

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and ASC-Magnolia, LLC (“Investor”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

B. The United States contends that between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

C. Between March 2020 and July 2022, Magnolia made various distributions of those fraudulently obtained funds to its investors, including Investor, for less than reasonably equivalent value when Magnolia knew or reasonably should have known that it would incur debts to the United States, in the form of repaying these medically unnecessary RPP tests to Medicare and associated liabilities, beyond Magnolia’s ability to pay back these debts as they

became due. The United States contends that it has certain civil claims against Investor arising from its receipt of distributions from Magnolia as outlined above, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. This conduct is referred to below as the “Covered Conduct.”

D. This Agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

E. 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. Investor agrees to pay the United States the sum of \$659,676.10, plus interest on that amount at a rate of 4.125% per annum from March 6, 2026, and of which the entire amount is restitution (collectively the “Settlement Amount”), under the terms and conditions of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice. Investor agrees to pay the Settlement Amount in four installments on the following schedule:

- A first payment of \$165,000.00, plus interest on that amount at a rate of 4.125% per annum from March 6, 2026, due within 10 days of the Effective Date of this Agreement.
- A second payment of \$165,000.00, plus interest on that amount at a rate of 4.125% per annum from March 6, 2026, due on or before November 30, 2026.
- A third payment of \$165,000.00, plus interest on that amount at a rate of 4.125% per annum from March 6, 2026, due on or before July 31, 2027.
- A fourth payment of \$164,676.10, plus interest on that amount at a rate of 4.125% per annum from March 6, 2026, due on or before March 31, 2028.

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

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and subject to Paragraph 11 (concerning default), and Paragraph 12 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment.

3. Notwithstanding the releases given in Paragraph 2 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; and
- e. Any liability based upon obligations created by this Agreement.

4. Investor waives and shall not assert any defenses it 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.

5. Investor fully and finally releases 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 it has 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 and the United States' investigation and prosecution thereof.

6. 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 Investor agrees not to resubmit to any Medicare 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.

7. Investor 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 Investor 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) Investor'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; and
- (5) the payment Investor makes 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 Investor, and Investor 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 Investor or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:
Investor 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 Investor or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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 Investor or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on them 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 Investor's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. Investor agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Investor shall use its best efforts to make their representatives or other witnesses available for interviews and testimony. Investor 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 his behalf.

9. 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 10 (waiver for beneficiaries paragraph), below.

10. Investor 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.

11. a. In the event that Investor fails to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Investor shall be in Default of Investor's payment obligations ("Default"). The United States will provide a written Notice of Default, and Investor 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 Investor, or to such other representative as Investor shall designate in advance in writing. If Investor 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 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 Effective Date of this Agreement, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, Investor agrees that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and bring any civil and/or administrative claim, action, or proceeding against Investor 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 Investor to the United States under this Agreement; (ii) take any action to enforce this Agreement; (iii) offset the remaining unpaid balance from any amounts due and owing to Investor 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, Investor 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, Investor 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 Investor 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 March 5, 2026. Investor 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.

12. In exchange for valuable consideration provided in this Agreement, Investor acknowledges the following:

a. Investor 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 Investor, 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 Investor 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 Investor'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, Investor 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 Investor's debts, or to adjudicate Investor as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Investor or for all or any substantial part of Investor'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 Investor for the claims that would otherwise be covered by the releases provided in Paragraph 2 above; and

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Investor in the amount of \$4,475,910.00, 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 a receiver, trustee, creditor, custodian, or similar official.

f. Investor agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 12.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. Investor 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). Investor 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 Investor that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on March 5, 2026.

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

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

15. 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 Northern 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.

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

17. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person or entity indicated below.

