

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 “United States”), Azizulah (Aziz) Kamali, M.D., and Aziz Kamali, M.D., Inc., through their authorized representatives. The United States, Azizulah (Aziz) Kamali, M.D., and Aziz Kamali, M.D., Inc., are hereafter collectively referred to as “the Parties.”

RECITALS

A. Aziz Kamali, M.D., Inc. (“Kamali Inc.”) is a California medical corporation with a principal executive office in Stockton, California. Kamali Inc. is an internal and geriatric medicine practice and is enrolled as a Medicare provider.

B. Azizulah (Aziz) Kamali, M.D. (“Dr. Kamali”) is a physician and the owner, Chief Executive Officer, Chief Financial Officer, and Secretary of Kamali Inc. Dr. Kamali is the rendering provider for Kamali Inc.

C. At all times relevant to this Agreement, Dr. Kamali and Kamali Inc. 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”).

D. The False Claims Act, 31 U.S.C. § 3729 *et seq.* (“FCA”), prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the Government, including a Medicare contractor.

E. The Anti-Kickback Statute, 42 U.S.C. § 1320a-7b (“AKS”), prohibits knowingly and willfully soliciting, receiving, offering, or paying any remuneration to induce or reward, among other things, a person to arrange for or recommend purchasing or ordering any item or service for which payment is made in whole or in part under a federal health care program,

including Medicare. 42 U.S.C. § 1320a-7b(b). AKS safe harbors do not permit payments that are determined in a manner that take into account the volume or value of any referrals or business otherwise generated between the parties for which payment may be made under Medicare. *See, e.g.*, 42 C.F.R. § 1001.952(d)(1)(iv). A claim that includes items or services resulting from a violation of the AKS constitutes a false or fraudulent claim under the FCA. 42 U.S.C. § 1320a-7b(g).

F. The United States contends that it has certain civil claims against Dr. Kamali and Kamali Inc. for knowingly submitting or causing to submit false claims to Medicare (1) for surgically implantable neurostimulators when in fact Kamali and Kamali Inc. provided electroacupuncture that was not reimbursable by Medicare, and (2) that resulted from Dr. Kamali's and Kamali Inc.'s knowing and willful violations of the AKS, in connection with the conduct described in Paragraph G below.

G. Dr. Kamali and Kamali Inc. deny the United States' allegations in Paragraph F but admit, acknowledge, and accept responsibility for the following facts:

1. From July 12, 2018, through May 7, 2020, Dr. Kamali and Kamali Inc. submitted or caused to be submitted claims to Medicare for implantable neurostimulator devices. To be reimbursable by Medicare, implantable neurostimulators require surgical implantation into the central nervous system or peripheral nerve, typically in an operating room. Dr. Kamali and Kamali Inc. submitted these claims using Healthcare Common Procedure Coding System ("HCPCS") Code L8679 ("Implantable Neurostimulator, Pulse Generator") and Current Procedural Terminology ("CPT") Codes associated with the implantation of such neurostimulators, including CPT 64553.

2. Dr. Kamali and Kamali Inc. did not surgically implant neurostimulators or perform surgery in an operating room during that time period. Instead, Dr. Kamali or his staff applied a device called "Stivax" to his patients' ears in his office. Stivax delivered intermittent stimulation by electrical pulses in a process known as electroacupuncture and did not require surgical implantation.

3. To apply the Stivax device, Dr. Kamali or his staff taped to his patients' ears an electrode with two tiny acupuncture needles, which was attached by a cable to an external battery-operated, single-use device taped behind the patients' ears. Stivax devices were typically worn by patients for a few days, or a few weeks, disposed of, and

then replaced with new devices. Patients could not shower with the devices on their ears, lest they get wet and detach. The Stivax device is shown below.



