







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 Commonwealth of Kentucky, acting through its Office of Attorney General and on behalf of the Cabinet for Health and Family Services, Department of Medicaid Services (collectively the "Commonwealth"), Addbxxion Recovery of Kentucky, LLC d/b/a SelfRefind ("SelfRefind"), PremierTox 2.0 LLC ("PremierTox"), Dr. Bryan Wood, and Dr. Robin Peavler (collectively the Defendants) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. SelfRefind operates a chain of addiction treatment clinics in the Commonwealth of Kentucky and State of Ohio, and specializes in the treatment of opiate addiction with buprenorphine. At all relevant times, SelfRefind has been owned by Dr. Bryan Wood and Dr. Robin Peavler. SelfRefind maintains its primary business address at 1150 Danville Road, Harrodsburg, Kentucky 40330.

B. PremierTox is an independent clinical laboratory that performs, *inter alia*, quantitative urine drug testing ordered by physicians for the purpose of treating and monitoring patients. At all relevant times, PremierTox has been owned by Dr. Bryan Wood, Dr. Robin Peavler, Dr. Robert Bertram, Jr., James Bottoms, and Brian Walters.

PremierTox: 
SelfRefind: 
Dr. Bryan Wood: 
Dr. Robin Peavler: 
Commonwealth of Kentucky: 
USA: 

PremierTox maintains its primary business address at 2431 Lakeway Drive, Russell Springs, Kentucky 42642.







C. Dr. Bryan Wood is a physician residing and licensed to practice medicine in the Commonwealth of Kentucky. Since 2008, Wood has owned a 75% share in SelfRefind, and since December 2010, Wood has owned a 20% share in PremierTox.

D. Dr. Robin Peavler is a physician residing and licensed to practice medicine in the Commonwealth of Kentucky. Since 2008, Peavler has owned a 25% share in SelfRefind, and since December 2010, Peavler has owned a 20% share in PremierTox.

E. The United States contends that Defendants submitted or caused to be submitted claims for payment to the Medicare Program (Medicare), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1, and Medicaid Program (Medicaid), 42 U.S.C. §§ 1396-1396w-5.

F. The United States contends that it has certain civil claims against Defendants arising from their conduct in submitting, or causing the submission of, allegedly false claims for medically unnecessary and upcoded services to the Medicare and the Kentucky Medicaid programs,¹ as well as claims submitted in violation of the Stark Law, 42 U.S.C. § 1395nn, during the period from December 1, 2010 through April 1, 2013, as follows:

¹ For purposes of this Agreement, "Kentucky Medicaid program" does not include any managed care organization with whom the Commonwealth of Kentucky has contracted to administer parts of its Medicaid program between November 2011 and the present, and the Covered Conduct described herein expressly excludes any claims submitted by PremierTox to any managed care organization.







PremierTox: 
SelfRefind: 
Dr. Bryan Wood: 
Dr. Robin Peavler: 
Commonwealth of Kentucky: 
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1. Dr. Bryan Wood and Dr. Robin Peavler owned and operated SelfRefind, through which addiction treatment services were provided to approximately 2,500 unique patients. SelfRefind required that its patients provide urine samples for purposes of conducting a qualitative urine drug screen each time a patient saw a SelfRefind physician, and on at least one other occasion per month. Until December 2010, SelfRefind did not require quantitative urine drug tests ("confirmation drug tests").

2. In December 2010, Dr. Bryan Wood and Dr. Robin Peavler each purchased a 20% ownership stake in PremierTox, a new independent clinical laboratory created for the purpose of performing urine drug testing. In December 2010, Dr. Bryan Wood and Dr. Robin Peavler also implemented a practice at SelfRefind of requiring that all patient urine samples provided by SelfRefind patients be referred to PremierTox for confirmation testing, regardless of the results of the qualitative urine drug screen.

3. PremierTox did not possess the laboratory equipment necessary to test all of the SelfRefind patient urine samples it began receiving in December 2010. With Dr. Bryan Wood's, Dr. Robin Peavler's, and SelfRefind's knowledge and consent, excess urine samples were stored in freezers for up to eight months until PremierTox obtained the capacity to process them.