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

19. This Agreement is binding on the Investor's successors, transferees, heirs, and assigns.

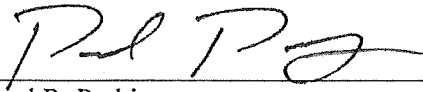
20. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

21. 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: Mar. 30, 2026

BY:


Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

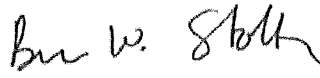
DATED: Mar. 30, 2026

BY:


Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: Mar. 30, 2026

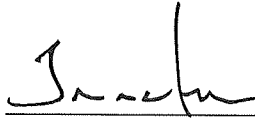
BY:


Brian Stoltz
Assistant United States Attorney
Northern District of Texas

ASC-MAGNOLIA, LLC – (INVESTOR)
By: Atlanta Seed Investment Company, LLC, its Manager

DATED: March 27, 2026

BY:



James Hamilton

Manager

Atlanta Seed Investment Company, LLC

DATED: _____

BY:

Jeffrey Ansley

Vedder, P.C.

Counsel for Atlanta Seed Investment Company, LLC

ASC-MAGNOLIA, LLC – (INVESTOR)
By: Atlanta Seed Investment Company, LLC, its Manager

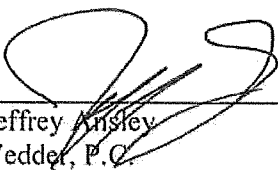
DATED: _____

BY: _____

James Hamilton
Manager
Atlanta Seed Investment Company, LLC

DATED: 3/27/2026

BY: _____


Jeffrey Ansley
Vedder, P.C.
Counsel for Atlanta Seed Investment Company, LLC

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and Timberline Holdings LLC (“Investor”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

B. The United States contends that between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

C. Between March 2020 and July 2022, Magnolia made various distributions of those fraudulently obtained funds to its investors, including Investor, for less than reasonably equivalent value when Magnolia knew or reasonably should have known that it would incur debts to the United States, in the form of repaying these medically unnecessary RPP tests to Medicare and associated liabilities, beyond Magnolia’s ability to pay back these debts as they

became due. The United States contends that it has certain civil claims against Investor arising from its receipt of distributions from Magnolia as outlined above, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. This conduct is referred to below as the “Covered Conduct.”

D. This agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

E. 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. Investor agrees to pay the United States the sum of \$1,139,829.01, of which the entire amount is restitution (the “Settlement Amount”), no later than 30 days after the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment.

3. Notwithstanding the release given in Paragraph 2 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; and
- e. Any liability based upon obligations created by this Agreement.

4. Investor waives and shall not assert any defenses it 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.

5. Investor fully and finally releases 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 it has 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 and the United States' investigation and prosecution thereof.

6. 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 Investor agrees not to resubmit to any Medicare 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.

7. Investor 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 Investor 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) Investor'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; and
- (5) the payment Investor makes 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 Investor, and Investor 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 Investor or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Investor 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 Investor or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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 Investor or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on them 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 Investor's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. Investor agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice,

Investor shall use its best efforts to make their representatives or other witnesses available for interviews and testimony. Investor 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 his behalf.

9. 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 10 (waiver for beneficiaries paragraph), below.

10. Investor 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.

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

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

13. 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 Northern 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.

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

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person or entity indicated below.

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

17. This Agreement is binding on the Investor's successors, transferees, heirs, and assigns.

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

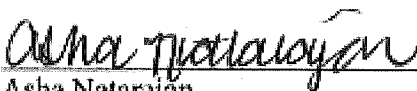
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THE UNITED STATES OF AMERICA

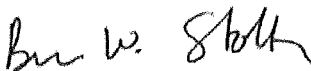
DATED: 4/9/26

BY: 
Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

DATED: 4-10-2026

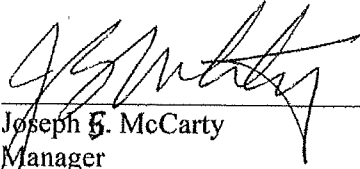
BY: 
Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 4-10-2026

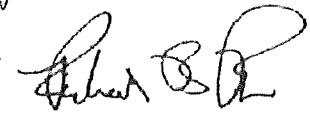
BY: 
Brian Stoltz
Assistant United States Attorney
Northern District of Texas

TIMBERLINE HOLDINGS LLC – (INVESTOR)

