

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), the Defense Health Agency (DHA), acting on behalf of the TRICARE Program; the Office of Inspector General (OIG-RRB) of the Railroad Retirement Board (RRB); and the United States Department of Veterans Affairs (VA), (collectively, the “United States”), Cardiac Imaging Inc. (“CII” or “Defendant”), and Lynda Pinto (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. CII is a private, for-profit Illinois-based medical services company presently wholly owned by Samuel Kancherlapalli. CII provides cardiac positron emission tomography (PET) scans and cardiovascular stress tests to beneficiaries of: the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”); the Railroad Retirement Medicare Program (RRMP), administered under the Railroad Retirement Act of 1974, 45 U.S.C. §§ 231-231v, by the United States Railroad Retirement Board; and the Department of Veterans Affairs, Veterans Health Administration, 38 U.S.C. Chapter 17 (collectively, the “Federal Health Care Programs”).

B. Pursuant to the whistleblower provisions of the False Claims Act, 31 U.S.C. § 3730(b), on August 3, 2018, Relator filed a *qui tam* action in the United States District Court for the Southern District of Texas captioned *United States ex rel. Pinto v. Cardiac Imaging, Inc. et al.* (No. 18-cv-02674) (the “Civil Action”) against CII and others.

C. The United States contends that CII submitted claims for payment to Federal Health Care Programs.

D. The United States contends that between March 1, 2014 and May 31, 2023, CII knowingly submitted false or fraudulent claims to the Federal Health Care Programs that violated the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) (the AKS) and the Physician Self-Referral Law, 42 U.S.C. § 1395nn (commonly referred to as the Stark Law).

Specifically, CII operated a mobile cardiac PET scanning business, pursuant to which CII contracted with cardiologists and other physicians to supervise cardiac PET scans that CII performed for the physicians' patients onboard converted semi-trailer trucks that CII transported to the physicians' practices. CII contractually required these physicians to refer exclusively to CII for mobile PET scans. CII paid each and every referring physician a fee of at least \$500 per hour, ostensibly to provide CMS-required physician supervision over the PET scans for the cardiologists' patients. CII also paid higher hourly fees to certain higher referring physicians and to physicians in markets where CII faced competition. The United States contends that, contrary to provisions of the AKS and the Stark Law, these fees substantially exceeded fair market value for these physicians' services, in part because CII paid physicians for the time they spent in their offices caring for other patients or while they were not on site at all, or for additional services beyond supervision that were never or rarely actually provided. Further, CII purported to rely on a consultant's fair market value analysis that the United States contends CII knew was premised on fundamental inaccuracies about what CII required from supervising physicians and that the consultant ultimately withdrew. CII received the physicians' referrals and billed Federal Healthcare Programs for the referred patients.

Accordingly, the United States contends that CII (a) knowingly provided improper remuneration in the form of these above-fair market value (FMV) fees to each of the referring physicians to induce the physicians' referral of Federal Health Care Program patients for services provided by CII in violation of the Anti-Kickback Statute, for which CII submitted claims to the

Federal Health Care Programs; and (b) submitted claims for designated health services to the Medicare program that violated the Stark Law because CII directly or indirectly paid such improper remuneration as compensation to the referring physicians. This conduct is referred to hereinafter as the Covered Conduct.

E. CII denies the United States' allegations in Paragraph D.

F. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

G. The United States and Kancherlapalli are contemporaneously settling certain claims in the Civil Action in a separate agreement (hereinafter the "Kancherlapalli Settlement Agreement").

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. CII agrees to pay the United States the sum of seventy-five million dollars (\$75,000,000) (the "Settlement Amount") and interest on the Settlement Amount at a rate of 4.125% per annum from August 28, 2023, plus forty-five percent (45%) of CII's gross revenue reported for federal tax purposes exceeding sixty-four million dollars (\$64,000,000) per annum for five (5) years (the "Revenue Sharing"). The Settlement Amount, interest received by the United States, and Revenue Sharing (collectively, the "Settlement Payments") constitute restitution.

A. Within fifteen (15) days of the Effective Date of this Agreement, CII shall make a payment to the United States in the amount of five million dollars (\$5,000,000) (the

“Lump Sum Payment”) plus any accrued interest, pursuant to the payment schedule attached at Exhibit A.

