

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney for the Eastern District of Pennsylvania on behalf of the Office of Inspector General of the Department of Health and Human Services (“OIG-HHS”), acting on behalf of the Medicare Program, and the Defense Health Agency (“DHA”), acting on behalf of the TRICARE Program (collectively, the “United States” or the “Government”), the defendants BioTek reMEDys, Inc. (“Biotek”), and Chaitanya R. Gadde (“Gadde”) (together, the “Defendants”), and the relators Shantae M. Wyatt and Latoya Sparrow (together, the “Relators”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. Biotek is a Delaware corporation with its principal place of business in New Castle, Delaware. Biotek is a specialty pharmacy that provides drugs, biologics, and infusion services to patients.

B. Gadde is the Chief Executive Officer of Biotek.

C. On December 23, 2019, Relators filed a *qui tam* action in the United States District Court for the Eastern District of Pennsylvania captioned *United States ex rel. Shantae M. Wyatt and Latoya Sparrow v. BioTek reMEDys, Inc., Valustar Pharmacy, LLC, AZBDBR, LLC (d/b/a Avasarx Pharmacy)*, Chaitanya R. Gadde, and Carla Sparkler, Civil Action No. 19-6069, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). On March 11, 2021, Relators filed an amended complaint that added Dr. David Tabby as a defendant.

D. The United States intervened in the Civil Action on May 3, 2021 against Biotek, Gadde, Carla Sparkler, and Dr. David Tabby only. The United States did not intervene against Valustar Pharmacy, LLC or AZBDBR, LLC (d/b/a Avasarx Pharmacy) (the “Non-Intervened Defendants”). The United States filed its Complaint in Intervention on July 6, 2021.

E. The United States contends that the Defendants submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); and the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”).

F. The United States contends that it has certain civil claims against the Defendants arising from the Defendants’ (1) knowing and willful waiver of patient copays to induce patient referrals and (2) payment of kickbacks, including meals, tickets, gifts, and free practice management and clinical support services, to physicians, including Dr. David Tabby, in exchange for referring patients to Biotek, all in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) (“AKS”) and the False Claims Act, 31 U.S.C. §§ 3729 - 3733, during the period from August 2015 through May 2020. That conduct is referred to below as the “Covered Conduct.”

G. The United States acknowledges, pursuant to the Department of Justice’s Guidelines for Taking Voluntary Disclosure, Cooperation and Remediation into Account in False Claims Act Matters (Justice Manual § 4.4.112), that since 2020 Biotek has invested several millions of dollars to strengthen its compliance program in response to these allegations.

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

I. Biotek and Gadde deny the United States’ allegations in Paragraph F.

J. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relators’ reasonable expenses, attorneys’ fees and costs.

K. Biotek is currently indebted to M&T Bank under a \$18,000,000 revolving line of credit and a \$2,450,000 term loan (“M&T Loans”) that M&T Bank previously provided to Biotek and other related entities.

L. All amounts owed by Biotek to M&T Bank under the M&T Loans is secured by a first-priority perfected security interest against all of Biotek's now and hereafter owned assets pursuant to various General Security Agreements dated April 29, 2016, December 22, 2017 and January 10, 2020 executed by Biotek for the benefit of M&T Bank and various financing statements filed by M&T Bank against Biotek at the Delaware Department of State as File No. 20162802187 filed on May 10, 2016, File No. 20178584361 filed on December 27, 2017, File No. 20195093724 filed on July 23, 2019, File No. 20200289324 filed on January 13, 2020, File No. 20200289589 filed on January 13, 2020 and File No. 20200289480 filed on January 13, 2020. M&T Bank's lien and security interest against the assets of Biotek is senior in priority. 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. Biotek and Gadde shall pay to the United States a total of \$20,000,000 (Twenty Million Dollars) ("Settlement Amount"), plus interest accruing thereon from March 16, 2023, at an annual rate of 3.625% (compounding daily), all of which constitutes restitution to the United States. Biotek and Gadde are jointly and severally liable for the Settlement Amount, which shall be paid as set forth in Paragraphs 2 and 3 below.