DATED: 4/7/26

BY: 
Joseph F. McCarty
Manager
Timberline Holdings LLC

4-7-2026
DATED: _____

BY: 
Richard B. Roper
Counsel for Timberline Holdings LLC

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B. The United States contends that it has certain civil claims against Investor arising from its receipt of distributions from Magnolia as outlined below, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. Specifically, the United States contends as follows (which is referred to as the “Covered Conduct”):

1. Between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

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C. This agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

D. 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. Investor agrees to pay the United States the sum of \$1,998,800.00 (the "Settlement Amount") no later than 10 days after the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor, together with its current and former LLC members (and any direct or indirect holders of such membership interests) and insurers, from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment. The release given herein to releasees other than Investor is limited in scope to such releasees' upstream receipt of distributions from Investor traceable to the

distributions received by Investor from Magnolia. This release does not extend to Magnolia, Magnolia Health LLC, John Bains, Kelly Bains, Lee Bains, or Kay Bains.

3. Notwithstanding the release given in Paragraph 2 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; and
- e. Any liability based upon obligations created by this Agreement.

4. Investor waives and shall not assert any defenses it 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.

5. Investor fully and finally releases 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 it has 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 and the United States' investigation and prosecution thereof.

6. 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 Investor agrees not to resubmit to any Medicare 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.

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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 Investor in connection with:

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- (3) Investor'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);
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b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Investor, and Investor 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 Investor or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Investor 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 Investor or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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.

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10. Investor 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.

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

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

13. 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 Northern 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.

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

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person or entity indicated below.

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

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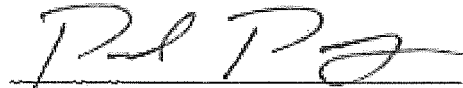
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THE UNITED STATES OF AMERICA

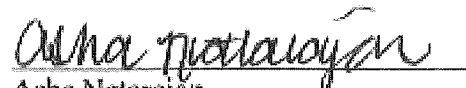
DATED: 4-27-2026

BY:


Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

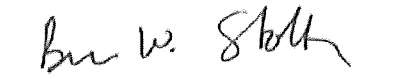
DATED: 4-27-2026

BY:


Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 4-27-2026

BY:


Brian Stoltz
Assistant United States Attorney
Northern District of Texas

JEM-2016, LLC (INVESTOR)

DATED: April 24, 2026 | 1:06 PM CDT BY: David Brown
J. David Brown, III
Chairman and President
Jem-2016, LLC

DATED: April 24, 2026 | 1:10 PM CDT BY: Avery Pardee
Avery B. Pardee
Counsel for Jem-2016, LLC

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and John Lacey (“Investor”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

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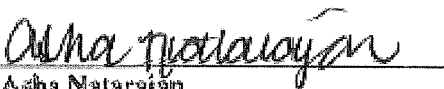
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THE UNITED STATES OF AMERICA

DATED: 4-27-2026

BY: 
Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

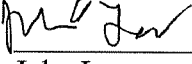
DATED: 4-27-2026

BY: 
Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 4-27-2026

BY: 
Brian Stoltz
Assistant United States Attorney
Northern District of Texas

JOHN LACEY (INVESTOR)

DATED: April 24, 2026 | 1:13 PM CDT BY: 
John Lacey

DATED: April 24, 2026 | 1:09 PM CDT BY: Avery Pardee
Avery B. Pardee
Counsel for John Lacey

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

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person or entity indicated below.

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

17. This Agreement is binding on the Investor's successors, transferees, heirs, and assigns.

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

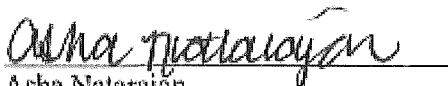
19. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 4-27-2026

BY: 
Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

DATED: 4-27-2026

BY: 
Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 4-27-2026

BY: 
Brian Stoltz
Assistant United States Attorney
Northern District of Texas

MARGARET LACEY (INVESTOR)

DATED: April 24, 2026 | 1:35 PM CDT BY: Margaret Lacey
Margaret Lacey

DATED: April 24, 2026 | 1:08 PM CDT BY: Avery Pardee
Avery B. Pardee
Counsel for Margaret Lacey

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and Spencer Lacey (“Investor”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor, who also served on Magnolia’s board. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

B. The United States contends that it has certain civil claims against Investor arising from Investor’s receipt of distributions from Magnolia as outlined below, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. Specifically, the United States contends as follows (which is referred to as the “Covered Conduct”):

1. Between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of

RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

2. Between March 2020 and July 2022, Magnolia made various distributions of those fraudulently obtained funds to its investors, including Investor, for less than reasonably equivalent value when Magnolia knew or reasonably should have known that it would incur debts to the United States, in the form of repaying these medically unnecessary RPP tests to Medicare and associated liabilities, beyond Magnolia's ability to pay back these debts as they became due.

