

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”), by and among (1) the United States of America, acting through the United States Attorney’s Office for the Eastern District of California, on behalf of the Drug Enforcement Agency (“DEA”); and (2) Philip Yen, M.D. (collectively, the “Parties”), reflects a settlement of alleged violations of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (“the Act”), 21 U.S.C. § 801, *et seq.* associated with DEA Registration # FY1781992.

### **STATEMENT OF FACTS**

A. Yen is currently registered with the DEA as a practitioner with authority in Schedules II-V pursuant to DEA Registration # FY1781992, with a registered address at 1625 Stockton Blvd., Suite 207, Sacramento, CA 95816. Yen is currently a radiologist employed by Sutter Medical Group and was the registrant at Sutter Imaging Capitol Pavilion, located at 2725 Capitol Avenue, Suite 106, Sacramento, CA 95816 (“Capitol Pavilion”) from 2018 to 2024.

B. The DEA commenced an investigation starting in or about January 2021 of Capitol Pavilion, where Yen was the DEA registrant at the time. The investigation identified sixteen (16) violations of the Controlled Substances Act, 21 U.S.C. § 801, *et seq.*, and its implementing regulations, consisting of the following recordkeeping violations: One (1) violation of 21 C.F.R. § 1304.11(c) for failure to complete a biennial inventory, twelve (12) violations of 21 C.F.R. § 1304.21 for failure to provide DEA-222 order forms and invoices and three (3) violations of 21 C.F.R. §

1305.13(e) for failure to document the date of receipt for controlled substances on DEA-222 forms. The Act requires DEA registrants to maintain complete and accurate records of the acquisition and disposal of controlled substance records to ensure that the controlled substances that are being administered to patients are maintained, recorded, and documented properly in order to prevent the diversion of such substances. *See* 21 C.F.R. §§ 1304.21, 1305.13. Registrants are also required to “provide effective controls and procedures to guard against theft and diversion of controlled substances.” 21 C.F.R § 1301.71(a). The United States alleges that Yen, in his role as DEA registrant at Capitol Pavilion, violated the Act and its implementing regulations by committing the recordkeeping violations set forth in this Paragraph B. These alleged violations are referred to herein as the “Covered Conduct.”

C. This Agreement is neither an admission of liability by Yen 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, in lieu of commencing a civil lawsuit under the Act or administrative proceeding to revoke Yen’s DEA registration, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

### **TERMS AND CONDITIONS**

1. In consideration of the obligations of the Parties set forth in this Settlement Agreement, Yen agrees to pay one hundred twenty-five thousand dollars (\$125,000) (“Settlement Amount”) to the United States. Yen shall wire the Settlement Amount

in one lump sum by electronic funds transfer pursuant to wiring instructions provided by the Office of the United States Attorney for the Eastern District of California within sixty (60) days of the Effective Date of this Agreement (the “Payment Due Date”). Yen’s failure to make full payment of the Settlement Amount on or before the Payment Due Date shall constitute a default of this Agreement (“Default”).

2. In conjunction with this Agreement, Yen agrees to undertake the actions listed in the Memorandum of Agreement (the “MOA”) attached as Exhibit A hereto and incorporated herein by reference. As set forth in the MOA, the United States and Yen agree that the Terms and Conditions of the MOA will remain in effect for a period of three (3) years from the execution date of this Agreement.

3. In the event of a Default, interest shall accrue at a rate of 8 percent per annum, and the United States may take whatever steps it is entitled to take pursuant to law to collect any unpaid balance of the Settlement Amount (plus all accrued interest) and to enforce the obligations of this Agreement, including but not limited to:

- (a) any and all collection actions,
- (b) the filing of a civil complaint for the Covered Conduct,
- (c) pursuit of any and all other administrative or civil remedies for the Covered Conduct available under applicable law, and/or
- (d) filing a civil complaint for breach of contract.

In the event a civil or administrative action is initiated pursuant to subsections (b) or (c) of this paragraph, Yen agrees not to plead, argue, or otherwise raise any defenses under the theories of statutes of limitations, laches, and estoppel, or similar theories, to the allegations in the complaint, except to the extent such defenses were available to Yen on the Effective Date of this Agreement.