4. Between December 1, 2010 and April 1, 2013, PremierTox submitted, and the other Defendants caused the submission of, claims to the Medicare and Kentucky Medicaid programs for medically unnecessary confirmation drug tests performed on urine samples referred to it by SelfRefind, including urine samples that had

PremierTox: 
SelfRefind: 
Dr. Bryan Wood: 
Dr. Robin Peavler: 
Commonwealth of Kentucky: 
USA: 

been frozen for months before testing. The Defendants had knowledge, as defined by the False Claims Act, that these confirmation drug tests were not medically necessary at the time PremierTox submitted claims for such tests to the Medicare and Kentucky Medicaid programs.

5. Between December 1, 2010 and April 1, 2013, PremierTox submitted, and the other Defendants caused the submission of, upcoded claims to the Medicare and Kentucky Medicaid programs for confirmation drug tests performed on urine samples referred to it by SelfRefind. These claims were upcoded as a result of inappropriate use of Common Procedural Terminology code 82542. The Defendants had knowledge, as defined by the False Claims Act, that these confirmation drug tests were upcoded at the time PremierTox submitted claims for such tests to the Medicare and Kentucky Medicaid programs.

6. Between December 1, 2010 and April 1, 2013, PremierTox submitted, and the other Defendants caused the submission of, claims to the Medicare and Kentucky Medicaid programs for confirmation drug tests performed on urine samples referred to it by SelfRefind in violation of the Stark Law, 42 U.S.C. § 1395nn.

7. As a result of the conduct described above in Recital F(1)-(6), the United States and the Commonwealth of Kentucky suffered monetary damages. The conduct described in Recital F shall be referred to herein as the Covered Conduct.

G. This Settlement Agreement is neither an admission of liability by Defendants nor a concession by the United States that its claims are not well founded.

PremierTox: [Signature]
SelfRefind: [Signature]
Dr. Bryan Wood: [Signature]
Dr. Robin Peavler: [Signature]
Commonwealth of Kentucky: [Signature]
USA: [Signature]

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. Defendants shall pay to the United States fifteen million, seven hundred fifty thousand dollars (\$15,750,000) (Settlement Amount) by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Eastern District of Kentucky. Responsibility for paying the Settlement Amount shall be allocated amongst the Defendants as follows:

A. Within thirty (30) days of the Effective Date of this Agreement, Dr. Bryan Wood and Dr. Robin Peavler shall each pay to the United States one million dollars (\$1,000,000), for a collective sum of two million dollars (\$2,000,000) (the "Physicians' Settlement Payment").

B. SelfRefind shall pay to the United States the sum of one million dollars (\$1,000,000) (the "SelfRefind Settlement Payment"), as follows:

(1) Certain federal health care programs, including Medicaid, have suspended payments to SelfRefind as a result of credible allegations of fraud and are holding funds otherwise due to SelfRefind in escrow until such allegations are resolved. Certain managed care organizations that have or had responsibility for administering the Kentucky Medicaid program, including Kentucky Spirit Health Plan, CoventryCares of Kentucky, Passport Health Plan, and WellCare of Kentucky Health Plan (collectively the

PremierFox: *[Signature]*
SelfRefind: *[Signature]*
Dr. Bryan Wood: *[Signature]*
Dr. Robin Peavler: *[Signature]*
Commonwealth of Kentucky: *[Signature]*
USA: *[Signature]*

"MCOs"), also have suspended payments to SelfRefind and are holding funds otherwise due to SelfRefind in escrow. SelfRefind shall pay to the United States 100% of any and all funds currently being held in escrow by federal health care programs and the MCOs within ten (10) days of receipt of such funds.

(2) Within one year of the Effective Date of this Agreement, SelfRefind shall pay the balance of the SelfRefind Settlement Payment.

(3) Interest shall accrue on the SelfRefind Settlement Payment at the simple rate of 3.5% per annum. The SelfRefind Settlement Payment may be prepaid, in whole or in part, without penalty or premium. Partial payment does not alter the applicable interest rate.

C. Over a period of five (5) years, PremierTox shall pay the remaining twelve million, seven hundred fifty thousand dollars (\$12,750,000) of the Settlement Amount, plus interest at 3% per annum through year 1, 3.5% per annum through year 2, and 4% per annum through years 3-5 (the "PremierTox Settlement Payments"). The PremierTox Settlement Payments shall be made as follows:

(1) **Monthly Payments:** PremierTox shall make monthly settlement payments pursuant to a promissory note (Note) in the form of Exhibit A that PremierTox agrees to execute contemporaneously with this Agreement.

