

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (“OIG-HHS”) of the Department of Health and Human Services (“HHS”), the Defense Health Agency (“DHA”), acting on behalf of the TRICARE Program, and the United States Department of Veterans Affairs (“VA”) (collectively, the “United States”); Advanced Pathology Solutions, PLLC (formerly Advanced Pathology Solutions, LLC), APS MSO, LLC (together with Advanced Pathology Solutions, PLLC, the “APS Entities”), and Kevin Hannah (collectively, the “Defendants”); Brian Watkins, Denise Aucoin, Brent Aucoin, Michael Paulsen, [REDACTED] (collectively, the “Relators”) (together with the United States and the Defendants, the “Parties”), through their authorized representatives.

RECITALS

A. Defendants Advanced Pathology Solutions, PLLC, and APS MSO, LLC, conduct business as Advanced Pathology Solutions (“APS”), an anatomic pathology laboratory located in North Little Rock, Arkansas.

B. Defendant Kevin Hannah is the Chief Executive Officer of APS and an owner of APS MSO, LLC. Defendant Hannah was an owner of Advanced Pathology Solutions, LLC, until January 1, 2023.

C. On September 18, 2020, Brian Watkins filed a *qui tam* action in the United States District Court for the Eastern District of Arkansas captioned *United States ex rel. Watkins v. Advanced Pathology Solutions, LLC*, No. 4:20-cv-1110-DPM, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Watkins Action”). The Watkins Action

included allegations that APS submitted or caused the submission of claims for medically unnecessary pathology testing.

D. On April 9, 2021, Denise Aucoin and Brent Aucoin filed a *qui tam* action in the United States District Court for the Eastern District of Arkansas captioned *United States ex rel. Aucoin v. Advanced Pathology Solutions*, No. 4:21-cv-277, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Aucoin Action”). The Aucoin Action named APS along with Defendant Hannah and other former owners of APS and included allegations that APS and Defendant Hannah (i) knowingly and willfully provided unlawful remuneration to gastroenterology practices in exchange for patient referrals and (ii) submitted or caused the submission of claims for medically unnecessary pathology testing.

E. On April 1, 2022, Relator Michael Paulsen filed a *qui tam* action in the United States District Court for the Southern District of Illinois captioned *United States ex rel. Paulsen v. Advanced Pathology Solutions, LLC*, No. 3:22-cv-00652, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Paulsen Action”) (together with the Watkins Action and the Aucoin Action, the “Lean Lab Actions”). The United States intervened in the Lean Lab Actions on March 2, 2026, and filed its Complaint in Intervention on April 9, 2026.

F. [REDACTED]

[REDACTED]

G. On July 26, 2024, the Centers for Medicare & Medicaid Services (“CMS”) suspended Medicare payments to Advanced Pathology Solutions, PLLC, pursuant to 42 C.F.R.

§ 405.371(a)(2) (the “CMS Suspension”). The term “Suspended Amount” refers to the funds held in suspense by CMS as of the termination of the payment suspension. As of June 2, 2026, the Suspended Amount was approximately \$12,586,476. On March 11, 2025, Advanced Pathology Solutions, PLLC filed a civil action challenging the CMS Suspension in the Eastern District of Arkansas, with the caption *Advanced Pathology Solutions, PLLC v. Kennedy*, No. 4:25-cv-229-BRW (the “Payment Suspension Action”).

H. The United States contends that Defendants submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”); and the Department of Veterans Affairs, Veterans Health Administration, 38 U.S.C. Chapter 17.

