

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”); BestCare Laboratory Services, LLC (“BestCare”), and Karim A. Maghareh (“Maghareh”) (collectively, the “Defendants”); Farzaneh Rajabi (“Rajabi”), wife of Maghareh; and Richard Drummond (“Relator”) (hereafter the United States, Defendants, Rajabi, and Relator are collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

- A. In 2002, Maghareh founded BestCare, a medical diagnostic laboratory that billed Medicare for testing services.
- B. On August 6, 2008, Relator filed a *qui tam* action in the United States District Court for the Southern District of Texas captioned *United States ex rel. Drummond v. BestCare Laboratory Services, Inc., et al.*, No. 4:08-cv-2441, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). On September 16, 2011, the United States partially intervened in the Civil Action and filed the United States’ Complaint on November 21, 2011.
- C. On August 21, 2014, the United States District Court for the Southern District of Texas ordered that partial judgment be entered in the Civil Action in favor of the United States against Defendants in the amount of \$10,600,000 for unjust enrichment and payment by mistake (the “2014 Judgment”). On April 3, 2018, the United States District Court for the Southern District of Texas ordered that a final judgment be entered in the Civil Action in favor of the United States against Defendants in the amount of \$30,571,635 for violating the False Claims Act (the “2018 Judgment”). On February 10, 2019, the United States Court of Appeals for the Fifth Circuit affirmed the 2014 Judgment and the 2018 Judgment. The United States Court of Appeals for the Fifth Circuit confirmed that the

2014 Judgment is subsumed within the 2018 Judgment (the “Final Judgment”). On November 2, 2020, the United States District Court for the Southern District of Texas ordered that a final judgment be entered in the Civil Action in favor of Relator and against Defendants in the amount of \$424,388.00 in attorneys’ fees and \$5,199.73 in costs (the “2020 Attorneys’ Fees Judgment”).

D. The United States and the Relator have made attempts to collect the Final Judgment and \$29,781,983 of the Final Judgment remains outstanding plus applicable post-judgment interest. The Relator has made attempts to collect the 2020 Attorneys’ Fees Judgment and \$429,587.73 of the 2020 Attorneys’ Fees Judgment remains outstanding plus applicable post-judgment interest.

E. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement. Relator also claims entitlement under 31 U.S.C. § 3730(d) and the 2020 Attorneys’ Fees Judgment to Relator’s reasonable expenses, attorneys’ fees, and costs.

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

TERMS AND CONDITIONS

1.a. Defendants agree to make the following guaranteed payments to the United States (“Guaranteed Payments”) in the total amount of Five Million Seven Hundred Thousand Dollars (\$5,700,000) plus interest at a rate of one percent (1%) per annum (“Accrued Interest”) beginning on the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the Southern District of Texas:

- i. No later than fourteen (14) days after the Effective Date of this Agreement, Defendants shall pay the amount of Five Hundred Thousand Dollars (\$500,000) (the “First Payment”);
- ii. No later than six (6) months after the Effective Date of this Agreement,

Defendants shall pay the amount of Five Hundred Thousand Dollars (\$500,000), plus Accrued Interest (the “Second Payment”);

iii. No later than twelve (12) months after the Effective Date of this Agreement, Defendants shall pay the amount of Five Hundred Thousand Dollars (\$500,000), plus Accrued Interest (the “Third Payment”);

iv. No later than eighteen (18) months after the Effective Date of this Agreement, Defendants shall pay the amount of Five Hundred Thousand Dollars (\$500,000), plus Accrued Interest (the “Fourth Payment”);

v. No later than twenty-four (24) months after the Effective Date of this Agreement, Defendants shall pay the amount of Five Hundred Thousand Dollars (\$500,000), plus Accrued Interest (the “Fifth Payment”);

vi. No later than thirty (30) months after the Effective Date of this Agreement, Defendants shall pay the amount of Five Hundred Thousand Dollars (\$500,000), plus Accrued Interest (the “Sixth Payment”);

vii. No later than thirty-six (36) months after the Effective Date of this Agreement, Defendants shall pay the amount of Two Million Three Hundred Thousand Dollars (\$2,300,000), plus Accrued Interest (the “Seventh Payment”); and

viii. No later than forty-two (42) months after the Effective Date of this Agreement, Defendants shall pay the amount of Four Hundred Thousand Dollars (\$400,000), plus Accrued Interest (the “Eighth Payment”).

