SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) (collectively the "United States"); the State of Missouri and its Department of Social Services, Division of Medical Services, acting through the Missouri Attorney General's Office (collectively the "State of Missouri"); American Healthcare Management, Inc., Claywest House Healthcare LLC, Lutheran Healthcare LLC, Oak Forest North LLC, Robert D. Wachter, and R. William Breece (collectively referred to as Defendants) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. Claywest House Healthcare LLC ("Claywest") is a Missouri limited liability company. From the date of its organization through June 30, 2001, Claywest operated as a skilled nursing facility located at 2840 W. Clay, St. Charles, Missouri, 63301. Claywest submitted claims for reimbursement to the Medicare and Medicaid programs.

B. Lutheran Healthcare LLC ("Lutheran Healthcare") is a Missouri limited liability company. From the date of its organization through June 30, 2001, Lutheran Healthcare operated as a skilled nursing facility located at 1265 McLaran, St. Louis, Missouri, 63147. Lutheran Healthcare submitted claims for reimbursement to the Medicare and Medicaid programs.

C. Oak Forest North LLC ("Oak Forest North") is a Missouri limited liability company. From the date of its organization through June 30, 2001, Oak Forest North operated a skilled nursing facility located at 2600 Redman Road, St. Louis, Missouri, 63136. Oak Forest North submitted claims for reimbursement to the Medicare and Medicaid programs.

D. American Healthcare Management, Inc. ("AHM") is a Missouri corporation that was formed in 1984 to operate and manage long term care facilities. AHM currently maintains an office at #11 The Pines Ct., Suite A, St. Louis, Missouri 63141. Pursuant to a written Management Agreement, AHM agreed to account, operate, manage and supervise Claywest, Lutheran Healthcare, and Oak Forest North. In exchange, Claywest, Lutheran Healthcare, and Oak Forest North paid AHM management fees.

E. Robert D. Wachter ("Wachter") is an individual who resides in Jackson, Wyoming. From AHM's initial date of incorporation through June 30, 2001, Wachter was employed as the Chief Executive Officer of AHM and at times served as the President of AHM. Wachter owns fifty percent (50%) of AHM, fifty percent (50%) of Claywest, and forty-three percent (43%) of Oak Forest North. The Robert D. Wachter Living Trust is a fifty percent (50%) owner of Lutheran Healthcare. Wachter is a member- manager of Claywest, Oak Forest North and Lutheran Healthcare LLCs.

F. R. William Breece ("Breece") is an individual who resides in Chesterfield, Missouri. From AHM's initial date of incorporation through June 30, 2001, Breece was employed as a Vice President and, at other times the Secretary, of AHM. Breece owns fifty percent (50%) of AHM, fifty percent (50%) of Claywest, and forty-three percent (43%) of Oak

Forest North. The R. William Breece Living Trust is the remaining fifty percent (50%) owner of Lutheran Healthcare. Breece is a member-manager of Claywest, Oak Forest North and Lutheran Healthcare LLCs.

G. The United States alleges that AHM, Claywest, Lutheran Healthcare, Oak Forest North, Wachter, and Breece submitted or caused to be submitted claims for payment to the Medicare Program (Medicare), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg, and the Medicaid Program (Medicaid), 42 U.S.C. §§ 1396-1396v. The State of Missouri alleges that AHM, Claywest, Lutheran Healthcare, Oak Forest North, Wachter, and Breece submitted or caused to be submitted claims for payment to Medicaid, 42 U.S.C. §§ 1396-1396v.

H. The United States and the State of Missouri contend that they have certain civil claims, as specified in Paragraph 2 below, against the Defendants for engaging in the following conduct during the period from January 1, 1998 through June 30, 2001: The United States and the State of Missouri contend that the Defendants submitted, caused to be submitted, and conspired to submit false claims seeking per diem reimbursement from Medicare for nursing care, bed and board in a skilled nursing facility, supplies and other necessary services as defined by 42 C.F.R. § 409.20 under revenue code 120, and false claims seeking per diem reimbursement from Medicaid for nursing services, routine personal hygiene, routine care services, dietary services, and other services and supplies required by federal and state quality of care regulations purportedly provided to Medicare and Medicaid beneficiaries residing at Claywest, Lutheran Healthcare and Oak Forest North during that time period. The United States and the State of