C. This agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

D. 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. Investor agrees to pay the United States the sum of \$35,081.44 (the "Settlement Amount") no later than 10 days after the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment.

3. Notwithstanding the release given in Paragraph 2 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; and
- e. Any liability based upon obligations created by this Agreement.

4. Investor waives and shall not assert any defenses Investor 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.

5. Investor fully and finally releases 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 Investor has 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 and the United States' investigation and prosecution thereof.

6. 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 Investor agrees not to resubmit to any Medicare 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.

7. Investor 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 Investor 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) Investor'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; and
- (5) the payment Investor makes 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 Investor, and Investor 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 Investor or any of Investor's subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Investor further agrees that within 90 days of the Effective Date of this Agreement Investor 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 Investor or any of Investor'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. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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 Investor or any of Investor's subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on them 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 Investor's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. Investor agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Investor shall use Investor's best efforts to make their representatives or other witnesses available for interviews and testimony. Investor 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 Investor's possession, custody, or control concerning any investigation of the Covered Conduct that Investor has undertaken, or that has been performed by another on Investor's behalf.

9. 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 10 (waiver for beneficiaries paragraph), below.

10. Investor agrees that Investor 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.

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

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

13. 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 Northern 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.

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THE UNITED STATES OF AMERICA

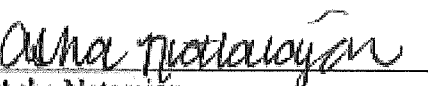
DATED: 4-27-2026

BY:


Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

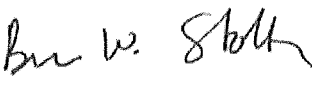
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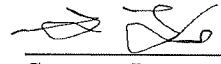

Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 4-27-2026

BY:


Brian Stoltz
Assistant United States Attorney
Northern District of Texas

SPENCER LACEY (INVESTOR)

DATED: April 24, 2026 | 1:09 PM CDT BY: 
Spencer Lacey

DATED: April 24, 2026 | 1:10 PM CDT BY: Avery Pardee
Avery B. Pardee
Counsel for Spencer Lacey

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney's Office for the Northern District of Texas, and Ricardo Lima ("Investor") (all hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC ("Magnolia"), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel ("RPP")—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

B. The United States contends that it has certain civil claims against Investor arising from Investor's receipt of distributions from Magnolia as outlined below, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. Specifically, the United States contends as follows (which is referred to as the "Covered Conduct"):

1. Between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.



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C. This agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

D. 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. Investor agrees to pay the United States the sum of \$10,000 (the "Settlement Amount") on December 14, 2026, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment.

3. Notwithstanding the release given in Paragraph 2 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; and
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4. Investor waives and shall not assert any defenses Investor 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.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Investor further agrees that within 90 days of the Effective Date of this Agreement Investor 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 Investor or any of Investor'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. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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 Investor or any of Investor's subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on them or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.



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

8. Investor agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Investor shall use Investor's best efforts to make their representatives or other witnesses available for interviews and testimony. Investor 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 Investor's possession, custody, or control concerning any investigation of the Covered Conduct that Investor has undertaken, or that has been performed by another on Investor's behalf.

9. 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 10 (waiver for beneficiaries paragraph), below.

10. Investor agrees that Investor 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.

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

13. 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

Northern 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.

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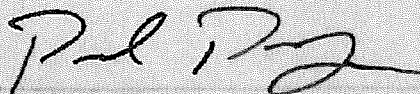
19. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke at the end.