2. Biotek shall pay \$19,000,000 (Nineteen Million Dollars) of the Settlement Amount plus interest at the rate set forth in Paragraph 1 above (compounding daily) pursuant to the schedule set forth herein (herein, "Payments Over Time"):

a. \$500,000 plus interest within 60 days of the Effective Date of this Agreement;

- b. an additional \$5,500,000 plus interest within one year of the Effective Date of this Agreement;
- c. an additional \$3,250,000 plus interest within two years of the Effective Date of this Agreement;
- d. an additional \$3,250,000 plus interest within three years of the Effective Date of this Agreement;
- e. an additional \$3,250,000 plus interest within four years of the Effective Date of this Agreement;
- f. an additional \$3,250,000 plus interest within five years of the Effective Date of this Agreement.

3. Gadde shall pay to the United States one million dollars (\$1,000,000.00) at the interest rate set forth in Paragraph 1, no later than sixty (60) calendar days after the Effective Date of this Agreement.

4. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium. Partial Payment shall be applied to the outstanding principal balance, with remaining payments adjusted accordingly.

5. Payment shall be made by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Eastern District of Pennsylvania.

6. Biotek grants to the United States a security interest in all assets of Biotek, including but not limited to cash, contracts, chattel paper, documents, deposit accounts, equipment, fixtures, general intangibles, goods, instruments, inventory, investment property, leases, letters of credit, negotiable instruments, payments intangibles, financial assets, health-care-insurance receivables, software and accounts (as those terms are defined by the Uniform Commercial Code), and real

property leases, including any proceeds, accessions, replacements, or substitutions of the foregoing (the “Collateral”) to secure the payment of (a) indebtedness and performance of all obligations owed by Biotek to the United States as evidenced by this Agreement, (b) any extensions, modifications or renewals of the Agreement, and (c) all reasonable costs and expenses, including reasonable attorneys’ fees, incurred in the collection of the amounts owed under the Agreement and enforcement of the United States’ rights after an Event of Default (as defined in the Agreement), including the costs of retaking or repossessing the Collateral, holding and preparing it for sale, advertising that sale and giving notice of the sale, and the reasonable costs of the sale. Biotek authorizes the United States to file a financing statement covering the Collateral. Within 28 days after the debtor completes all obligations under this Agreement, or 91 days after the execution thereof, whichever is later, the United States will file a termination statement for all financing statements covering the Collateral.

7. For the avoidance of doubt, nothing in this Agreement limits or affects any setoff or recoupment rights of the United States.

8. Unless undertaken for the primary purpose of liquidating assets to fund the Payments Over Time, and absent consent of the United States, which shall not be unreasonably withheld, if Biotek or any of its affiliates is sold, merged, or transferred, or a significant portion of the assets of Biotek or of any of its affiliates is sold, merged, or transferred into another non-affiliated entity, Biotek shall promptly notify the United States, and all remaining payments owed pursuant to the Settlement Agreement shall be accelerated and become immediately due and payable.

9. In consideration of the obligations of Biotek in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and Biotek, and upon the United States’ receipt of full payment of the Settlement Amount plus interest, the OIG-HHS shall 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 Biotek under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this Paragraph and in Paragraph 17 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Biotek 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 OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 16, below.

10. In exchange for valuable consideration provided in this Agreement, Biotek and Relators acknowledge the following:

a. Biotek has reviewed its financial situation and warrants that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment 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, as they come due, constitute a contemporaneous exchange for new value given to Biotek, 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 Biotek was or became indebted to on or after the date of the transfers contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If any of Biotek's payments or obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, Biotek or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Biotek's debts, or to adjudicate Biotek as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Biotek or for all or any substantial part of Biotek's assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Biotek for the claims that would otherwise be covered by the releases provided in Paragraph 15, below;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Biotek in the amount equal to \$78 million less any payments received pursuant to Paragraphs 2 and 3 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by Biotek, a receiver, trustee, custodian, or other similar official for Biotek;

(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 Relators; and

(iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the Relators pursuant to Paragraph 13, below, 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 2 of this Agreement, Relators shall, within thirty (30) days of written notice from the United States to the undersigned Relators' counsel, return to the United States all amounts recovered from the United States.

f. Biotek agrees that any such civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 10.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. Biotek 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 and allowable, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Biotek waives and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings that are brought by the United States within 120 calendar days of written notification to Biotek that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the December 23, 2019.