Missouri contend that the claims were false because services for the Medicare and Medicaid beneficiaries that are required by existing statutes and regulations were not provided to certain residents of Claywest, Lutheran Healthcare and Oak Forest North and were deficient, inadequate, sub-standard, did not promote the maintenance or enhancement of the quality of life of the residents of the facilities, and were of a quality that failed to meet professionally recognized standards of health care. The United States and the State of Missouri further contend that Claywest, Lutheran Healthcare, and Oak Forest North failed to provide the required per diem services to certain residents as evidenced by dehydration and malnutrition of residents, elopements of residents, residents contracting preventable pressure sores, residents being found soaking in their own urine and feces, residents going for extended periods of time without cleaning or bathing, insect infestation, resident abuse, and a general lack of quality care. The United States and the State of Missouri further contend that Claywest, Lutheran Care, and Oak Forest North had insufficient staff to care for the residents and that the lack of staff was in part a result of cost control measures put in place by Wachter and AHM. The United States and the State of Missouri contend that Claywest, Lutheran Healthcare, Oak Forest North, AHM, Wachter and Breece reaped substantial financial benefits during the relevant time period under circumstances whereby it would be inequitable for them to retain such benefits. The United States and the State of Missouri further contend that the conduct described in this paragraph (hereinafter referred to as the "Covered Conduct") resulted in damages to the Medicare and Medicaid health care programs.

I. The United States and the State of Missouri also contend that they have certain administrative claims against the Defendants for engaging in the Covered Conduct, as specified in Paragraph 2 below.

J. This Agreement is neither an admission of liability by the Defendants nor a concession by the United States or the State of Missouri that their claims are not well founded. Defendants dispute the contentions of the United States and the State of Missouri specified in Paragraph H above. Moreover, Defendants contend that they in good faith sought to provide quality care to residents in their facilities, and deny that they submitted or caused to be submitted any false claims or sought to profit from substandard care.

K. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

III. TERMS AND CONDITIONS

1. The Defendants agree to pay to the United States $1,250,000 (one million two hundred and fifty thousand dollars) (the "Settlement Amount"). The Defendants agree to pay the entire Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office of the Eastern District of Missouri. The Defendants agree to make this electronic funds transfer no later than the effective date of this Agreement.

2. Subject to the exceptions in Paragraph 3 below, in consideration of the obligations of the Defendants as set forth in this Agreement, conditioned upon the Defendants' full payment of

the Settlement Amount, and subject to Paragraph 14 below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement), the United States (on behalf of itself, its officers, agents, agencies, and departments) agrees to release the Defendants from any civil or administrative monetary claim the United States has or may have under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, breach of contract, equitable disgorgement and fraud, for the Covered Conduct. Subject to the exceptions in Paragraph 3 below, in consideration of the obligations of the Defendants as set forth in this Agreement, conditioned upon the Defendants' full payment of the Settlement Amount, and subject to Paragraph 14 below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement), the State of Missouri (on behalf of itself, its officers, agents, agencies, and departments) agrees to release the Defendants from any civil or administrative monetary claim for Medicaid damages or penalties that the State of Missouri may have under Missouri state law or the common law theories of payment by mistake, unjust enrichment, breach of contract, equitable disgorgement and fraud, for the Covered Conduct.

3. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including the Defendants) are the following:

a. Any civil, criminal or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code) or the State of Missouri Revenue Codes;

b. Any state or federal criminal liability;

c. Except as explicitly stated in this Agreement, any state or federal administrative liability, including mandatory exclusion from Federal health care programs;

d. Any liability to the United States (or its agencies) or the State of Missouri for any conduct other than the Covered Conduct;

e. Any liability based upon such obligations as are created by this Agreement;

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

g. Any civil or administrative liability of individuals (including current or former directors, officers, employees, agents, or shareholders of AHM, Claywest, Lutheran Healthcare and Oak Forest North) other than Wachter and Breece.