4. Dr. Kamali and Kamali Inc. paid an independent sales and marketing company promoting Stivax to arrange for and recommend that patients order Stivax from Dr. Kamali and Kamali Inc. Pursuant to a written contract, Dr. Kamali and Kamali Inc. paid the marketing company ten to fifteen percent of the reimbursements Dr. Kamali and Kamali Inc. received from Medicare for submitting claims for implantable neurostimulators under HCPCS L8679. In return, the marketing company agreed to market Dr. Kamali's and Kamali Inc.'s Stivax services to patients and grant Dr. Kamali and Kamali Inc. exclusive rights to purchase and provide Stivax services in Stockton, California. Dr. Kamali's and Kamali Inc.'s payments to the marketing company under the contract took into account the volume and value of business generated between the parties for which payment was made under Medicare.

5. On May 21, 2020, the Centers for Medicare & Medicaid Services (CMS) suspended Medicare payments to Dr. Kamali and Kamali Inc. under 42 C.F.R. § 405.371(a)(2) relating to Dr. Kamali's and Kamali Inc.'s claims for implantable neurostimulators (the "Suspension").

The conduct described in Paragraphs F and G is referred to below as the "Covered Conduct."

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

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. Dr. Kamali and Kamali Inc. jointly and severally agree to pay the United States the sum of \$1,963,953.59 Dollars (the “Settlement Amount”), which is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the Eastern District of California. Dr. Kamali and Kamali Inc. shall pay the Settlement Amount in the following manner:

a. Within fourteen (14) days of the Effective Date of this Agreement, Dr. Kamali and Kamali Inc. will make a payment to the United States in the amount of \$300,000 Dollars.

b. Dr. Kamali and Kamali Inc. hereby agree that the United States shall retain forevermore \$213,953.59 Dollars of an amount suspended by CMS pursuant to the Suspension, which will be applied to the Settlement Amount. Dr. Kamali and Kamali Inc. expressly relinquish any and all rights of any kind that they may have with respect to those funds, including, but not limited to: any and all claims or rights to have an overpayment determined under 42 C.F.R. § 405.372(c), any and all rights to payment of those funds, and any and all rights to appeal, whether formally or informally and whether administratively or judicially, the right of the United States and/or CMS to retain those funds, and any other rights Dr. Kamali or Kamali Inc. may have to challenge the Suspension in any respect.

c. Over a period of five (5) years, Dr. Kamali and Kamali Inc. will pay the remaining \$1,450,000 Dollars pursuant to the payment schedule attached at Exhibit A (the “Payments Over Time”).

d. Dr. Kamali and Kamali Inc. will fund the \$700,000 Dollar payment of the Payments Over Time on Exhibit A (“Payment 3”) by, among other things, selling for fair market value in an arm’s-length transaction the residential property owned by Dr. Kamali located at

[REDACTED] (the “Property”). If the closing date of the Property occurs any time before February 8, 2024, Dr. Kamali will be required to, within five (5) business days after the closing of the transaction: (i) provide the United States with notice of the sale and copies of all closing documents, (ii) pay the United States ninety percent (90%) of the proceeds from the sale, less any amounts needed to satisfy the outstanding mortgage, real estate fees, and closing costs, not to exceed the remaining balance of the payment of \$700,000 Dollars; and (iii) provide an accounting of the calculation of the outstanding mortgage, real estate fees, and closing costs, including all documents necessary to establish those amounts and that they were paid to the relevant parties. For purposes of this Paragraph 1.d., “arm’s-length transaction” means a transaction with a person that is not a family member, spouse, significant other, boyfriend, girlfriend, cohabitant, or business associate of Dr. Kamali or Kamali Inc.

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

2. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and subject to Paragraph 5 (concerning disclosure of assets), Paragraph 13 (concerning default), and Paragraph 14 (concerning bankruptcy) below, and upon the United States’ receipt of the Settlement Amount, the United States releases Dr. Kamali and Kamali Inc. 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.

3. In consideration of the obligations of Dr. Kamali and Kamali Inc. in this Agreement and the Integrity Agreement (IA) entered into between the OIG-HHS and Dr. Kamali and Kamali Inc., and upon the United States’ receipt of full payment of the Settlement Amount,

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 Dr. Kamali or Kamali Inc. 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 4 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Dr. Kamali and Kamali Inc. 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 acting against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 4, below.

4. Notwithstanding the releases given in Paragraphs 2 and 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; and
- f. Any liability of individuals except Dr. Kamali.