B. Over a period of five (5) years, CII shall pay the remaining seventy million dollars (\$70,000,000) of the Settlement Amount, plus interest at 4.125% per annum (the “Payments Over Time”), pursuant to the payment schedule attached at Exhibit A.

Notwithstanding the payment schedule attached at Exhibit A, if CII prepays any part of the remaining Settlement Amount, the amount of interest owed on each subsequent Payment Over Time shall be reduced such that CII pays interest at 4.125% per annum on the remaining balance of the Settlement Amount.

C. Each year for a period of five (5) years, CII shall pay the Revenue Sharing. Revenue Sharing shall be calculated based upon CII’s gross revenue reported on its federal tax returns for the preceding calendar year. Each year’s Revenue Sharing payment must be made no later than the date on which CII files its federal tax returns.

D. Each year for a period of five (5) years or, if sooner, until such time as the total amount owed pursuant to the Kancherlapalli Settlement Agreement is paid in full, CII shall pay 66.6% of all payments it owes to Caliente Properties LLC, and 80% of all payments it owes to Lone Star Industrial Properties LLC, directly to the United States, in accordance with the terms of the Kancherlapalli Settlement Agreement and the payment schedule attached to the Kancherlapalli Settlement Agreement as Exhibit A. These payments are in addition to and do not decrease the principal of the Settlement Amount. The aggregate total annual payments by CII to Caliente Properties LLC and Lone Star Industrial Properties LLC shall not exceed \$450,000 until such time as both the Settlement Amount and the total amount owed pursuant to the Kancherlapalli Settlement Agreement are paid in full.

E. If CII is sold, merged, or transferred in whole or in part for an amount greater than the Settlement Amount, CII shall notify the United States within fifteen (15) days of the terms of the sale, including the sale price, and the identity of the buyer, all Payments Over Time shall be accelerated and become immediately due and payable, and all other obligations of this Agreement shall be assumed by the buyer.

F. If CII is sold, merged, or transferred in whole or in part for an amount less than the Settlement Amount, CII shall notify the United States within fifteen (15) days of the terms of the sale, including the percentage of the Company sold, merged, or transferred, the sale price, and the identity of the buyer, and all proceeds up to the remaining Settlement Amount shall be paid directly to the United States within fifteen (15) days, and reduce the remaining Settlement Amount accordingly, with CII also continuing to make each of the Payments Over Time pursuant to the payment schedule attached at Exhibit A until such time as it pays the Settlement Amount in full, and all other obligations of this Agreement shall be assumed by the buyer.

G. If CII sells an asset with a market value exceeding one million dollars (\$1,000,000), CII shall notify the United States within fifteen (15) days of the terms of the sale, including the asset sold, the sale price, the identity of the buyer, and the remaining balance on any secured debt with that asset as a security. All proceeds from the sale shall be used to pay any secured debt having that asset as security, and the remaining proceeds up to the remaining Settlement Amount shall be paid directly to the United States within fifteen (15) days, and reduce the remaining Settlement Amount accordingly, with CII also continuing to make each of the Payments Over Time pursuant to the payment schedule attached at Exhibit A until such time as it pays the Settlement Amount in full.

H. All notifications to the United States under this Agreement shall be emailed to Samuel Lehman and Melissa Green and delivered by written mail to Jamie Ann Yavelberg, DJ No. 46-74-1986, Director, Commercial Litigation Branch (Fraud Section), Civil Division, Department of Justice, 175 N St. NE, Washington, DC 20002.

I. For a period of five (5) years or, if sooner, until payment in full of both the Settlement Amount and the total amount owed pursuant to the Kancherlapalli Settlement Agreement, CII shall not pay Kancherlapalli a salary to exceed two hundred and fifty thousand Dollars (\$250,000) per annum.

J. For a period of five (5) years or, if sooner, until payment in full of both the Settlement Amount and the total amount owed pursuant to the Kancherlapalli Settlement Agreement, except as otherwise provided in Paragraphs 1.D and 1.I CII shall not distribute or transfer any assets to Kancherlapalli or entities owned or controlled by Kancherlapalli, or pay Kancherlapalli or entities owned or controlled by Kancherlapalli any amount.

K. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

L. All payments shall be made by electronic funds transfer pursuant to written instructions to be provided by the Office of the United State Attorney for the Southern District of Texas.

