

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 of the Department of Health and Human Services (“OIG-HHS”) (collectively, the “United States”); and the State of Michigan, acting through the Michigan Department of Attorney General (the “State” or “Michigan” or “the State of Michigan”); Villa Financial Services LLC (“VFS”), Villa Olympia Investment LLC (“VOI”), Moroun Nursing Center of Detroit LLC d/b/a Ambassador, A Villa Center, Father Murray Nursing and Rehabilitation Centre LLC d/b/a Father Murray, A Villa Center, Detroit Nursing Center LLC d/b/a Imperial, A Villa Center, Park Nursing Center of Taylor LLC d/b/a Regency, A Villa Center, Colonial Health Care Center LLC d/b/a St. Joseph’s, A Villa Center, Westland Nursing and Rehabilitation Centre LLC d/b/a Westland, A Villa Center (collectively, the “Defendant Nursing Homes” and, collectively with VFS and VOI, the “Defendants”); and Detroit Integrity Partners (“Relator”) (hereafter, the United States, Michigan, Defendants, and Relator are collectively referred to as the “Parties”), through their authorized representatives.

RECITALS

A. VFS is an Illinois company that operated and managed the six Defendant Nursing Homes during the period of the Covered Conduct. VOI is an Illinois company that was the majority owner of the six Defendant Nursing Homes during the period of the Covered Conduct. The Defendant Nursing Homes are six long-term care facilities located throughout the Eastern District of Michigan. The Defendant Nursing Homes participate in and submit claims to the Medicare and Michigan Medicaid programs.

B. On October 16, 2019, Relator filed a *qui tam* action in the United States District Court for the Eastern District of Michigan, captioned *United States and the State of Michigan ex*

rel. Detroit Integrity Partners v. Detroit Nursing Center, LLC, et al., Case No. 3:19-cv-13046-MAG-RSW, pursuant to the *qui tam* provisions of the federal False Claims Act, 31 U.S.C. § 3730(b), and the Michigan Medicaid False Claim Act, Mich. Comp. Laws § 400.610a (the “Civil Action”). Relator alleges in the Civil Action that Defendants submitted or caused to be submitted false statements and claims to Medicare and Medicaid because Defendants billed for services not rendered and/or for services that were grossly substandard and/or worthless. Relator filed its First Amended Complaint in the Civil Action on June 27, 2024.

C. The United States and the State of Michigan contend that 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 Michigan Medicaid Program (“Medicaid”), Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396w-5 (together, the “Programs”).

D. The United States and the State of Michigan contend that they have certain civil claims against Defendants arising from Defendants submitting and causing the submission of false claims to Medicare and/or Medicaid for materially and grossly substandard skilled and other nursing services, and for services that were provided in violation of the Programs’ statutory and regulatory requirements, from July 1, 2018 through January 31, 2021, at the six Defendant Nursing Homes. In particular, the United States and the State of Michigan contend that Defendants: (i) failed to have a sufficient number of appropriately trained staff possessing satisfactory skill levels to adequately care for the residents, (ii) failed to take adequate measures to prevent, control, and provide care related to infections, such as pneumonia, sepsis, urinary tract infections, and wound infections, (iii) failed to take adequate measures to prevent and follow appropriate protocols related to resident falls, (iv) failed to appropriately provide for residents’ activities of daily living, including residents’ toileting needs, and (v) failed to follow

appropriate protocols for the treatment of pressure ulcers. The United States and the State of Michigan further contend that in knowingly and systematically failing to provide these services and/or providing them in a materially and grossly substandard way, Defendants violated the Programs' requirements material to payment of claims, and submitted such false claims for payment, violating the federal False Claims Act and the Michigan Medicaid False Claim Act. The conduct set forth in this Paragraph is referred to in this Agreement as the "Covered Conduct."

E. Defendants deny the United States' and the State of Michigan's allegations in Paragraph D.

F. This Agreement is neither an admission of liability by Defendants nor a concession by the United States, Michigan, or Relator that their claims are not well founded.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) and Mich. Comp. Laws § 400.610a to a share of the proceeds of this Agreement and to Relator's reasonable expenses, attorneys' fees, and costs.