11. The Settlement Amount represents the amount the United States is willing to accept in compromise of its civil claims arising from the Covered Conduct due solely to Biotek's financial condition as reflected in the Financial Disclosure Statements referenced in Paragraph 12 below.

a. In the event that Biotek fails to pay the Settlement Amount or any of the Payments Over Time as provided in the payment schedule set forth in Paragraph 2 above, Biotek shall be in default of its payment obligations ("Default"). The United States will provide written



notice of the Default to Biotek and Biotek shall have the opportunity to cure such Default within fourteen (14) business days from the date of receipt of the Notice of Default. Notice of Default will be delivered to Biotek or to such other representative as Biotek shall designate in advance in writing. If Biotek fails to cure such Default within fourteen (14) business days of receiving the Notice of Default, and in the absence of an agreement with the United States of a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total balance (principal and interest balance).

b. In the event of Uncured Default, Biotek agrees that the United States, at its sole discretion, may: (a) 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 Biotek for the claims that would otherwise be covered by the releases provided in Paragraph 15 below, with any recovery reduced by the amount of any payments previously made by Biotek and Gadde to the United States under this Agreement; (b) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (c) offset the remaining unpaid balance from any amounts due and owing to Biotek and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or; (d) exercise 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, Biotek agrees 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, Biotek agrees 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 are (i) filed by the United States within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent such defenses were available to Biotek on December 23, 2019. Biotek agrees not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude Biotek from participating in all Federal health care programs until Biotek pays the remaining portion of the Settlement Amount then due, with interest, as set forth above (Exclusion of Default). OIG-HHS will provide written notice of any such exclusion to Biotek. Biotek waives any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7) and agrees not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, Biotek wishes to apply for reinstatement, Biotek must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Biotek 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.

12. Biotek has 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. Biotek warrants that the Financial Disclosures are complete, accurate, and current as of the date that they were provided to

the United States and there have been no material changes in Biotek's financial status since the Financial Disclosures were provided. If the United States learns of asset(s) in which Biotek 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 Biotek's 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 Biotek 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 one million dollars (\$1,000,000) or more, the United States may at its option: (a) rescind this Agreement and reinstate its suit or file suit based on the Covered Conduct or (b) collect the full Settlement Amount in accordance with the Agreement plus one hundred percent (100%) of the net value of Biotek's previously undisclosed assets. Biotek agrees not to contest any collection action undertaken by the United States pursuant to this provision and agrees that it 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, Biotek waives and agrees 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 one hundred and twenty (120) calendar days of written notification to Biotek that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on December 23, 2019. In the event that the United States, pursuant to this Paragraph, rescinds this Agreement, whatever rights Relators could have asserted in connection with the Civil

Action prior to its dismissal will be restored to Relators in connection with whatever claim, action, or proceeding the United States chooses to pursue.

13. Conditioned upon the United States receiving the Settlement Amount and the Payments Over Time and as soon as feasible after receipt, the United States shall pay twenty (20) percent of such payment amounts to Relators by electronic funds transfer (“Relators’ Share”).

14. Biotek and Gadde shall pay Relators an agreed upon amount to resolve Relators’ claim for reasonable expenses, attorneys’ fees and costs under 31 U.S.C. § 3730(d) (“Attorneys’ Fees Settlement Amount”), pursuant to a separate settlement agreement entered into between and among Biotek, Gadde, and Relators. However, Relators’ claim for reasonable expenses, attorneys’ fees and costs under 31 U.S.C. § 3730(d) is expressly reserved and Biotek and Gadde shall not be released, pursuant to Paragraph 18 below, from their obligation to pay such reasonable expenses, attorneys’ fees and costs, unless and until the separate settlement agreement referenced herein is entered into and satisfied by Biotek and Gadde. Within seven (7) days of Biotek and/or Gadde’s full payment and satisfaction of the Attorneys’ Fees Settlement Amount, Relators’ counsel shall file a notice with the Court that Relators’ claim for reasonable expenses, attorneys’ fees and costs under 31 U.S.C. § 3730(d) has been fully satisfied and is dismissed with prejudice. Biotek, Gadde and Relators agree that the United States District Court shall have continuing jurisdiction to issue orders with regard to any disputes over the amounts of Relators’ reasonable expenses, attorneys’ fees and costs, and further agree that, should these parties be unable to reach an agreement on amounts, Relators may file a motion for expenses, attorney’s fees and costs in the District Court within sixty (60) days of the date of dismissal seeking a determination by the Court.

