SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among (a) 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"); and (b) Ginny Jacobs, Scott Jacobs, S&G Staffing, LLC ("S&G"), and Jacobs Marketing, Inc. ("Jacobs Marketing") (collectively, the "Jacobs Parties"), through their authorized representatives. Collectively, all of the above will be referred to as "the Parties."

RECITALS

A. Ginny Jacobs and Scott Jacobs reside in Magnolia, Texas. They owned and operated S&G, a company formed in Texas with its principal place of business in Texas, and Jacobs Marketing, a corporation incorporated in Texas with its principal place of business in Texas.

B. On January 31, 2022, the United States filed a complaint-in-intervention against the Jacobs Parties and others in the United States District Court for the Eastern District of Texas in a civil action captioned *United States, et al. ex rel. STF LLC v. True Health Diagnostics, LLC et al.*, No. 4:16-cv-547 (E.D. Tex.) ("Civil Action"). On May 25, 2022, the United States filed an amended complaint in the Civil Action at Docket Number 98 ("United States' Amended Complaint") against the Jacobs Parties and others.

C. The United States contends that the Jacobs Parties 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"), the Medicaid Program, 42 U.S.C. §§ 1396–1396w-5 (Medicaid), and the TRICARE Program, 10 U.S.C. §§ 1071–1110b (TRICARE).

E. The United States contends that it has certain civil claims against the Jacobs Parties arising from their causing the submission of false claims for federal funds to Medicare, Medicaid, and TRICARE from January 1, 2015 to December 31, 2017, as alleged in the United States' Amended Complaint (referred to below as the "Covered Conduct").

In consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Under the terms and conditions specified herein, the Jacobs Parties jointly and severally shall pay to the United States Two Hundred Fifty Thousand Dollars ($250,000.00) plus interest as specified below ("Settlement Amount"), of which One Hundred Twenty-Five Thousand Dollars ($125,000.00) is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the Department of Justice.

   a. The Jacobs Parties shall pay One Hundred Twenty-Five Thousand Dollars ($125,000.00) to the United States by October 15, 2025 ("Initial Payment").

   b. The Jacobs Parties shall pay One Hundred Twenty-Five Thousand Dollars ($125,000.00), plus interest at four and a half percent (4.5%) per annum, pursuant to the payment schedule attached as Exhibit A ("Payments Over Time"). The Payments Over Time may be prepaid, in whole or in part, without penalty or premium.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, subject to Paragraph 10 (concerning default) below, and conditioned upon the full payment of the Settlement Amount by the Jacobs Parties to the United States, the United States releases the Jacobs Parties 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. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims 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 or permissive 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 corporate entities other than S&G and Jacobs Marketing;

g. Any liability of individuals other than Ginny Jacobs and Scott Jacobs;

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

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

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

4. Exclusion.

a. In compromise and settlement of the rights of OIG-HHS to exclude S&G and Jacobs Marketing pursuant to 42 U.S.C. § 1320a-7(b)(7), based upon the Covered Conduct, S&G and Jacobs Marketing each agree to be excluded under this statutory provision from Medicare, Medicaid, and all other Federal health care programs, as defined in 42 U.S.C. § 1320a-7b(f), for a period of ten (10) years. The exclusion shall be effective upon the Effective Date of this Agreement.

b. Such exclusion shall have national effect. Federal healthcare programs shall not pay anyone for items or services, including administrative and management services, furnished, ordered, or prescribed by S&G and Jacobs Marketing in any capacity while S&G and Jacobs Marketing are excluded. This payment prohibition applies to S&G and Jacobs Marketing and all other individuals and entities (including, for example, anyone who employs or contracts with S&G and Jacobs Marketing, and any hospital or other provider where S&G and Jacobs Marketing provide services). The exclusion applies regardless of who submits the claim or other request for payment. Violation of the conditions of the exclusion may result in criminal prosecution, the imposition of civil monetary penalties and assessments, and an additional period of exclusion. S&G and Jacobs Marketing further agree to hold the Federal healthcare programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered, or prescribed to such beneficiaries or sponsors after the effective date of the exclusion. S&G and Jacobs Marketing waive any further notice of the exclusion and agrees not to contest such exclusion either administratively or in any state or federal court.

