

## 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 of the Department of Health and Human Services ("OIG-HHS") (collectively, the "United States"); Compassionate Care of Gwynedd, Inc. ("CCH-Bensalem"); Marge Helmuth; and the Estate of Eunice Ruth (Marge Helmuth and the Estate of Eunice Ruth hereafter collectively referred to as the "Relators"), through their authorized representatives. Hereafter all of the above entities and persons shall collectively be referred to as the "Parties."

### RECITALS

A. CCH-Bensalem is a hospice provider based in Bensalem, Pennsylvania and a subsidiary of Compassionate Care Hospice Group, Inc. ("CCH Group"), a Florida corporation with its principal place of business in Parsippany, New Jersey.

B. On July 2, 2010, Relators filed a qui tam action in the United States District Court for the District of New Jersey captioned United States, et al., ex rel. Jane Doe and Mary Roe v. Compassionate Care Hospice, et al., Civil Action No. 10-3484, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action"). Relators amended their complaint on August 5, 2011. Relators alleged that the defendants, among other things, submitted claims to Medicare and other governmental payors for hospice services that were not medically necessary, not rendered, or procured through kickbacks, in violation of the False Claims Act, 31 U.S.C. §§ 3729, et seq., the anti-kickback statute, 42 U.S.C. § 1320a-7b(b)(2)(A) and (B), and various state statutes. Relators additionally alleged violations of the anti-retaliation provisions of the False Claims Act and New Jersey's Conscientious Employee Protection Act.

C. The United States contends that CCH-Bensalem 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").

D. The United States contends that it has certain civil claims against CCH-Bensalem arising from CCH-Bensalem's submission to Medicare, during the period from January 1, 2005, through November 15, 2011, of claims for hospice services using a patient diagnosis of "debility" that the United States contends were not medically necessary. That conduct is referred to below as the "Covered Conduct."

E. This Settlement Agreement is made in compromise of disputed claims. This Settlement Agreement is neither an admission of facts nor liability by CCH-Bensalem nor a concession by the United States or Relators that their claims are not well founded.

F. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement 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. CCH-Bensalem shall pay to the United States the sum of \$1,987,500 ("Settlement Amount"), and interest on the Settlement Amount, as set forth below. The Settlement Amount plus interest shall hereafter be described as the "Settlement Proceeds." CCH-Bensalem agrees to pay the Settlement Proceeds as follows:

- a. Within ten business days of the Effective Date of this Agreement, CCH-Bensalem will make an initial payment of \$200,000 to the United States, plus interest at a rate of 1.5 percent from August 22, 2016.

b. CCH-Bensalem will pay the balance of the Settlement Proceeds in twelve quarterly payments, each in the amount of \$148,958.33, plus interest compounded annually at the rate of 3 percent, over a period of three years beginning on August 15, 2017 pursuant to a promissory note ("Promissory Note") in the form of Exhibit A, which CCH-Bensalem agrees to execute contemporaneously with this Agreement. A payment schedule is attached as Exhibit B. The Promissory Note shall be secured by a guaranty executed by CCH Group and Compassionate Care Hospice of Delaware, LLC, Compassionate Care Hospice of the Delmar Peninsula, LLC, Compassionate Care Hospice of Central Florida, Inc., Compassionate Care Hospice of Miami Dade and the Florida Keys, Compassionate Care Hospice of Lake and Sumter, Inc., Compassionate Care Hospice of Central Georgia, LLC, Compassionate Care Hospice of Northern Georgia, LLC, Compassionate Care Hospice of Savannah, LLC, Compassionate Care Hospice of Illinois, LLC, Compassionate Care Hospice of Kansas City, LLC, Compassionate Care Hospice of Central Louisiana, LLC, Compassionate Care Hospice of Massachusetts, LLC, Compassionate Care Hospice of Southeastern Massachusetts, LLC, Compassionate Care Hospice of Michigan, LLC, Compassionate Care Hospice of Minnesota, LLC, Compassionate Care Hospice of Southern Mississippi, LLC, Compassionate Care Hospice of Kansas City, LLC, Pathways to Compassion, LLC (Nebraska), Compassionate Care Hospice of New Hampshire, LLC, Compassionate Care Hospice of Clifton, LLC, Compassionate Care Hospice of Marlton, LLC, Compassionate Care Hospice of Northern New Jersey, LLC, Compassionate Care Hospice of