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

TERMS AND CONDITIONS

1. Defendants shall pay to the United States and to Michigan, collectively, the sum of \$4,500,000, plus interest at a rate of 4.625% per *annum* from January 24, 2025 through the date of payment (the "Total Settlement Amount"). The Total Settlement Amount shall be paid as follows:

A. Defendants shall pay to the United States the sum of \$3,418,633 (the "Federal Settlement Amount"), of which \$1,649,110 is designated as restitution, plus interest at a

rate of 4.625% per *annum* from January 24, 2025 through the date of payment. The Federal Settlement Amount shall be paid as follows: (i) within 14 days of the Effective Date of this Agreement, Defendants shall make a payment to the United States in the amount of \$1,899,240, plus applicable interest; and (ii) within 12 months of the Effective Date of this Agreement, Defendants shall make a payment to the United States in the amount of \$1,519,393, plus applicable interest. These payments shall be made by electronic funds transfer, pursuant to written instructions provided by the Civil Division of the United States Department of Justice.

B. Defendants shall pay to the State the sum of \$1,081,367 (the “State Settlement Amount”), of which \$521,639 is designated as restitution, plus interest at a rate of 4.625% per *annum* from January 24, 2025 through the date of payment. The State Settlement Amount shall be paid as follows: (i) within 14 days of the Effective Date of this Agreement, Defendants shall make a payment to the State in the amount of \$600,760, plus applicable interest; and (ii) within 12 months of the Effective Date of this Agreement, Defendants shall make a payment to the State in the amount of \$480,607, plus applicable interest. These payments shall be made by electronic funds transfer, pursuant to written instructions provided by the State.

C. If Defendants or any of their affiliates are to be sold, merged, or transferred, or if a significant portion of the assets of Defendants or of any of their affiliates are to be sold, merged, or transferred, Defendants shall provide 30 days prior notice of any such transaction to the United States and the State, and all remaining payments owed pursuant to this Agreement shall be accelerated and shall be paid before or simultaneously with the closing of such transaction.

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

2. Conditioned upon the United States receiving the Federal Settlement Amount payments described above, the United States shall pay to Relator, by electronic funds transfer, eighteen percent (18%) of each such Federal Settlement Amount payment plus eighteen percent (18%) of any interest Defendants pay on the Federal Settlement Amount (“Relator’s Share from the United States”) as soon as feasible after receipt of each such payment.

3. Conditioned upon the State receiving the State Settlement Amount payments described above, the State shall pay to Relator, by electronic funds transfer, eighteen percent (18%) of each such State Settlement Amount payment plus eighteen percent (18%) of any interest Defendants pay on the State Settlement Amount (“Relator’s Share from Michigan”) as soon as feasible after receipt of each such payment.

4. Defendants’ payment to Relator for attorneys’ fees, costs, and expenses pursuant to 31 U.S.C. § 3730(d) and Mich. Comp. Laws § 400.610a shall be addressed separately from this Agreement.

5. Subject to the exceptions in Paragraph 9 (concerning reserved claims) below, and subject to Paragraph 22 (concerning default) and Paragraph 23 (concerning bankruptcy) below, and upon the United States’ receipt of the Federal Settlement Amount, plus interest due under Paragraph 1.A, the United States releases Defendants from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

6. Conditioned upon the State’s receipt of the State Settlement Amount, the State agrees to dismiss with prejudice any and all state law claims which the State has the authority to

dismiss currently pending against Defendants in state or federal courts for the Covered Conduct, including any supplemental state law claim(s) asserted in the Civil Action.

7. Subject to the exceptions in Paragraphs 9, 10, and 11 (concerning reserved claims), and subject to Paragraph 22 (concerning default) and Paragraph 23 (concerning bankruptcy) below, and upon the United States' and Michigan's receipt of the Total Settlement Amount, plus interest due under Paragraph 1, Relator, for itself and for its partners, heirs, successors, attorneys, agents, and assigns, fully and finally releases Defendants and their officers, directors, agents, and employees from any and all civil monetary claims that Relator has asserted or could have asserted against Defendants related to the Civil Action.

8. In consideration of the obligations of Defendants in this Agreement and the Corporate Integrity Agreement ("CIA"), entered into between OIG-HHS and Defendants, and upon the United States' and the State's receipt of the Total Settlement Amount, plus interest due under Paragraph 1, 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 Defendants 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 Paragraphs 9 and 10 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Defendants 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 Paragraphs 9 and 10, below.

