

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”) and the Defense Health Agency (“DHA”), acting on behalf of the TRICARE Program (collectively, the “United States”), Modern Nuclear, Inc., (“MNI” or “Defendant”), and Matt Lieberman and James Whitney (“Relators”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. MNI is a private, for-profit California-based medical services company that provides cardiac positron emission tomography (“PET”) scans and cardiovascular stress tests to, among others, beneficiaries of the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”), and the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”) (collectively, the “Federal Health Care Programs”).

B. Pursuant to the whistleblower provisions of the False Claims Act, 31 U.S.C. § 3730(b), on September 1, 2023, Relators filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States ex rel. Lieberman v. Modern Nuclear, Inc., et al.* (No. 8:23-cv-01646-DOC-KES) (the “Civil Action”) against MNI and others.

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

D. The United States contends that between September 1, 2016, and January 14, 2025, MNI 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”).

Specifically, MNI operated a mobile cardiac PET scanning business, pursuant to which MNI contracted with cardiologists and other physicians to supervise cardiac PET scans that MNI performed for the physicians’ patients onboard converted semi-trailer trucks that MNI transported to the physicians’ practices. MNI contractually required these physicians to refer exclusively to MNI for mobile PET scans. MNI paid each referring physician a fee, ostensibly to provide Centers for Medicare and Medicaid Services (“CMS”) required physician supervision over the PET scans for the cardiologists’ patients. The United States contends that these fees substantially exceeded fair market value (“FMV”) for these physicians’ services because MNI 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, MNI purported to rely on an attorney opinion letter regarding fair market value that the United States contends MNI knew was premised on fundamental inaccuracies about what MNI required from supervising physicians. MNI paid this above FMV remuneration for physicians’ referrals and billed the Federal Health Care Programs for the referred patients.

Accordingly, the United States contends that MNI knowingly provided improper remuneration in the form of these above FMV fees to each of the referring physicians to induce the physicians’ referral of the Federal Health Care Program patients for services provided by MNI in violation of the AKS, for which MNI submitted claims to Federal Health Care Programs. This conduct is referred to hereinafter as the Covered Conduct.

E. This Settlement Agreement is neither an admission of liability by MNI nor a

concession by the United States that its claims are not well founded. MNI denies the United States' allegations in paragraph D, above.

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

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. MNI agrees to pay the United States the sum of eight million three hundred and thirty four thousand three hundred and fifty dollars and seventy one cents (\$8,334,350.71) ("Settlement Amount") over a period of five years as set forth in this paragraph 1 including sub-paragraphs, and interest at a rate of 5 percent per annum from May 20, 2025, plus twenty four point eight percent (24.8%) of MNI's annual gross revenue reported for tax purposes exceeding seventeen million dollars (\$17,000,000) per annum for five (5) years ("Revenue Sharing"). The Settlement Amount, interest received by the United States, and Revenue Sharing (collectively "Settlement Payments") constitute restitution.

A. Within fifteen (15) days of the Effective Date of this Agreement, MNI shall make a payment to the United States in the amount of two million nine hundred thousand dollars (\$2,900,000) ("Initial Payment") plus accrued interest.

B. On each successive anniversary date of the Effective Date of this Agreement, MNI shall pay annually to the United States the sum of one million one hundred thousand dollars (\$1,100,000) plus accrued interest for a period of five (5) years (the "Payments Over Time"). If all prior annual payments are made, the last (fifth) annual payment shall be the remainder of the Settlement Amount due (\$1,034,350.71) plus accrued interest. If MNI prepays

any part of the outstanding Settlement Amount, the amount of interest owed on each subsequent Payment Over Time shall be reduced such that MNI pays interest at 5 percent per annum on the outstanding balance of the Settlement Amount.

C. MNI shall pay annually to the United States the sum representing Revenue Sharing for a period of five (5) years. Revenue Sharing shall be calculated based upon MNI'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 MNI files its federal tax returns.

D. If MNI is sold, merged, or transferred in whole or in part for an amount greater than the Settlement Amount, MNI 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.

E. If MNI is sold, merged, or transferred in whole or in part for an amount less than the Settlement Amount, MNI 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 MNI also continuing to make each of the Payments Over Time pursuant to the payment schedule set forth in Paragraph 1.B until such time as it pays the Settlement Amount and accrued interest in full, and MNI shall ensure that all other obligations of this Agreement are assumed by the buyer.

F. If MNI sells an asset with a market value exceeding one million dollars (\$1,000,000), MNI 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 MNI also continuing to make each of the Payments Over Time pursuant to the payment schedule set forth in Paragraph 1.B until such time as it pays the Settlement Amount and accrued interest in full.

G. All notifications to the United States under this Agreement shall be (1) emailed to Sanjay M. Bhambhani (Sanjay.Bhambhani@usdoj.gov) and Paul B. La Scala (Paul.LaScala@usdoj.gov) and (2) delivered by certified mail to Jamie Ann Yavelberg, DJ No. 46-12C-6174, Director, Commercial Litigation Branch (Fraud Section), Civil Division, Department of Justice, 175 N St. NE, Washington, DC 20002.

H. The Settlement Amount (\$8,334,350.71) or any outstanding portion plus accrued interest thereof may be prepaid, in whole or in part, without penalty or premium.

I. All payments shall be made by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the Central District of California.

2. MNI further agrees to the following for the duration of the Revenue Sharing period identified in Paragraph 1.C above:

A. Within fifteen (15) days after filing a federal tax return, MNI 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, MNI shall notify the United States.