New York, LLC, Compassionate Care Hospice of Ohio, LLC, Compassionate Care Hospice, Inc., Compassionate Care Hospice of Northwestern Pennsylvania, LLC, Compassionate Care Hospice of Pittsburgh, LLC, Compassionate Care Hospice of South Carolina, LLC, Compassionate Care Hospice of The Midwest LLC, Compassionate Care Hospice of Bryan Texas, LLC, Compassionate Care Hospice of Central Texas, LLC, Compassionate Care Hospice of Houston, LLC, Compassionate Care Hospice of North Texas LLC, Compassionate Care Hospice of Southeastern Texas, LLC, Compassionate Care Hospice of The Chesapeake Bay, LLC, Compassionate Care Hospice of Wisconsin, LLC, Pathways to Compassion, LLC (New Jersey) (collectively, the “CCH Affiliates”) in the form of Exhibit C (“Guaranty Agreement”), which CCH-Bensalem, CCH Group, and CCH Affiliates agree to execute and deliver contemporaneously with this Agreement.

- c. The entire balance of the Settlement Proceeds, or any portion thereof, plus any interest accrued on the principal as of the date of any prepayment, may be prepaid without penalty.
- d. CCH-Bensalem shall make all payments by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.
- e. CCH-Bensalem shall have the right to transfer its payment obligations to CCH Group, provided that CCH Group consents in writing to such a transfer and the United States is given 30 days’ notice of such a transfer. Upon any such

transfer, CCH Group agrees to adhere to all payment terms in this Agreement, including but not limited to Paragraph 1.

2. In the event that CCH-Bensalem fails to pay any amount as provided in Paragraph 1 within five (5) business days of the date on which such payment is due, CCH-Bensalem shall be in default of its payment obligations ("Default") under this Agreement. The United States shall provide via email notice of Default to CCH-Bensalem and to counsel for the Relators, and CCH-Bensalem shall have the opportunity to cure such Default within fifteen (15) business days from the date of receipt of the notice. Notice of Default shall be delivered to CCH-Bensalem's undersigned counsel, or to such other representative as CCH-Bensalem shall designate in advance in writing to the United States. If CCH-Bensalem fails to cure such Default within fifteen (15) business days of receiving the Notice of Default, the remaining unpaid balance of the Settlement Amount and interest accrued as of the date of default shall become accelerated and immediately due and payable, and interest shall accrue at the rate of 9% per annum compounded annually from the date of Default on the remaining unpaid total (principal and interest balance). In the event of Default, CCH-Bensalem shall consent to a judgment ("Consent Judgment") in the amount of the unpaid balance, and the United States may: (a) set off the remaining unpaid balance from any amounts, including, but not limited to, any Medicare payments, otherwise due and owing to CCH-Bensalem or CCH Affiliates by any department, agency, or agent of the United States, at the time of Default; (b) enforce the Consent Judgment; (c) exercise its rights against CCH Group and CCH Affiliates under the Guaranty Agreement; d) collect the entire unpaid balance of the Settlement Amount, plus interest, including 9% interest per annum compounded annually from the date of Default; (e) file a civil action for the Covered Conduct; and/or (f) exercise any other rights granted by law or in equity, including referral of this matter for private collection. In the event a Complaint is filed pursuant to subsection (e) of

this paragraph, CCH-Bensalem agrees not to plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories to the civil or administrative claims that relate to the Covered Conduct, except to the extent such defenses were available to CCH-Bensalem on the Effective Date of this Agreement. CCH-Bensalem agrees not to contest any Consent Judgment, offset, or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court. CCH-Bensalem shall pay the United States all reasonable costs of collection and enforcement under this paragraph, including attorneys' fees and expenses.

Notwithstanding the foregoing, in the event of Default as defined above, the OIG-HHS may exclude CCH-Bensalem from participating in all Federal health care programs until the Settlement Amount and reasonable costs as set forth in Paragraph 1 above are paid. OIG-HHS will provide written notice of any such exclusion to CCH-Bensalem. In the event of Default as defined above, CCH-Bensalem 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 CCH-Bensalem wishes to apply for reinstatement, it must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-05. CCH-Bensalem will not be reinstated unless and until OIG-HHS approves such request for reinstatement.

3. Conditioned upon the United States receiving the payments set forth in Paragraph 1 above, the United States agrees that it shall pay to Relators, c/o Timothy J. McInnis, Esq., by electronic funds transfer 18 percent of each such payment received under the Settlement Agreement as soon as feasible after receipt of the payment.

