

### SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS), and Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC (hereafter collectively referred to as "the Parties"), through their authorized representatives.

#### RECITALS

A. Hafeez Khan is a medical doctor who was licensed to practice medicine in the state of Rhode Island from August 31, 2006, through and including December 31, 2010 (the relevant time period). US Care Inc. was a corporation which provided medical care in Rhode Island, owned and operated by Hafeez Khan during the relevant time period. US Care Pain Clinic LLC was a limited liability corporation which provided medical care in Rhode Island, owned and operated by Hafeez Khan during the relevant time period.

B. The United States contends that Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, 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. §§ 1395-1395kkk-1 and the Medicaid Program (Medicaid), 42 U.S.C. §§ 1396-1396w-5.

C. The United States contends that it has certain civil claims against Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, under the False Claims Act, 31 U.S.C. §§ 3729-33, other federal statutes, and common law doctrines for engaging in the following conduct during the period from August 1, 2006 through December 31, 2010.

That conduct is referred to below as the Covered Conduct (hereinafter referred to as the "Covered Conduct"):

Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC caused the submission of payments to Medicare and Medicaid, in that from August 1, 2006, through December 31, 2010, Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, engaged in services not rendered, overbilling and unbundling of CPT codes 20610; 27096; 62311; 64470; 64472; 64475; 64476; 64493; 64494; 64622; 64623; 64479; 64480; 64483; 64484; 72275; 73525; 73542; 73580; 76003; 73005; 77003; 90772; 90775; 96372; 97760; 99204; 99212; 99213; 99214; 99243; 99244; 99245; 99395; A4209; A4215; A4216; A4550.

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

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. Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, shall pay to the United States One million, two hundred thousand dollars (\$1,200,000) ("Settlement Amount"). Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC agree to pay the Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Rhode Island. An initial payment of Five hundred thousand dollars (\$500,000) shall be due within ten days of the Effective Date of this Agreement. The remaining Seven hundred thousand dollars

(\$700,000) shall be paid in equal installments of One hundred seventy thousand dollars (\$175,000), with interest, at the Medicare Trust Fund rate<sup>1</sup>, as follows: One hundred seventy thousand dollars (\$175,000), with interest, at the Medicare Trust Fund rate, on or before September 1, 2014; One hundred seventy thousand dollars (\$175,000), with interest, at the Medicare Trust Fund rate, on or before September 1, 2015; One hundred seventy thousand dollars (\$175,000), with interest, at the Medicare Trust Fund rate, on or before September 1, 2016; One hundred seventy thousand dollars (\$175,000), with interest, at the Medicare Trust Fund rate, on or before September 1, 2017. The United States Attorney's Office, District of Rhode Island will provide EFT payment instructions at least 15 days in advance of the due date.

2. If Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC fail to make any of the payments at the specified times described in paragraph 1, above, then upon written notice to Hafeez Khan of this default, the parties shall have ten (10) calendar days to cure the default. If the default is not cured within the ten-day period, the United States may elect any of the following non-exclusive options: (a) the remaining unpaid principal portion of the Settlement Amount shall become accelerated and immediately due and payable, with interest at a simple rate of 4.75% from the Effective Date of this Agreement to the date of default, and at a simple rate of 12% per annum from the date of default until the date of payment; (b) file an action for specific performance of the Agreement; (c) offset the remaining unpaid balance of the Settlement Amount (inclusive of interest) from any amounts due and owing to the Parties by any department, agency, or agent of the United States; or (d) rescind this Agreement and file suit base on the Covered Conduct. The parties agree not to contest any collection action

<sup>1</sup> The latest rate posted by CMS, in June of 2013, is 1.75%.

undertaken by the United States pursuant to this Paragraph, and to pay the United States all reasonable costs of collection and enforcement of this Agreement, including reasonable Attorney's fees and expenses. In the event that the United States opts to rescind this Agreement following a default, The parties agree not to plead, argue, or otherwise raise any defense under the theories of statute of limitation, laches, estoppel, or similar theories, to any civil or administrative claims that (i) are filed by the United States within 120 calendar days of the written notification to the parties that this agreement has been rescinded, and (ii) relate to the Covered Conduct.

3. Notwithstanding the foregoing, in the event of Default as defined in Paragraph 2, above, OIG-HHS may exclude Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC from participating in all Federal health care programs until Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC pays the Settlement Amount and reasonable costs as set forth in Paragraph 1, above. OIG-HHS will provide written notice of any such exclusion to Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC wish to apply for reinstatement, Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-3005. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC will not be reinstated unless and until OIG-HHS approves such request for reinstatement.