2. CII further agrees to the following for a period of five (5) years or until CII has made five (5) years of Revenue Sharing payments, whichever is longer:

A. Within fifteen (15) days after filing a federal tax return, CII shall submit a copy of the filed return to the United States.

B. Within fifteen (15) days of filing any extension of time to file a federal tax return, CII shall notify the United States.

C. Within thirty (30) days of a quarter end, CII shall send the quarterly financial statement for that quarter, to include gross revenue, profit and loss, balance sheet, and cash flow statement to the United States.

3. Subject to the exceptions in Paragraph 7 (concerning reserved claims) below, and subject to Paragraph 9 (concerning disclosure of assets), Paragraph 18 (concerning default), and Paragraph 19 (concerning bankruptcy) below, upon the United States' receipt of the Settlement Amount plus interest and Revenue Sharing due under Paragraph 1, the United States releases CII 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; the civil monetary provisions of the Stark Law at 42 U.S.C. §§ 1395nn(g)(3) and (g)(4); or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 7 below, and subject to Paragraph 9 (concerning disclosure of assets), Paragraph 18 (concerning default), and Paragraph 19 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount plus interest and Revenue Sharing due under Paragraph 1, Relator, for herself and her heirs, successors, attorneys, agents, and assigns, releases CII from any civil monetary claim Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

5. In consideration of the obligations of CII in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS, CII, and Kancherlapalli, and upon the United States' receipt of full payment of the Settlement Amount plus interest and Revenue Sharing due under Paragraph 1, 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 CII 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 7 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude CII 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 7, below.

6. In consideration of the obligations of CII set forth in this Agreement, and upon the United States' receipt of full payment of the Settlement Amount plus interest and Revenue Sharing due under Paragraph 1, DHA shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE Program against CII under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 7 (concerning reserved claims), below. DHA expressly reserves authority to exclude CII from the TRICARE Program under 32 C.F.R. §§ 199.9 (f)(1)(i)(A), (f)(1)(i)(B), and (f)(1)(iii) (mandatory exclusion), based upon the Covered Conduct. Nothing in this paragraph precludes DHA or the TRICARE Program from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 7, below.

7. Notwithstanding the releases given in Paragraph 3 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, including Samuel Kancherlapalli and Richard Nassenstein;
- 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.

8. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). In connection with this Agreement and this Civil Action, Relator and her heirs, successors, attorneys, agents, and assigns agree that neither this Agreement, any intervention by the United States in the Civil Action in order to dismiss the Civil Action, nor any dismissal of the Civil Action, shall waive or otherwise affect the ability of the United States to contend that provisions in the False Claims Act, including 31 U.S.C. §§ 3730(d)(3) and 3730(e), bar Relator from sharing in the proceeds of this Agreement. Moreover, the United States and Relator and her heirs, successors, attorneys, agents, and assigns agree that they each retain all of their rights pursuant to the False Claims Act on the issue of the

share percentage, if any, that Relator should receive of any proceeds of the settlement of her claim(s).

9. CII 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. CII warrants 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 CII 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 CII’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 CII 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 three million seven hundred and fifty thousand Dollars (\$3,750,000) 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 CII’s previously undisclosed assets. In the event the United States elects option (a) and prevails, Relator may claim her reasonable attorneys’ fees and costs to the extent permitted by 31 U.S.C. § 3730(d)(1). CII 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, CII 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 120 calendar days of written notification to CII that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement. In the event of a rescindment and successful recovery by the United States, Relator retains her right to seek a portion of the proceeds of such recovery as provided by 31 U.S.C. § 3730.

10. CII waives and shall not assert any defenses CII 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.

11. CII fully and finally releases 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 CII has 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.

12. CII fully and finally releases Relator and her heirs, successors, attorneys, agents, and assigns from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that CII has asserted, could have asserted, or may assert in the future against Relator, including without limitation all claims, demands, and/or causes of action related to the Covered Conduct and/or the allegations in the Civil Action and the Relator's investigation and prosecution thereof.

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

14. CII agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of CII, 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) CII's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payments CII makes to the United States pursuant to this Agreement and any payments that CII may make to Relator, including costs and attorneys' fees; and

- (6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to 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 14.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 CII.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: CII further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by CII 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. CII agrees that the United States, at a minimum, shall be entitled to recoup from CII 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 CII or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on CII 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 CII's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

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

16. 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 17 (waiver for beneficiaries paragraph), below.