I. The United States contends that it has certain civil claims against Defendants as follows:

- a. During the period from January 1, 2015, through July 31, 2022, Defendants (i) knowingly and willfully provided unlawful remuneration to gastroenterology practices in exchange for patient referrals; and (ii) submitted or caused the submission of claims for medically unnecessary pathology testing, as set out in the United States’ Complaint-in-Intervention in the Lean Lab Actions.
- b. During the period of November 1, 2018, to November 30, 2020, Defendants knowingly and willfully provided unlawful remuneration to Richard Sorgnard to induce the referral of patients to APS for epidermal nerve fiber density (“ENFD”) testing. Sorgnard was the inventor of a medical device called the neoGEN-Series and effectively served as the co-CEO of RST Sanexas, the manufacturer of the neoGEN-Series device. Defendants provided remuneration to Sorgnard in the form of volume-based commission payments. APS and Sorgnard entered into an agreement under which Sorgnard encouraged medical providers and practices using the neoGEN-Series device to also order ENFD testing from APS for their patients. In exchange, Defendants paid Sorgnard 4% of all payments they collected for ENFD testing referred by Sorgnard, through the medical providers, to APS, including payments from or on behalf of Medicare, the Veterans Health Administration, and TRICARE. The contract between APS and Sorgnard prohibited Sorgnard from promoting ENFD testing on behalf of any other laboratory, or promoting any other laboratory’s ENFD testing services to any APS customer. The arrangement between Defendants and Sorgnard violated the Anti-

Kickback Statute, 42 U.S.C. § 1320a-7b(b)(2), and resulted in false claims under the False Claims Act, 31 U.S.C. § 3729-3733. Defendants terminated their agreement with Sorgnard in November 2020.

This conduct is referred to below as the “Covered Conduct.”

J. This Agreement is neither an admission of liability by Defendants nor a concession by the United States that its claims are not well founded. Defendants deny the United States’ allegations in Paragraph I, Relators’ allegations in the Lean Lab Actions, and the United States’ allegations in its Complaint-in-Intervention in the Lean Lab Actions.

K. Relator Watkins claims entitlement under 31 U.S.C. § 3730(d) to his reasonable expenses, attorneys’ fees, and costs as to the Covered Conduct of APS under Paragraph I(a)(ii) in this Agreement (the medical necessity allegations). Relators Denise Aucoin and Brent Aucoin claim entitlement under 31 U.S.C. § 3730(d) to Relators’ reasonable expenses, attorneys’ fees, and costs as to the Covered Conduct of all Defendants under Paragraph I(a)(i) in this Agreement (the unlawful kickback allegations), all Covered Conduct as to Defendant Hannah. Relator Watkins and the Aucoin Relators reserve their rights to distribute their collective proceeds under 31 U.S.C. § 3730(d) pursuant to their separate co-sharing agreement.

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

TERMS AND CONDITIONS

1. Defendants shall pay to the United States twenty-four million dollars (\$24,000,000) (the “Settlement Amount”), of which twelve million dollars (\$12,000,000) is restitution. Of the total Settlement Amount, \$22,500,000 is allocated to the Lean Lab Actions and \$1,500,000 is allocated to [REDACTED] Defendants agree that they are each

jointly and severally liable for the payment of the Settlement Amount and shall make payments as follows:

- a. Advanced Pathology Solutions, PLLC hereby agrees that the United States shall retain the Suspended Amounts forevermore, which will first be applied to any outstanding Medicare overpayments determined by CMS or CMS contractor, including any interest, then to the Settlement Amount. Advanced Pathology Solutions, PLLC expressly relinquishes any and all rights of any kind that it 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 Advanced Pathology Solutions, PLLC may have to challenge the withholding or the suspension of the Suspended Amounts in any respect.
- b. Over a period of five (5) years, Defendants will make payments pursuant to the schedule attached at Exhibit A. As set forth in Exhibit A, the Settlement Amount will be partially funded by the forfeiture of the Suspended Amount. Defendants shall pay the remainder of the Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States Department of Justice, in accordance with the schedule set forth in Exhibit A. Interest shall accrue at a rate of 4.375% per annum from April 14, 2026, on the unpaid Settlement Amount (less funds paid from the Suspended Amount) as indicated in Exhibit A. Collectively, the settlement amount and interest received by the United States shall be referred to as the “Settlement Payments.”

c. If APS, or any of its affiliates are sold, merged, or transferred, or a significant portion of the assets of APS or of any of its affiliates is sold, merged, or transferred into another non-affiliated entity, APS shall promptly notify the United States, and all remaining Settlement Payments owed pursuant to this Agreement shall be accelerated and become immediately due and payable. The Settlement Amount may be prepaid, in whole or in part, without penalty, premium, or unaccrued interest.