(2) **Escrow Revenue Payments:** Certain federal health care programs, including Medicare and Medicaid, have suspended payments to PremierTox as a result of credible allegations of fraud and are holding funds

PremierTox: *[Signature]*
SelfRefind: *[Signature]*
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Dr. Robin Peavler: *[Signature]*
Commonwealth of Kentucky: *[Signature]*
USA: *[Signature]*

otherwise due to PremierTox in escrow until such allegations are resolved.

Certain managed care organizations that have or had responsibility for administering the Kentucky Medicaid program, including Kentucky Spirit Health Plan, CoventryCares of Kentucky, Passport Health Plan, and WellCare of Kentucky Health Plan (collectively the "MCOs"), also have suspended payments to PremierTox and are holding funds otherwise due to PremierTox in escrow. Beginning within thirty (30) days of the Effective Date of the Agreement, and continuing monthly for the first eighteen (18) months thereafter, PremierTox shall pay to the United States fifty percent (50%) of all monies it receives that are currently being held in escrow by federal health care programs and/or any of the MCOs (the "Escrow Revenue"). Any payments currently suspended by the Medicare program shall first be used to satisfy any overpayments or other obligations as determined by the Center for Medicare and Medicaid Services prior to release of the remaining funds to PremierTox, in accordance with 42 C.F.R. 405.372(e).

(3) **Net Income Payments:** In addition to the Monthly Payments and Escrow Revenue Payments described above, beginning three hundred sixty-five (365) days after the Effective Date, and quarterly thereafter, PremierTox shall pay to the United States fifty percent (50%) of its Net Income earned in the immediately preceding year or quarter. For purposes of this

PremierTox: PM
SelfRefind: PM
Dr. Bryan Wood: BW
Dr. Robin Peavler: RP
Commonwealth of Kentucky: PM
USA: PM







Agreement, Net Income shall mean PremierTox's total revenue less expenses and taxes.

(4) **Liberty Billing Payments:** In addition to the Monthly Payments, Escrow Revenue Payments, and Net Income Payments described above, PremierTox shall pay to the United States 50% of all monies received from Liberty Billing 2.0 LLC, a billing company that shares common ownership with PremierTox, in repayment of Liberty Billing 2.0 LLC's debt to PremierTox of \$1,358,179 (the "Liberty Billing Payments"). The Liberty Billing Payments shall be made within thirty (30) days of receipt of any debt repayments by Liberty Billing 2.0 LLC.

(5) PremierTox shall submit sworn financial statements in a form requested by the Office of the United States Attorney for the Eastern District of Kentucky on a monthly basis in order to substantiate the payments made pursuant to this Paragraph 1.C.

(6) Within one year of the Effective Date of this Agreement, PremierTox shall have paid a minimum of two million dollars (\$2,000,000) to the United States, whether pursuant to Paragraph 1.C(1)-(4) or otherwise.

(7) Interest shall accrue on the unpaid PremierTox Settlement Payments as indicated in the Note. The PremierTox Settlement Payments may be prepaid, in whole or in part, without penalty or premium. Partial payment does not alter the applicable interest rate.

PremierTox: 
SelfRefind: 
Dr. Bryan Wood: 
Dr. Robin Peavler: 
Commonwealth of Kentucky: 
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2. Conditioned upon the United States receiving the Settlement Amount payments from Defendants, the United States agrees that it shall pay to the Commonwealth of Kentucky by electronic funds transfer 17.4% percent of each such payment received under the Settlement Agreement as soon as feasible after receipt of the payment.

3. Subject to the exceptions in Paragraph 11 (concerning excluded claims) below, and conditioned upon Dr. Bryan Wood's and Dr. Robin Peavler's full payment of the Physician Settlement Payments, the United States releases Dr. Bryan Wood and Dr. Robin Peavler 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 11 (concerning excluded claims) below, and conditioned upon Dr. Bryan Wood's and Dr. Robin Peavler's full payment of the Physician Settlement Payments, the Commonwealth of Kentucky releases Dr. Bryan Wood and Dr. Robin Peavler from any civil or administrative monetary claim the Commonwealth of Kentucky has for the Covered Conduct under the Kentucky Control of Fraud and Abuse laws, KRS 205.8451-205.8483, 907 KAR 1:671; Kentucky Self-Referral Law, KRS 205.8461; or the common law theories of payment by mistake, unjust enrichment, and fraud.