1.b. If Defendants make a payment that either (a) is made before it was otherwise due under the terms of this Agreement, or (b) exceeds any amounts then due under the terms of this Agreement, then that prepayment and/or overpayment shall be credited against the next Guaranteed Payment due

under this Agreement, and then any Accrued Interest, and then the following Guaranteed Payment due, until the prepayment and/or overpayment amount is exhausted.

1.c. Defendants further agree to make the following contingent payments to the United States (“Contingent Payments”), by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the Southern District of Texas:

- i. If Windfall Income, as defined in Exhibit A to this Agreement, of Maghareh and Rajabi together exceeds \$120,000, but is less than \$200,000, in any of the calendar years 2022, 2023, 2024, 2025, and 2026, a payment of twenty percent (20%) of Windfall Income exceeding \$120,000 but less than \$200,000 for that calendar year shall be paid no later than thirty (30) days after Maghareh and Rajabi submit their tax returns to the United States;
- ii. If Windfall Income of Maghareh and Rajabi together exceeds \$200,000, but is less than \$500,000, in any of the calendar years 2022, 2023, 2024, 2025, and 2026, a payment of thirty percent (30%) of Windfall Income exceeding \$200,000 but less than \$500,000 for that calendar year plus the amount due under Paragraph 1.c.i. shall be paid no later than thirty (30) days after Maghareh and Rajabi submit their tax returns to the United States; and
- iii. If Windfall Income of Maghareh and Rajabi together exceeds \$500,000 in any of the calendar years 2022, 2023, 2024, 2025, and 2026, a payment of forty percent (40%) of Windfall Income exceeding \$500,000 for that calendar year plus the amounts due under Paragraphs 1.c.i. and 1.c.ii. shall be paid no later than thirty (30) days after Maghareh and Rajabi submit their tax returns to the United States.

1.d. Maghareh and Rajabi shall submit to the Civil Division of the United States Department of Justice and United States Attorney’s Office for the Southern District of Texas, at an address to be

provided by the United States, a sworn completed Exhibit A for each calendar year 2022, 2023, 2024, 2025, and 2026, and a copy of their federal tax returns, along with all supporting documentation and information reasonably necessary for the United States to determine the accuracy of Windfall Income stated, by mail no later than fourteen (14) days after Defendants and Rajabi file all federal and state tax returns for each calendar year 2022, 2023, 2024, 2025, and 2026. If the United States reasonably requires additional documentation, the United States may request such documentation from Maghareh and/or Rajabi within ninety (90) days. Defendants and Rajabi will use best efforts to timely file all federal and state tax returns by October 15 of the year following every year covered by this Agreement, and will not request an extension of that tax filing deadline unless the reason(s) for seeking such extension is disclosed to the United States.

1.e. The sum of the Guaranteed Payments plus Accrued Interest plus any Contingent Payments comprises the "Settlement Amount." In no event shall the Settlement Amount exceed \$29,781,983 plus any applicable post-judgment interest that has accrued and will continue to accrue on the outstanding amount of the Final Judgment. The Settlement Amount constitutes restitution to the United States to the extent that it does not exceed \$10,190,545. Relator claims entitlement under 31 U.S.C. § 3730(d) and the 2020 Attorneys' Fees Judgment to Relator's reasonable expenses, attorneys' fees, and costs. The Settlement Amount does not include Relator's expenses, attorneys' fees and costs or any amount awarded by the 2020 Attorneys' Fees Judgment, and Defendants acknowledge (without waiving any applicable arguments or defenses) that Relator retains all rights to continue to seek to recover such expenses, attorneys' fees, and costs from Defendants.

2. Conditioned upon the United States' receipt of any payment from Defendants required by Paragraph 1, the United States agrees that, as soon as feasible, it shall pay to Relator twenty-three percent (23%) of any such payment, by electronic funds transfer and pursuant to written instructions to

be provided by Relator's counsel. The sum of all payments described in this Paragraph shall collectively be referred to as the "Relator's Share."

