

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), (collectively, the "United States"), the State of Tennessee, acting through the Tennessee Attorney General and Reporter and on behalf of its Medicaid program (Tennessee), the Signature Healthcare, LLC-related entities listed on Attachment A (Signature), and Kristi Emerson and LeeAnn Tuesca (Relators) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Signature, a group of affiliated entities based in Louisville, Kentucky, currently operates approximately 115 skilled nursing facilities (SNFs) in Tennessee, Kentucky, Florida, Georgia, Alabama, Indiana, Ohio, Maryland, North Carolina, and Virginia. These SNFs are included in the list of entities in Attachment A. Signature bills Medicare and Medicaid for the medical services provided at its SNFs to residents who are beneficiaries of these federal healthcare programs. Signature's bills to Medicare were based, in part, on the rehabilitation therapy it provided to beneficiaries, while bills to Tennessee's Medicaid program, TennCare, required physicians to certify on pre-admission evaluations (PAEs) that patients needed care at a skilled nursing facility.

B. On March 27, 2015, Relators filed a *qui tam* action in the United States District Court for the Middle District of Tennessee captioned *United States ex rel. Emerson and Tuesca v. Signature Healthcare, LLC, et al.*, No. 1:15-cv-00027, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action).

Relators alleged that Signature had a corporate-driven practice of billing Medicare for unnecessary and non-provided therapy, as well as that Signature provided kickbacks by not billing Part B patients for co-pays. Concurrent with this Agreement, the United States is intervening in the Civil Action with regard to the Medicare Covered Conduct described below.

C. The United States contends that Signature submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 (Medicare), and the United States and Tennessee contend that Signature submitted or caused to be submitted claims for payment to TennCare, which is part of the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (TennCare).

D. The United States contends that it has certain civil claims against Signature arising from Signature's alleged submission of false claims to Medicare Part A for unnecessary rehabilitation therapy provided to patients at Signature skilled nursing facilities during the time period from January 1, 2011 through September 30, 2015 where Medicare Part A was billed for the patient's stay for at least 30 days at the highest reimbursement level, the Ultra High Resource Utilization Group (RUG). The United States contends that Signature's corporate policies and practices encouraged the provision of such unnecessary therapy untethered to the individual clinical needs of patients, and caused false claims to be submitted. Such practices included:

- (1) setting budgets that were predicated on billing the vast majority of Medicare Part A patients at the Ultra High RUG level;

- (2) presumptively placing patients in the Ultra High RUG level unless and until it was shown that the patients could not tolerate that amount of therapy, rather than appropriately using individualized evaluations to determine the level of care most suitable for each patient's clinical needs;
- (3) planning the number of minutes of therapy to be provided in order to meet the minimum number of minutes required to bill at the Ultra High RUG level while discouraging the provision of therapy in amounts beyond that minimum threshold, despite the Medicare requirement that the amount of care provided be determined by patients' clinical needs without any financially-driven ceilings;
- (4) managers who were not familiar with the individual patients or their therapy needs setting or adjusting the planned daily minutes of rehabilitation therapy for individual patients in an effort to make the patients' therapy schedules meet and not exceed the number of minutes necessary to bill the targeted RUG;
- (5) pressuring therapists and patients to complete the planned minutes of therapy even when patients were sick or declined to participate in therapy, and disciplining at least one therapist who refused to do so;
- (6) arbitrarily shifting the number of minutes of planned therapy between therapy disciplines to ensure targeted RUG levels were achieved;
- (7) reporting estimated or rounded numbers of minutes of therapy provided, instead of reporting the actual numbers of minutes provided;

- (8) reporting that time spent on initial evaluations was therapy time in order to avoid the Medicare prohibition on counting initial evaluation time as therapy time;
- (9) reporting that time spent providing unskilled services was time spent on skilled therapy;
- (10) claiming that co-treatment was provided without appropriate clinical justification for it and in some instances when it did not appear to have been done; and
- (11) keeping patients on the therapy caseload for longer than necessary.

The conduct described heretofore in this Paragraph (through D(11)) is hereafter referred to as the "Medicare Covered Conduct."

The United States and Tennessee further contend that they have certain civil claims against Signature arising from Signature's alleged submission to TennCare of PAEs with photocopied or forged physician signatures on certifications required in the submission of claims for nursing facility services rendered to TennCare beneficiaries in Tennessee Signature skilled nursing facilities between January 1, 2011 and June 1, 2013 (the "TennCare Covered Conduct").

The conduct in the entirety of Recital D (i.e., the Medicare Covered Conduct and the TennCare Covered Conduct) is referred to collectively below as the "Covered Conduct."

E. This Agreement is neither an admission of liability by Signature nor a concession by the United States or Tennessee that their respective claims are not well founded.

F. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Agreement, except for the portion attributed to the TennCare Covered Conduct, and to Relators' reasonable expenses, attorneys' fees and costs.

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. Pursuant to the Terms and Conditions outlined herein, Signature will pay the United States \$30 million, plus interest at 2.375 percent from November 9, 2017 (the "Settlement Amount"), and contingent payment(s) of up to \$5 million (the "Contingency Amount"). Within ten days after the Effective Date of this Agreement, Signature will pay the United States its first quarterly payment of \$1 million, plus interest that has accrued at 2.375 percent from November 9, 2017, until the date of payment. Subsequent payments will be made to the United States in accordance with the payment plan set forth in Attachment B (Settlement Payment Schedule), and with other provisions set forth in this Agreement (e.g., provisions setting forth requirements for contingency payments and payments upon acceleration and default). All payments by Signature to the United States under this Agreement will be made pursuant to electronic funds transfer pursuant to written instructions to be provided to Signature by the United States Department of Justice. Signature's restitution, as described in Internal Revenue Code Section 162(f)(2), to the United States in this matter is \$29,605,260, and Signature's restitution, as described in Internal Revenue Code Section 162(f)(2), to Tennessee in this matter is \$394,740. Further, any interest and any portion of the Contingency Amount paid

pursuant to this Agreement will be deemed restitution, as described in Internal Revenue Code Section 162(f)(2), allocated in the same proportions between the United States and Tennessee.

a. Contingency Payments. Signature shall be liable for an additional payment, beyond the quarterly payments delineated on Attachment B, during any company fiscal year during which payments were due under the Agreement in which Signature's EBITDAR exceeds "the EBITDAR Threshold," as defined below in Paragraph 1(a)(2). In such event, Signature shall pay the United States 25 percent of EBITDAR in excess of the EBITDAR Threshold. Such contingency payments will not cumulatively exceed the Contingency Amount of \$5 million over the life of this Agreement.