PremierTox: RAO
SelfRefind: [Signature]
Dr. Bryan Wood: [Signature]
Dr. Robin Peavler: [Signature]
Commonwealth of Kentucky: [Signature]
USA: CM

5. Subject to the exceptions in Paragraph 11 (concerning excluded claims) below, and conditioned upon SelfRefind's full payment of the SelfRefind Settlement Payments, the United States releases SelfRefind 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.

6. Subject to the exceptions in Paragraph 11 (concerning excluded claims) below, and conditioned upon SelfRefind's full payment of the SelfRefind Settlement Payments, the Commonwealth of Kentucky releases SelfRefind from any civil or administrative monetary claim the Commonwealth of Kentucky has for the Covered Conduct under the Kentucky Control of Fraud and Abuse laws, KRS 205.8451-205.8483, 907 KAR 1:671; Kentucky Self-Referral Law, KRS 205.8461; or the common law theories of payment by mistake, unjust enrichment, and fraud.

7. Subject to the exceptions in Paragraph 11 (concerning excluded claims) below, and conditioned upon PremierTox's full payment of the PremierTox Settlement Payments, the United States releases PremierTox 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.

PremierTox: RAD
SelfRefind: [Signature]
Dr. Bryan Wood: BW
Dr. Robin Peavler: RP
Commonwealth of Kentucky: [Signature]
USA: PM

8. Subject to the exceptions in Paragraph 11 (concerning excluded claims) below, and conditioned upon PremierTox's full payment of the PremierTox Settlement Payments, the Commonwealth of Kentucky releases PremierTox from any civil or administrative monetary claim the Commonwealth of Kentucky has for the Covered Conduct under the Kentucky Control of Fraud and Abuse laws, KRS 205.8451-205.8483, 907 KAR 1:671; Kentucky Self-Referral Law, KRS 205.8461; or the common law theories of payment by mistake, unjust enrichment, and fraud.

9. In consideration of the obligations of PremierTox in this Agreement and the Corporate Integrity Agreement (CIA) entered into between OIG-HHS and PremierTox, and conditioned upon PremierTox's full payment of the Settlement Amount, the OIG-HHS 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 PremierTox 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 Paragraph 11 (concerning excluded claims), below, and as reserved in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude PremierTox 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 the







PremierTox: DD
SelfRefind: DD
Dr. Bryan Wood: BW
Dr. Robin Peavler: RP
Commonwealth of Kentucky: RP
USA: PM

OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 11, below.

10. OIG-HHS expressly reserves all rights to institute, to direct, or to maintain any administrative action seeking exclusion against SelfRefind, Dr. Bryan Wood, and Dr. Robin Peavler from Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) (permissive exclusion).

11. Notwithstanding the releases given in paragraphs 3 through 9 of this Agreement, or any other term of this Agreement, the following claims of the United States and Commonwealth of Kentucky 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 United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement; or
- f. Any liability of individuals (including current or former directors, officers, employees, agents, or shareholders of PremierTox and

PremierTox: 
SelfRefind: 
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Dr. Robin Peavler: 
Commonwealth of Kentucky: 
USA: 

SelfRefind) who receive written notification that they are the target of a criminal investigation (as defined in the United States Attorneys' Manual), are indicted or charged, or who enter into a plea agreement, related to the Covered Conduct.

12. Defendants waive and shall not assert any defenses Defendants 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. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

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

14. Defendants fully and finally release the Commonwealth of Kentucky, its agencies, officers, agents, employees, and servants, from any claims (including attorney's

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Dr. Bryan Wood: BW
Dr. Robin Peavler: RP
Commonwealth of Kentucky: [Signature]
USA: PM

fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Commonwealth, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the Commonwealth's investigation and prosecution thereof.