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims), and subject to Paragraph 7 (concerning disclosure of assets), Paragraph 15 (concerning default), and Paragraph 16 (concerning bankruptcy), and upon the United States' receipt of the Settlement Amount, the United States releases Defendants from (a) any claim for the conduct that the United States has alleged in the Civil Action under the False Claims Act, 31 U.S.C. §§ 3729-3733, for which the Final Judgment has been entered; (b) any liability to satisfy the Final Judgment in the Civil Action; (c) any claims for unjust enrichment, payment by mistake, and fraud brought in the Civil Action; (d) any claims previously brought in collection actions and/or motions related to collection actions related to the Civil Action; and (e) any remedies the United States has under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3001-3308, or Texas law, to collect the Final Judgment in the Civil Action.

4. Except as set forth in Paragraph 1.e. (concerning Relator's claims under 31 U.S.C. § 3730(d) and the 2020 Attorneys' Fees Judgment), and subject to the exceptions in Paragraph 5 (concerning reserved claims), Paragraph 7 (concerning disclosure of assets), Paragraph 15 (concerning default), and Paragraph 16 (concerning bankruptcy), without waiving his right to collect all amounts awarded by the 2020 Attorneys' Fees Judgment and upon the Relator's receipt of the Relator's Share, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Defendants and the individuals and entities identified in the last sentence of this paragraph from (a) any civil monetary claim the Relator has on behalf of the United States for the conduct that Relator has alleged in the Civil Action; (b) any liability to satisfy the Final Judgment in the Civil Action; (c) any claim for recovery that Relator may have related to or arising from the Civil Action or the conduct alleged therein, including any claim pursuant to 31 U.S.C. §3730, other than amounts awarded by the 2020 Attorneys' Fees Judgment; and (d) any remedies the Relator may have under the Federal Debt Collection Procedures

Act, 28 U.S.C. §§ 3001-3308 (except with respect to the 2020 Attorneys' Fees Judgment), or otherwise for the Final Judgment in the Civil Action. The foregoing release by Relator applies to Defendants; Defendants' successors, transferees, heirs, assigns, and representatives (including but not limited to their attorneys); Rajabi; family members of Maghareh and Rajabi; and any other entities owned by Maghareh, Rajabi, and/or their family members.

5. Notwithstanding the releases given in Paragraphs 3 and 4 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States 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 or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the conduct alleged by the United States in the Civil Action for which the Final Judgment has been entered;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals (except Maghareh);
- 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; and
- h. Any liability for personal injury or property damage or for other consequential damages arising from the conduct alleged by the United States in the Civil Action for which the Final Judgment has been entered.

6. 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). Conditioned upon Relator's receipt of the Relator's Share, 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.

7. Defendants and Rajabi have provided sworn financial disclosures and supporting documents (together "Financial Disclosures") to the United States and the United States has relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. Defendants and Rajabi warrant that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement. If the United States learns of asset(s) in which Defendants and/or Rajabi had an interest of any kind as of the Effective Date of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy Defendants' obligations under this Agreement) that were not disclosed in the Financial Disclosures, or if the United States learns of any false statement or misrepresentation by Defendants or Rajabi on, or in connection with, the Financial Disclosures, and if such nondisclosure, false statement, or misrepresentation changes the estimated net worth set forth in the Financial Disclosures by \$20,000 or more, the United States may at its option: (a) rescind this Agreement and reinstate its attempt to collect the Final Judgment or (b) collect the full Settlement Amount in accordance with the Agreement plus one hundred percent (100%) of the net value of Defendants' and Rajabi's previously undisclosed assets. Defendants and Rajabi agree not to contest any collection action undertaken by the United States pursuant to this provision, and agree that they will immediately pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected in the collection action, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States'

reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States, pursuant to this paragraph rescinds this Agreement, Defendants and Rajabi waive and 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 Defendants and Rajabi that this Agreement has been rescinded, and (b) relate to the claims alleged by the United States in the Civil Action, except to the extent these defenses were available on August 6, 2008.

8. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Civil Action or the Final Judgment 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. Defendants fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' 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 Civil Action, the Final Judgment or the United States' investigation or prosecution thereof.

10. Defendants and Rajabi, for themselves and for their heirs, successors, attorneys, agents, and assigns, fully and finally release Relator and the individuals and entities identified in the last sentence of this paragraph from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) they have asserted, could have asserted, or may assert in the future against Relator related to the Final Judgment or arising out of the Civil Action. The foregoing release by Defendants and Rajabi applies to Relator; Relator's successors, transferees, heirs, assigns, and

representatives (including but not limited to their attorneys); family members of Relator; and any other entities owned by Relator and/or his family members.

