to be provided by the California Department of Justice Division of Medi-Cal and Elder Abuse.

c. Sansum Clinic shall pay the United States \$1,500,000, plus interest at a rate of 3.875% per annum from December 8, 2022, no later than 180 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

d. Sansum Clinic shall pay California \$166,666.67, plus interest at a rate of 3.875% per annum from December 8, 2022, no later than 180 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions, including interest calculations, to be provided by the California Department of Justice Division of Medi-Cal and Elder Abuse.

e. Sansum Clinic shall pay the United States \$1,500,000, plus interest at a rate of 3.875% per annum from December 8, 2022, no later than 364 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions, including interest calculations, to be provided by the Civil Division of the United States Department of Justice.

f. Sansum Clinic shall pay California \$166,666.66, plus interest at a rate of 3.875% per annum from December 8, 2022, no later than 364 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions, including interest calculations, to be provided by the California Department of Justice Division of Medi-Cal and Elder Abuse.

2. Conditioned upon the United States and California receiving the Settlement Amount payments, the United States agrees to pay to Relator 19% of each such payment received under the Agreement, and California agrees to pay to Relator 25.45% of each such payment, by electronic funds transfer as soon as feasible after receipt of each such payment. Those payments described shall collectively be referred to as “Relator’s Share.”

3. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and subject to Paragraph 15 (concerning default) and Paragraph 16 (concerning bankruptcy) below, and upon the United States’ and California’s receipt of the full Settlement Amount plus interest due under Paragraph 1, the United States releases Sansum Clinic, together with its 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 civil or administrative monetary claim the United States has 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.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and subject to Paragraph 15 (concerning default) and Paragraph 16 (concerning bankruptcy) below, and upon the United States' and California's receipt of the full Settlement Amount plus interest due under Paragraph 1, California releases Sansum Clinic, together with its 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 civil or administrative monetary claim California has for the Covered Conduct under the California False Claims Act, California Government Code §§ 12650-12656; or the common law theories of payment by mistake, unjust enrichment, and fraud and all rights to recoup, demand, or otherwise seek the return of any funds distributed by CenCal to Sansum pursuant to the ACE Agreements and arising out of the Covered Conduct.

5. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and subject to Paragraph 15 (concerning default) and Paragraph 16 (concerning bankruptcy) below, and upon the United States' and California's receipt of the full Settlement Amount plus interest due under Paragraph 1 and Relator's receipt of the full payment due under Sansum Clinic's separate agreement with Relator resolving his claims for attorney's fees, expenses, and costs under 31 U.S.C. § 3730(d) and California Government Code § 12652(g), Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, irrevocably and unconditionally waives, releases and forever discharges Sansum Clinic, together with its current or former officers,

directors, heirs, successors, attorneys, agents, employees; its 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 and all charges, complaints, lawsuits, claims, liabilities, obligations, promises, agreements, controversies, injuries, damages, actions, causes of action, suits, rights, demands, judgments, claims for relief, indebtedness, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, whether in law or in equity, known or unknown, suspected or unsuspected, actual or potential, in their individual capacities or on behalf of the United States or California, including without limitation, claims arising from: (i) the filing of the Civil Action as to the Covered Conduct; (ii) any federal or California law, including but not limited to the FCA, 31 U.S.C. §§ 3729-3733 and California False Claims Act, California Government Code §§ 12650-12656, as to the Covered Conduct, including for expenses or attorney's fees and costs related thereto; or (iii) any federal or California employment law, including but not limited to 31 U.S.C. § 3730(h) and Cal. Gov. Code § 12653.