(1) The Contingency Payment will be measured annually, and calculated and payable within 90 days of Signature's fiscal year-end, with no interest. For purposes of calculating whether a Contingency Payment is due, Signature's EBITDAR includes after-acquired facilities (SNFs for which Signature becomes the owner, or one of the owners, of the operator following the execution of this Agreement) and divested facilities, on a facility by facility basis, for the period during which Signature owned or operated the facility during the applicable fiscal year, except that the Pikeville SNF is excluded from the first Contingency Payment calculation and the recently divested Columbia SNF is excluded from the Contingency Payment calculations. All calculations herein measured in months shall be calculated using full calendar months.

(2) As of November 9, 2017, the EBITDAR threshold was \$125 million. EBITDAR excludes non-cash gains and losses. Signature will, upon request, provide the United States with all documents and information reasonably necessary to determine the accuracy of the EBITDAR and EBITDAR Threshold and other calculations pursuant to this Agreement.

(3) The EBITDAR Threshold will be adjusted to account for after-acquired facilities (SNFs for which Signature becomes the owner, or one of the owners, of the operator following the execution of this Agreement) and divested facilities, on a facility by facility basis, except that the recent divestiture of the Columbia SNF and divestiture of the Pikeville SNF within the next 120 days will not affect the EBITDAR Threshold. If the Pikeville SNF has not been divested within 120 days, then it will be treated as an after-acquired facility on the 121st day. The EBITDAR for the trailing twelve months for a divested facility will be subtracted from the EBITDAR Threshold. Similarly, the EBITDAR Threshold will be adjusted at the time of acquisition of any after-acquired facility in an amount equal to the lesser of Signature's share (100% when Signature becomes the sole owner of the operator and its sharing percentage when Signature is a part owner of the operator) of such after-acquired facilities' EBITDAR for the trailing 12 months or Signature's reasonable EBITDAR projection for the first 12 months of Signature's operations. Neither divestiture of facilities with negative EBITDARs nor acquisition of facilities with a negative EBITDAR for the trailing 12 months or negative projected EBITDAR for the first 12 months of Signature's operations will result in a change to the EBITDAR Threshold.

b. Acceleration of Payments. In the event of the sale or other disposition of Signature, or of sales or other dispositions of assets belonging to Signature entities that operate facilities on the Released Entities list that, in the aggregate, sum over \$25 million of EBITDAR (including those facilities that contribute negative EBITDAR), the outstanding balance of the Settlement Amount (including interest then accrued) will be accelerated, and Signature will pay the United States both that amount and 100 percent of the net sale proceeds (defined as the purchase price less reasonable transaction costs and outstanding claims) up to the Contingency Amount of \$5 million, less any Contingency Payments already made under Paragraph 1.a. For purposes of this provision, EBITDAR is calculated using the 12 months prior to disposition. In the event of a sale described in the first sentence of this paragraph, the full outstanding balance of the Settlement Amount paid to the United States may be subtracted in calculating net sale proceeds, but if the sale is not the full sale or disposition of Signature, unless Signature pays or has paid the full Contingency Amount of \$5 million, Signature's obligations under this Agreement to annually calculate whether any Contingency Payment is due and to pay such Contingency Payment continues for the term of this Agreement, or until such time as the full Contingency Amount of \$5 million has been paid.

(1) With respect to dispositions of assets that trigger acceleration of Signature's payment obligations under Paragraph 1.b., all outstanding amounts due under the Agreement would be due at the transaction's close, absent the consent of the United States and Tennessee.

(2) In the event of a partial sale that triggers acceleration, only liabilities associated or pertaining directly to the entities that are sold can be deducted to

arrive at net sales proceeds. Pro rata methodology must be provided, and must be reasonably determined, either based on usage, allocations traditionally used by the company, or if no other methodology exists, based on a ratio of EBITDAR of entities sold compared to the total last twelve months of the company. In all events, the United States shall be paid under this Paragraph before any dividend or return of capital is made to equity., provided that Signature shall be permitted to make distributions, prior to payment in full of the United States under this Paragraph, to their equity holders to the extent necessary to permit such equity holders to pay all taxes for which they are responsible as a result of the operations of Signature (after application of any tax loss carryforwards available to such ultimate taxpayers as a result of the operations of Signature).

2. Conditioned upon the United States receiving the required payments from Signature under this Agreement, the United States agrees that it shall pay to the State of Tennessee by electronic funds transfer 43.86 percent of the Medicaid Share as soon as feasible after receipt of the payment. The Medicaid Share is defined as 3 percent of each payment received by the United States from Signature under this Agreement. Signature shall have no responsibility or liability as to payment, or remission of payments, between the United States and Tennessee.

3. The terms of any payments by the United States to Relators pursuant to 31 U.S.C. § 3730(d) shall be made in accordance with a separate agreement between the United States and Relators. Signature shall have no responsibility or liability as to payment, or remission of payments, between the United States and Relators.

4. The terms of any payments by Signature to Relators or their counsel for expenses, attorney's fees and costs, and/or for wrongful termination shall be made in accordance with a separate agreement between Signature, Relators, and their counsel.