11. 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 conduct underlying the Final Judgment; and Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the conduct underlying the Final Judgment, agree not to appeal any such denials of claims, and agree to withdraw any such pending appeals.

12. 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. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, 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) Defendants' 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 Defendants make to the United States pursuant to this Agreement and any payments that Defendants 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 Defendants, and Defendants 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 Defendants or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: 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 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 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. Defendants agree that the United States, at a minimum, shall be entitled to recoup from 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 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 Defendants or any of their subsidiaries

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

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. 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 the conduct underlying the Final Judgment.

15. The Settlement Amount represents the amount the United States is willing to accept in compromise of its civil claims arising from the Final Judgment due solely to Defendants' and Rajabi's financial condition as reflected in the Financial Disclosures referenced in Paragraph 7.

a. In the event that Defendants fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Defendants shall be in Default of Defendants' payment obligations ("Default"). The United States will provide a written Notice of Default, and Defendants 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 Settlement Agreement up to the date of payment. Notice of Default will be delivered to Defendants, or to such other representative as Defendants shall designate in advance in writing. If Defendants fail 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 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 twelve (12) percent 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, Defendants agree that the United States, at its 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 Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 3 above with any recovery reduced by the amount of any payments previously made by Defendants to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendants and/or affiliated companies by any department, agency, or agent of the United States 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 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 pursues a collection action, Defendants agree immediately to pay the United States 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’ reasonable attorneys’ fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this Paragraph, Defendants waive and agree 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 against Defendants within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the conduct underlying the Final Judgment, except to the extent these defenses were available on August 6, 2008. Defendants agree 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 Defendants from participating in all Federal health care programs until Defendants pay the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to Defendants. 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, Defendants wish to apply for reinstatement, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Defendants 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, Defendants, the United States and Relator acknowledge the following:

a. Defendants have reviewed their financial situation and warrant that they are 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 Defendants, 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 Defendants were 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 Defendants' 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, Defendants 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 Defendants' debts, or to adjudicate Defendants as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or any substantial part of Defendants' assets:

(i) the United States 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 Paragraph 3 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Defendants in the amount of \$29,781,983 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 Defendants, a receiver, trustee, custodian, or other similar official for Defendants;

(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 the Relator; and

(iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the 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. Defendants agree 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. Defendants 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, consent to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Defendants waive 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 Defendants that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on August 6, 2008.

17. Upon receipt of the Settlement Amount, the United States, Defendants, and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1) and a satisfaction of judgment (excepting the 2020 Attorneys' Fees Judgment and amounts owed thereunder), and the United States shall file any document(s) needed to release any lien on real property located in Galveston County, Texas, arising from the filing of Instrument number 2018058330 and on property located in Harris County, Texas, arising from the filing of Instrument number RP-2018-442580. Nothing herein shall prevent the United States from electing to subordinate any lien on real

property located in Galveston County, Texas, arising from the filing of Instrument number 2018058330 and on property located in Harris County, Texas, arising from the filing of Instrument number RP-2018-442580, before the receipt of the Settlement Amount.

18. The United States hereby agrees to take any steps it reasonably believes are necessary to subordinate any liens to effectuate a refinancing of properties disclosed to the United States, including those properties located at 202 Texas Avenue, Webster, Texas, 77598 and 3307 Acorn Wood Way, Houston, Texas, 77059. Maghareh and Rajabi agree not to borrow any additional funds to finance the payment of any taxes, dues, or fees imposed on any properties disclosed to the United States.