It is the intention of Relator in executing this Agreement that it shall be effective as a full and final accord and satisfactory release of each and every matter specifically referred to herein and all claims and causes of action that Relator on behalf of himself, and Relator's heirs, successors, attorneys, agents, transferees, and assigns, may have as to Sansum, and/or their current or former heirs, successors, attorneys, agents, transferees, members, officers, directors, commissioners, supervisors, employees, assigns and successor entities. In furtherance of this intention, Relator acknowledges that he is familiar with §1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

As to the claims and causes of action that Relator may have Sansum, Relator waives and relinquishes any rights and benefits they may have under §1542 of the Civil Code of the State of California to the full extent that they may lawfully waive all such rights and benefits.

Nothing in this release shall be construed to limit or release any claims against the other defendants in the Civil Action.

6. Notwithstanding the releases given in Paragraphs 3 to 5 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States and California are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code) or under California tax law;
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the United States or California (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 liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Relator and his 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) and California Government Code § 12652(e)(2)(B). Conditioned upon Relator's receipt of the Relator's Share from the United States, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its 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 and/or the Civil Action. Conditioned upon Relator's receipt of the Relator's Share from California, Relator and his heirs, successors, attorneys, agents and assigns fully and finally release, waive, and forever discharge California, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under California Government Code § 12652, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

8. Sansum Clinic waives and shall not assert any defenses Sansum Clinic 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, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

9. Sansum Clinic fully and finally releases the United States, California, and their agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Sansum Clinic has asserted, could have asserted, or may assert in the future against the United States, California, and their

agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' and California's investigation or prosecution thereof.

10. Sansum Clinic, together with its current or former officers, directors, heirs, successors, attorneys, agents, employees; 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, irrevocably and unconditionally waives, releases and forever discharges Relator, his heirs, successors, attorneys, agents, transferees, and assigns, from any and all charges, complaints, lawsuits, claims, liabilities, obligations, promises, agreements, controversies, injuries, damages, actions, causes of action, suits, rights, demands, judgments, claims for relief, indebtedness, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, whether in law or in equity, known or unknown, suspected or unsuspected, actual or potential, including without limitation, claims arising from: (i) the filing of the Civil Action; or (ii) any federal or California law, including but not limited to the FCA, 31 U.S.C. §§ 3729-3733 and California False Claims Act, California Government Code §§ 12650-12656, including for expenses or attorney's fees and costs related thereto.

It is the intention of Sansum Clinic in executing this Agreement that it shall be effective as a full and final accord and satisfactory release of each and every matter specifically referred to herein and all claims and causes of action that Sansum Clinic on behalf of itself and its current or former heirs, successors, attorneys, agents, transferees, members, officers, directors, commissioners, supervisors, employees, assigns and successor entities may have as to Relator, and/or Relator's heirs, successors, attorneys, agents, transferees, and assigns. In furtherance of this intention, Sansum Clinic acknowledges that it is familiar with §1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

As to the claims and causes of action that Sansum Clinic may have against Relator, Sansum Clinic waives and relinquishes any rights and benefits it may have under §1542 of the Civil Code of the State of California to the full extent that it may lawfully waive all such rights and benefits.

11. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by Medi-Cal, related to the Covered Conduct; and Sansum Clinic agrees not to resubmit to Medi-Cal 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. Sansum Clinic agrees 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. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Sansum Clinic, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Sansum Clinic's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and

- (5) the payments Sansum Clinic makes to the United States and California pursuant to this Agreement and any payments that Sansum Clinic may make to Relator, including costs and attorneys' fees

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).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Sansum Clinic, and Sansum Clinic shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States 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 Sansum Clinic or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Sansum Clinic further agrees that within 90 days of the Effective Date of this Agreement it 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 United States, 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 Sansum Clinic or any of its 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. Sansum Clinic agrees that the United States, at a minimum, shall be entitled to recoup from Sansum Clinic 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 United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Sansum Clinic or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Sansum Clinic or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Sansum Clinic's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

