

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice (the “United States”) and Dr. Labib E. Riachi, Riachi, Inc., and Center for Advanced Pelvic Surgery, LLC (collectively, the “defendants”). The United States and the defendants through their authorized representatives, are collectively referred to as the “Parties.”

### **RECITALS**

A. Dr. Labib E. Riachi (“Dr. Riachi”) is an individual residing, doing business and practicing medicine in the State of New Jersey within the District of New Jersey.

B. Riachi, Inc. is a corporation with its principal place of business located in Westfield, New Jersey.

C. Center for Advanced Pelvic Surgery, LLC (“CAPS”) is a limited liability company with its principal place of business located in Westfield, New Jersey.

D. Dr. Riachi is the sole owner and primary physician of Riachi, Inc. and CAPS.

E. The United States contends that the defendants 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.

F. On February 10, 2016, the United States filed a civil complaint (the “Complaint”) in the United States District Court for the District of New Jersey captioned

*United States of America v. Labib E. Riachi, MD, Riachi, Inc., and Center for Advanced Pelvic Surgery, LLC* (the “Civil Action”).

G. Covered Conduct. As set forth in the Civil Action, the United States contends that it has certain civil claims against the defendants under the False Claims Act, 31 U.S.C. §§ 3729 *et seq.*, other federal statutes, or common law doctrines, for engaging in conduct relating to the submission of claims for services to Medicare and Medicaid. That alleged conduct described in the Complaint is incorporated by reference in this Paragraph G and is referred to below as the “Covered Conduct.”

H. This Agreement is neither an admission of any wrongdoing or any liability by the defendants, nor a concession by the United States that its claims are not well founded.

I. 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. The defendants shall pay to the United States a total of \$5,250,000 (the “Settlement Amount”) as follows:

(a) The defendants shall pay \$3,000,000 no later than five business days after the Effective Date of this Agreement (the “First Settlement Payment”); and

(b) The defendants shall pay to the United States \$2,250,000 no later than 45 days after the Effective Date of this Agreement (the “Second Settlement Payment”).

2. The defendants agree to pay the First Settlement Payment and the Second Settlement Payment to the United States by electronic funds transfer pursuant to written