

## 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 California, acting through the California Department of Justice Division of Medi-Cal Fraud and Elder Abuse (“California”); Ventura County Medi-Cal Managed Care Commission d/b/a Gold Coast Health Plan (“Gold Coast”); Ventura County; Atul Maithel and Andre Galvan (collectively “Relators”) (hereafter collectively referred to as “the Parties” and each is a “Party”), through their authorized representatives. Gold Coast and Ventura County are public entities established under the laws of the State of California.

### RECITALS

A. Gold Coast is a county organized health system, established by Ventura County pursuant to California state law. Gold Coast contracts with California’s Department of Health Care Services (“DHCS”) to arrange for the provision of health care services to Ventura County residents under California’s Medicaid program (known as “Medi-Cal”). Ventura County owns and operates Ventura County Medical Center (“VCMC”). VCMC is an integrated health care system that provides hospital, clinic, and specialty services to the residents of Ventura County, including Medi-Cal beneficiaries.

B. On October 2, 2015, Relators filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States ex rel. Atul Maithel and Andre Galvan, and on behalf of the State of California v. Ventura County Medi-Cal Managed Care Commission d/b/a Gold Coast Health Plan; Dignity Health; Ventura County Medical Center; and Clinicas del Camino Real, Inc.*, Case No. 15-cv-7760, pursuant to the *qui tam*

provisions of the False Claims Act, 31 U.S.C. § 3730(b), and the California False Claims Act (“CFCA”), California Government Code § 12652(c) (the “Civil Action”). On March 8, 2016, Relators filed a First Amended Complaint in the Civil Action, and on May 24, 2019, Relators filed a Second Amended Complaint in the Civil Action. Relators allege, generally, that VCMC<sup>1</sup> and Gold Coast violated the FCA and CFCA in connection with certain payments made by Gold Coast to VCMC in connection with Medi-Cal Adult Expansion under the Affordable Care Act, and claims made by VCMC to Gold Coast for such payments (referred to as the “VCMC Allegations”). Relators allege that Gold Coast and the other defendants also violated the FCA and CFCA in connection with certain payments made by Gold Coast to the other defendants in connection with Medi-Cal Adult Expansion under the Affordable Care Act, and claims made by the other defendants to Gold Coast for such payments.

C. The United States and California contend that Ventura County and Gold Coast submitted or caused to be submitted claims for payment under the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5.

D. The United States and California contend that they have certain civil claims arising from Ventura County and Gold Coast submitting or causing the submission of false claims to Medi-Cal pursuant to a Memorandum of Understanding entered into between Ventura County and Gold Coast effective June 2, 2015 (signed by Ventura County and Gold Coast on June 5, 2015) (the “MOU”) for “Additional Services provided” to Adult Expansion Medi-Cal members between January 1, 2014, and May 31, 2015; and the retroactive payment that Gold Coast made to Ventura County on or about June 4, 2015, pursuant to the MOU. The United States and California contend that the retroactive payments claimed and received under the MOU

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<sup>1</sup> VCMC is the named defendant, but Ventura County is instead the party to the Agreement, as VCMC is a department of Ventura County.

were wrongful because: (a) the payments were not “allowed medical expenses” under Gold Coast’s contract with DHCS; (b) the payments were unlawful gifts of public funds in violation of Article IV, section 17 of the California Constitution; and (c) the payments were pre-determined amounts that did not reflect the fair market value of any Additional Services provided, and/or the Additional Services were duplicative of services already required to be rendered. The conduct described in this Paragraph D is referred to below as the “Covered Conduct.”

E. Ventura County and Gold Coast deny the allegations in Paragraphs B–D.

F. This Agreement is neither an admission of liability by Ventura County or Gold Coast nor a concession by the United States and California that their claims are not well founded.