12. Subject to the applicable privileges which Sansum Clinic does not waive, Sansum Clinic agrees to cooperate fully and truthfully with the United States and California regarding any matter about which Sansum Clinic has any knowledge or information relating to any ongoing investigation, litigation, trial, or other proceeding arising out of any ongoing federal investigation of individuals and entities other than Sansum Clinic related to the Sansum Clinic Allegations. Sansum Clinic's cooperation shall include the following:

a. Upon reasonable notice, Sansum Clinic shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its 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.

b. Upon reasonable notice, Sansum Clinic agrees to provide testimony, declarations/affidavits, or other information necessary to identify or establish the original

location, authenticity, or other basis for admissibility into evidence documents or physical evidence produced in this matter by Sansum Clinic as requested by the United States and/or California to be used in any investigation, litigation, trial, or other proceeding of individuals and entities other than Sansum Clinic related to the Sansum Clinic Allegations; and

c. Sansum Clinic further agrees to furnish to the United States and California, upon reasonable notice and request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Sansum Clinic Allegations that it has undertaken, or that has been performed by another on its behalf.

d. Any refusal by Sansum Clinic to cooperate fully and truthfully will constitute a breach of this Agreement.

13. 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 14 (waiver for beneficiaries paragraph), below.

14. Sansum Clinic agrees that it waives 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.

15. Default

a. In the event that Sansum Clinic fails to pay the full Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Sansum Clinic shall be in Default of Sansum Clinic's payment obligations ("Default"). The United States and/or California (as applicable) will provide a written Notice of Default, and Sansum Clinic shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the

Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Agreement up to the date of payment. Notice of Default will be delivered to Sansum Clinic, or to such other representative as Sansum Clinic shall designate in advance in writing. If Sansum Clinic fails to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States and/or California (as applicable) to a modified payment schedule (“Uncured Default”), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, Sansum Clinic agrees that the United States and/or California (as applicable), at their sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Sansum Clinic for the claims that would otherwise be covered by the releases provided in Paragraphs 3 to 5 above, with any recovery reduced by the amount of any payments previously made by Sansum Clinic to the United States and/or California (as applicable) under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action as to Sansum Clinic; (iii) offset the remaining unpaid balance from any amounts due and owing to Sansum Clinic and/or affiliated companies by any department, agency, or agent of the United States and/or California (as applicable) at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States and/or California (as applicable) shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the

event the United States and/or California (as applicable) pursue a collection action, Sansum Clinic agrees immediately to pay the United States and/or California (as applicable) the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' and/or California's (as applicable) reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States and/or California (as applicable) opts to rescind this Agreement pursuant to this paragraph, Sansum Clinic waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States and/or California (as applicable) against Sansum Clinic within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on December 20, 2018. Sansum Clinic agrees not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude Sansum Clinic from participating in all Federal health care programs until Sansum Clinic pays the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to Sansum Clinic. Sansum Clinic waives any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agrees 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, Sansum Clinic wishes to apply for reinstatement, it must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-3005. Sansum Clinic will not be reinstated unless and

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

16. In exchange for valuable consideration provided in this Agreement, Sansum Clinic and Relator acknowledge the following:

a. Sansum Clinic has reviewed its financial situation and warrants that it is 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 United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Sansum Clinic, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Sansum Clinic was or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If any of Sansum Clinic's payments or 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) or if, before the Settlement Amount is paid in full, Sansum Clinic or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Sansum Clinic's debts, or to adjudicate Sansum Clinic as bankrupt or insolvent; or seeking

appointment of a receiver, trustee, custodian, or other similar official for Sansum Clinic or for all or any substantial part of Sansum Clinic's assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Sansum Clinic for the claims that would otherwise be covered by the releases provided in Paragraphs 3 to 5 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Sansum Clinic in the amount of \$21,300,000, less any payments received pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by Sansum Clinic, a receiver, trustee, custodian, or other similar official for Sansum Clinic;

(iii) if any payments are avoided and recovered by a receiver, trustee, creditor, custodian, or similar official, the United States shall not be responsible for the return of any amounts already paid by the United States to Relator; and

(iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to Relator pursuant to Paragraph 2 are recovered from the United States in an action or proceeding filed by a receiver, trustee, creditor, custodian, or similar official in or in connection with a bankruptcy case that is filed within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of this Agreement, Relator shall, within thirty days of written notice from the United States to the undersigned Relator's counsel, return to the United States all amounts recovered from the United States.

f. Sansum Clinic agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 16.e is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. Sansum Clinic shall not argue or otherwise contend that the United States'

claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Sansum Clinic waives and 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 claim, action, or proceeding brought by the United States within 120 days of written notification to Sansum Clinic that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on December 20, 2018.

17. Upon receipt of the payments described in Paragraphs 1.a and 1.b, the United States, California and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of Sansum Santa Barbara Medical Clinic, Inc. pursuant to Rule 41(a)(1) as follows:

a. the Stipulation of Dismissal shall be with prejudice as to the United States' and California's claims against Sansum Santa Barbara Medical Clinic, Inc. as to the Covered Conduct;

b. the Stipulation of Dismissal shall be without prejudice as to the United States and California as to all other claims against Sansum Santa Barbara Medical Clinic, Inc.;

c. the Stipulation of Dismissal shall be with prejudice as to Relator as to all claims against Sansum Santa Barbara Medical Clinic, Inc..

18. Except as specifically provided herein, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

20. This Agreement is governed by the laws of the United States. The exclusive 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.

21. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

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

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

24. This Agreement is binding on Sansum Clinic's successors, transferees, heirs, and assigns.

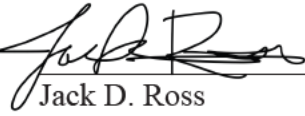
25. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

26. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

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

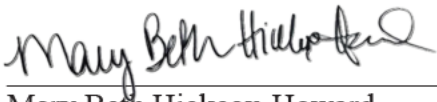
THE UNITED STATES OF AMERICA

DATED: June 12, 2023

BY: 

Jack D. Ross
Assistant United States Attorney
Central District of California

DATED: June 16, 2023

BY: 

Mary Beth Hickcox-Howard
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

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

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____
Jack D. Ross
Assistant United States Attorney
Central District of California

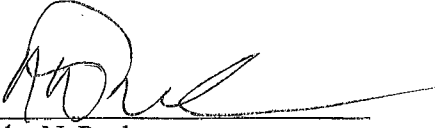
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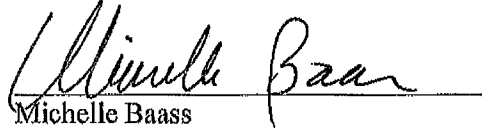
BY: _____
Mary Beth Hickcox-Howard
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____


BY: _____
LISA RE Digitally signed by LISA
RE
Date: 2023.06.15 11:14:09
-04'00'
Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

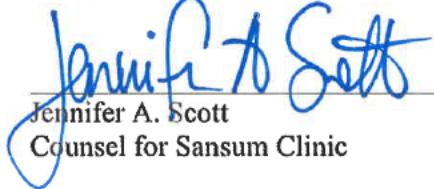
THE STATE OF CALIFORNIA

DATED: 6-8-23 BY: 
Nicholas N. Paul
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud & Elder Abuse

DATED: 6-7-23 BY: 
Michelle Baass
Director
California Department of Health Care Services


SANSUM CLINIC - DEFENDANT

DATED: June 9, 2023 BY: 
Kurt Ransohoff, MD, CEO
on behalf of Sansum Clinic

DATED: June 9, 2023 BY: 
Jennifer A. Scott
Counsel for Sansum Clinic


JULIO BORDAS - RELATOR

DATED: 06/09/2023

BY: 

Julio Bordas

DATED: June 9, 2023

BY: 

Edward Arens
Phillips & Cohen LLP
Counsel for Julio Bordas