4. In compromise and settlement of the rights of OIG-HHS to exclude AHM, Claywest, Lutheran Healthcare and Oak Forest North pursuant to 42 U.S.C. § 1320a-7(b)(7), AHM, Claywest, Lutheran Healthcare, and Oak Forest North each agree to be permanently excluded under this statutory provision from Medicare, Medicaid, and all other Federal health care programs as defined in 42 U.S.C. § 1320a-7b(f). Such exclusions will have national effect and will also apply to all other Federal procurement and non-procurement programs. Federal health care programs will not pay anyone for items or services, including administrative and management services, furnished, ordered or prescribed by AHM, Claywest, Lutheran Healthcare, or Oak Forest North in any capacity while excluded. These exclusions apply regardless of who

submits the claims or other request for payment. AHM, Claywest, Lutheran Healthcare, and Oak Forest North shall not submit or cause to be submitted to any Federal health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered or prescribed by any of them during their exclusions. Violation of the conditions of the exclusions may result in criminal prosecution, and the imposition of civil monetary penalties and assessment. AHM, Claywest, Lutheran Healthcare, and Oak Forest North further agree to hold the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered or prescribed to such beneficiaries or sponsors after the effective date of the exclusions. AHM, Claywest, Lutheran Healthcare, and Oak Forest North waive any further notice of the exclusions and agree not to contest such exclusions either administratively or in any State or Federal court. During the period of exclusion, AHM, Claywest, Lutheran Healthcare, or Oak Forest North shall not personally, or through any entity AHM, Claywest, Lutheran Healthcare, or Oak Forest North controls, e.g., through a direct or indirect ownership interest of five percent (5%) or more or as an officer, agent, or managing employee (as defined by 42 U.S.C. § 1320a-5(b)), submit or cause to be submitted any claims for payment under any Federal health care program. These exclusions shall be effective upon the Defendants' execution of this Settlement Agreement.

5. In compromise and settlement of the rights of OIG-HHS to exclude Wachter pursuant to 42 U.S.C. § 1320a-7(b)(7), Wachter agrees to be excluded under this statutory provision from Medicare, Medicaid, and all other Federal health care programs as defined in 42 U.S.C. § 1320a-7b(f), for a period of twenty (20) years. Such exclusion will have national effect

and will also apply to all other Federal procurement and non-procurement programs. Federal health care programs shall not pay anyone for items or services, including administrative and management services, furnished, ordered or prescribed by Wachter in any capacity while he is excluded. This payment prohibition applies to Wachter, anyone who employs or contracts with Wachter, any hospital or other provider where Wachter provides services, and anyone else. This exclusion applies regardless of who submits the claims or other request for payment. Wachter shall not submit or cause to be submitted to any Federal health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered, or prescribed by Wachter during the exclusion. Violation of the conditions of the exclusion may result in criminal prosecution, the imposition of civil monetary penalties and assessments, and an additional period of exclusion. Wachter further agrees to hold the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered, or prescribed to such beneficiaries or sponsors after the effective date of the exclusion. Wachter waives any further notice of the exclusion and agrees not to contest such exclusion either administratively or in any State or Federal court. If at the end of the period of exclusion, Wachter wishes to apply for reinstatement, Wachter must submit a written request for reinstatement in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. This exclusion shall be effective upon Wachter's execution of this Settlement Agreement.

6. In consideration of the obligations of Breece in this Agreement, conditioned upon full payment of the Settlement Amount, and subject to Paragraph 14 below (concerning

bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment under this Agreement) the OIG-HHS agrees to release and refrain from instituting, directing or maintaining any administrative actions seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Breece under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in Paragraph 3 above and as reserved in this Paragraph.

The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Breece from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct or practices, for which claims have been reserved in Paragraph 3 above. The waiver of exclusion contained in this Paragraph is also conditioned upon the fact that Breece hereby certifies and agrees to certify again annually for five (5) years from the effective date of this Settlement Agreement to OIG-HHS that he, at the time of the certification, is not involved, directly or indirectly, through ownership, employment, consultation, or otherwise, in any business that receives reimbursement directly or indirectly for items or services from any Federal health care program (as defined in 42 U.S.C. § 1320a-7b(f)) other than Jacksonville Assisted Living, LP, an Illinois limited partnership d/b/a Knollwood Development Corporation (Jacksonville). The certification will state that, with respect to Jacksonville, Breece's limited non-operational ownership interest remains unchanged and Jacksonville receives no federal health care program

reimbursement other than through the Illinois Supportive Living Program. Breece further agrees that before he becomes involved in any Federal health care program business other than Jacksonville at any time during the next five (5) years, he will immediately notify the OIG and will enter into a Corporate Integrity Agreement (CIA) with OIG-HHS for the remainder of the five year period. Breece agrees that such CIA shall include the requirement that he pay for an independent expert, chosen by the OIG, to monitor the quality of care provided at the facilities in question.