THE UNITED STATES OF AMERICA

DATED 6/25/2026

BY



Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

DATED 6/25/2026

BY



Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED 6-25-2026

BY



Brian Stoltz
Assistant United States Attorney
Northern District of Texas

RICARDO LIMA (INVESTOR)

DATED: 6/24/2026 BY: 
Ricardo Lima

DATED: 06//25/26 BY: /s/Charles D. Straub
Charles D. Straub
Counsel for Ricardo Lima



SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and John Saalfeld (“Investor”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

B. The United States contends that it has certain civil claims against Investor arising from Investor’s receipt of distributions from Magnolia as outlined below, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. Specifically, the United States contends as follows (which is referred to as the “Covered Conduct”):

1. Between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

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C. This agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

D. 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. Investor agrees to pay the United States the sum of \$75,000 (the "Settlement Amount"), of which \$75,000 is restitution, no later than ten (10) days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment.

3. Notwithstanding the release given in Paragraph 2 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);
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- (3) Investor'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);
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- (5) the payment Investor makes to the United States pursuant to this Agreement.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Investor further agrees that within 90 days of the Effective Date of this Agreement Investor 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 Investor or any of Investor'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. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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 Investor or any of Investor's subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on them 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 Investor's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. Investor agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Investor shall use Investor's best efforts to make their representatives or other witnesses available for interviews and testimony. Investor 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 Investor's possession, custody, or control concerning any investigation of the Covered Conduct that Investor has undertaken, or that has been performed by another on Investor's behalf.

9. 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 10 (waiver for beneficiaries paragraph), below.

10. Investor agrees that Investor 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.

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

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

13. 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

Northern 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.

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

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person or entity indicated below.

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

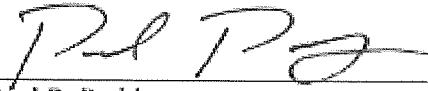
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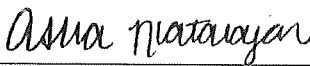
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THE UNITED STATES OF AMERICA

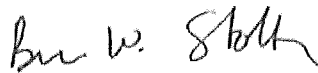
DATED: 7-10-2026

BY: 
Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

DATED: 7-10-2026

BY: 
Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 7-10-2026

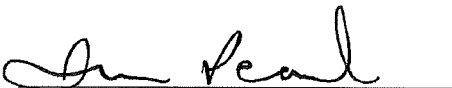
BY: 
Brian Stoltz
Assistant United States Attorney
Northern District of Texas

JOHN SAALFIELD (INVESTOR)

DATED: 7/10/26

BY: 
John Saalfield

DATED: 7/10/26

BY: 
James Peacock
Counsel for John Saalfield

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and Binkley Park, LLC (“Investor”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investor. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

B. The United States contends that it has certain civil claims against Investor arising from Investor’s receipt of distributions from Magnolia as outlined below, including under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, and federal common law. Specifically, the United States contends as follows (which is referred to as the “Covered Conduct”):

1. Between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

2. Between March 2020 and July 2022, Magnolia made various distributions of those fraudulently obtained funds to its investors, including Investor, for less than reasonably equivalent value when Magnolia knew or reasonably should have known that it would incur debts to the United States, in the form of repaying these medically unnecessary RPP tests to Medicare and associated liabilities, beyond Magnolia's ability to pay back these debts as they became due.

C. This agreement is neither an admission of liability by Investor, nor a concession by the United States that its claims are not well founded.

D. 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. Investor shall pay to the United States \$37,000 (the "Settlement Amount"), of which \$37,000 is restitution, no later than ninety (90) days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investor, together with its current and former LLC members (and any direct or indirect holders of such membership interests) and insurers, from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment. The release given herein to releases other than Investor is limited in

scope to such releasees' upstream receipt of distributions from Investor traceable to the distributions received by Investor from Magnolia.

3. Notwithstanding the release given in Paragraph 2 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; and
- e. Any liability based upon obligations created by this Agreement.

4. Investor waives and shall not assert any defenses Investor 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.

5. Investor fully and finally releases 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 Investor has 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 and the United States' investigation and prosecution thereof.

6. 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 Investor agrees not to resubmit to any Medicare 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.