9. Notwithstanding the releases given in Paragraphs 5 and 6 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;
- g. Any liability for failure to deliver goods or services due; and
- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

10. Notwithstanding the releases given in Paragraphs 5 and 6 of this Agreement, or any other term of this Agreement, the following claims and rights of the State are specifically reserved and are not released:

- a. Any liability arising under Michigan's tax law;
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal or State health care programs;

- d. Any liability to the State (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 outside those specifically released;
- 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.

11. Notwithstanding the release given in Paragraph 7 above, or any other term of the Agreement, Relator's claim for its reasonable expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d) and Mich. Comp. Laws § 400.610a is specifically reserved and is not released in this Agreement.

12. Relator and its partners, heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B) and Mich. Comp. Law § 400.610a(5) and (6).

13. Conditioned upon Relator's receipt of Relator's Share from the United States, Relator and its partners, 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.

14. Conditioned upon Relator's receipt of Relator's Share from Michigan, Relator and its partners, heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the State, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under Mich. Comp. Law § 400.610a (5) and (6), and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

15. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

16. Defendants fully and finally release the United States and the State, their agencies, officers, agents, employees, and servants, from any claims (including for 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 or the State, their agencies, officers, agents, employees, and servants, related to the Civil Action and the United States' and the State's investigation or prosecution thereof.

17. Defendants, for themselves and for their predecessors and successors, and their current and former, direct and indirect, parents and subsidiaries, owners, shareholders, officers, directors, agents, assigns, and any person or entity acting on their behalf or asserting their rights fully and finally release Relator and its partners, heirs, successors, attorneys, agents, and assigns from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants, their predecessors and successors, and their current and former, direct and indirect, parents and subsidiaries, owners, shareholders, officers, directors, agents,

assigns, and any person or entity acting on their behalf or asserting their rights have asserted, could have asserted, or may assert in the future against Relator, its partners, heirs, successors, attorneys, agents, and assigns, related to the Civil Action and Relator's investigation and prosecution thereof.

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

19. 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. §§ 1395-1395III and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, their 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;

- (5) the payments Defendants make to the United States and Michigan pursuant to this Agreement, and any payments that Defendants may make to Relator, including for 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 19.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 Defendants.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in nonreimbursable cost centers 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 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. Defendants agree that the United States and/or the State, 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 and/or the State pursuant to the direction of the Department of Justice and/or the affected agencies. The United States and the State reserve their 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 or the State 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.

20. 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 21 (waiver for beneficiaries paragraph) below.

21. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents,

sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

22. The Total Settlement Amount represents the amount the United States and the State are willing to accept in compromise of their civil claims arising from the Covered Conduct.

a. In the event that Defendants fail to pay the Total 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 and the State 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 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 and the State to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Total 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, Defendants agree that the United States and the State, at their sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 5 and 6 above, with any recovery reduced by the amount of any payments previously made by Defendants to the United States and the State 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 and the State at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States and the State 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 or the State pursues a collection action, Defendants agree immediately to pay the United States and the State the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' and the State's reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States or the State 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 (i) are filed by the United States or the State against Defendants 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 October 16, 2019. Defendants agree not to contest any offset, recoupment, and/or collection action undertaken by the United States or the State pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States or the State.

c. In the event of Uncured Default, OIG-HHS may exclude Defendants from participating in all Federal health care programs until Defendants pay the Total 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.

23. In exchange for valuable consideration provided in this Agreement, Defendants 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 and the State of the Total 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 Total 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 and the State may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 5 and 6 above;

(ii) the United States and the State have an undisputed, noncontingent, and liquidated allowed claim against Defendants in the amount of \$10,853,745, plus associated civil penalties per claim as provided for in 31 U.S.C. § 3729(a)(1)(G) and Mich. Comp. Laws § 400.612(1), as effective during the period of the Covered Conduct, and adjusted for inflation pursuant to 31 U.S.C. § 3729(a)(1)(G) for the period of the Covered Conduct, 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 or the State 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 and the State shall not be responsible for the return of any amounts already paid by the United States and the State to Relator; and

(iv) if, notwithstanding subparagraph (iii) above, any amounts already paid by the United States or the State to Relator pursuant to Paragraphs 2 and/or 3 are recovered from the United States or the State 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 ninety (90) days of written notice from the United States or the State to the undersigned Relator's counsel, return to the United States or the State all amounts recovered from the United States or the State.

f. Defendants agree that any civil and/or administrative claim, action, or proceeding brought by the United States or the State under Paragraph 23.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' and State's police and regulatory powers. Defendants shall not argue or otherwise contend that the United States' or the State's 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). 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 or the State 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 October 16, 2019.