15. 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 Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

16. PremierTox and SelfRefind 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 PremierTox or SelfRefind, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' and Commonwealth's audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;

PremierTox: *RAD*
SelfRefind: *[Signature]*
Dr. Bryan Wood: *[Signature]*
Dr. Robin Peavler: *[Signature]*
Commonwealth of Kentucky: *[Signature]*
USA: *PK*

- (3) PremierTox's and SelfRefind's investigation, defense, and corrective actions undertaken in response to the United States' and Commonwealth's audit(s) and civil and any criminal 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 payment PremierTox and SelfRefind make to the United States pursuant to this Agreement; and
- (6) the negotiation of, and obligations undertaken by PremierTox 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 the OIG-HHS

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 16.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 PremierTox and SelfRefind.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by PremierTox and SelfRefind, and

PremierTox: *RPW*
SelfRefind: *[Signature]*
Dr. Bryan Wood: *BW*
Dr. Robin Peavler: *RP*
Commonwealth of Kentucky: *[Signature]*
USA: *PM*

PremierTox and SelfRefind 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 PremierTox and SelfRefind or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: PremierTox and SelfRefind further agree 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 PremierTox and SelfRefind 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. PremierTox and SelfRefind agree that the United States, at a minimum, shall be entitled to recoup from PremierTox and SelfRefind 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.

PremierTox: RDW
SelfRefind: AW
Dr. Bryan Wood: AW
Dr. Robin Peavler: RP
Commonwealth of Kentucky: AW
USA: PM

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 PremierTox and SelfRefind or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on PremierTox and SelfRefind 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 United States to audit, examine, or re-examine PremierTox's and SelfRefind's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

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. 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. Defendants warrant that they have reviewed their financial situation and that they currently are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(i)(I), and shall remain solvent following payment to the United States of

PremierTox: *[Signature]*
SelfRefind: *[Signature]*
Dr. Bryan Wood: *[Signature]*
Dr. Robin Peavler: *[Signature]*
Commonwealth of Kentucky: *[Signature]*
USA: *[Signature]*

the Settlement Amount. 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 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 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. PremierTox and SelfRefind have provided sworn financial disclosure statements (Financial Statements) to the United States and the United States has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. PremierTox and SelfRefind warrant that the Financial Statements are complete, accurate, and current. If the United States learns of asset(s) in which PremierTox or SelfRefind had an interest at the time of this Agreement that were not disclosed in the Financial Statements, or if the United States learns of any misrepresentation by PremierTox or SelfRefind 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 \$800,000 or more, the United States 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

PremierTox: BN
SelfRefind: [Signature]
Dr. Bryan Wood: BW
Dr. Robin Peavler: RP
Commonwealth of Kentucky: MM
USA: PM

Settlement Amount plus one hundred percent (100%) of the value of the net worth of PremierTox or SelfRefind previously undisclosed. PremierTox and SelfRefind agree not to contest any collection action undertaken by the United States pursuant to this provision, and immediately to pay the United States all reasonable costs incurred in such an action, including attorney's fees and expenses.

21. In the event that the United States, pursuant to Paragraph 20 (concerning disclosure of assets), above, opts to rescind this Agreement, PremierTox and SelfRefind 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 United States within 120 calendar days of written notification to PremierTox and SelfRefind that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on January 24, 2014.

22. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, Defendants commence, 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 Defendants' debts, or seeking to adjudicate Defendants as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or any substantial part of Defendants' assets, Defendants agree as follows:

PremierTox: RWD
SelfRefind: [Signature]
Dr. Bryan Wood: [Signature]
Dr. Robin Peavler: [Signature]
Commonwealth of Kentucky: [Signature]
USA: [Signature]

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

b. If 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, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 3, 5, 7, and 9. Defendants agree that (i) any such claims, actions, or proceedings brought by the United States 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 Defendants shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) 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 United

PremierTox: *[Signature]*
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USA: *[Signature]*

States within 120 calendar days of written notification to Defendants that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of the Agreement; and (iii) the United States has a valid claim against Defendants in the amount of \$21,094,386, and the United States may pursue its claim 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. Defendants acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

23. 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 Eastern District of Kentucky. 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.

PremierTox: *ROD*
SelfRefind: *[Signature]*
Dr. Bryan Wood: *[Signature]*
Dr. Robin Peavler: *[Signature]*
Commonwealth of Kentucky: *[Signature]*
USA: *[Signature]*







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 Defendants' successors, transferees, heirs, and assigns.