c. Reinstatement to program participation is not automatic. If S&G and Jacobs Marketing wish to be reinstated, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Such request may be made to OIG-HHS no earlier than ninety (90) days prior to the expiration of the ten (10)-year period of exclusion. Reinstatement becomes effective upon application by S&G and Jacobs Marketing, approval of the application by OIG-HHS, and notice of reinstatement by OIG-HHS. Obtaining another license, moving to another state, or obtaining a provider number from a Medicare contractor, a state agency, or a Federal healthcare program does not reinstate S&G's and Jacobs Marketing's eligibility to participate in these programs.

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

6. The Jacobs Parties fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that the Jacobs Parties have asserted, could have asserted, or may assert in the future against the United States, and its agencies, officers, agents, employees, and servants related to the Covered Conduct, the Civil Action, and the United States' investigation and prosecution thereof.

7. 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 the Jacobs Parties 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.

8. The Jacobs Parties 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. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of the Jacobs Parties, or the Jacobs Parties' present or former employees and agents in connection with:

(1) the matters covered by this Agreement;

(2) the United States' audit(s) and civil and criminal investigation(s) of the matters covered by this Agreement;

(3) The Jacobs Parties' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);

(4) the negotiation and performance of this Agreement; and

(5) the payment the Jacobs Parties make to the United States pursuant to this Agreement,

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).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by the Jacobs Parties, and the Jacobs Parties 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 the Jacobs Parties to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Jacobs Parties further agree that within ninety (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 the Jacobs Parties, and shall request, and agrees, 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. The Jacobs Parties agree that the United States, at a minimum, shall be entitled to recoup from the Jacobs Parties 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 the Jacobs Parties on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on the Jacobs Parties' 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 the Jacobs Parties' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

9. The Jacobs Parties agree to cooperate fully, truthfully, completely, and forthrightly with the United States' investigation(s) of, and/or legal proceeding(s) against, individuals and entities not released in this Agreement. Upon request by the United States and reasonable notice, Ginny Jacobs and Scott Jacobs shall be available for interviews by the United States and shall fully, truthfully, completely, and forthrightly answer questions. Upon request by the United States

and reasonable notice, Ginny Jacobs and Scott Jacobs shall testify under oath fully, truthfully, completely, and forthrightly at any and all trials of cases or other court proceedings, including depositions, at which their testimony may be deemed relevant by the United States. Ginny Jacobs and Scott Jacobs agree to encourage, and not impair, the cooperation of S&G's and Jacobs Marketing's directors, officers, and employees, and to use their best efforts to make available, and encourage, the cooperation of S&G's and Jacobs Marketing's former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. The Jacobs Parties 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 his possession, custody, or control relating to the subject matter of the United States' Complaint, the Civil Action, Rockdale Hospital d/b/a Little River Healthcare ("LRH"), Jones County Regional Healthcare d/b/a Stamford Memorial Hospital ("Stamford"), Denton Transitional LTCH, L.P. d/b/a Integrity Transitional Hospital ("ITH"), Boston Heart Diagnostics ("BHD"), True Health Diagnostics, LLC ("THD"), any MSO, or any agent of the foregoing entities.

10. The Settlement Amount represents the amount the United States is willing to accept in compromise of its civil claims against the Jacobs Parties arising from the Covered Conduct pursuant to the terms and conditions in this Agreement.

a. The Jacobs Parties shall be in default of this Agreement (Default) if they fail to pay the Settlement Amount as provided in Paragraph 1 above and Exhibit A hereto, or if they fail to comply materially with any other term or condition of this Agreement, including Paragraph 9 above (concerning cooperation).