15. Subject to the exceptions in Paragraph 16 (concerning reserved claims) below and conditioned upon Biotek and Gadde’s full payment of the Settlement Amount plus interest as set

forth above, and subject to Paragraph 10 (concerning bankruptcy), Paragraph 12 (concerning disclosure of assets), and Paragraph 11 (concerning default), the United States releases Gadde and Biotek together with Biotek's current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; and the common law theories of payment by mistake, unjust enrichment, and fraud. Other than as set forth in this Paragraph concerning Gadde, the United States does not release any individual person from liability under the above statutes.

16. Notwithstanding the releases given in Paragraph 15 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 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;
- f. Any liability of individuals, except to the extent that this Agreement releases Gadde from liability;

g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

h. Any liability for failure to deliver goods or services due; and

i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

17. Relators and their 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. § 3730I(2)(B). Conditioned upon Relators' receipt of the Relators' Share, Relators and their 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.

18. Subject to the exceptions in Paragraph 16 (concerning reserved claims) and conditioned upon the mutual exchange of obligations and Biotek and Gadde's full payment of the Settlement Agreement plus interest as set forth above, and subject to Paragraph 10 (concerning bankruptcy), Paragraph 11 (concerning default) and Paragraph 12 (concerning disclosure of assets), Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release: (i) Gadde and his heirs, successors, attorneys, agents, and assigns; (ii) Biotek and its current and former parent corporations, officers, agents, employees, investors, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them, (iii) Valustar Pharmacy, LLC, and its current and former parent corporations, officers, agents, employees, investors, direct and indirect subsidiaries, brother

or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them; and (iv) and AZBDBR, LLC (d/b/a Avasarx Pharmacy) and its current and former parent corporations, officers, agents, employees, investors, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them from any and all claims, liability, demands, actions, or causes of action whatsoever, whether known or unknown, suspected or unsuspected, and whether asserted or not asserted, fixed or contingent, in law or in equity, in contract or tort, under any federal or state statute or regulation, or in common law, that arose as of the date of this Agreement, including, but not limited to: (i) any civil monetary claims the Relators have on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; (ii) the claims that Relators have asserted in filing the Civil Action, claims Relators could have asserted, or may assert in the future, against Gadde, Biotek, Valustar Pharmacy, LLC, or AZBDBR, LLC (d/b/a Avasarx Pharmacy) (or any other related entity and/or individual of the aforementioned four as described in this Paragraph); and/or (iii) claims related to the Civil Action and the Relators' investigation and prosecution thereof. Except for as set forth in this Paragraph, the foregoing release does not apply to the other individually-named defendants in the Civil Action. Notwithstanding the foregoing, the parties do not release any of the obligations of any party under this Agreement.

19. Gadde and Biotek waive and shall not assert any defenses they may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, 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.

20. Gadde and Biotek, together with Biotek's current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them, 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 they 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 or the United States' investigation or prosecution thereof.

21. Gadde and his heirs, successors, attorneys, agents, and assigns; Biotek, together with Biotek's current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, officers, agents, employees, investors, and the corporate successors and assigns of any of them; Valustar Pharmacy, LLC together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, officers, agents, employees, investors, and the corporate successors and assigns of any of them; and AZBDBR, LLC d/b/a Avasarx Pharmacy, together with its current and former parent corporations, direct and indirect subsidiaries, brother and sister corporations, divisions, current or former corporate owners, officers, agents, employees, investors, and the corporate successors and assigns of any of them; fully and finally release the Relators, along with their heirs, successors, attorneys, agents and assigns, from any and all claims, liability, demands, actions, or causes of action whatsoever, whether known or unknown, suspected or unsuspected, and whether asserted or not asserted, fixed or contingent, in law or in equity, in contract or tort, under any federal or state statute or regulation, or in common law (including attorneys' fees, costs, and expenses of every kind and however denominated) that arose