2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Conditioned upon the United States receiving the Settlement Amount payments, the United States agrees that it shall pay to Relator Denise Aucoin, by electronic funds transfer 16.77 percent (i.e., a 17.89% share of the 93.75% of the Settlement Amount allocated to the Lean Lab Action) of each such payment received under the Settlement Agreement, including a proportionate share of any interest, as soon as feasible after receipt of the payment. Relator Denise Aucoin shall distribute her share among Relator Watkins and the Aucoin Relators pursuant to their separate co-sharing agreement. The payments to [REDACTED]

[REDACTED] Relator Denise Aucoin made under this paragraph shall be collectively referred to as the "Relators' Share."

3. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and subject to Paragraph 9 (concerning disclosure of assets), Paragraph 17 (concerning default), Paragraph 18 (concerning bankruptcy) below, and upon the United States' receipt of the

Settlement Amount, plus interest due under Paragraph 1, the United States releases Defendants from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Except for Relators' claims under 31 U.S.C. § 3730(d) for attorneys' fees, costs and expenses, which are reserved and will be addressed separately by Relators and Defendants, and subject to the exceptions in Paragraph 6 below, and subject to Paragraph 9 (concerning disclosure of assets), Paragraph 17 (concerning default), and Paragraph 18 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, fully and finally release Defendants and each and all current and former owners, officers, employees, and agents thereof from any civil monetary claim Relators have against them (whether known or unknown), including but not limited to any claim on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733, the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7a; or any related state laws through the Effective Date of this Agreement..

5. In consideration of the obligations of the APS Entities in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and the APS Entities, and upon the United States' receipt of full payment of the Settlement Amount, plus interest due under Paragraph 1, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against the APS Entities 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 6 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude the APS Entities 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 6, below.

6. 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 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 individuals other than Kevin Hannah;
- 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;

7. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement and 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). Conditioned upon receipt of the Relators' Share by Relator Denise Aucoin [REDACTED] Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Qui Tam Actions or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Qui Tam Actions.

8. Except for Relators' claims under 31 U.S.C. § 3730(d) for attorneys' fees, costs and expenses, which are reserved and will be addressed separately by Relators and Defendants, Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release Defendants, APS's current and former officers, agents, and employees, including Donell Burkett and Hunter Pledger, and any other non-party to the Agreement from any liability to Relators arising from the Covered Conduct and the filing of the Qui Tam Actions.

9. Defendants 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. Defendants 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 Defendants 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 Defendants' 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 Defendants 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 two million dollars (\$2,000,000) or more as of the date of the Financial Disclosures, 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 Defendants' previously undisclosed assets. Defendants agree 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, Defendants 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 Defendants that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on April 9, 2026.

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

11. Subject to paragraph 21 (concerning the Payment Suspension Action), Defendants 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 Defendants 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.

12. Defendants, for themselves and for their heirs, successors, attorneys, agents, and assigns, fully and finally release Relators, together with their officers, employees, attorneys, agents, servants, and assigns, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Relators, related to the Qui Tam Actions identified herein and the Relators' investigation and prosecution thereof, and Relator Watkins and the Aucoin Relators' employment with Advanced Pathology Solutions and the termination thereof.

13. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier), TRICARE contractor or payer, VA contractor or payer, or any state payer, related to the Covered Conduct; and Defendants agree not to resubmit to any Medicare contractor, TRICARE contractor or payer, VA contractor or payer, 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. Defendants agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official

program directives promulgated thereunder) incurred by or on behalf of Defendants, their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit and civil investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payments Defendants make to the United States pursuant to this Agreement and any payments that Defendants may make to Relators, including costs and attorneys' fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS,

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs). However, nothing in paragraph 14.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to the APS Entities.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State

Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of APS's subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Defendants further agree that within 90 days of the Effective Date of this Agreement 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 Defendants or any of APS's subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States 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 Defendants or any of APS's subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Defendants or any of APS's 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 Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

15. 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 16 (waiver for beneficiaries paragraph), below.

16. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.