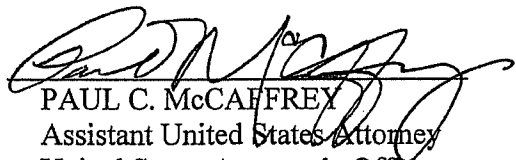
30. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

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

PremierTox: 
SelfRefind: 
Dr. Bryan Wood: 
Dr. Robin Peavler: 
Commonwealth of Kentucky: 
USA: 

THE UNITED STATES OF AMERICA

DATED: 1/28/14

BY: 
PAUL C. McCAFFREY
Assistant United States Attorney
United States Attorney's Office
Eastern District of Kentucky

DATED: _____

BY: _____
ROBERT K. DECONTI
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 COMMONWEALTH OF KENTUCKY

DATED: _____

BY: _____
Michael E. Brooks
Executive Director
Medicaid Fraud and Abuse Control Unit
Office of the Attorney General for the
Commonwealth of Kentucky

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

PAUL C. McCAFFREY
Assistant United States Attorney
United States Attorney's Office
Eastern District of Kentucky

DATED: 2/7/14

BY: Robert K. DeConti

ROBERT K. DECONTI
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 COMMONWEALTH OF KENTUCKY

DATED: _____

BY: _____

Michael E. Brooks
Executive Director
Medicaid Fraud and Abuse Control Unit
Office of the Attorney General for the
Commonwealth of Kentucky

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

PAUL C. McCAFFREY
Assistant United States Attorney
United States Attorney's Office
Eastern District of Kentucky

DATED: _____

BY: _____

ROBERT K. DECONTI
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

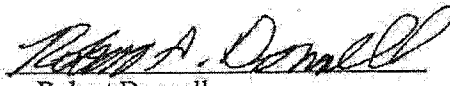
THE COMMONWEALTH OF KENTUCKY


DATED: 1/28/2014

BY:  _____

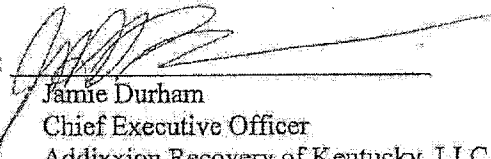
Michael E. Brooks
Executive Director
Medicaid Fraud and Abuse Control Unit
Office of the Attorney General for the
Commonwealth of Kentucky

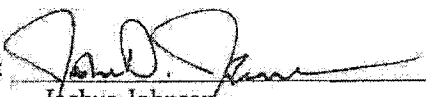
PREMIERTOX 2.0 LLC

DATED: 1/27/14 BY: 
Robert Donnell
Chief Executive Officer
PremierTox 2.0 LLC

DATED: 1/27/14 BY: 
Robert L. Bertram
Bertram & Wilson
One Monument Square
P.O. Box 25
Jamestown, KY 42629
Counsel for PremierTox 2.0 LLC

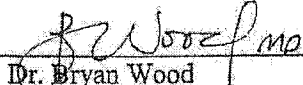
ADDIXION RECOVERY OF KENTUCKY, LLC

DATED: 1/27/14 BY: 
Jamie Durham
Chief Executive Officer
Addixion Recovery of Kentucky, LLC

DATED: 1/27/14 BY: 
Joshua Johnson
General Counsel
Addixion Recovery of Kentucky, LLC

DR. BRYAN WOOD

DATED: 1/27/14

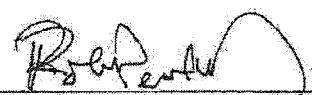
BY: 
Dr. Bryan Wood

DATED: _____

BY: N/A
Counsel for Dr. Bryan Wood

DR. ROBIN PEAVLER

DATED: 1/27/14

BY: 
Dr. Robin Peavler

DATED: _____

BY: N/A
Counsel for Dr. Robin Peavler

Promissory Note

1. For value received, and pursuant to a Settlement Agreement dated January 29, 2014, attached hereto (Settlement Agreement), PremierTox 2.0 LLC (PremierTox or Maker), for itself and its successors and assigns, promises to pay to the United States of America (Holder), or its assignee, the full principal sum of \$12,750,000, together with interest accruing at the rates of 3% per annum through year 1, 3.50% per annum through year 2, and 4% per annum through years 3-5 (Outstanding Balance) as set forth below.