as of the date of this Agreement, including, but not limited to (i) the claims that Gadde, Biotek, Valustar Pharmacy, LLC, and/or AZBDBR, LLC d/b/a Avasarx Pharmacy (and any other related entity and/or individual as described in this Paragraph) have asserted, could have asserted, or may assert in the future against the Relators, and/or (ii) related to the Civil Action, the Covered Conduct, and the Relators' investigation and prosecution thereof. Notwithstanding the foregoing, the parties do not release any of the obligations of any party under this Agreement.

22. 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), TRICARE, or any state payer, related to the Covered Conduct; and Biotek agrees not to resubmit to any Medicare contractor, TRICARE, or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

23. Biotek and Gadde 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 Biotek, 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 and civil investigation of the matters covered by this Agreement;

(3) Gadde's and/or Biotek's investigation, defense, and corrective actions undertaken in response to the United States' audit and civil investigation in connection with the matters covered by this Agreement (including attorneys' fees);

(4) the negotiation and performance of this Agreement;

(5) the payments Biotek and/or Gadde make to the United States pursuant to this Agreement and any payments that Biotek and/or Gadde may make to Relators, including costs and attorneys' fees;

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

(i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, and TRICARE Program (hereinafter referred to as Unallowable Costs).

However, nothing in Paragraph 23.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 Biotek.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Biotek, and Biotek 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 Biotek or any of its subsidiaries or affiliates to the Medicare, Medicaid, or TRICARE Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Biotek further agrees that within 90 days of the Effective Date of this Agreement it shall identify to

applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid 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 Biotek or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Biotek agrees that the United States, at a minimum, shall be entitled to recoup from Biotek 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 Biotek any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Biotek or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

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

24. 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 25 (waiver for beneficiaries paragraph), below, as well as Paragraphs 15-16 and 18 above.

25. Biotek agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

26. Upon receipt of the initial payments described in Paragraph 2.a and 3, above, the Relators and the United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action, subject to the terms of this Settlement Agreement and pursuant to Federal Rules of Civil Procedure, Rule 41(a)(1). The Stipulation shall provide that the Civil Action is being dismissed with prejudice as to the Covered Conduct released in this Settlement Agreement, and without prejudice as to any other claims of the United States. The Stipulation shall further provide that Relators' claims against Defendants in the Civil Action are being dismissed with prejudice as to the Relators, except for Relators' claims for reasonable expenses, attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d). With respect to the claims against the Non-Intervened Defendants, the United States shall promptly consent to the dismissal of the claims against the Non-Intervened Defendants pursuant to 31 U.S.C. § 3730(b)(1). Upon obtaining consent of the United States, Relators shall promptly sign and file in the Civil Action a Notice of Voluntary Dismissal of the claims against the Non-Intervened Defendants, pursuant to Federal Rules of Civil Procedure, Rule 41(a)(1), with prejudice to the Relators but without prejudice to the United States.

27. Except as provided to the contrary in Paragraph 14 above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

29. 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 Pennsylvania. 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.

30. This Agreement constitutes the complete agreement among the Parties. This Agreement may not be amended except by written agreement 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.

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

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

33. This Agreement is binding on Gadde's and Biotek's successors, transferees, heirs, and assigns.

34. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

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

36. 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: 9-29-23

BY:

*Jennifer Cihon*  
 JENNIFER L. CIHON  
 Senior Trial Counsel  
 Commercial Litigation Branch  
 Civil Division

JACQUELINE C. ROMERO  
United States Attorney

GREGORY B. DAVID  
Assistant United States Attorney  
Chief, Civil Division

CHARLENE KELLER FULLMER  
Assistant United States Attorney  
Deputy Chief, Civil Division

**JUDITH A.K. AMOROSA**  
Assistant United States Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

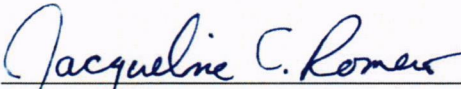
**DYLAN J. STEINBERG**  
Assistant United States Attorney  
United States Attorney's Office for the  
District of Delaware