7. Investor 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. §§ 1395-1395III and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Investor 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) Investor'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; and
- (5) the payment Investor makes 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 Investor, and Investor 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 Investor or any of Investor's subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Investor further agrees that within 90 days of the Effective Date of this Agreement Investor 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 Investor or any of Investor'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. Investor agrees that the United States, at a minimum, shall be entitled to recoup from it 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.

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9. 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 10 (waiver for beneficiaries paragraph), below.

10. Investor agrees that Investor 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.

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

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15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person or entity indicated below.

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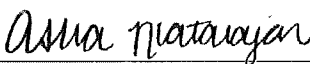
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THE UNITED STATES OF AMERICA

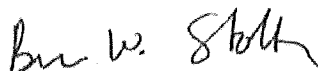
DATED: 7-17-2026

BY: 
Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

DATED: 7-17-2026

BY: 
Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 7-17-2026

BY: 
Brian Stoltz
Assistant United States Attorney
Northern District of Texas

BINKLEY PARK, LLC (INVESTOR)

DATED: July 17, 2026

BY:

DocuSigned by:
Kyle Goss

18D44218BC5540C...

Kyle Goss on behalf of Binkley Park, LLC

DATED: 7/17/2026

BY:

Craig M. Warner

Craig M. Warner
Counsel for Binkley Park, LLC

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the Northern District of Texas, and Lee Bains and Kay Bains (collectively “Investors”) (all hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Starting in or around 2015, Magnolia Diagnostics, LLC (“Magnolia”), a Dallas, Texas based clinical laboratory, raised startup and other investment funds from a group of investors that included, among others, Investors. During the COVID-19 pandemic, Magnolia marketed and sold its COVID-19 test to senior communities (*i.e.*, assisted living facilities and independent living facilities) as part of its much-more profitable respiratory pathogen panel (“RPP”)—a bundle of tests for dozens of pathogens, some of which are very rare, do not cause overlapping clinical syndromes, and are found only in specific patient populations.

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1. Between March 2020 and July 2022, Magnolia submitted claims to Medicare for RPPs that were not medically necessary because, among other reasons, treating providers had not ordered the RPPs pursuant to individualized determinations and Magnolia failed to promptly process and report the results of

RPPs, rendering them clinically worthless. As a result of this conduct, Magnolia was paid millions of dollars to which it was not entitled.

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C. This agreement is neither an admission of liability by Investors, nor a concession by the United States that its claims are not well founded.

D. 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. Investors agree to pay the United States the sum of \$788,220 (the "Settlement Amount") no later than 10 days after the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount due under Paragraph 1, the United States releases Investors from any civil or administrative monetary claim the United States has for the Covered Conduct under the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301–3308, or the common law theories of payment by mistake and unjust enrichment.

3. Notwithstanding the release given in Paragraph 2 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:

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- 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; and
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4. Investors waive and shall not assert any defenses Investors 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.

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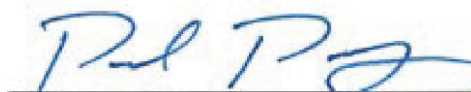
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THE UNITED STATES OF AMERICA

DATED: 7/22/2026

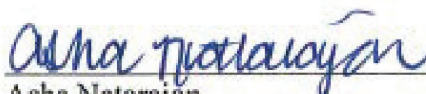
BY:



Paul R. Perkins
Associate Deputy Attorney General
United States Department of Justice

DATED: 7/22/2026

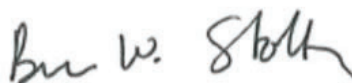
BY:



Asha Natarajan
Trial Attorney, Civil Division
Commercial Litigation Branch
United States Department of Justice

DATED: 7/22/2026

BY:



Brian Stoltz
Assistant United States Attorney
Northern District of Texas

LEE BAINS and KAY BAINS (INVESTORS)

DATED: 07/22/2026 BY: Lee Bains
Lee Bains

DATED: July 22, 2026 BY: Kay Bains
Kay Bains

DATED: July 22, 2026 BY: [Signature]
Gene esen
Counsel for Lee Bains and Kay ains