Schedule of Payments (including interest)

<u>Date</u>	<u>Balance</u>	<u>Payment</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
	\$12,750,000.00				
07/01/14	\$12,650,000.00	\$131,875.00	3.00%	\$100,000.00	\$31,875.00
08/01/14	\$12,550,000.00	\$131,625.00	3.00%	\$100,000.00	\$31,625.00
09/01/14	\$12,450,000.00	\$131,375.00	3.00%	\$100,000.00	\$31,375.00
10/01/14	\$12,350,000.00	\$131,125.00	3.00%	\$100,000.00	\$31,125.00
11/01/14	\$12,250,000.00	\$130,875.00	3.00%	\$100,000.00	\$30,875.00
12/01/14	\$12,150,000.00	\$130,625.00	3.00%	\$100,000.00	\$30,625.00
01/01/15	\$11,950,000.00	\$235,437.50	3.50%	\$200,000.00	\$35,437.50
02/01/15	\$11,750,000.00	\$234,854.17	3.50%	\$200,000.00	\$34,854.17
03/01/15	\$11,550,000.00	\$234,270.83	3.50%	\$200,000.00	\$34,270.83
04/01/15	\$11,350,000.00	\$233,687.50	3.50%	\$200,000.00	\$33,687.50
05/01/15	\$11,150,000.00	\$233,104.17	3.50%	\$200,000.00	\$33,104.17
06/01/15	\$10,950,000.00	\$232,520.83	3.50%	\$200,000.00	\$32,520.83
07/01/15	\$10,750,000.00	\$231,937.50	3.50%	\$200,000.00	\$31,937.50
08/01/15	\$10,550,000.00	\$231,354.17	3.50%	\$200,000.00	\$31,354.17
09/01/15	\$10,350,000.00	\$230,770.83	3.50%	\$200,000.00	\$30,770.83
10/01/15	\$10,150,000.00	\$230,187.50	3.50%	\$200,000.00	\$30,187.50
11/01/15	\$9,950,000.00	\$229,604.17	3.50%	\$200,000.00	\$29,604.17
12/01/15	\$9,750,000.00	\$229,020.83	3.50%	\$200,000.00	\$29,020.83
01/01/16	\$9,450,000.00	\$332,500.00	4.00%	\$300,000.00	\$32,500.00
02/01/16	\$9,150,000.00	\$331,500.00	4.00%	\$300,000.00	\$31,500.00
03/01/16	\$8,850,000.00	\$330,500.00	4.00%	\$300,000.00	\$30,500.00
04/01/16	\$8,550,000.00	\$329,500.00	4.00%	\$300,000.00	\$29,500.00
05/01/16	\$8,250,000.00	\$328,500.00	4.00%	\$300,000.00	\$28,500.00
06/01/16	\$7,950,000.00	\$327,500.00	4.00%	\$300,000.00	\$27,500.00
07/01/16	\$7,650,000.00	\$326,500.00	4.00%	\$300,000.00	\$26,500.00
08/01/16	\$7,350,000.00	\$325,500.00	4.00%	\$300,000.00	\$25,500.00
09/01/16	\$7,050,000.00	\$324,500.00	4.00%	\$300,000.00	\$24,500.00
10/01/16	\$6,750,000.00	\$323,500.00	4.00%	\$300,000.00	\$23,500.00
11/01/16	\$6,450,000.00	\$322,500.00	4.00%	\$300,000.00	\$22,500.00
12/01/16	\$6,150,000.00	\$321,500.00	4.00%	\$300,000.00	\$21,500.00
01/01/17	\$5,850,000.00	\$320,500.00	4.00%	\$300,000.00	\$20,500.00
02/01/17	\$5,550,000.00	\$319,500.00	4.00%	\$300,000.00	\$19,500.00
03/01/17	\$5,250,000.00	\$318,500.00	4.00%	\$300,000.00	\$18,500.00
04/01/17	\$4,950,000.00	\$317,500.00	4.00%	\$300,000.00	\$17,500.00
05/01/17	\$4,650,000.00	\$316,500.00	4.00%	\$300,000.00	\$16,500.00