4. CCH-Bensalem shall pay to Relators, c/o Timothy J. McInnis, Esq., the sum of \$600,000 ("Relators' Settlement Amount"), as set forth below.

a. On June 30, 2017, CCH-Bensalem will make an initial payment of \$150,000 to Relators.

b. CCH-Bensalem will pay the balance of the Relators' Settlement Amount pursuant to a promissory note ("Relators' Promissory Note") in the form of Exhibit D. A payment schedule is attached as Exhibit E. The Relators' Promissory Note shall be secured by a guaranty executed by CCH Group and Compassionate Care Hospice of Delaware, LLC, Compassionate Care Hospice of the Delmar Peninsula, LLC, Compassionate Care Hospice of Central Florida, Inc., Compassionate Care Hospice of Miami Dade and the Florida Keys, Compassionate Care Hospice of Lake and Sumter, Inc., Compassionate Care Hospice of Central Georgia, LLC, Compassionate Care Hospice of Northern Georgia, LLC, Compassionate Care Hospice of Savannah, LLC, Compassionate Care Hospice of Illinois, LLC, Compassionate Care Hospice of Kansas City, LLC, Compassionate Care Hospice of Central Louisiana, LLC, Compassionate Care Hospice of Massachusetts, LLC, Compassionate Care Hospice of Southeastern Massachusetts, LLC, Compassionate Care Hospice of Michigan, LLC, Compassionate Care Hospice of Minnesota, LLC, Compassionate Care Hospice of Southern Mississippi, LLC, Compassionate Care Hospice of Kansas City, LLC, Pathways to Compassion, LLC (Nebraska), Compassionate Care Hospice of New Hampshire, LLC, Compassionate Care Hospice of Clifton, LLC,

Compassionate Care Hospice of Marlton, LLC, Compassionate Care Hospice of Northern New Jersey, LLC, Compassionate Care Hospice of New York, LLC, Compassionate Care Hospice of Ohio, LLC, Compassionate Care Hospice, Inc., Compassionate Care Hospice of Northwestern Pennsylvania, LLC, Compassionate Care Hospice of Pittsburgh, LLC, Compassionate Care Hospice of South Carolina, LLC, Compassionate Care Hospice of The Midwest LLC, Compassionate Care Hospice of Bryan Texas, LLC, Compassionate Care Hospice of Central Texas, LLC, Compassionate Care Hospice of Houston, LLC, Compassionate Care Hospice of North Texas LLC, Compassionate Care Hospice of Southeastern Texas, LLC, Compassionate Care Hospice of The Chesapeake Bay, LLC, Compassionate Care Hospice of Wisconsin, LLC, Pathways to Compassion, LLC (New Jersey) (collectively, the “CCH Affiliates”) in the form of Exhibit F (“Relators’ Guaranty Agreement”), which CCH-Bensalem, CCH Group, and CCH Affiliates agree to execute and deliver contemporaneously with this Agreement.

c. In the event that CCH-Bensalem fails to pay any amount as provided in Paragraph 4 within five (5) business days of the date on which such payment is due, CCH-Bensalem shall be in default of its payment obligations (“Default”) under this Agreement. Relators shall provide via email notice of Default to CCH-Bensalem, and CCH-Bensalem shall have the opportunity to cure such Default within fifteen (15) business days from the date of receipt of the notice. Notice of Default shall be delivered to CCH-Bensalem’s undersigned counsel, or to such other representative as



CCH-Bensalem shall designate in advance in writing to the Relators. If CCH-Bensalem fails to cure such Default within fifteen (15) business days of receiving the Notice of Default, the remaining unpaid balance of the Relators' Settlement Amount and interest accrued as of the date of default shall become accelerated and immediately due and payable, and interest shall accrue at the rate of 9% per annum compounded annually from the date of Default on the remaining unpaid total (principal and interest balance). In the event of Default, CCH-Bensalem shall consent to a judgment ("Relators' Consent Judgment") in the amount of the unpaid balance and Relators may: (a) enforce the Relators' Consent Judgment; (b) exercise their rights against CCH Group and CCH Affiliates under the Relators' Guaranty Agreement; (c) collect the entire unpaid balance of the Relators' Settlement Amount, plus interest, including 9% interest per annum compounded annually from the date of Default; and/or (d) exercise any other rights granted by law or in equity, including referral of this matter for private collection. In the event a Complaint is filed pursuant to this paragraph, CCH-Bensalem agrees not to plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories to the civil or administrative claims that relate to the Relators' Settlement Agreement, except to the extent such defenses were available to CCH-Bensalem on the Effective Date of this Agreement. CCH-Bensalem agrees not to contest any Consent Judgment, offset, or collection action undertaken by the Relators pursuant to this paragraph, either administratively or in any state or federal court. CCH-Bensalem

shall pay the Relators all reasonable costs of collection and enforcement under this paragraph, including attorneys' fees and expenses.