17. a. In the event that Defendants fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Defendants shall be in Default of Defendants' payment obligations ("Default"). The United States will provide a written Notice of Default, and Defendants shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under this Agreement up to the date of payment. Notice of Default will be delivered to Defendants, or to such other representative as Defendants shall designate in advance in writing. If Defendants fail to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States 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, Defendants agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Qui Tam Actions or bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 3 above, with any recovery reduced by the amount of any payments previously made by Defendants to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Qui Tam Actions; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendants and/or affiliated companies by any department, agency, or agent of the United States 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, Defendants 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, Defendants waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against Defendants within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on April 9, 2026. Defendants 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, OIG-HHS may exclude Defendants from participating in all Federal health care programs until Defendants pay the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to Defendants. Defendants waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, Defendants wish to apply for reinstatement, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-3005. Defendants will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

18. In exchange for valuable consideration provided in this Agreement, Defendants and Relators acknowledge the following:

a. Defendants have reviewed their financial situation and warrant that they are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States 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 Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Defendants 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 Defendants' payments or obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, Defendants or a third party commence a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Defendants' debts, or to adjudicate Defendants as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or any substantial part of Defendants' assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 3 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Defendants in the amount of \$75,000,000, 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 Defendants, a receiver, trustee, custodian, or other similar official for Defendants;

(iii) if any payments are avoided and recovered by a receiver, trustee, creditor, custodian, or similar official, the United States shall not be responsible for the return of any amounts already paid by the United States to the Relators; and

(iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the Relators pursuant to Paragraph 2 are recovered from the United States in an

action or proceeding filed by a receiver, trustee, creditor, custodian, or similar official in or in connection with a bankruptcy case that is filed within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of this Agreement, Relators shall, within thirty days of written notice from the United States to the undersigned Relators' counsel, return to the United States all amounts recovered from the United States.

f. Defendants agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 18.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. Defendants 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, consent to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Defendants waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to Defendants that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on April 9, 2026.

19. Upon the Effective Date of this Agreement, the parties to the Lean Lab Actions shall file a Notice of Settlement and an Unopposed Motion to Unseal the Relators' complaints, the United States' Complaint-in-Intervention, the Notice of Settlement, and all filings after the Notice of Settlement.

20. Upon receipt of the first payment of the Settlement Payments described in Exhibit A, the parties to each of the Qui Tam Actions shall promptly sign and file in each of the Qui Tam Actions a Joint Partial Stipulation of Dismissal as to Defendants pursuant to Rule 41(a)(1).

21. Upon discontinuation of the CMS Suspension, the parties to the Payment Suspension Action shall promptly sign and file in the Payment Suspension Action a Joint Stipulation of Dismissal of the Payment Suspension Action pursuant to Rule 41(a)(1).

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

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

24. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement shall be the United States District Court for the Eastern District of Arkansas. 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.

25. Defendants and Relators agree that the United States District Court for the Eastern District of Arkansas shall have continuing jurisdiction to issue orders with regard to any disputes over Relators' reasonable expenses, attorneys' fees and costs as to the Covered Conduct.

26. 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.

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

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

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


30. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

31. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, including the Complaint-in-Intervention, to the public.

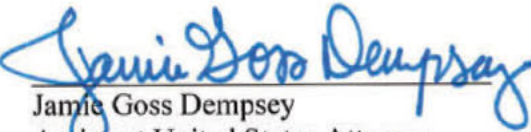
32. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 6/12/2026

BY: 
Evan J. Ballan
Jeff A. McSorley
Kelley C. Hauser
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 6/10/2026

BY: 
Jamie Goss Dempsey
Assistant United States Attorney
Eastern District of Arkansas

DATED: _____

BY: _____
Paul E. Skirtich
Assistant United States Attorney
Western District of Pennsylvania

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: _____

Evan J. Ballan
Jeff A. McSorley
Kelley C. Hauser
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

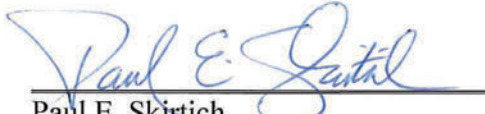
DATED: _____

BY: _____

Jamie Goss Dempsey
Assistant United States Attorney
Eastern District of Arkansas

DATED: 12 June 2026

BY: _____


Paul E. Skirtich
Assistant United States Attorney
Western District of Pennsylvania