5. Dr. Kamali and Kamali Inc. have provided sworn financial disclosures and supporting documents (together “Financial Disclosures”) to the United States and the United States has relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. Dr. Kamali and Kamali Inc. warrant that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement. If the United States learns of asset(s) in which Dr. Kamali or Kamali Inc. 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 Dr. Kamali’s or Kamali Inc.’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 Dr. Kamali or Kamali Inc. 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 \$100,000 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 Dr. Kamali’s and Kamali Inc.’s previously undisclosed assets. Dr. Kamali and Kamali Inc. agree not to contest any collection action undertaken by the United States pursuant to this provision and agree that they will immediately pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected in the collection action, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States’ reasonable attorneys’ fees and expenses incurred in such an action. In the event that the United States, pursuant to this paragraph rescinds this Agreement, Dr. Kamali and Kamali Inc. waive and agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 120 calendar days of written notification to Dr. Kamali and Kamali Inc. 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.

6. Dr. Kamali and Kamali Inc. waive and shall not assert any defenses Dr. Kamali or Kamali Inc. 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.

7. Dr. Kamali and Kamali Inc. 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 Dr. Kamali or Kamali Inc. 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. Dr. Kamali and Kamali Inc. hereby expressly waive all rights they may have by virtue of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

8. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and Dr. Kamali and Kamali Inc. 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.

9. Dr. Kamali and Kamali Inc. 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 Dr. Kamali or Kamali Inc., 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) Dr. Kamali's and Kamali Inc.'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 Dr. Kamali and Kamali Inc. make to the United States pursuant to this Agreement; and
- (6) the negotiation of, and obligations undertaken pursuant to the IA to: (i) retain an independent review organization to perform reviews as described in Section III of the IA; 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 9.a.(6)

that may apply to the obligations undertaken pursuant to the IA affects the status of costs that are not allowable based on any other authority applicable to Dr. Kamali and Kamali Inc.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: Dr. Kamali and Kamali Inc. further agree that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Dr. Kamali or Kamali Inc. or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Dr. Kamali and Kamali Inc. agree that the United States, at a minimum, shall be entitled to recoup from Dr. Kamali or Kamali Inc. 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 Dr. Kamali, Kamali Inc., or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Dr. Kamali, Kamali Inc., or any of their subsidiaries or affiliates' cost reports, cost statements, or information reports.

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

10. Dr. Kamali and Kamali Inc. agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement, including sales and marketing companies and their officers that Dr. Kamali and Kamali Inc. contracted with to purchase Stivax and to market Dr. Kamali's and Kamali Inc.'s Stivax services. Upon reasonable notice, Dr. Kamali and Kamali Inc. shall encourage, and agree not to impair, the cooperation of their directors, officers, and employees, and shall use their 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. Dr. Kamali and Kamali Inc. further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that has been performed by another on their behalf.

11. 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 12 (waiver for beneficiaries paragraph), below.

12. Dr. Kamali and Kamali Inc. 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.

13. 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 Dr. Kamali's and Kamali Inc.'s financial condition as reflected in the Financial Disclosures referenced in Paragraph 5.

a. If Dr. Kamali and Kamali Inc. fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Dr. Kamali and Kamali Inc. shall be in Default of Dr. Kamali's and Kamali Inc.'s payment obligations ("Default"). The United States will provide a written Notice of Default, and Dr. Kamali and Kamali Inc. 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. Notice of Default will be delivered to Dr. Kamali and Kamali Inc., or to such other representative as Dr. Kamali and Kamali Inc. shall designate in advance in writing. If Dr. Kamali and Kamali Inc. fail to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 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, Dr. Kamali and Kamali Inc. agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and bring any civil and/or administrative claim, action, or proceeding against Dr. Kamali and Kamali Inc. for the claims that would otherwise be covered by the releases provided in Paragraphs 2 and 3 above, with any recovery reduced by the amount of any payments previously made by Dr. Kamali or Kamali Inc. to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action; (iii) offset the remaining unpaid balance from any amounts due and owing to Dr. Kamali or Kamali Inc. 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, Dr. Kamali and Kamali Inc. agree immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, Dr. Kamali and Kamali Inc. waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against Dr. Kamali and Kamali Inc. 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. Dr. Kamali and Kamali Inc. agree not to contest