06/01/17	\$4,350,000.00	\$315,500.00	4.00%	\$300,000.00	\$15,500.00
07/01/17	\$4,050,000.00	\$314,500.00	4.00%	\$300,000.00	\$14,500.00
08/01/17	\$3,750,000.00	\$313,500.00	4.00%	\$300,000.00	\$13,500.00
09/01/17	\$3,450,000.00	\$312,500.00	4.00%	\$300,000.00	\$12,500.00
10/01/17	\$3,150,000.00	\$311,500.00	4.00%	\$300,000.00	\$11,500.00
11/01/17	\$2,850,000.00	\$310,500.00	4.00%	\$300,000.00	\$10,500.00
12/01/17	\$2,550,000.00	\$309,500.00	4.00%	\$300,000.00	\$9,500.00
01/01/18	\$2,250,000.00	\$308,500.00	4.00%	\$300,000.00	\$8,500.00
02/01/18	\$1,950,000.00	\$307,500.00	4.00%	\$300,000.00	\$7,500.00
03/01/18	\$1,650,000.00	\$306,500.00	4.00%	\$300,000.00	\$6,500.00
04/01/18	\$1,350,000.00	\$305,500.00	4.00%	\$300,000.00	\$5,500.00
05/01/18	\$1,050,000.00	\$304,500.00	4.00%	\$300,000.00	\$4,500.00
06/01/18	\$750,000.00	\$303,500.00	4.00%	\$300,000.00	\$3,500.00
07/01/18	\$450,000.00	\$302,500.00	4.00%	\$300,000.00	\$2,500.00
08/01/18	\$150,000.00	\$301,500.00	4.00%	\$300,000.00	\$1,500.00
09/01/18	\$0.00	\$150,500.00	4.00%	\$150,000.00	\$500.00

2. Payments will be made by wire transfer as indicated in the Settlement Agreement. If there is any change in the method or instructions of payment, the Holder shall inform the Maker at least 5 business days before payment is due.

3. This Note may be prepaid, in whole or in part, without penalty or premium. Partial payment does not alter the interest rate applicable each year as reflected in paragraph 1 of this Note.

4. Maker is in default of this Note on the date of occurrence of any of the following events (Events of Default).

- A. Maker's failure to pay any amount provided for in this Note within two days of when such payment is due and payable; provided, however, that an Event of Default does not occur if because of events outside of Maker's control, the Holder does not receive the paid amount after transmission by Maker. Maker will make its best efforts to insure Holder's receipt of the paid amount.
- B. If prior to making the full payment of the amount due under this Note, any case, proceeding, or other action is instituted:
 - a. under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have any order for relief of debtors, or seeking to adjudicate PremierTox as bankrupt or insolvent; or
 - b. seeking appointment of a receiver, trustee, custodian or other similar official for PremierTox or for all or any substantial part of PremierTox's assets.

5. The Maker shall provide the United States written notice of an Event of Default within two (2) business days of such event by overnight mail, delivered to the Office of the United States Attorney for the Eastern District of Kentucky (USAO), at 260 W. Vine Street, Lexington, KY 40507.

6. Upon the occurrence of an Event of Default, without further notice or presentment and demand by the United States:

- A. The portion of the Outstanding Balance shall become due and payable after 30 days from an Event of Default not cured within 30 days (default amount). Interest shall accrue on the default amount from the date of the Event of Default at 12 per cent per annum, compounded daily.
- B. The United States retains any and all other rights and remedies it has or may have under law and equity, and may exercise those rights or remedies.
- C. No failure or delay on the part of the United States to exercise any right or remedy shall operate as a waiver of the United States' rights. No partial or single exercise by the United States of any right or remedy shall operate as a waiver of the United States' rights.
- D. Maker will pay the United States all reasonable costs of collection, including reasonable attorneys' fees and expenses.

7. Waiver by the Holder of any default by Maker, its successors, or assigns will not constitute a waiver of a subsequent default. Failure by the Holder to exercise any right, power, or privilege which it may have by reason of default will not preclude the exercise of such right, power, or privilege so long as such default remains uncured or if a subsequent default occurs.

8. This Note shall be governed and construed according to the laws of the United States of America.

9. Maker acknowledges that it is entering into this Note, freely, voluntarily and with no degree of compulsion whatsoever.

10. PremierTox shall provide the USAO a certified copy of a resolution of PremierTox's Board of Directors affirming that PremierTox has authority to enter into this Note, and that PremierTox's Board of Directors has: (1) reviewed this Note, the Letter of Credit, and the Settlement Agreement; (2) consulted with legal counsel in connection with this matter; (3) voted to authorize PremierTox to enter into this Note; and (4) voted to authorize the corporate officer identified below to execute this Note and to take such further steps as necessary to carry out the terms of this Note.

IN WITNESS THEREOF, Maker intending to be legally bound hereby and so bind its successors and assigns, has caused this Note to be executed by PremierTox's proper corporate officer and its corporate seal hereunto affixed, duly attested this 27, day of January, 2014.

PREMIERTOX 2.0 LLC

by:



Robert Donnell
Chief Executive Officer
January 27, 2014