17. CII 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.

18. 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 CII's financial condition as reflected in the Financial Disclosures referenced in Paragraph 9.

a. In the event that CII fails to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, CII shall be in Default of CII's payment obligations ("Default"). The United States will provide a written Notice of Default, and CII 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 CII, or to such other representative as CII shall designate in advance in writing. If CII fails to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, CII agrees 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 CII for the claims that would otherwise be covered by the releases provided in Paragraphs 3, 5, and 6 above, with any recovery reduced by the amount of any payments previously made by CII 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 CII 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, CII 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, CII waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against CII within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement. CII 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 CII from participating in all Federal health care programs until CII pays the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to CII. CII 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, CII wishes to apply for reinstatement, it must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. CII 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.

19. In exchange for valuable consideration provided in this Agreement, CII acknowledges the following:

a. CII has reviewed its financial situation and warrants that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to CII, 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 CII was or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If any of CII'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, CII 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 CII's debts, or to adjudicate CII as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for CII or for all or any substantial part of CII'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 CII for the claims that would otherwise be covered by the releases provided in Paragraphs 3, 5, and 6 above; and

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against CII in the amount of \$656,876,031.27 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 CII, a receiver, trustee, custodian, or other similar official for CII.

f. CII agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 19.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. CII shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). CII waives and shall not plead, argue, or

otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to CII that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on The Effective Date of this Agreement.

20. If the United States has not already intervened in the Civil Action by the Effective Date of this Agreement, the United States shall intervene in the Civil Action and upon receipt of the Lump Sum Payment described in Paragraph 1 above, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the claims against CII for the Covered Conduct in the Civil Action pursuant to Rule 41(a)(1).

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

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. 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.

24. 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.

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

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

27. This Agreement is binding on CII's successors, transferees, heirs, and assigns.

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

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

30. 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.

[Signatures begin on the following page]

THE UNITED STATES OF AMERICA

DATED: _____


BY: _____

SAMUEL R. LEHMAN
JAKE M. SHIELDS
ZACHARY M. WILLIAMS
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____

MELISSA
GREEN


 Digitally signed by MELISSA
GREEN
Date: 2023.09.29 12:12:12
-05'00'

MELISSA M. GREEN
Assistant United States Attorney
United States Attorney's Office for the
Southern District of Texas

DATED: _____

BY: _____

LISA RE

 Digitally signed by LISA RE
Date: 2023.09.29 12:30:22
-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

[Signatures continue on the following page]

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

SAMUEL R. LEHMAN
JAKE M. SHIELDS
ZACHARY M. WILLIAMS
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____

MELISSA M. GREEN
Assistant United States Attorney
United States Attorney's Office for the
Southern District of Texas

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: 09/29/2023

BY: _____

BLEY.PAUL.NICHOLAS.1099873821
Digitally signed by
BLEY.PAUL.NICHOLAS.1099873821
Date: 2023.09.29 12:21:57 -04'00'

for

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

[Signatures continue on the following page]

CARDIAC IMAGING, INC. – DEFENDANT

DATED: 09/29/23

BY:



SAMUEL KANCHERLAPALLI
Chief Executive Officer
Cardiac Imaging, Inc.

DATED: _____

BY:

MIRANDA HOOKER
Goodwin Procter LLP
Counsel for Cardiac Imaging, Inc.

[Signatures continue on the following page]

CARDIAC IMAGING, INC. – DEFENDANT

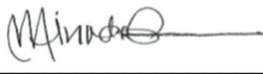
DATED: _____

BY: _____

SAMUEL KANCHERLAPALLI
Chief Executive Officer
Cardiac Imaging, Inc.

DATED: 9/29/2023

BY: _____


MIRANDA HOOKER
Goodwin Procter LLP
Counsel for Cardiac Imaging, Inc.