d. The entire balance of the Relators' Settlement Amount, or any portion thereof, plus any interest accrued on the principal as of the date of any prepayment, may be prepaid without penalty.

e. CCH-Bensalem shall have the right to transfer its payment obligations to CCH Group, provided that CCH Group consents in writing to such a transfer and the Relators are given 30 days' notice of such a transfer. Upon any such transfer, CCH Group agrees to adhere to all payment terms in this Agreement, including but not limited to Paragraph 4.

5. Subject to the exceptions in Paragraph 7 (concerning excluded claims) below and subject to Paragraph 20 (concerning bankruptcy proceedings) below, and conditioned upon the full payment of the Settlement Proceeds, the United States fully and finally releases CCH-Bensalem, together with its corporate predecessors, current and former direct or indirect parent corporations, current and former direct or indirect subsidiaries, affiliates (brother or sister corporations and other entities controlling, controlled by or under common control), divisions, current or former corporate owners, and the corporate successors or assignees of any of them, 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.

6. Subject to and conditioned upon the full payment of the Settlement Amount and Relators' Settlement Amount, Relators, for themselves and for their heirs, successors, attorneys,

agents, and assigns, fully and finally release CCH-Bensalem and the other defendants, together with their respective corporate predecessors, current and former direct or indirect parent corporations, current and former direct or indirect subsidiaries, affiliates (brother or sister corporations and other entities controlling, controlled by or under common control), divisions, current or former corporate owners, the corporate successors or assignees of any of them, and all of their current and former respective directors, officers, employees, representatives, and agents from any liability to Relators arising from the filing of the Civil Action and from any claims that the Relators have or could have had on behalf of themselves or on behalf of the United States for the conduct alleged in the Relators' Complaint and Amended Complaint, including all claims under the False Claims Act, 31 U.S.C. §§ 3729-3733, and various state statutes listed in the *qui tam* Complaint and Amended Complaint filed in the Civil Action (*e.g.*, the New Jersey Conscientious Employee Protection Act, N.J. Stat. § 34:19-3), and including all claims for recovery of expenses, costs or attorneys' fees pursuant to 31 U.S.C. § 3730(d).

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

- 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 or permissive 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 damage arising from the Covered Conduct.

8. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement and 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). Conditioned upon Relators' receipt of the payment described in Paragraph 3, Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, 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, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

9. CCH-Bensalem has provided 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. CCH-Bensalem warrants that to the best of its information, knowledge and belief the Financial Statements are complete, accurate, and current. If the United States learns of asset(s) in which CCH-Bensalem 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 CCH-Bensalem 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 \$250,000 or more, the United States

may at its option: (a) rescind this Agreement and file suit 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 CCH-Bensalem previously undisclosed. CCH-Bensalem agrees 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 attorneys' fees and expenses.

10. In the event that the United States, pursuant to Paragraph 9 (concerning disclosure of assets), above, opts to rescind this Agreement, CCH-Bensalem 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 within 120 calendar days of written notification to CCH-Bensalem that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on July 2, 2010.

11. CCH-Bensalem waives and shall not assert any defenses CCH-Bensalem 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. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

12. CCH-Bensalem fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses

of every kind and however denominated) that CCH-Bensalem has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

13. CCH-Bensalem, on behalf of itself and the other defendants named in the Civil Action, fully and finally release the Relators from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that CCH-Bensalem and any of the other named defendants have asserted, could have asserted, or may assert in the future against the Relators, related to the qui tam complaint referenced in Paragraph B of the Recitals above and the Relators' investigation and prosecution thereof.

14. 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 CCH-Bensalem 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.

15. CCH-Bensalem 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 CCH-Bensalem, 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 of the matters covered by this Agreement;
- (3) CCH-Bensalem's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment CCH-Bensalem makes to the United States pursuant to this Agreement and any payments that CCH-Bensalem may make to Relators, including costs and attorneys' fees

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").

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by CCH-Bensalem and CCH-Bensalem 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 CCH-Bensalem or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:  
CCH-Bensalem 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 CCH-Bensalem 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. CCH-Bensalem agrees that the United States, at a minimum, shall be entitled to recoup from CCH-Bensalem any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by CCH-Bensalem or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on CCH-Bensalem 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 to audit, examine, or re-examine CCH-Bensalem's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

16. CCH-Bensalem agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement for the Covered Conduct. Upon reasonable notice, CCH-Bensalem 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. CCH-



Bensalem further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged 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.