5. As long as Signature is in compliance with the terms of the Agreement, the United States covenants not to sue Signature for the Covered Conduct, and Tennessee covenants not to sue Signature for the TennCare Covered Conduct. Subject to the exceptions in Paragraphs 8 and 9 (concerning excluded claims) below, and subject to Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), upon timely payment in full of the Settlement Amount and any realized portion of the Contingency Amount, the United States' and Tennessee's covenants will mature into a full and final release by the United States of Signature (i.e., the Signature entities on Attachment A) from any civil or administrative monetary claims the United States has or may have 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, and a release by Tennessee of Signature from any civil or administrative monetary claim Tennessee has for the TennCare Covered Conduct under the Tennessee Medicaid False Claims Act, Tenn. Code Ann. §§ 71-5-181, to -185, or the common law theories of payment by mistake, unjust enrichment, and fraud.

6. Subject to the exceptions in Paragraphs 8 and 9 below, and conditioned upon Signature's full payment of the Settlement Amount and any realized portion of the Contingency Amount, and subject to Paragraph 21, below (concerning bankruptcy

proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), Relators, for themselves and their heirs, successors, attorneys, agents, and assigns, release Signature from any and all civil monetary and/or damages claims, of any kind, the Relators have, may have, or could have raised, on behalf of themselves, the United States, and Tennessee for the Covered Conduct under the False Claims Act, 31 U.S.C. § 3729 or under the Tennessee False Claims Act or related state statutory or regulatory provision, as well as for any claims they or their attorneys may have for attorneys' fees and expenses under 31 U.S.C. § 3730(d)(1). Relators are not releasing their claims under 31 U.S.C. § 3730(h).

7. In consideration of the obligations of Signature in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and Signature, and conditioned upon Signature's full payment of the Settlement Amount and any realized portion of the Contingency Amount, the OIG-HHS agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Signature (i.e., the entities on Attachment A) under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this Paragraph and in Paragraph 8 (concerning excluded claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Signature from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes the OIG-HHS from taking action against

entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 8, below.

8. Notwithstanding the releases given in Paragraphs 5, 6, and 7 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;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

9. Notwithstanding the releases given in Paragraphs 5, 6, and 7 of this Agreement, or any other term of this Agreement, the following claims of Tennessee are specifically reserved and are not released:

- a. Any criminal, civil, or administrative liability arising under the State of Tennessee's revenue codes;
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory or permissive exclusion from the TennCare program;
- d. Any liability to Tennessee for any conduct other than the TennCare Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- g. Any liability for failure to deliver goods or services due;
- h. Any liability for personal injury or property damage or for other consequential damages arising from the TennCare Covered Conduct;
- i. Any liability of individuals; or
- j. Any liability to the State of Tennessee individual consumers or state program payers for claims involving unfair and/or deceptive acts or practices and/or violations of consumer protection laws.

10. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B), and that the Medicaid Share as set forth in Paragraph 2 is also fair, adequate, and reasonable under all the circumstances. In connection with this Agreement and this Civil Action, Relators and their heirs, successors, attorneys, agents, and assigns agree that neither this Agreement, any intervention by the United States in the Civil Action in order to dismiss the Civil Action, nor any dismissal of the Civil Action, shall waive or otherwise affect the ability of the United States to contend that provisions in the False Claims Act, including 31 U.S.C. §§ 3730(d)(3) and 3730(e), bar Relators from sharing in the proceeds of this Agreement. Moreover, the United States and Relators and their heirs, successors, attorneys, agents, and assigns agree that they each retain all of their rights pursuant to the False Claims Act on the issue of the share percentage, if any, that Relators should receive of any proceeds of the settlement of their claims. Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge Tennessee, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730 or Tenn. Cod Ann. § 71-5-183, and from any claims to a share of the Medicaid Share of this Agreement, as set forth in Paragraph 2.

11. Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, fully and finally release Signature, and its officers, agents, directors, employees, owners, creditors, and landlords from any and all liability to Relators arising from the filing of the Civil Action, the facts and claims thereunder, and regardless of

whether Relators alleged, could have alleged, or should have alleged additional claims, facts, or allegations, or any and all claims under 31 U.S.C. § 3730(d) for expenses or attorney's fees and costs, except that Relators reserve their claims under 31 U.S.C. § 3730(h).

12. Signature waives and shall not assert any defenses Signature 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.

13. Signature fully and finally releases the United States and Tennessee, their respective agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Signature has asserted, could have asserted, or may assert in the future against the United States and/or Tennessee, their agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' and Tennessee's investigations and prosecutions thereof.

14. Signature fully and finally releases Relators from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Signature has asserted, could have asserted, or may assert in the future against Relators, related to Relators' claims under 31 U.S.C. § 3729 and 31 U.S.C. § 3730(d)(1), and the Relators' investigation and prosecution thereof. Because Relators have not released their

claims under 31 U.S.C. § 3730(h), this release expressly does not extend to cover claims related to Relators' claims under 31 U.S.C. § 3730(h).

15. The Settlement Amount and the Contingency 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 Signature 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.

16. Signature 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. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Signature, its subsidiaries or affiliates, and any of their present or former officers, directors, employees, shareholders, and agents in connection with:

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

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as "Unallowable Costs"). However, nothing in Paragraph 16.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 Signature.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in nonreimbursable cost centers by Signature, and Signature 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 Signature or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Signature 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 Signature or any of its 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. Signature agrees that the United States and Tennessee, at a minimum, shall be entitled to recoup from Signature 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 and Tennessee reserve their rights to disagree with any calculations submitted by Signature or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Signature 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 and Tennessee to audit, examine, or re-examine Signature's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

17. Signature agrees to cooperate fully and truthfully with the United States' and Tennessee's investigations of individuals and entities not released in this Agreement. Upon reasonable notice, Signature shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Signature further agrees to furnish to the United States and Tennessee, upon request, complete and unredacted copies of all non-privileged, and not previously produced, 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 its behalf.

18. 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 19 (waiver for beneficiaries paragraph), below.