b. If the Jacobs Parties fail to pay the Settlement Amount as provided in Paragraph 1 above and Exhibit A hereto, the Jacobs Parties shall be in Default of their payment obligations ("Default"). The United States will provide a written Notice of Default, and the Jacobs Parties 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 Settlement Agreement and paying any additional interest accruing up to the date of payment. Notice of Default will be delivered to the Jacobs Parties, or to such other representative as the Jacobs Parties shall designate in advance in writing. If the Jacobs Parties 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 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 twelve percent (12%) per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

c. In the event of Uncured Default, or a failure to comply materially with Paragraph 9 above (concerning cooperation), the Jacobs Parties agree 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 the Jacobs Parties for the claims that would otherwise be covered by the releases provided in Paragraph 2 above, with any recovery reduced by the amount of any payments previously made by the Jacobs Parties 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 the Jacobs Parties 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, the Jacobs Parties 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, the Jacobs Parties 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 against the Jacobs Parties within one hundred twenty (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. The Jacobs Parties 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.

d. In the event of Uncured Default, or a failure to comply materially with Paragraph 9 above (concerning cooperation), OIG-HHS may exclude Ginny Jacobs and Scott Jacobs and may extend the period of S&G's and Jacobs Marketing's exclusion from participating in all Federal health care programs until the Jacobs Parties pay the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to the Jacobs Parties. The Jacobs Parties 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, the Jacobs Parties 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. The Jacobs Parties 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.

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. The Jacobs Parties 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. Upon receipt of the Initial Payment described in Paragraph 1(a) above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the claims against the Jacobs Parties in the Civil Action pursuant to Rule 41(a)(1).

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

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

16. 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 Texas. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

17. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

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

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

20. This Agreement is binding on the Jacobs Parties' successors, transferees, heirs, and assigns.

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

22. 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.

[SIGNATURE PAGE(S) FOLLOW]

THE UNITED STATES OF AMERICA

DATED: 10/9/2025 BY: ______________________

CHRISTOPHER TERRANOVA
GAVIN THOLE
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

Digitally signed by BETTY YOUNG
Date: 2025.10.09 12:38:51 -05'00'

DATED: 10/9/2025 BY: ______________________

JAMES GILLINGHAM
BETTY YOUNG
Assistant United States Attorneys
United States Attorney's Office
Eastern District of Texas

EDWARD WILSON
Digitally signed by EDWARD WILSON
Date: 2025.10.09 11:59:07 -04'00'

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

KIM.SONG.UN.1258111210
Digitally signed by KIM.SONG.UN.1258111210
Date: 2025.10.02 13:24:17 -04'00'

DATED: __________ BY: ______________________

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

GINNY JACOBS, SCOTT JACOBS, S&G STAFFING, LLC, AND JACOBS MARKETING, INC.

DATED: ________ BY: ______________________

GINNY JACOBS
Individually and as Authorized Signatory of S&G Staffing, LLC and Jacobs Marketing, Inc.

DATED: ________ BY: Scott Jacobs

SCOTT JACOBS
Individually and as Authorized Signatory of S&G Staffing, LLC and Jacobs Marketing, Inc.

DATED: 10/1/25 BY: ______________________

CHARLES SCOTT NICHOLS
GREGORIO FLORES
NICHOLS WEITZNER THOMAS LLP
Counsel for the Jacobs Parties

GINNY JACOBS, SCOTT JACOBS, S&G STAFFING, LLC, AND JACOBS MARKETING, INC.

DATED: 10/9/25 BY: ______________________________
GINNY JACOBS
Individually and as Authorized Signatory of S&G Staffing, LLC and Jacobs Marketing, Inc.

DATED: __________ BY: ______________________________
SCOTT JACOBS
Individually and as Authorized Signatory of S&G Staffing, LLC and Jacobs Marketing, Inc.

DATED: __________ BY: ______________________________
CHARLES SCOTT NICHOLS
GREGORIO FLORES
NICHOLS WEITZNER THOMAS LLP
Counsel for the Jacobs Parties

EXHIBIT A

Date	Payment	4.5% Interest	Principal	Balance
				$125,000.00
12/15/2025	$50,000.00	$2,327.05	$47,672.95	$77,327.05
2/15/2026	$50,000.00	$591.08	$49,408.92	$27,918.13
4/15/2026	$28,121.21	$203.08	$27,918.13	$0.00
Total:	**$128,121.21**	**$3,121.21**	**$125,000.00**	