19. If Maghareh, Rajabi, or any entity that they own and/or otherwise control sells and/or obtains financing against a property owned by Maghareh, Rajabi, or such an entity, the following payments shall be made to the United States at the time of closing of such sale and/or refinancing, at least fourteen (14) days' notice of which closing shall be provided to the United States, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Southern District of Texas, and such payments shall be credited consistent with Paragraph 1.b.:

- a. one hundred percent (100%) of the refinanced amount for the properties located at:
 - (i) 202 North Texas Avenue, Webster, Texas, 77598; (ii) 3307 Acorn Wood Way, Houston, Texas, 77059; and (iii) 2205 Aberdeen North, League City, Texas, 77573;
- b. one hundred percent (100%) of net sales proceeds (sales proceeds minus selling costs, attorneys' fees, and any other customary closing costs, and the amount of any outstanding mortgage lien that is attached after the Effective Date of this Agreement) in excess of \$500,000 for the property located at 3307 Acorn Wood Way, Houston, Texas, 77059;
- c. one hundred percent (100%) of net sales proceeds (sales proceeds minus selling costs, attorneys' fees, and any other customary closing costs, the amount of any outstanding mortgage lien that is attached after the Effective Date of this Agreement, and no more than \$264,261.76 of any outstanding

lien that was attached by Home Tax Solutions, LLC, FYP LLC, and/or Sombrero Capital, LLC on or about February 9, 2023, modified on or about May 19, 2023, and January 31, 2022) for the property located at 202 North Texas Avenue, Webster, Texas, 77598;

d. one hundred percent (100%) of net sales proceeds (sales proceeds minus selling costs, attorneys' fees, and any other customary closing costs, and the amount of any outstanding mortgage lien that is attached after the Effective Date of this Agreement) for the properties located at: (i) 2205 Aberdeen North, League City, Texas, 77573; (ii) Lot Hwy. 646, Dickinson, Texas (property id 164141); (iii) Lot Hwy. 646, Dickinson, Texas (property id 164142); (iv) Lot Hwy. 646, Dickinson, Texas (property id 164208); (v) Lot Hwy. 646, Dickinson, Texas (property id 164209); and (vi) Lot Hwy. 646, Dickinson, Texas (property id 164211).

20. If Maghareh or Rajabi sell or otherwise transfer any ownership interest in Rajibi LLC, or Maghareh and Rajabi Family LP, or any other entity that Maghareh and/or Rajabi own and/or otherwise control, one hundred percent (100%) of the sale or transfer amount shall be paid to the United States at the time of closing of such sale or transfer, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Southern District of Texas, and such payment shall be credited consistent with Paragraph 1.b. Maghareh and Rajabi agree that any such sale or transfer shall not result in Maghareh and/or Rajabi relinquishing their controlling interest in the entity and that any such sale or transfer shall be made only to a third-party in an arm's length transaction for fair market value. Maghareh and Rajabi agree to give the United States at least twenty-one (21) days' notice of any such intended sale or transfer for the purpose of obtaining the United States' consent, which consent shall not be unreasonably withheld or delayed.

21. Except as to Relator's claim under 31 U.S.C. § 3730(d) and the 2020 Attorneys' Fees Judgment awarding Relator's reasonable expenses, attorneys' fees, and costs, each Party shall bear its

own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

23. Relator and Defendants have separately negotiated a settlement of any claims Relator has against Defendants for any attorneys' fees, costs, or other expenses that were identified in other judgments, and intend to enter into a separate agreement in the amount of \$429,587.73 to settle such claims.

24. 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 Southern District of Texas. 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.

25. 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.

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

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

28. This Agreement is binding on Defendants' and Rajabi's successors, transferees, heirs, and assigns.

29. This Agreement is binding on Relator's 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 and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 8/1/23

BY: Andrew Steinberg
ANDREW A. STEINBERG
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 8/1/23

BY: Elizabeth Karpati
ELIZABETH KARPATI
Assistant United States Attorney
United States Attorney's Office
Southern District of Texas

DATED: 07/31/2023

BY: Lisa M. Re
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

BESTCARE LABORATORY SERVICES, LLC - DEFENDANT

DATED: 7/29/23

BY: Karim A. Maghareh
KARIM A. MAGHAREH
Authorized Representative
BestCare Laboratory Services, LLC

DATED: 7/31/23

BY:


DOUG SALISBURY
Counsel for BestCare Laboratory Services, LLC

KARIM A. MAGHAREH - DEFENDANT

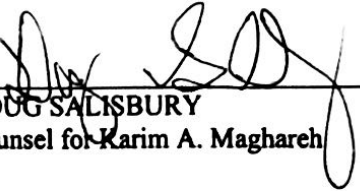
DATED: 7/29/23

BY:


KARIM A. MAGHAREH

DATED: 7/31/23

BY:


DOUG SALISBURY
Counsel for Karim A. Maghareh

FARZANEH RAJABI

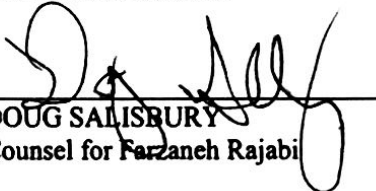
DATED: 7-29-23

BY:


FARZANEH RAJABI

DATED: 7/31/23

BY:


DOUG SALISBURY
Counsel for Farzaneh Rajabi

RICHARD DRUMMOND - RELATOR

DATED: _____

BY:

RICHARD DRUMMOND

DATED: _____

BY:

MITCH KREINDLER
Counsel for Richard Drummond

DATED: _____

BY: _____

DOUG SALISBURY
Counsel for BestCare Laboratory Services, LLC

KARIM A. MAGHAREH - DEFENDANT

DATED: _____

BY: _____

KARIM A. MAGHAREH

DATED: _____

BY: _____

DOUG SALISBURY
Counsel for Karim A. Maghareh

FARZANEH RAJABI

DATED: _____

BY: _____

FARZANEH RAJABI

DATED: _____

BY: _____

DOUG SALISBURY
Counsel for Farzaneh Rajabi


RICHARD DRUMMOND - RELATOR

DATED: 7/31/23

BY: 

RICHARD DRUMMOND

DATED: 7/31/23

BY: 

MITCH KREINDLER
Counsel for Richard Drummond

EXHIBIT A

ANNUAL REPORT ON WINDFALL INCOME OF
KARIM MAGHAREH AND FARZANEH RAJABI

Calendar Year Covered by this Report: _____

1. For purposes of this Agreement, “Windfall Income” shall be defined as “Total Income,” as defined by and that is reported on Maghareh and Rajabi’s Form 1040 (line 9 in 2022), plus the following to the extent they are not added into Total Income as reported on the Form 1040: distributions, gifts in excess of \$500, sales proceeds (other than specifically excluded below), insurance payments (other than specifically excluded below), damages (other than specifically excluded below), penalties, restitution, federal tax refunds, and non-cash business deductions. The following shall be excluded from Windfall Income: (A) any sales proceeds from the sale of 3307 Acorn Wood Way, Houston, Texas and/or 202 N Texas Ave., Webster, Texas; (B) any sales proceeds from the sale of 2205 Aberdeen N., League City, Texas; (C) any sales proceeds from the sale of Lot Hwy. 646, Dickinson, Texas (property id 164141); (D) any sales proceeds from the sale of Lot Hwy. 646, Dickinson, Texas (property id 164142); (E) any sales proceeds from the sale of Lot Hwy. 646, Dickinson, Texas (property id 164208); (F) any sales proceeds from the sale of Lot Hwy. 646, Dickinson, Texas (property id 164209); (G) any sales proceeds from the sale of Lot Hwy. 646, Dickinson, Texas (property id 164211); (H) any insurance payments and/or damage awards for losses sustained to the extent that such payments and/or awards are expended for the purpose of repairing or replacing such losses; (I) any distributions received from Hartford Funds 401(k)/IRA accounts for Karim Maghareh and/or Farzaneh Rajabi ending 9812 and 9809; (J) proceeds from a sale and/or transfer of ownership interests in Rajabi LLC and/or the Maghareh and Rajabi Family LP; and (K) any distributions received from the following annuities: (a) Farzaneh Rajabi’s Talcott Resolution annuity account ending 9377; (b) Farzaneh Rajabi’s Jackson National Life Insurance Company annuity account ending 1733; (c) Farzaneh Rajabi’s New Era Life Insurance Company annuity account ending 3813; and (d) Karim Maghareh’s Jackson National Life Insurance Company annuity account ending 6451.

2. Identify all Windfall Income below that is not otherwise included in Total Income reported on Form 1040:

Date Received	Type of Remuneration	Source	Amount (or Fair Market Value)

3. Total amount of Windfall Income: _____

4. Identify all exclusions from Windfall Income below:

Date Received	Type of Remuneration	Source	Amount

5. Total amount of exclusions from Windfall Income: _____

I hereby certify, under the penalty of perjury, and subject to 18 U.S.C. § 1001, that the foregoing information is truthful, accurate, and complete.

Karim Maghareh

Farzaneh Rajabi

Date: _____

Date: _____