19. Signature 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.

20. 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 Signature, 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 Signature was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

21. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, Signature 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 Signature's debts, or seeking to adjudicate Signature as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Signature or for all or any substantial part of Signature's assets, Signature agrees as follows:

a. Signature's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Signature shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Signature's obligations under this Agreement may be avoided under 11 U.S.C. § 547; or (ii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Signature.

b. To the extent permitted by law, Signature will seek to have its obligations under this Agreement affirmed and otherwise seek to honor its obligations under this Agreement in any such case, proceeding, or action.

c. If Signature'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 and/or Tennessee, at their sole respective options, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Signature for the claims that would otherwise be covered by the releases provided in Paragraphs 5, 6, and 7 above. Signature agrees that (i) any such claims, actions, or proceedings brought by the United States and/or Tennessee 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 Signature shall not argue or otherwise contend that the United States' and Tennessee's respective claims, actions, or proceedings are subject to an automatic stay; (ii) the United States has a valid claim against Signature in the amount of \$232 million, 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; and (iii) Tennessee has a valid claim against Signature in the amount of \$12 million, and Tennessee 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. Signature acknowledges that its agreements in this Paragraph 21 are provided in exchange for valuable consideration provided in this Agreement.

22. Signature has provided sworn financial disclosure statements (Financial Statements) to the United States and the United States and Tennessee have relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Signature warrants that the Financial Statements are complete, accurate, and current. If the United States or Tennessee learn of asset(s) in which Signature had an interest at the time of this Agreement that were not disclosed in the Financial Statements, or if the

United States or Tennessee learn of any misrepresentation by Signature on, or in connection with, the Financial Statements, and if such nondisclosure or misrepresentation increases (other than increases from the company's outside auditors to the value of intangible assets) the value of Signature's total assets, as set forth in the unaudited balance sheet as of December 31, 2017 by \$3 million or more: (a) the United States may at its option rescind this Agreement and reinstate the Civil Action based on the Covered Conduct, (b) Tennessee may at its option bring suit based on the TennCare Covered Conduct, or (c) the United States and Tennessee may let the Agreement stand and collect the full Settlement Amount and the Contingency Amount plus one hundred percent (100%) of the value of the net worth of Signature previously undisclosed. Signature agrees not to contest any collection action undertaken by the United States and/or Tennessee pursuant to this provision, and immediately to pay the United States and Tennessee all reasonable costs incurred in such an action, including attorney's fees and expenses.

23. In the event that Signature fails to pay any or all of the payments owed pursuant to this Agreement within five business days of the due date, Signature shall be in Default of its obligations under this Agreement. In the event of default, the United States shall provide, via overnight mail delivery service requiring signature, written notice to Signature at: 12201 Bluegrass Parkway, Louisville, KY 40299, care of Signature's General Counsel for Litigation-Risk Services and Chief Financial Officer. If Signature fails to cure such Default within five business days of receipt of the written notice, or seven business days of the mailing of such notice, whichever is sooner, the remaining unpaid balance of the Settlement Amount and the Contingency Amount shall

become accelerated and immediately due and payable, and interest shall accrue at a simple rate of 12 percent per annum from the date of Default until the date of payment.

In addition, if Signature fails to cure a Default within the time prescribed in the first subparagraph of Paragraph 23, the United States and Tennessee may at their respective options take one or more of the following actions: 1) rescind their respective releases; 2) offset the remaining unpaid balance of the Settlement Amount and the Contingency Amount from any amounts due and owing to Signature, or any of its subsidiaries or affiliates, by any department, agency, or agent of the United States or Tennessee at the time of Default; 3) file an action for specific performance of this Agreement; 4) reinstitute an action against Signature for the Covered Conduct; or 5) exercise any other right granted by law or in equity. Signature agrees not to contest any draw, offset, or collection action undertaken by the United States and/or Tennessee pursuant to this Paragraph, either administratively or in any court. In the event of a Default that Signature fails to cure within the time prescribed in the first subparagraph of Paragraph 23, Signature agrees to pay the United States and Tennessee all reasonable costs of collection and enforcement of this Agreement, including attorneys' fees and expenses.

Furthermore, in the event of a Default that Signature fails to cure within the time prescribed in the first subparagraph of Paragraph 23, OIG-HHS may exclude Signature from participating in all Federal health care programs until Signature pays the Settlement Amount, the Contingency Amount, and the reasonable costs of collection and enforcement as referenced herein. OIG-HHS will provide written notice of any such exclusion to Signature. Signature waives any further notice of the

exclusion under 42 U.S.C. § 1320a-7(b)(7), and agrees 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, Signature wishes to apply for reinstatement, Signature must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Signature will not be reinstated unless and until OIG-HHS approves such request for reinstatement.

24. In the event that the United States and/or Tennessee, pursuant to Paragraphs 21, 22, or 23, above, opts to rescind this Agreement, Signature agrees 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 and/or Tennessee within 180 calendar days of written notification to Signature that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on January 1, 2015.

25. Signature warrants that its restructuring was done in a manner reasonably anticipated to enable it to meet its obligations under this Agreement. Signature shall not, absent the consent of the United States and Tennessee, make payments to any creditor of more than \$2.5 million above what is contractually required. In no event shall Signature make any voluntary payments to creditors that would impair its ability to honor its obligations hereunder. This paragraph does not require consent for refinancing where there is no reduction in the amount of the outstanding liability.

26. Upon receipt of the full initial payment described in Paragraph 1, above, the United States and Relators shall promptly sign and file in the Civil Action a Joint

Stipulation of Partial Dismissal in the form attached hereto as Exhibit C: (1) dismissing with prejudice all claims asserted on behalf of the United States against Signature in the Civil Action for the Medicare Covered Conduct as set forth in this Agreement, and (2) dismissing with prejudice to the Relators and without prejudice to the United States any remaining claims asserted on behalf of the United States against Signature in the Civil Action, but (3) maintaining Relators' action against Signature pursuant to 31 U.S.C. § 3730(h) .