7. The Defendants waive and will not assert any defenses that any one or all of them may have to any criminal prosecution or administrative action relating to the Covered Conduct, which defenses 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 Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

8. The Defendants fully and finally release the United States and the State of Missouri, their agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which the Defendants have asserted, could have asserted, or may assert in the future against the United States or the State of

Missouri, their agencies, employees, servants, and agents, related to the Covered Conduct and the United States' and the State of Missouri's investigation and prosecution thereof.

9. The Settlement Amount will not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare carrier or intermediary or any State payer, related to the Covered Conduct; and the Defendants agree not to resubmit to any Medicare carrier or intermediary or any State payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

10. The Defendants agree to the following:

a. Unallowable Costs Defined: that 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. §§ 1395-1395ggg and 1396-1396v, and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, their present or former officers, directors, employees, shareholders, and agents in connection with the following shall be "unallowable costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP):

(1) the matters covered by this Agreement,

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

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

(4) the negotiation and performance of this Agreement,

(5) the payment Defendants make to the United States pursuant to this Agreement, and

(6) the negotiation of, and obligations undertaken pursuant to any CIA entered into by Breece pursuant to Paragraph 6 to:

(i) retain an independent expert to monitor the provision of care at the facilities; and

(ii) prepare and submit reports to the OIG-HHS.

However, nothing in this Paragraph 10.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to Defendants. (All costs described or set forth in this Paragraph 10.a. are hereafter, "unallowable costs.")

b. Future Treatment of Unallowable Costs: These unallowable costs shall be separately determined and accounted for in nonreimbursable cost centers by Defendants, and Defendants shall not charge such unallowable costs directly or indirectly to any contracts with the United States or any state Medicaid Program, or seek payment for such unallowable costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Defendants further agree that within 90 days of the effective date of this Agreement they shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid, VA and FEHBP fiscal agents, any unallowable costs (as defined in this Paragraph)

included in payments previously sought from the United States, or any State Medicaid Program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by the Defendants 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. Defendants agree that the United States, at a minimum, will be entitled to recoup from the Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such unallowable costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice, and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Defendants or any of their subsidiaries on the effect of inclusion of unallowable costs (as defined in this Paragraph) on Defendants or, as applicable, any of their subsidiaries' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to examine or reexamine the unallowable costs described in this Paragraph.

11. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph12 below.

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

13. Defendants, as a group, warrant that they have reviewed their collective financial situations and that Defendants currently are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and will remain solvent following its payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended and do, in fact, represent a reasonably equivalent exchange of value which is not intended to hinder, delay, or defraud any entity to which Defendants were or became indebted, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

14. If, within 91 days of the effective date of this Agreement, any of the Defendants commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, (a) seeking to have any order for relief of any of the Defendant's debts, or seeking to adjudicate any of the Defendants as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian,

or other similar official for any of the Defendants or for all or any substantial part of any of the Defendant's assets, Defendants agrees as follows:

a. Defendants' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. §§ 547 or 548, and Defendants will not argue or otherwise take the position in any such case, proceeding, or action that: (i) Defendants' obligations under this Agreement may be avoided under 11 U.S.C. §§ 547 or 548; (ii) Defendants were insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States hereunder; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Defendants.

b. If Defendants' 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, the United States, at its sole option, may rescind the releases in this Agreement, and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 2, above. Defendants agree that (i) any such claims, actions, or proceedings brought by the United States (including any proceedings to exclude Defendants from participation in Medicare, Medicaid, or other Federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first clause of this Paragraph, and that Defendants will not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Defendants will 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 claims, actions, or proceeding which are brought by the United States within thirty (30) calendar days of written notification to Defendants that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on October 14, 2005; and (iii) the United States has a valid claim in any bankruptcy proceeding for bankruptcy purposes against Defendants in the amount of $2,000,000 (two million dollars), and the United States may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. Defendants acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

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

16. Defendants represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

17. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement will be the United States District Court for the Eastern District of Missouri, except that any disputes arising under any CIA entered into by Breece and the OIG-HHS shall be resolved exclusively under the dispute resolution provisions of such CIA.

18. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties, except that only Breece and OIG-HHS need agree in writing to any modification of any CIA they may enter into.

19. The individuals signing this Agreement on behalf of Defendants represent and warrant that they are authorized by Defendants to execute this Agreement. The United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement. The State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

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

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

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

23. This Agreement is effective on the date of signature of the last signatory to the Agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

THE UNITED STATES OF AMERICA

DATED: 10-14-05

BY: Suzanne Moore
CATHERINE L. HANAWAY
UNITED STATES ATTORNEY
EASTERN DISTRICT OF MISSOURI
by Suzanne J. Moore
Assistant United States Attorney
Eastern District of Missouri

DATED:_____

BY: _____
LEWIS MORRIS
Chief Counsel
to the Inspector General
United States Department of
Health and Human Services

THE UNITED STATES OF AMERICA

DATED:_____

BY: _____
CATHERINE L. HANAWAY
UNITED STATES ATTORNEY
EASTERN DISTRICT OF MISSOURI
by Suzanne J. Moore
Assistant United States Attorney
Eastern District of Missouri

DATED: 10/19/05

BY: _____
LEWIS MORRIS
Chief Counsel
to the Inspector General
United States Department of
Health and Human Services

STATE OF MISSOURI

DATED: 10-17-05

BY: _____
JEREMIAH W. (JAY) NIXON
MISSOURI ATTORNEY GENERAL
by Richard G. Williams
Assistant Attorney General
Director, Missouri Medicaid Fraud Control Unit

DATED: October 14, 2005

BY: _____
MICHAEL DITMORE
Director, Missouri Division of Medical Services
Missouri Department of Social Services

AMERICAN HEALTHCARE MANAGEMENT, INC.

DATED: 10/14/05

BY: _____

of American Healthcare Management, Inc.

DATED: _____

BY: _____

Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for American Healthcare Management Inc.

AMERICAN HEALTHCARE MANAGEMENT, INC.

DATED:_____

BY: _____

of American Healthcare Management, Inc.

DATED: 10/14/05

BY: _____

Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for American Healthcare Management Inc.

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CLAYWEST HOUSE HEALTHCARE LLC

DATED: 10/12/05

BY: _____

of Claywest House Healthcare LLC

DATED: _____

BY: _____

Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Claywest House Healthcare LLC

CLAYWEST HOUSE HEALTHCARE LLC

DATED:_____

BY: _____

of Claywest House Healthcare LLC

DATED: 10/14/05

BY: _____

Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Claywest House Healthcare LLC

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LUTHERAN HEALTHCARE LLC

DATED: 10/12/05

BY: _____

of Lutheran Healthcare LLC

DATED: _____

BY: _____
Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Lutheran Healthcare LLC

LUTHERAN HEALTHCARE LLC

DATED:_____ **BY:** _____

of Lutheran Healthcare LLC

DATED: 10/14/05 **BY:** _____

Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Lutheran Healthcare LLC

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OAK FOREST NORTH LLC

DATED: 10/12/05

BY: _____

of Oak Forest North LLC

DATED: _____

BY: _____
Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Oak Forest North LLC

OAK FOREST NORTH LLC

DATED:_____

BY: _____

of Oak Forest North LLC

DATED: 10/14/05

BY: _____

Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Oak Forest North LLC

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ROBERT D. WACHTER

DATED: 10/12/05

BY: _____
Robert D. Wachter

DATED: _____

BY: _____
Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Robert D. Wachter

ROBERT D. WACHTER

DATED:_____

BY: _____
Robert D. Wachter

DATED: 10/14/05

BY: _____
Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for Robert D. Wachter

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R. WILLIAM BREECE

DATED: 10-14-05

BY: _____
R. William Breece

DATED: _____

BY: _____
Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for R. William Breece

R. WILLIAM BREECE

DATED:_____

BY: _____
R. William Breece

DATED: 10/14/05

BY: _____
Harvey M. Tettlebaum
Husch & Eppenberger
Counsel for R. William Breece

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