4. Subject to the exceptions in Paragraph 6 (concerning excluded claims) below, and conditioned upon Hafeez Khan, M.D.'s full payment of the Settlement Amount, and subject to Paragraph 15, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement)], the United States releases Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. OIG-HHS expressly reserves all rights to institute, direct, or to maintain any administrative action seeking exclusion against Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic LLC and/or its officers, directors, and employees from Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) or 42 U.S.C. § 1320a-7a (permissive exclusion).

6. Notwithstanding the release given in paragraph 5 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;

- c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement.

7. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic have provided sworn financial disclosure statements (Financial Statements) to the United States and the United States has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic warrant that the Financial Statements are complete, accurate, and current. If the United States learns of asset(s) in which Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic had an interest at the time of this Agreement that were not disclosed in the Financial Statements, or if the United States learns of any misrepresentation by Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic on, or in connection with, the Financial Statements, and if such nondisclosure or misrepresentation changes the estimated net worth set forth in the Financial Statements by \$120,000.00 or more, the United States may at its option: (a) rescind this Agreement and file based on the Covered Conduct, or (b) let the Agreement stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the net worth of Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic previously undisclosed. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic agree not to contest any collection action undertaken by the

United States pursuant to this provision, and immediately to pay the United States all reasonable costs incurred in such an action, including attorney's fees and expenses.

8. In the event that the United States, pursuant to Paragraph 7 (concerning disclosure of assets), above, opts to rescind this Agreement, Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within sixty (60) calendar days of written notification to Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement.

9. Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, has asserted, could have asserted, or may assert in the future against the United States, and its agencies, employees, servants, and agents, related to the Covered Conduct and the United States' investigation and prosecution thereof

10. 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 Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, agree not to resubmit to any Medicare contractor or any state payer any

previously denied claims related to the Covered Conduct, and agree not to appeal any such denials of claims.

11. Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, agree to the following:

(a) Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and 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 Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, makes to the United States pursuant to this Agreement.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, and Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC 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 Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, 's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph. 12. 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 13 (waiver for beneficiaries paragraph), below.

13. Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC, agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

14. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic warrant that they have reviewed their financial situation and that they are currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(i)(I), and shall remain solvent

following 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 Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic, 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 to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

15. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic 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 Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic's debts, or seeking to adjudicate Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic or for all or any substantial part of Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic's assets, X agrees as follows:

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

b. If Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic's 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 Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic for the claims that would otherwise be covered by the releases provided in Paragraph 4, above. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic agree that (i) any such claims, actions, or proceedings brought by the United States are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic 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 claims, actions, or proceeding that are brought by the United States within 60 calendar days of written notification to Hafeez Khan, M.D. that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the effective date of this agreement; and (iii) the United States has a valid claim against Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic in the amount of \$1,877,746.64, and the United States may pursue its claim in the case, action, or proceeding referenced in the Recital paragraphs, as well as in any other case, action, or proceeding.

c. Hafeez Khan, M.D., US Care Inc., and US Care Pain Clinic acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

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

17. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

18. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Rhode Island. 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.

19. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.
20. The undersigned counsel represents and warrants that s/he is fully authorized to execute this Agreement on behalf of the persons and entities indicated below.
21. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.
22. This Agreement is binding on Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC's successors, transferees, heirs, and assigns.
23. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.
24. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

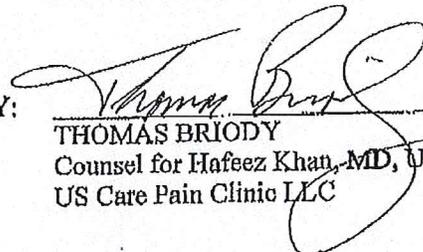
THE UNITED STATES OF AMERICA

DATED: 9-27-13 BY:   
MARY ROGERS  
Assistant United States Attorney  
District of Rhode Island

DATED: 10/4/13 BY: Robert K. DeConti  
ROBERT K. DECONTI  
Assistant Inspector General for Legal Affairs  
Office of Inspector General  
United States Department of Health and Human Services

Hafeez Khan, MD, US Care Inc., and US Care Pain Clinic LLC

DATED: 9/27/13 BY:   
HAFEEZ KHAN, MD

DATED: 9/27/13 BY:   
THOMAS BRIODY  
Counsel for Hafeez Khan, MD, US Care Inc., &  
US Care Pain Clinic LLC