27. Other than payments made pursuant to agreements referenced in Paragraph 4 of the Terms and Conditions, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

28. 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.

29. 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 Middle District of Tennessee, Nashville Division. 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.

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

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

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

33. This Agreement is binding on Signature's successors, transferees, heirs, and assigns.

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

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

36. 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: 5/29/18

BY:

Christelle Klovers

Christelle Klovers
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY:

Sarah K. Bogni
Assistant United States Attorney
Middle District of Tennessee

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THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Christelle Klovers
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 5-23-18

BY: _____

Sarah K. Bogni
Sarah K. Bogni
Assistant United States Attorney
Middle District of Tennessee

DATED: 5/29/08

BY:

Lena Arnanti Neel Ben-David
Assistant United States Attorney
Northern District of Georgia

DATED: _____

BY:

Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

TENNESSEE

DATED: _____

BY:

Herbert H. Slatery, III
Attorney General and Reporter

SIGNATURE ENTITIES

DATED: _____

BY:

Lynn K. Fieldhouse
General Counsel, Litigation-Risk Services
Signature Healthcare, LLC and all entities on
Attachment A

DATED: _____

BY:

W. David Bridgers
Waller Lansden Dortch & Davis, LLP
Counsel for Signature entities on Attachment A

DATED: _____

BY: _____
Lena Amanti
Assistant United States Attorney
Northern District of Georgia

DATED: 5/25/2018

BY: Lisa M. Re
Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

TENNESSEE

DATED: _____

BY: _____
Herbert H. Slatery, III
Attorney General and Reporter

SIGNATURE ENTITIES

DATED: _____

BY: _____
Lynn K. Fieldhouse
General Counsel, Litigation-Risk Services
Signature Healthcare, LLC and all entities on
Attachment A

DATED: _____

BY: _____
W. David Bridgers
Waller Lansden Dortch & Davis, LLP
Counsel for Signature entities on Attachment A

DATED: _____

BY: _____
Lena Amanti
Assistant United States Attorney
Northern District of Georgia

DATED: _____

BY: _____
Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

TENNESSEE

DATED: 5/29/2018

BY: Herbert H. Slatery, III
Herbert H. Slatery, III
Attorney General and Reporter

SIGNATURE ENTITIES

DATED: _____

BY: _____
Lynn K. Fieldhouse
General Counsel, Litigation-Risk Services
Signature Healthcare, LLC and all entities on
Attachment A

DATED: _____

BY: _____
W. David Bridgers
Waller Lansden Dortch & Davis, LLP
Counsel for Signature entities on Attachment A

DATED: _____

BY: _____
Lena Amanti
Assistant United States Attorney
Northern District of Georgia

DATED: _____

BY: _____
Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

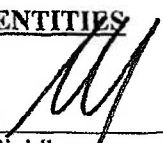
TENNESSEE

DATED: _____

BY: _____
Herbert H. Slatery, III
Attorney General and Reporter

SIGNATURE ENTITIES

DATED: 5/23/18

BY:  _____
Lynn K. Fieldhouse
General Counsel, Litigation-Risk Services
Signature Healthcare, LLC and all entities on
Attachment A

DATED: _____

BY: _____
W. David Bridgers
Waller Lansden Dortch & Davis, LLP
Counsel for Signature entities on Attachment A

DATED: _____

BY: _____
Lena Amanti
Assistant United States Attorney
Northern District of Georgia

DATED: _____

BY: _____
Lisa M. Re
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

TENNESSEE

DATED: _____

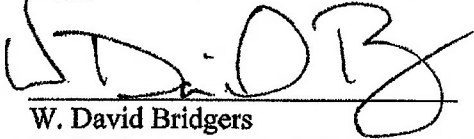
BY: _____
Herbert H. Slatery, III
Attorney General and Reporter

SIGNATURE ENTITIES

DATED: _____

BY: _____
Lynn K. Fieldhouse
General Counsel, Litigation-Risk Services
Signature Healthcare, LLC and all entities on
Attachment A

DATED: 5/23/18

BY:  _____
W. David Bridgers
Waller Lansden Dortch & Davis, LLP
Counsel for Signature entities on Attachment A

RELATORS

DATED: 5-23-18 BY: Kristi Emerson
Kristi Emerson

DATED: 5/23/18 BY: LeeAnn Tuesca
LeeAnn Tuesca

DATED: May 23, 2018 BY: Jerry Martin
Jerry Martin
Barrett Johnston Martin & Garrison, LLC
Counsel for Relators Emerson and Tuesca

ATTACHMENT A

Signature Released Entities List

Entity Legal Name	D/B/A NAME
1 Signature HealthCARE, LLC	N/A
2 Agemo Holdings, LLC (f/k/a Signature Holdings II, LLC)	N/A
3 Signature Rehab Consulting Services, LLC (f/k/a Signature Rehab Services, LLC)	N/A
4 Stakeholder Payroll Services, LLC (f/k/a Signature Payroll Services, LLC)	N/A
5 Signature Healthcare Clinical Consulting Services, LLC	N/A
6 Signature Healthcare Consulting Services, LLC	N/A
7 LP CR Holdings, LLC	N/A
8 LP CS Holdings, LLC	N/A
9 LP Manager, LLC	N/A
10 LP O Holdings, LLC	N/A
11 LP O Holdings, II, LLC	N/A
12 LP RE I Holdings, LLC	N/A
13 LP RE II Holdings, LLC	N/A
14 SHC IN Holdings, LLC	N/A
15 SHC KY Holdings, LLC	N/A
16 SHC LP Holdings, LLC	N/A
17 SHC LP Holdings II, LLC	N/A
18 LP Albany, LLC	Clinton County Care & Rehabilitation Center
19 LP Annville, LLC	Signature Healthcare at Jackson Manor Rehab & Wellness Center
20 LP Atlanta, LLC	Signature HealthCARE of Buckhead
21 LP Augusta, LLC	Bracken County Nursing & Rehabilitation Center
22 LP Bardstown, LLC	Signature Healthcare at Colonial Rehab & Wellness Center
23 LP Beatyville, LLC	Lee County Care & Rehabilitation Center
24 LP Bedford, LLC	Signature HealthCARE of Trimble County
25 LP Bluffton, LLC	N/A
26 LP Bluffton Management, LLC	Signature HealthCARE of Bluffton
27 LP Bowling Green, LLC	Signature HealthCARE of Bowling Green
28 LP Bradenton, LLC	Heritage Park Care and Rehabilitation Center
29 LP Bremen, LLC	N/A
30 LP Bremen Management, LLC	Signature HealthCARE of Bremen
31 LP Brodhead, LLC	Rockcastle Health & Rehabilitation Center
32 LP Byrdstown, LLC	Pickett Care and Rehabilitation Center
33 LP Calhoun, LLC	Riverside Care & Rehabilitation Center
34 LP Calvert City, LLC	Oakview Nursing & Rehabilitation Center