Yen further agrees not to contest any collection action taken by the United States, including garnishment, execution, and offsets of federal benefits and payments (including offsets by the Internal Revenue Service and any other federal agency). Yen shall pay to the United States all reasonable costs of collection and enforcement under this paragraph, including attorneys' fees and expenses. Furthermore, if Yen defaults on any terms under this Agreement, he agrees to provide full financial disclosures to the United States. In the event of a Default, the United States may request, and Yen shall provide, any and all documents relating to Yen's financial condition, including but not limited to state and federal tax returns and the tax returns for any businesses that he owns, has an interest in, or participates in, including all schedules and attachments; all bank account statements (including copies of deposits and checks), for every bank account to which Yen has access or an interest (including but not limited to personal accounts, joint accounts, and business accounts); and a financial affidavit for Yen and for any business that he owns and/or has an interest in.

4. Subject to the exceptions in Paragraph 5 (concerning excluded claims) below, and conditioned upon Yen's full payment of the Settlement Amount and full compliance with the Terms and Conditions of this Agreement and the MOA for a period of three (3) years, the United States releases Yen from any civil or

administrative claim the United States currently has for the Covered Conduct under the Act.

5. Notwithstanding the releases given in Paragraph 4 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. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- d. Any liability based upon obligations created by this Agreement.

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

6. In consideration of the obligations of the United States set forth in this Settlement Agreement, Yen hereby fully and finally releases the United States and its employees, servants, agents, agencies, and departments from any and all liability for any civil claims, demands, obligations, actions, causes of action, damages, costs, losses, attorneys' fees, interest, and expenses, including any claims for compensatory or punitive damages, which Yen has or may have with respect to the Covered

Conduct, including without limitation concerning the United States' investigation and litigation of its claims.

7. In the event of one or more violation(s) of this Agreement or the MOA, other than a Default as described in Paragraph 1, the United States shall provide notice of the violation(s) ("Notice of Violation"). Yen shall have the opportunity to respond to a Notice of Violation and propose a cure to the alleged violation(s). Yen's response and proposed cure shall be provided to the United States within fourteen (14) calendar days of receiving the Notice of Violation. The United States shall have sole discretion to determine whether any proposed cure is satisfactory. That determination shall be made no later than twenty-one (21) calendar days after the United States receives Yen's response and proposed cure, and shall be provided in writing to Yen. If the United States determines, in its sole discretion, that Yen's proposed cure is unsatisfactory, the Parties agree to attempt in good faith to negotiate a mutually acceptable resolution. The Parties' failure to reach such a resolution within 30 calendar days of Yen's receipt of the government's written determination that the proposed cure is unsatisfactory shall trigger the applicable provisions of Paragraph 8 of this Agreement.

8. If Yen does not timely respond and propose a satisfactory cure (as determined by the United States) to the violation(s) alleged in a first Notice of Violation, he will immediately voluntarily surrender his DEA registration (#FY1781992). Yen hereby expressly waives all rights to an administrative hearing or any other administrative process or appeal rights related to the surrender of his DEA registration based on his

receipt of a Notice of Violation. Yen may reapply for controlled substance privileges three years after the date upon which the voluntary surrender of his DEA registration pursuant to this Paragraph 8 becomes effective. Yen agrees to submit all reapplication requests for controlled substances privileges in writing to Stephen Buzzeo, Diversion Program Manager, 450 Golden Gate Avenue, 14th Floor, San Francisco, CA 94102. Yen agrees that the decision on whether to approve Yen's reapplication request for controlled substances privileges lies solely within the United States' discretion.

9. Yen agrees that the United States is not precluded from introducing this Agreement, violations and alleged violations of the Agreement, and any other relevant allegations, whether enumerated herein or not, that preceded or may ensue after the Effective Date of the Agreement, in any future administrative, civil, and/or criminal proceedings.

10. 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 Eastern District of California. 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.

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. Furthermore, this Agreement constitutes the complete agreement between the Parties. This

Agreement may not be modified unless the modification is in writing and all Parties agree to such written modification.

12. The Parties will cooperate in good faith and sign any other reasonable documents necessary to effectuate the terms of this Agreement.

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, and any person or entity not represented by counsel hereby represents that he/it has been advised that he/it has the right to consult with counsel prior to signing this Agreement. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

15. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement. Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

16. This Agreement is binding on the Parties, and their successors, heirs, and assigns.

17. The Parties agree that this Agreement, the MOA, and any information about this Agreement and the MOA can be released to the public

18. The Effective Date of this Agreement is the date of the last signature,

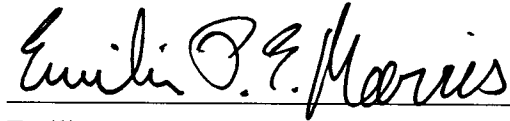


below.