24. Upon receipt of the Total Settlement Amount, the United States, the State, and Relator shall promptly prepare and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). Dismissal of the Civil Action shall be: (a) with prejudice to the United States, the State, and Relator as to the Covered Conduct; (b) with prejudice to

Relator as to all other claims and Defendants in the Civil Action; and (c) without prejudice to the United States and the State as to all other claims and Defendants in the Civil Action. As set forth in Paragraph 11 above, this Agreement expressly does not resolve or release Relator's rights pursuant to 31 U.S.C. § 3730(d) and Mich. Comp. Laws § 400.610a to payment for reasonable expenses necessarily incurred and reasonable attorneys' fees and costs which will be addressed separately by Relator and Defendants. If Defendants and Relator are unable to reach agreement on the amount of the expenses, attorneys' fees and costs payment, then the United States District Court for the Eastern District of Michigan shall have continuing jurisdiction to issue an order with regard to the payment of expenses and attorneys' fees and costs.

25. Except with respect to Relator's claim for reasonable expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d) and Mich. Comp. Laws § 400.610a specifically reserved in Paragraphs 11 and 24 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.

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

27. 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 Michigan. 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.

28. Except as provided in Paragraph 4 above, 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 or the State from pursuing any remedy or relief

available to them under this Agreement shall not constitute a waiver of rights under this Agreement.

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

30. The Authorized Representative for Defendants has been granted authority by the current majority interest holder(s) of each of the Defendants to execute this Agreement and bind each entity to its terms.

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

32. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

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

34. All Parties consent to the United States' and the State's disclosures of this Agreement, and information about this Agreement, to the public.

35. 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: 6/17/25

BY:

Kelly Quinn McAuliffe

Kelly Quinn McAuliffe
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED:

6/17/25

BY:

Leslie Wizner

Leslie Wizner
Assistant United States Attorney
Eastern District of Michigan

DATED:

BY:

SUSAN E. GILLIN

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

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____
Kelly Quinn McAuliffe
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____
Leslie Wizner
Assistant United States Attorney
Eastern District of Michigan


DATED: 6/16/25

BY: **SUSAN**
GILLIN
SUSAN E. GILLIN
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

Digitally signed by
SUSAN GILLIN
Date: 2025.06.16 15:53:52
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THE STATE OF MICHIGAN

DATED: 06/12/2025

BY: 
Brendan P. Maturen (P66427)
Assistant Attorney General
Health Care Fraud Division
Michigan Department of Attorney General
P.O. Box 30218
Lansing, MI 48909

DATED: 6/13/25

BY: 
Meghan E. Groen
Chief Deputy Director
Health Services

DEFENDANTS

DATED: 6/13/2025

BY:




Mark Berger
Authorized Representative

Villa Financial Services LLC
Villa Olympia Investment LLC
Moroun Nursing Center of Detroit LLC
d/b/a Ambassador, A Villa Center
Father Murray Nursing and Rehabilitation Centre LLC
d/b/a Father Murray, A Villa Center
Detroit Nursing Center LLC
d/b/a Imperial, A Villa Center
Park Nursing Center of Taylor LLC
d/b/a Regency, A Villa Center
Colonial Health Care Center LLC
d/b/a St. Joseph's, A Villa Center
Westland Nursing and Rehabilitation Centre LLC
d/b/a Westland, A Villa Center

DATED: 6/13/2025

BY:



Thomas H. Barnard
Alison C. Schurick
Baker, Donelson, Bearman, Caldwell & Berkowitz P.C.
Counsel for Defendants

RELATOR

DATED: 6.12.25 BY: BeShanta Milan
BeShanta Milan
Detroit Integrity Partners

DATED: 6-12-25 BY: Melodi Coker
Melodi Coker
Detroit Integrity Partners

DATED: 6/13/25 BY: Gary L. Azorsky
Gary Azorsky
Casey M. Preston
Cohen Milstein Sellers & Toll PLLC
Counsel for Detroit Integrity Partners