35	LP Cambridge, LLC	Signature HealthCARE at Mallard Bay
36	LP Carrollton, LLC	Signature Healthcare of Carrollton Rehab & Wellness Center
37	LP Chapel Hill, LLC	Signature HealthCARE of Chapel Hill
38	LP Chillicothe, LLC	Signature HealthCARE of Chillicothe
39	LP Chipley, LLC	Washington Rehabilitation and Nursing Center
40	LP Clarksville, LLC	Signature HealthCARE of Clarksville
41	LP Cleveland, LLC	Signature HealthCARE of Cleveland
42	LP Columbia KY, LLC	Signature Healthcare at Summit Manor Rehab & Wellness Center
43	LP Cookeville, LLC	Signature HealthCARE of Putnam County
44	LP Coshocton, LLC	Signature HealthCARE of Coshocton
45	LP Danville, LLC	Danville Centre for Health & Rehabilitation
46	LP DeFuniak Springs, LLC	Chautauqua Rehabilitation and Nursing Center
47	LP E-Town, LLC	Signature HealthCARE of Elizabethton
48	LP Elizabethton, LLC	Signature HealthCARE of Elizabethton Rehab & Wellness Center
49	LP Erin, LLC	Signature HealthCARE of Erin
50	LP Fort Myers, LLC	Signature HealthCARE at College Park
51	LP Fort Wayne, LLC	Signature HealthCARE of Fort Wayne
52	LP Gainesville, LLC	Signature HealthCARE of Gainesville
53	LP Gallion, LLC	Signature HealthCARE of Gallion
54	LP Gastonia, LLC	Gastonia Care and Rehabilitation
55	LP Georgetown, LLC	Signature HealthCARE of Georgetown
56	LP Glasgow, LLC	Signature Healthcare of Glasgow Rehab & Wellness Center
57	LP Graceville, LLC	Signature HealthCARE of North Florida
58	LP Greenville, LLC	Signature HealthCARE of Greenville
59	LP Harriman, LLC	Harriman Care & Rehabilitation Center
60	LP Harrodsburg, LLC	Harrodsburg Health & Rehabilitation Center
61	LP Hartford, LLC	Signature Healthcare of Hartford Rehab & Wellness Center
62	LP Hialeah Gardens, LLC	Signature HealthCARE Center of Waterford
63	LP Hodgenville, LLC	Sunrise Manor Nursing Home
64	LP Hollywood, LLC	Golfcrest Healthcare Center
65	LP Homestead, LLC	Signature HealthCARE of Brookwood Gardens
66	LP Horse Cave, LLC	Signature Healthcare of Hart County Rehab & Wellness Center
67	LP Huntsville, LLC	Signature HealthCARE of Whitesburg Gardens
68	LP Jacksonville, LLC	Signature Healthcare of Jacksonville
69	LP Jamestown, LLC	Signature HealthCARE of Fentress County
70	LP Kinston, LLC	Signature HealthCARE of Kinston
71	LP Lafayette, LLC	Signature HealthCARE of Lafayette
72	LP Lake Worth, LLC	Signature HealthCARE of Palm Beach
73	LP Lawrenceburg, LLC	Signature Healthcare at Heritage Hall Rehab & Wellness Center
74	LP Lebanon, LLC	N/A

75	LP Lebanon Management, LLC	Signature HealthCARE at Parkwood
76	LP Lexington Park, LLC	Chesapeake Shores
77	LP Lexington Pimlico, LLC	Bluegrass Care & Rehabilitation Center
78	LP Lexington, LLC	Mayfair Manor
79	LP Lexington Tanbark Road, LLC	Signature Healthcare at Tanbark Rehab & Wellness Center
80	LP Liberty, LLC	Liberty Care & Rehabilitation Center
81	LP Live Oak, LLC	Surrey Place Care Center
82	LP Louisville East, LLC	Signature HealthCARE of East Louisville
83	LP Louisville Farnsley Road, LLC	Signature Healthcare at Summerfield Rehab & Wellness Center
84	LP Louisville Herr Lane, LLC	Signature Healthcare at Jefferson Place Rehab & Wellness Center
85	LP Louisville Hospital South, LLC	Signature HealthCARE at Sts. Mary & Elizabeth Hospital
86	LP Louisville Lynn Way, LLC	Signature Healthcare at Jefferson Manor Rehab & Wellness Center
87	LP Louisville Quinn Drive, LLC	Signature Healthcare at Rockford Rehab & Wellness Center
88	LP Louisville South, LLC	Signature HealthCARE of South Louisville
89	LP Madison, LLC	Signature HealthCARE of Madison
90	LP Marianna, LLC	Signature HealthCARE at The Courtyard
91	LP Marietta, LLC	Signature HealthCARE of Marietta
92	LP Marietta II, LLC	Signature HealthCARE at Tower Road
93	LP Memphis, LLC	Signature HealthCARE of Memphis
94	LP Memphis V, LLC	Signature HealthCARE of Primacy
95	LP Monteagle, LLC	Signature HealthCARE of Monteagle Rehab & Wellness Center
96	LP Monterey, LLC	Standing Stone Care and Rehabilitation Center
97	LP Monterey Therapy, LLC	Standing Stone Therapy
98	LP Morgantown, LLC	Morgantown Care & Rehabilitation Center
99	LP Mountain City, LLC	Mountain City Care & Rehabilitation Center
100	LP Muncie, LLC	N/A
101	LP Muncie Management, LLC	Signature HealthCARE of Muncie
102	LP Newburgh, LLC	Signature HealthCARE of Newburgh
103	LP New Port Richey, LLC	Southern Pines Healthcare Center
104	LP Norfolk, LLC	Signature HealthCARE of Norfolk
105	LP North Nashville, LLC	Nashville Community Care & Rehabilitation at Bordeaux
106	LP Orange Park, LLC	Signature HealthCARE of Orange Park
107	LP Ormond Beach, LLC	Signature HealthCARE of Ormond
108	LP Owensboro, LLC	Heritage Care and Rehabilitation Center
109	LP Owensboro II, LLC	Signature HealthCARE at Hillcrest
110	LP Palm Bay, LLC	Anchor Care and Rehabilitation Center
111	LP Pigeon Forge, LLC	Pigeon Forge Care & Rehabilitation Center
112	LP Pikeville, LLC	Signature HealthCARE of Pikeville
113	LP Pine Knot, LLC	Signature Healthcare of McCreary County Rehab & Wellness Center
114	LP Port Charlotte, LLC	Signature HealthCARE of Port Charlotte