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: _____
Evan J. Ballan
Jeff A. McSorley
Kelley C. Hauser
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____
Jamie Goss Dempsey
Assistant United States Attorney
Eastern District of Arkansas

DATED: _____

BY: _____
Paul E. Skirtich
Assistant United States Attorney
Western District of Pennsylvania

DATED: _____

BY: _____
SPENCER TURNBULL
Digitally signed by SPENCER TURNBULL
Date: 2025.06.11 15:10:48 -0400
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: _____
Evan J. Ballan
Jeff A. McSorley
Kelley C. Hauser
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____
Jamie Goss Dempsey
Assistant United States Attorney
Eastern District of Arkansas

DATED: _____

BY: _____
Paul E. Skirtich
Assistant United States Attorney
Western District of Pennsylvania

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: 6/11/2026

BY: _____
Salvatore M. Maida
General Counsel
Defense Health Agency
United States Department of Defense

For

BORKENHAGE | Digitally signed by
BORKENHAGEN.WESTON
N.WESTON.EAR | EARL.1138755149
L.1138755149 | Date: 2026.06.11
07:09:16 -04'00'

ADVANCED PATHOLOGY SOLUTIONS, PLLC - DEFENDANT

DATED: 6/11/2026

BY:



Kevin Hanrahan
Chief Executive Officer
Advanced Pathology Solutions, PLLC

DATED: 6/11/2026

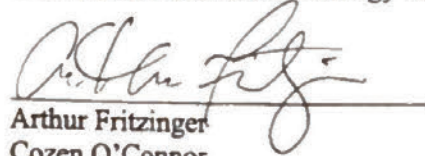
BY:



Kendra L. Wharton
Wharton Law PLLC
Counsel for Advanced Pathology Solutions, PLLC

DATED: 6/11/2026

BY:



Arthur Fritzing
Cozen O'Connor
Counsel for Advanced Pathology Solutions, PLLC

APS MSO, LLC - DEFENDANT


DATED: 6/11/2026

BY:


Kevin Hannah
Chief Executive Officer
APS MSO, LLC

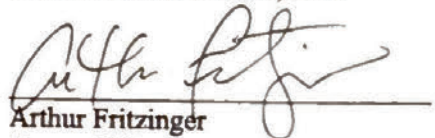
DATED: 4/11/2024

BY:


Kendra L. Wharton
Wharton Law PLLC
Counsel for APS MSO, LLC


DATED: 6/11/2026

BY:


Arthur Fritzing
Cozen O'Connor
Counsel for APS MSO, LLC

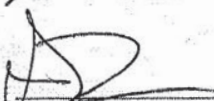
KEVIN HANNAH - DEFENDANT

DATED: 6/11/2026

BY: 

Kevin Hannah


DATED: 6/12/2026

BY: 

Scott A. Irby
Counsel for Kevin Hannah

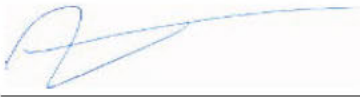
BRIAN WATKINS - RELATOR

DATED: 06/12/2026

BY: 

Brian Watkins

DATED: 06/12/2026

BY: 

David Mitchell
Counsel for Brian Watkins

DENISE AUCOIN AND BRENT AUCOIN - RELATORS

DATED: 6/10/26 BY: *Denise Aucoin*
Denise Aucoin

DATED: 6/10/2026 BY: *Brent Aucoin*
Brent Aucoin

DATED: 6/11/2026 BY: *Renée Brooker*
Renée Brooker Tycko & Zavareei LLP
Counsel for Denise Aucoin and Brent Aucoin

MICHAEL PAULSEN - RELATOR

DATE: 2/1/20

BY: Michael Paulsen
Michael Paulsen

DATE: 6/11/26

BY: Mark A. Kistler
~~Eric W. Smith~~ Mark A. Kistler
Counsel for Michael Paulsen