C. Within thirty (30) days of a quarter end, MNI shall send a 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 MNI 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, as amended, 31 U.S.C. §§ 3801-3812; 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, Relators, for themselves and their heirs, successors, attorneys, agents, and assigns, release MNI from any civil monetary claim Relators have 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 MNI in this Agreement and the Corporate Integrity Agreement ("CIA"), entered into between OIG-HHS and MNI 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 MNI 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 MNI 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 MNI 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 MNI 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 MNI 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;
- 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. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). In connection with this Agreement and this Civil Action, Relators and their 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 Relators and their 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 Relators should receive of any proceeds of the

settlement of their claim(s).

9. MNI 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. MNI 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 MNI 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 MNI’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 MNI 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 four hundred and sixteen thousand, seven hundred and seventeen dollars and fifty four cents (\$416,717.54) 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, interest, and Revenue Sharing in accordance with the Agreement plus one hundred percent (100%) of the net value of MNI’s previously undisclosed assets. In the event the United States elects option (a) and prevails, Relators may claim their reasonable attorneys’ fees and costs to the extent permitted by 31 U.S.C. § 3730(d)(1). MNI 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,

MNI 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 MNI 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, Relators retain their right to seek a portion of the proceeds of such recovery as provided by 31 U.S.C. § 3730.

10. MNI waives and shall not assert any defenses MNI 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. MNI 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 MNI 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. MNI fully and finally releases Relators and their heirs, successors, attorneys, agents, and assigns from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that MNI has asserted, could have asserted, or may assert in the future against Relators, 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 Relators' investigation and prosecution thereof.

13. The Settlement Amount, interest, and Revenue Sharing 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 MNI 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. MNI 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 MNI, 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) MNI'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 MNI makes to the United States pursuant to this Agreement and any payments that MNI may make to Relators, including costs and attorneys' fees.

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

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, 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 MNI.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: M N I 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 MNI 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. MNI agrees that the United States, at a minimum, shall be entitled to recoup from MNI 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 MNI or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on MNI 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 MNI's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

15. MNI agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice to the undersigned counsel, MNI 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. MNI 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 15 (waiver for beneficiaries paragraph), below.

17. MNI 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, interest, and Revenue Sharing represent the amount the United States is willing to accept in compromise of its civil claims arising from the Covered Conduct due solely to MNI's financial condition as reflected in the Financial Disclosures referenced in Paragraph 9.

a. In the event that MNI fails to pay the Settlement Amount, interest, and Revenue Sharing as provided in the payment schedule set forth in Paragraph 1 above, MNI shall be in Default of MNI's payment obligations ("Default"). The United States will provide a written Notice of Default, and MNI 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 MNI, or to such other representative as MNI shall designate in advance in writing. If MNI 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, interest, and Revenue Sharing 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, MNI 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 MNI for the claims that would otherwise be covered by the releases provided in Paragraph 3 above, with any recovery reduced by the amount of any payments previously made by MNI 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 MNI 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, MNI 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, MNI 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 MNI 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. MNI 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 MNI from participating in all Federal health care programs until MNI pays the Settlement Amount and Revenue Sharing, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to MNI. MNI 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, MNI 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. MNI 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, MNI acknowledges the following:

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

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against MNI in the amount of \$177 million 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 MNI, a receiver, trustee, custodian, or other similar official for MNI.

f. MNI 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. MNI 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). MNI 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 MNI 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 Relators shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the claims against MNI 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 Central 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.

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 MNI's successors, transferees, heirs, and assigns.

28. This Agreement is binding on Relators' 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: SANJAY BHAMBHANI Digitally signed by SANJAY
BHAMBHANI
Date: 2026.04.16 12:04:19 -04'00'

SANJAY M. BHAMBHANI
Senior Trial Counsel
Commercial Litigation Branch
Fraud Section, Civil Division
United States Department of Justice

DATED _____ BY: PAUL LA SCALA Digitally signed by PAUL LA
SCALA
Date: 2026.04.16 09:19:53 -07'00'

PAUL LA SCALA
Assistant United States Attorney
United States Attorney's Office for the
Central District of California

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

DATED _____ BY: _____

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

THE UNITED STATES OF AMERICA

DATED _____

BY: _____

SANJAY M. BHAMBHANI
Senior Trial Counsel
Commercial Litigation Branch
Fraud Section, Civil Division
United States Department of Justice

DATED _____

BY: _____

PAUL LA SCALA
Assistant United States Attorney
United States Attorney's Office for the
Central District of California

DATED 04/10/26

BY: _____

SUSAN GILLIN Digitally signed by SUSAN GILLIN
Date: 2026.04.10 13:29:29 -04'00'

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

DATED _____

BY: _____

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

THE UNITED STATES OF AMERICA

DATED _____

BY: _____

SANJAY M. BHAMBHANI
Senior Trial Counsel
Commercial Litigation Branch
Fraud Section, Civil Division
United States Department of Justice

DATED _____

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PAUL LA SCALA
Assistant United States Attorney
United States Attorney's Office for the
Central District of California

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

DATED 4/15/2026

BY: _____


KIM.SONG.UN.1
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KIM.SONG.UN.1258111210
Date: 2026.04.15 08:50:14 -04'00'

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


RELATORS

DATED 04 / 11 / 2026

BY: 

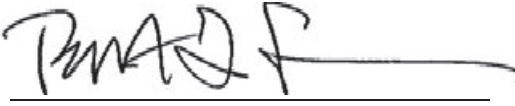
Matt Lieberman (Relator)

DATED 04 / 10 / 2026

BY: 

James Whitney (Relator)


DATED 4/10/26

BY: 


Patrick S. Almonrode
BROWN, LLC

MODERN NUCLEAR, INC. - DEFENDANT

DATED 4/9/26

BY: 
PATRICK PATRIC J. LAVERTY II
Chief Executive Officer
Modern Nuclear, Inc.

DATED 4/9/26

BY: 
PATRIC HOOPER
ANDREW R. HAYES
Hooper, Lundy & Bookman P.C.