115	LP Portland, LLC	Signature HealthCARE of Portland Rehab & Wellness Center
116	LP Prestonsburg, Riverview, LLC	Riverview Health Care Center
117	LP Prestonsburg, LLC	Prestonsburg Health Care Center
118	LP Radcliff, LLC	Signature Healthcare at North Hardin Rehab & Wellness Center
119	LP Ridgely, LLC	Signature HealthCARE of Ridgely Rehab & Wellness Center
120	LP Roanoke Rapids, LLC	Signature HealthCARE of Roanoke Rapids
121	LP Rockwood, LLC	Signature HealthCARE of Rockwood Rehab & Wellness Center
122	LP Rogersville, LLC	Signature HealthCARE of Rogersville
123	LP Savannah, LLC	Signature HealthCARE of Savannah
124	LP Sebring, LLC	Kenilworth Care and Rehabilitation Center
125	LP South Bend, LLC	Signature HealthCARE of South Bend
126	LP South Pittsburg, LLC	Signature HealthCARE of South Pittsburg Rehab & Wellness Center
127	LP Spring City, LLC	Spring City Care and Rehabilitation Center
128	LP St. Petersburg, LLC	Golfview Healthcare Center
129	LP St. Petersburg, Pasadena, LLC	Gulfport Rehabilitation Center
130	LP SW Jacksonville, LLC	Signature Healthcare of Middleburg Rehabilitation and Wellness Center
131	LP Tarpon Springs, LLC	Peninsula Care and Rehabilitation Center
132	LP Taylorsville, LLC	Signature HealthCARE of Spencer County
133	LP Terre Haute, LLC	N/A
134	LP Terre Haute Management, LLC	Signature HealthCARE of Terre Haute
135	LP Tompkinsville, LLC	Signature Healthcare of Monroe County Rehab & Wellness Center
136	LP Warren, LLC	Signature HealthCARE of Warren
137	LP Washington CH, LLC	Signature HealthCARE of Fayette County
138	LP Westmoreland, LLC	Westmoreland Care & Rehabilitation Center
139	LP Winchester, LLC	Fountain Circle Care & Rehabilitation Center
140	LP Winter Park, LLC	Winter Park Care & Rehabilitation Center

ATTACHMENT B**Signature Payment Schedule**

Quarter	Payment	2.375%	Principal	Balance
		Interest ¹		
				30,000,000.00
1	*	*	1,000,000.00	29,000,000.00
2	1,172,187.50	172,187.50	1,000,000.00	28,000,000.00
3	1,166,250.00	166,250.00	1,000,000.00	27,000,000.00
4	1,160,312.50	160,312.50	1,000,000.00	26,000,000.00
5	1,154,375.00	154,375.00	1,000,000.00	25,000,000.00
6	1,148,437.50	148,437.50	1,000,000.00	24,000,000.00
7	1,142,500.00	142,500.00	1,000,000.00	23,000,000.00
8	1,136,562.50	136,562.50	1,000,000.00	22,000,000.00
9	1,380,625.00	130,625.00	1,250,000.00	20,750,000.00
10	1,373,203.13	123,203.13	1,250,000.00	19,500,000.00
11	1,365,781.25	115,781.25	1,250,000.00	18,250,000.00
12	1,358,359.38	108,359.38	1,250,000.00	17,000,000.00
13	1,350,937.50	100,937.50	1,250,000.00	15,750,000.00
14	1,343,515.63	93,515.63	1,250,000.00	14,500,000.00
15	1,336,093.75	86,093.75	1,250,000.00	13,250,000.00
16	1,328,671.88	78,671.88	1,250,000.00	12,000,000.00
17	1,571,250.00	71,250.00	1,500,000.00	10,500,000.00
18	1,562,343.75	62,343.75	1,500,000.00	9,000,000.00
19	1,553,437.50	53,437.50	1,500,000.00	7,500,000.00
20	1,544,531.25	44,531.25	1,500,000.00	6,000,000.00
21	1,535,625.00	35,625.00	1,500,000.00	4,500,000.00
22	1,526,718.75	26,718.75	1,500,000.00	3,000,000.00
23	1,517,812.50	17,812.50	1,500,000.00	1,500,000.00
24	1,508,906.25	8,906.25	1,500,000.00	-
Total	31,238,437.52	2,238,437.52	30,000,000.00	

Notes:

1. The first quarterly payment shown above will also include handshake interest on the \$30 million from November 9, 2017 through the date of the first quarterly payment.
2. Additional payments include contingency amounts based on EBITDAR and asset sale proceeds. These contingency payments will allow additional recoveries of up to \$5 million.