G. Relators claim entitlement under 31 U.S.C. § 3730(d) and California Government Code § 12652(g) to a share of the proceeds of this 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 Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. Ventura County shall pay the United States the sum of \$29 million (\$29,000,000) and Gold Coast shall pay the United States the sum of \$15 million (\$15,000,000) (collectively, the “Settlement Amount”), plus interest on the Settlement Amount at a rate of 0.875% per annum from January 19, 2021, as follows:

a. Ventura County shall pay \$14.5 million (\$14,500,000) plus interest at a rate of 0.875% per annum from January 19, 2021 and Gold Coast shall pay \$15 million (\$15,000,000) plus interest at a rate of 0.875% per annum from January 19, 2021, no later than 30 days after the

Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Central District of California.

b. Ventura County shall pay \$14.5 million (\$14,500,000) plus interest at a rate of 0.875% per annum from January 19, 2021 no later than 364 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Central District of California.

2. Conditioned upon the United States receiving the Settlement Amount payments, the United States shall pay to Relators by electronic funds transfer 18.5% of each such payment received under the Settlement Agreement as soon as feasible after receipt of each such payment. Those payments described shall collectively be referred to as "Relators' Share."

3. Ventura County shall pay \$237,500 to Relators' Counsel, which is Ventura County's agreed-upon share of statutory fees and costs to Relators' Counsel under 31 U.S.C. § 3730(d)(1) and Cal. Gov. Code § 12652(g)(8). Gold Coast shall pay \$237,500 to Relators' Counsel, which is Gold Coast's agreed-upon share of statutory fees and costs to Relators' Counsel under 31 U.S.C. § 3730(d)(1) and Cal. Gov. Code § 12652(g)(8). These payments shall be made no later than 30 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by Relators' Counsel.

4. United States' Releases

a. Subject to the exceptions in Paragraph 8 (concerning reserved claims), and subject to Paragraph 20 (concerning default), and Paragraph 21 (concerning bankruptcy) below, and upon the United States' receipt of the full Settlement Amount plus interest due from Ventura County under Paragraph 1, the United States releases Ventura County, and its current or former successors and assigns, 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.

b. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and upon the United States' receipt of the full Settlement Amount plus interest due from Gold Coast under Paragraph 1, the United States releases Gold Coast, and its current or former successors and assigns, from any civil or administrative monetary claim the United States has for the Covered Conduct, under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. In consideration of the obligations of Ventura County and Gold Coast in this Agreement and the Corporate Integrity Agreement (“CIAs”), entered into between OIG-HHS and Ventura County and Gold Coast, and upon the United States' receipt of full payment of the Settlement Amount plus interest due under Paragraph 1, the OIG-HHS shall 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 Ventura County and Gold Coast 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 reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Ventura County and Gold Coast 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.

6. California's Releases

a. Subject to the exceptions in Paragraph 8 (concerning reserved claims), and subject to Paragraph 20 (concerning default), and Paragraph 21 (concerning bankruptcy) below, and upon the United States' receipt of the full Settlement Amount plus interest due from Ventura County under Paragraph 1, California releases Ventura County, and its current or former successors and assigns, from any civil or administrative monetary claim that California has for the Covered Conduct, under the California False Claims Act, California Government Code §§ 12650-12656; or the common law theories of payment by mistake, unjust enrichment, and fraud. California also releases all right to recoup, demand, or otherwise seek the return of any funds distributed by Gold Coast to VCMC pursuant to the MOU and arising out of the Covered Conduct.

b. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and upon the United States' receipt of the full Settlement Amount plus interest due from Gold Coast under Paragraph 1, California releases Gold Coast, and its current or former successors and assigns, from any civil or administrative monetary claim that California has for the Covered Conduct, under the California False Claims Act, California Government Code §§ 12650-12656; or the common law theories of payment by mistake, unjust enrichment, and fraud. California also releases all right to recoup, demand, or otherwise seek the return of any funds distributed by Gold Coast to VCMC pursuant to the MOU, and arising out of the Covered Conduct.