any offset, recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, the OIG-HHS may exclude Dr. Kamali and Kamali Inc. from participating in all Federal health care programs until Dr. Kamali and Kamali Inc. pay the Settlement Amount as set forth above (Exclusion for Default). The OIG-HHS will provide written notice of any such exclusion to Dr. Kamali and Kamali Inc. Dr. Kamali and Kamali Inc. 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, Dr. Kamali or Kamali Inc. wish to apply for reinstatement, they must submit a written request for reinstatement to the OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Dr. Kamali and Kamali Inc. will not be reinstated unless and until the 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.

14. In exchange for valuable consideration provided in this Agreement, Dr. Kamali and Kamali Inc. acknowledge the following:

a. Dr. Kamali and Kamali Inc. have reviewed their financial situation and warrant that they are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Dr. Kamali and Kamali Inc., 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 Dr. Kamali or Kamali Inc. 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 Dr. Kamali's and Kamali Inc.'s 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, Dr. Kamali, Kamali Inc., 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 Dr. Kamali's or Kamali Inc.'s debts, or to adjudicate Dr. Kamali or Kamali Inc. as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Dr. Kamali or Kamali Inc. or for all or any substantial part of Dr. Kamali's or Kamali Inc.'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 Dr. Kamali and Kamali Inc. for the claims that would otherwise be covered by the releases provided in Paragraphs 2 and 3 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Dr. Kamali and Kamali Inc. in the amount of at least \$7,120,549.32, 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 Dr. Kamali or

Kamali Inc., a receiver, trustee, custodian, or other similar official for Dr. Kamali or Kamali Inc.

f. Dr. Kamali and Kamali Inc. agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 14.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. Dr. Kamali and Kamali Inc. 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). Dr. Kamali and Kamali Inc. waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to Dr. Kamali or Kamali Inc. that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on the Effective Date.

15. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

17. 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 Eastern District of California. 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.

18 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.

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

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

21. This Agreement is binding on Dr. Kamali's and Kamali Inc.'s successors, transferees, heirs, and assigns.

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

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

THE UNITED STATES OF AMERICA


PHILLIP A. TALBERT
United States Attorney

DATED: August 9, 2022

BY: 

MATTHEW R. BELZ
Assistant United States Attorney
Eastern District of California

DATED: 8/12/2022

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

AZIZULAH (AZIZ) KAMALI, M.D.

DATED: 8/5/22

BY: 
AZIZULAH KAMALI, M.D.

DATED: 8/9/22

BY: 
Malcolm Segal
Emily Doring
Segal & Associates, P.C.
Counsel for Azizulah (Aziz) Kamali, M.D.

AZIZ KAMALI, M.D., INC.

DATED: 8/9/22

BY: 
AZIZ KAMALI, M.D., INC.

DATED: 8/9/22

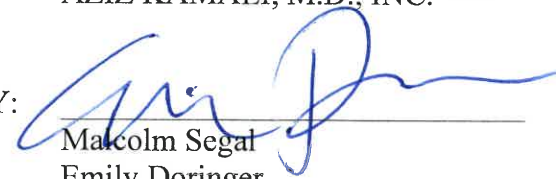
BY: 
Malcolm Segal
Emily Doring
Segal & Associates, P.C.
Counsel for Aziz Kamali, M.D., Inc.

EXHIBIT A

Payments Over Time

Payment	Date	Payment	Balance
			\$1,750,000.00
1	8/22/2022	\$300,000.00	\$1,450,000.00
2	8/22/2023	\$150,000.00	\$1,300,000.00
3	2/8/2024	\$700,000.00	\$600,000.00
4	8/22/2024	\$150,000.00	\$450,000.00
5	8/22/2025	\$150,000.00	\$300,000.00
6	8/24/2026	\$150,000.00	\$150,000.00
7	8/23/2027	\$150,000.00	\$0.00
Total		\$1,750,000.00	