ATTACHMENT C

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
COLUMBIA DIVISION

UNITED STATES OF AMERICA, <i>ex rel.</i>)	
KRISTI EMERSON, <i>et al.</i> ,)	
)	
Plaintiffs,)	Civil Case No.: 1:15-cv-00027
)	CHIEF JUDGE CRENSHAW
v.)	
)	
SIGNATURE HEALTHCARE, LLC, <i>et al.</i> ,)	
)	UNDER SEAL
)	
Defendants.)	

STIPULATED MOTION FOR ENTRY OF ORDER OF DISMISSAL IN PART

The United States of America and Relators Kristi Emerson and Leeann Tuesca, by and through their undersigned counsel and pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure, hereby jointly move for entry of an Order of Dismissal of the claims in this Action that Defendants violated 31 U.S.C. § 3729, and of Relators' claims for attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d)(1).

On [date], the United States and Relators entered into a Settlement Agreement ("Settlement Agreement") with Signature Healthcare, LLC and many of its subsidiaries (as delineated on Attachment A to the Settlement Agreement), including all of the Defendants named in this Action. Signature Healthcare, LLC has now made its first payment pursuant to the Settlement Agreement.

Relators claim entitlement to attorneys' fees and costs as provided for by 31 U.S.C. § 3730(d)(1), which claims have been resolved by Relators and the Signature defendants. Relators also claim entitlement to damages pursuant to 31 U.S.C. § 3730(h). Because the Relators and the Signature Defendants have not resolved the 31 U.S.C. § 3730(h) claims of either Relator, the

Plaintiffs request that the Court retain jurisdiction with regard to both of the Relators' § 3730(h) claims.

Consequently, and in accord with the Settlement Agreement, the Plaintiffs respectfully request that the 31 U.S.C. § 3729 claims and the 31 U.S.C. § 3730(d)(1) claims against Defendants in this Action be dismissed as follows:

1. All § 3729 claims asserted by Relators in this Action be dismissed with prejudice to Relators.
2. Those claims that are defined in the Settlement Agreement as the Medicare Covered Conduct be dismissed with prejudice to the United States.
3. All § 3729 claims asserted by Relators in this Action that are not a part of the Medicare Covered Conduct be dismissed without prejudice to the United States.
4. The Relators' claims for attorneys' fees and costs under 31 U.S.C. § 3730(d)(1) be dismissed with prejudice to Relators and their counsel.
5. Relators' claims under 31 U.S.C. § 3730(h) are **NOT DISMISSED**.
6. The United States and defendants shall bear their own costs and attorneys' fees.

A proposed order accompanies this notice.

Dated: _____

Respectfully submitted,

FOR THE UNITED STATES

CHAD A. READLER
Acting Assistant Attorney General

DONALD Q. COCHRAN
United States Attorney
Middle District of Tennessee

By:

SARAH K. BOGNI
Assistant U.S. Attorney
110 Ninth Avenue South, Suite A-961
Nashville, TN 37203
Telephone: (615) 736-5151
Fax: (615) 401-6626
Email: sarah.bogni@usdoj.gov

MICHAEL D. GRANSTON
ANDY MAO
CHRISTELLE KLOVERS
Attorneys, Civil Division
Commercial Litigation Branch
P.O. Box 261
Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 305-3656

FOR THE RELATORS
KRISTI EMERSON AND LEEANN TUESCA

By:

JERRY MARTIN
DAVID W. GARRISON
SETH M. HYATT
Barrett Johnson Martin & Garrison, LLC
Bank of America Plaza
414 Union Street, Suite 900
Nashville, Tennessee 37219
Telephone: (615) 244-2202
Email: jmartin@barrettjohnston.com

Robert K. Lu
Robbins Geller Rudman & Dowd LLP
655 W. Broadway, Suite 1900
San Diego, California 92101
Telephone: (619) 231-1058

James E. Barz
Robbins Geller Rudman & Dowd LLP
200 S. Wacker Dr., 31st Floor
Chicago, Illinois 60606
Telephone: (312) 674-4674

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
COLUMBIA DIVISION

UNITED STATES OF AMERICA, <i>ex rel.</i>)	
KRISTI EMERSON, <i>et al.</i> ,)	
)	
Plaintiffs,)	Civil Case No.: 1:15-cv-00027
)	CHIEF JUDGE CRENSHAW
v.)	
)	
SIGNATURE HEALTHCARE, LLC, <i>et al.</i> ,)	
)	UNDER SEAL
)	
Defendants.)	

ORDER OF DISMISSAL IN PART

This matter is before the Court on the Stipulated Motion for Entry of Order of Dismissal in Part. In the Stipulation, the plaintiffs state that they agree to the dismissal, as delineated below, of the 31 U.S.C. § 3729 and 31 U.S.C. § 3730(d)(1) claims in the complaint. Accordingly, it is hereby

ORDERED:

1. All § 3729 claims asserted by Relators in this Action be **DISMISSED with prejudice** to Relators.
2. Those claims that are defined in the [date] Settlement Agreement as the Medicare Covered Conduct be **DISMISSED with prejudice** to the United States.
3. All § 3729 claims asserted by Relator in this Action that are not part of the Medicare Covered Conduct be **DISMISSED without prejudice** to the United States.
4. The Relators' claims for attorneys' fees and costs under 31 U.S.C. § 3730(d)(1) be **DISMISSED with prejudice** to Relators and their counsel.
5. Relators' claims under 31 U.S.C. § 3730(h) are **NOT DISMISSED**.

6. The United States and Defendants shall bear their own costs and attorneys' fees.

IT IS SO ORDERED,

WAVERLY D. CRENSHAW, JR.
Chief United States District Judge