7. Relators' Releases

a. Except for those rights created under this Agreement, and upon the United States' receipt of the full Settlement Amount plus interest due from Ventura County under Paragraph 1, and upon Ventura County's payment of \$237,500 to Relators' counsel, which is Ventura County's agreed-upon share of statutory fees and costs to Relators' counsel under 31 U.S.C. §

3730(d)(1) and Cal. Gov. Code § 12652(g)(8), Relators and each of them, on behalf of themselves, and each Relator's heirs, successors, attorneys, agents, transferees, and assigns, irrevocably and unconditionally waives, releases, and forever discharges Ventura County, and its current or former heirs, successors, attorneys, agents, transferees, members, officers, directors, commissioners, supervisors, employees, and assigns, from any and all charges, complaints, lawsuits, claims, liabilities, obligations, promises, agreements, controversies, injuries, damages, actions, causes of action, suits, rights, demands, judgments, claims for relief, indebtedness, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, whether in law or in equity, known or unknown, suspected or unsuspected, actual or potential, in their individual capacities or on behalf of the United States and/or California, including without limitation, for claims arising from: (i) the filing of the Civil Action as to the VCMC Allegations; (ii) any federal or California law, including but not limited to 31 U.S.C. §§ 3729-3733 and California Government Code §§ 12650-12656, as to the VCMC Allegations, including for expenses or attorney's fees and costs related thereto; or (iii) any federal or California employment law, including but not limited to 31 U.S.C. § 3730(h), Cal. Gov. Code § 12653, and California Labor Code.

b. Except for those rights created under this Agreement, and upon the United States' receipt of the full Settlement Amount plus interest due from Gold Coast under Paragraph 1, and upon Gold Coast's payment of \$237,500 to Relators' counsel, which is Gold Coast's agreed-upon share of statutory fees and costs to Relators' counsel under 31 U.S.C. § 3730(d)(1) and Cal. Gov. Code § 12652(g)(8), Relators and each of them, on behalf of themselves, and each Relator's heirs, successors, attorneys, agents, transferees, and assigns, irrevocably and unconditionally waives, releases, and forever discharges Gold Coast, and its current or former heirs, successors, attorneys, agents, transferees, members, officers, directors, commissioners,

supervisors, employees, and assigns, from any and all charges, complaints, lawsuits, claims, liabilities, obligations, promises, agreements, controversies, injuries, damages, actions, causes of action, suits, rights, demands, judgments, claims for relief, indebtedness, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, whether in law or in equity, known or unknown, suspected or unsuspected, actual or potential, in their individual capacities or on behalf of the United States and/or California, including without limitation, for claims arising from: (i) the filing of the Civil Action as to the VCMC Allegations; (ii) any federal or California law, including but not limited to 31 U.S.C. §§ 3729-3733 and California Government Code §§ 12650-12656, as to the VCMC Allegations, including for expenses or attorney's fees and costs related thereto; or (iii) any federal or California employment law, including but not limited to 31 U.S.C. § 3730(h), Cal. Gov. Code § 12653, and California Labor Code.

c. Waiver of Civil Code Section 1542. It is the intention of each Relator in executing this Agreement that it shall be effective as a full and final accord and satisfactory release of each and every matter specifically referred to herein and all claims and causes of action that each Relator on behalf of themselves, and each Relator's heirs, successors, attorneys, agents, transferees, and assigns, may have as to Ventura County and/or Gold Coast, and/or their current or former heirs, successors, attorneys, agents, transferees, members, officers, directors, commissioners, supervisors, employees, and assigns. In furtherance of this intention, each Relator acknowledges that he or she is familiar with § 1542 of the Civil Code of the State of California, which provides as follows:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

As to the claims and causes of actions that each Relator may have against Ventura County, Gold Coast, or both, each Relator waives and relinquishes any rights and benefits they may have under § 1542 of the Civil Code of the State of California to the full extent that they may lawfully waive all such rights and benefits, subject to the exclusions set out in Paragraph 7.a and 7.b.