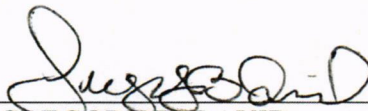
**THE UNITED STATES OF AMERICA**

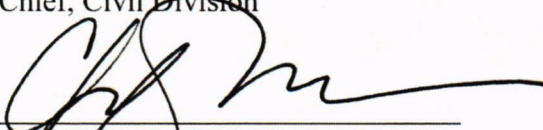
DATED: 9/29/23

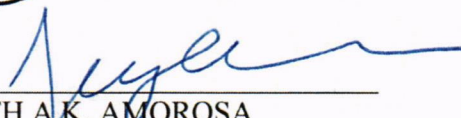
BY:

\_\_\_\_\_  
JENNIFER L. CIHON  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division

  
\_\_\_\_\_  
JACQUELINE C. ROMERO  
United States Attorney

  
\_\_\_\_\_  
GREGORY B. DAVID  
Assistant United States Attorney  
Chief, Civil Division

  
\_\_\_\_\_  
CHARLENE KELLER FULLMER  
Assistant United States Attorney  
Deputy Chief, Civil Division

  
\_\_\_\_\_  
JUDITH A.K. AMOROSA  
Assistant United States Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

DYLAN  
STEINBERG

Digitally signed by DYLAN  
STEINBERG  
Date: 2023.09.29 13:47:16 -04'00'

\_\_\_\_\_  
DYLAN J. STEINBERG  
Assistant United States Attorney  
United States Attorney's Office for the  
District of Delaware

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

**LISA RE**

Digitally signed by LISA  
RE  
Date: 2023.09.28  
17:04:46 -04'00'

LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

**BIOTEK REMEDYS, INC. AND CHAITANYA GADDE**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

CHAITANYA GADDE

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

LINDA DALE HOFFA  
Counsel for Biotek reMEDys, Inc., Chaitanya Gadde,  
Valustar Pharmacy, LLC and AZBDBR, LLC (d/b/a  
Avasarx Pharmacy)



DATED: \_\_\_\_\_

BY: \_\_\_\_\_

LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: 09/12/2023

BY: \_\_\_\_\_

BLEY.PAUL.NICHOLAS.109987  
3821  
Date: 2023.09.12 13:11:22  
-04'00'

SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

for

**BIOTEK REMEDYS, INC. AND CHAITANYA GADDE**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

CHAITANYA GADDE

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

LINDA DALE HOFFA  
Counsel for Biotek reMEDys, Inc., Chaitanya Gadde,  
Valustar Pharmacy, LLC and AZBDBR, LLC (d/b/a  
Avasarx Pharmacy)

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

**BIOTEK REMEDYS, INC. AND CHAITANYA GADDE**


DATED: 09/29/2023

BY: \_\_\_\_\_

  
CHAITANYA GADDE

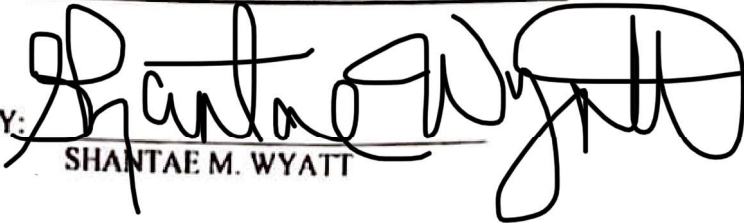
DATED: 9/29/2023

BY: \_\_\_\_\_

  
LINDA DALE HOFFA  
Counsel for Biotek reMEDys, Inc., Chaitanya Gadde,  
Valustar Pharmacy, LLC and AZBDBR, LLC (d/b/a  
Avasarx Pharmacy)

**RELATORS SHANTAE M. WYATT AND LATOYA SPARROW**


DATED: 9/29/23

BY:   
SHANTAE M. WYATT

DATED: 9/29/23

BY:   
LATOYA SPARROW

DATED: 9.29.23

BY:   
DAVID A. BOCIAN  
Counsel for Relators  
Shantae Wyatt and Latoya Sparrow