[Signatures continue on the following page]

LYNDA PINTO - RELATOR

DATED: 9/28/23


BY:



LYNDA PINTO

DATED: 09/29/2023

BY:



CAITLYN SILHAN
Waters Kraus & Paul
Counsel for Lynda Pinto

DATED: _____

BY:

DAVID MARCHAND
Marchand Law LLP
Counsel for Lynda Pinto

LYNDA PINTO - RELATOR

DATED: _____

BY: _____
LYNDA PINTO

DATED: _____

BY: _____
CAITLYN SILHAN
Waters Kraus & Paul
Counsel for Lynda Pinto

DATED: 9/29/2023

BY:  _____
DAVID MARCHAND
Marchand Law LLP
Counsel for Lynda Pinto

Cardiac Imaging's Payments
EXHIBIT A - CARDIAC IMAGING FIXED SETTLEMENT PAYMENT SCHEDULE

<u>Payment Number</u>	<u>Payment Due on or Before</u>	<u>Starting Principal Balance</u>	<u>Amount Applied to Principal</u>	<u>Accrued Interest (4.125%)</u>	<u>Payment (Principal and Interest)</u>	<u>Ending Principal Balance</u>
	Initial Principal Balance	\$ 75,000,000.00				\$75,000,000.00
	Initial Interest Balance: Accrued Prior To Initial Payment (August 28 - October 14)			\$ 398,373.29		
1	October 14, 2023	\$ 75,000,000.00	\$5,000,000.00	\$ 398,373.29	\$5,398,373.29	\$70,000,000.00
2	December 31, 2023	\$ 70,000,000.00	\$3,500,000.00	\$ 617,054.79	\$4,117,054.79	\$66,500,000.00
3	March 31, 2024	\$ 66,500,000.00	\$3,500,000.00	\$ 685,781.25	\$4,185,781.25	\$63,000,000.00
4	June 30, 2024	\$ 63,000,000.00	\$3,500,000.00	\$ 649,687.50	\$4,149,687.50	\$59,500,000.00
5	September 30, 2024	\$ 59,500,000.00	\$3,500,000.00	\$ 613,593.75	\$4,113,593.75	\$56,000,000.00
6	December 31, 2024	\$ 56,000,000.00	\$3,500,000.00	\$ 577,500.00	\$4,077,500.00	\$52,500,000.00
7	March 31, 2025	\$ 52,500,000.00	\$3,500,000.00	\$ 541,406.25	\$4,041,406.25	\$49,000,000.00
8	June 30, 2025	\$ 49,000,000.00	\$3,500,000.00	\$ 505,312.50	\$4,005,312.50	\$45,500,000.00
9	September 30, 2025	\$ 45,500,000.00	\$3,500,000.00	\$ 469,218.75	\$3,969,218.75	\$42,000,000.00
10	December 31, 2025	\$ 42,000,000.00	\$3,500,000.00	\$ 433,125.00	\$3,933,125.00	\$38,500,000.00
11	March 31, 2026	\$ 38,500,000.00	\$3,500,000.00	\$ 397,031.25	\$3,897,031.25	\$35,000,000.00
12	June 30, 2026	\$ 35,000,000.00	\$3,500,000.00	\$ 360,937.50	\$3,860,937.50	\$31,500,000.00
13	September 30, 2026	\$ 31,500,000.00	\$3,500,000.00	\$ 324,843.75	\$3,824,843.75	\$28,000,000.00
14	December 31, 2026	\$ 28,000,000.00	\$3,500,000.00	\$ 288,750.00	\$3,788,750.00	\$24,500,000.00
15	March 31, 2027	\$ 24,500,000.00	\$3,500,000.00	\$ 252,656.25	\$3,752,656.25	\$21,000,000.00
16	June 30, 2027	\$ 21,000,000.00	\$3,500,000.00	\$ 216,562.50	\$3,716,562.50	\$17,500,000.00
17	September 30, 2027	\$ 17,500,000.00	\$3,500,000.00	\$ 180,468.75	\$3,680,468.75	\$14,000,000.00
18	December 31, 2027	\$ 14,000,000.00	\$3,500,000.00	\$ 144,375.00	\$3,644,375.00	\$10,500,000.00
19	March 31, 2028	\$ 10,500,000.00	\$3,500,000.00	\$ 108,281.25	\$3,608,281.25	\$7,000,000.00
20	June 30, 2028	\$ 7,000,000.00	\$3,500,000.00	\$ 72,187.50	\$3,572,187.50	\$3,500,000.00
21	September 30, 2028	\$ 3,500,000.00	\$3,500,000.00	\$ 36,093.75	\$3,536,093.75	\$0.00
	TOTAL	\$0.00	\$75,000,000.00	\$ 7,873,240.58	\$82,873,240.58	