17. 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 this Agreement.

18. CCH-Bensalem 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.

19. CCH-Bensalem warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and that the entry into this Agreement and the payments set forth in the Promissory Note attached as Exhibit A shall not render it insolvent within the meaning of such provisions. 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 CCH-Bensalem, 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 CCH-Bensalem was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

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

a. CCH-Bensalem's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and CCH-Bensalem shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) CCH-Bensalem's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) CCH-Bensalem was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payments 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 CCH-Bensalem.

b. If CCH-Bensalem'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 CCH-Bensalem for the claims that would otherwise be covered by the releases provided in Paragraphs 5 and 6 above. CCH-Bensalem agrees 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 CCH-Bensalem shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) CCH-Bensalem 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 120 calendar days of written notification to CCH-Bensalem that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on July 2, 2010; and (iii) the United States may validly raise a claim against CCH-Bensalem in the amount of \$15,162,199, offset by any payments received pursuant to the Settlement Agreement, and the United States may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. CCH-Bensalem acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

21. Upon receipt of the initial payments described in Paragraphs 1.a and 4.a, above, the United States and the Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The Stipulation of Dismissal shall provide that the Court will retain jurisdiction to enforce this Settlement Agreement.

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

23. 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.

24. 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 New Jersey. 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.

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

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

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

28. This Agreement is binding on CCH-Bensalem's successors, transferees, heirs, and assigns.

29. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.


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

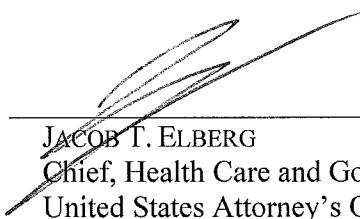
31. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

**THE UNITED STATES OF AMERICA**

WILLIAM E. FITZPATRICK  
Acting U.S. Attorney

DATED: 7/5/17

BY:   
CHARLES GRAYBOW  
Assistant United States Attorney  
District of New Jersey

BY:   
JACOB T. ELBERG  
Chief, Health Care and Government Fraud Unit  
United States Attorney's Office  
District of New Jersey

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

THE UNITED STATES OF AMERICA


WILLIAM E. FITZPATRICK  
Acting U.S. Attorney

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
CHARLES GRAYBOW  
Assistant United States Attorney  
District of New Jersey

BY: \_\_\_\_\_  
JACOB T. ELBERG  
Chief, Health Care and Government Fraud Unit  
United States Attorney's Office  
District of New Jersey

DATED: 6/23/16

BY:   
LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

COMPASSIONATE CARE OF GWYNEDD, INC.

DATED: 6/27/17

BY: Judith Grey  
JUDITH GREY  
CEO

DATED: 6/30/17

BY: Sean Cenawood  
SEAN CENAWOOD  
Dentons US LLP  
1221 Avenue of the Americas  
New York, NY 10020-1089

*Counsel for Compassionate Care of Gwynedd, Inc.*

**MARGE HELMUTH AND THE ESTATE OF EUNICE RUTH**

DATED: 6/21/2017 BY:   
MARGE HELMUTH

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
MICHAEL RUTH  
(for the Estate of Eunice Ruth)

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
BRITTON D. MONTS  
The Monts Firm  
The Frost Bank Building  
401 Congress Avenue  
Suite 1540  
Austin, TX 78701

TIMOTHY J. MCINNIS, Esq.  
McInnis Law  
521 Fifth Avenue, 17th Floor  
New York, NY 10175-0038

*Counsel for the Relators*



**MARGE HELMUTH AND THE ESTATE OF EUNICE RUTH**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
MARGE HELMUTH

DATED: 6-20-17

BY:  \_\_\_\_\_  
MICHAEL RUTH  
(for the Estate of Eunice Ruth)

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
BRITTON D. MONTS  
The Monts Firm  
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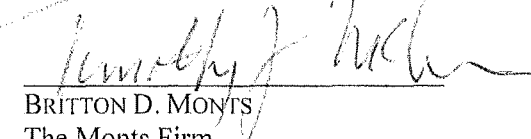
TIMOTHY J. MCINNIS, Esq.  
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New York, NY 10175-0038

*Counsel for the Relators*

MARGE HELMUTH AND THE ESTATE OF EUNICE RUTH

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
MARGE HELMUTH

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MICHAEL RUTH  
(for the Estate of Eunice Ruth)

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