**FOR THE UNITED STATES:**

Michele Beckwith

Acting United States Attorney for the Eastern District of California



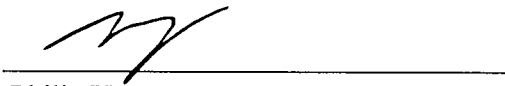
Emilia P. E. Morris

Assistant United States Attorney

*Counsel for the United States*

Date: 5/30/25

**PHILIP YEN, M.D.:**



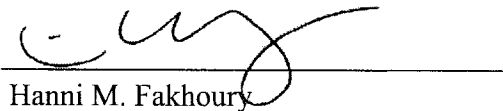
Philip Yen, M.D.

Date: 5/29/25

**APPROVED AS TO FORM**

**COUNSEL FOR PHILIP YEN, M.D.:**

MOEEL LAH FAKHOURY LLP



Hanni M. Fakhoury

Date: 5/30/2025

**EXHIBIT A**

**MEMORANDUM OF AGREEMENT BETWEEN**  
**DR. PHILIP YEN AND THE UNITED STATES**

This Memorandum of Agreement (“MOA”) between Dr. Philip Yen (“Dr. YEN”), who holds DEA Certificate of Registration # FY1781992, and the United States of America, acting through the United States Department of Justice, on behalf of the Drug Enforcement Administration (“DEA”), (collectively, the “United States” or “Government”) memorializes the policies and procedures Dr. YEN and the United States (the “Parties”) have agreed upon to advance Dr. Yen’s efforts to ensure compliance with the Controlled Substances Act (“CSA”). This MOA is incorporated by reference at Paragraph 2 of the Parties’ Settlement Agreement (the “Settlement Agreement”). This MOA shall be in effect for three years commencing on the Effective Date of the Settlement Agreement. Pursuant to the terms stated in the Settlement Agreement, Dr. Yen agrees to implement the following Terms and Conditions:

**Terms and Conditions**

1. Dr. YEN has agreed to no longer use his DEA registration # FY1781992 at Sutter Imaging Capitol Pavilion located at 2725 Capitol Avenue, Suite 106, Sacramento, California 95816 (“Capitol Pavilion”) and has agreed to no longer serve as the registrant at Capitol Pavilion. In addition, Dr. YEN will not authorize anyone at Capitol Pavilion to use his current DEA registration number (FY1781992), or any future DEA registration that Dr. YEN may acquire.

2. Dr. YEN shall notify the DEA in writing of the change of his DEA registration address within five (5) days of its completion by sending a letter to the DEA at the following addresses:

Stephen Buzzeo  
Diversion Program Manager  
450 Golden Gate Avenue, 14th Floor  
San Francisco, CA 94102  
Email: stephen.m.buzzeo@dea.gov

Drug Enforcement Administration  
Attn: Group Supervisor, Tactical Diversion Squad  
4328 Watt Avenue  
Sacramento, CA 95821

3. Dr. YEN agrees to identify and complete comprehensive training on the Comprehensive Drug Abuse Prevention and Control Act of 1970, 21 U.S.C. § 801, *et seq.* and Code of Federal Regulations, C.F.R. Title 21 if he chooses to continue to be a DEA registrant. Such training shall include, but not be limited to, the following:

- (i) Records and reports for registrants;
- (ii) Records maintained for 2 years;
- (iii) Effective controls against theft and diversion;
- (iv) Maintenance of records and inventory;
- (v) DEA 222 order forms.

Dr. YEN must notate and keep on file the date of the completed training.

4. Dr. YEN agrees that he will include a copy of this MOA and the Settlement Agreement with any future application for DEA Registration or request for Modification of Registration.

5. Dr. YEN will notify the DEA Sacramento District Office at the address listed above when Dr. YEN changes practice location and every time he does so after the Effective Date of the Settlement Agreement.

6. Dr. YEN agrees that any future DEA Registration issued to Dr. YEN prior to the expiration of this MOA regardless of practice location shall be subject to this MOA for the period described in this MOA.

7. Dr. YEN shall abide by all federal, state, and local laws and requirements relating to controlled substances, including without limitation laws related to making, keeping, or furnishing any record, report, notification, declaration, or order or order form, statement, invoice, or information required by Title 21 of the United States Code and the regulations promulgated thereunder. Accordingly, the obligations imposed upon Dr. YEN under this MOA shall be in addition to, and not in derogation of, all requirements imposed upon Dr. YEN under applicable federal, state, and local laws and regulations, including without limitation the requirements set forth in Title 21 of the United States Code and regulations promulgated thereunder.

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