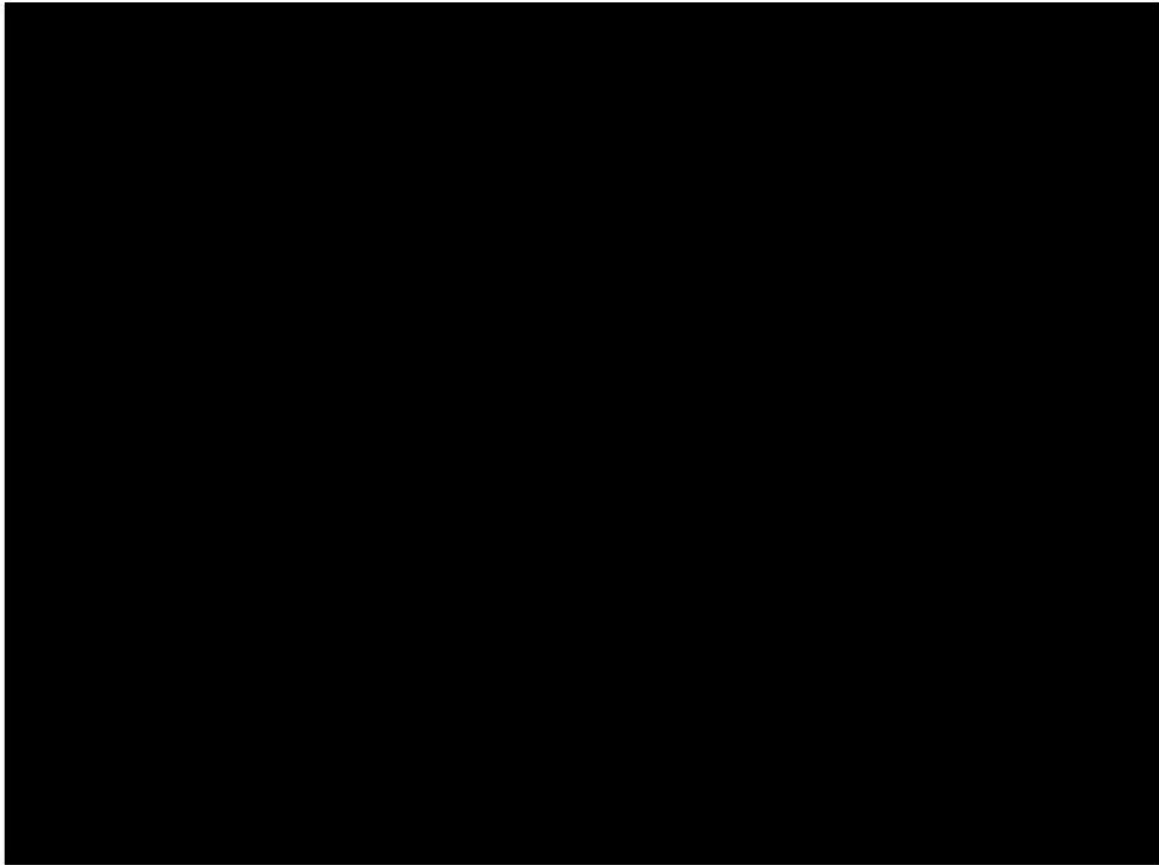


EXHIBIT A

Due Date	Lump Sum or Fixed Payment*
Effective Date of Agreement	Application of Suspended Amount
June 1, 2027	\$500,000**
June 1, 2028	\$1,000,000**
June 1, 2029	\$3,000,000
June 1, 2030	\$4,000,000
June 1, 2031	\$3,500,000***
TOTAL:	\$24,000,000

*With the exception of the Suspended Amount, in addition to the lump sum or fixed payment amount stated in this table, all payments will also include interest at a rate of 4.375% per annum from April 14, 2026.

**Any funds in the Suspended Amount in excess of \$12,000,000 will be used to reduce these payments, if applicable.

***In the event the funds from the Suspended Amount applied to the Settlement Amount total less than \$12,000,000, this final payment will increase such that the total of (i) the applied funds from the Suspended Amount, and (ii) the lump sum or fixed payments, equals \$24,000,000.