8. Notwithstanding the releases given in Paragraphs 4 through 6 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States and California are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code) or under California state tax law;
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory exclusion from Federal health care programs;
- d. Any liability to the United States or California (or their 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. 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 California Government Code § 12652(e)(2)(B). Conditioned upon Relators' receipt of Relators' Share from the United States, 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 as to the VCMC Allegations, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action as to the VCMC Allegations; and Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge California, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action as to the VCMC Allegations, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action as to the VCMC Allegations.

10. Ventura County and Gold Coast waive and shall not assert any defenses they 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 United States Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the United States Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

11. Ventura County and Gold Coast fully and finally release 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 Ventura County and Gold Coast have asserted, could have asserted, or may assert in the future against the United States or

California, their agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' or California's investigation or prosecution thereof.

12. Except as provided in this paragraph, Ventura County and Gold Coast fully and finally release California, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Ventura County and Gold Coast have asserted, could have asserted, or may assert in the future against California, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or California's investigation or prosecution thereof. Ventura County reserves any claims it has asserted, could have asserted, or may assert in the future against California, its agencies, officers, agents, employers, and servants, with respect to a determination of a redirection amount or any other amount due from California to Ventura County or from Ventura County to California pursuant to and in accordance with Article 12 of Chapter 6 of Part 5 of Division 9 of the California Welfare and Institutions Code (§§ 17612.1 et seq.). Nothing in this Agreement is intended to nor does it revive any claim or cause of action relating to a determination of a redirection amount or any other amount due from California to Ventura County pursuant to and in accordance with Article 12 of Chapter 6 of Part 5 of Division 9 of the California Welfare and Institutions Code (§§ 17612.1 et seq.) that is already time-barred, or operate as a waiver of any defense that California has asserted, could have asserted, or may assert in the future with respect to any such claim or cause of action described in this paragraph.

13. Ventura County and Gold Coast fully and finally release Relators from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Ventura County and Gold Coast have asserted, could have asserted, or may assert in the future against the Relators, including without limitation for claims related to the Covered Conduct and related retaliation claims and the Relators' investigation and prosecution thereof.

14. Defendants' Mutual Releases

a. Upon the United States' receipt of the full Settlement Amount plus interest due from Ventura County under Paragraph 1, Gold Coast, on behalf of itself and its successors, attorneys, agents, transferees, members, officers, directors, commissioners, employees, and assigns, fully and finally releases Ventura County and each of its successors, attorneys, agents, transferees, officers, directors, supervisors, employees, and assigns, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Gold Coast has asserted, could have asserted, or may assert against Ventura County, arising from or related to the VCMC Allegations or the investigation thereof, including without limitation, any payments made by either party pursuant to this Agreement. In furtherance of this mutual release, Gold Coast acknowledges that it is familiar with §1542 of the Civil Code of the State of California, and waives and relinquishes any rights and benefits it may have under §1542 of the Civil Code of the State of California to the full extent that it may lawfully waive all such rights and benefits, as arising from or related to the VCMC Allegations or the investigation thereof.

b. Upon the United States' receipt of the full Settlement Amount plus interest due from Gold Coast under Paragraph 1, Ventura County, on behalf of itself and its successors, attorneys, agents, transferees, members, officers, directors, commissioners, employees, and assigns, fully and finally releases Gold Coast and each of its successors, attorneys, agents, transferees, officers, directors, supervisors, employees, and assigns, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Ventura County asserted, could have asserted, or may assert against Gold Coast, arising from or related to the VCMC Allegations or the investigation thereof, including without limitation, any payments made by either party pursuant to this Agreement. In furtherance of this mutual release, Ventura County acknowledges that it is familiar with §1542 of the Civil Code of the State of California,

and waives and relinquishes any rights and benefits it may have under §1542 of the Civil Code of the State of California to the full extent that it may lawfully waive all such rights and benefits, as arising from or related to the VCMC Allegations or the investigation thereof.

15. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by Medi-Cal related to the Covered Conduct; and Ventura County and Gold Coast agree not to resubmit to Medi-Cal any previously denied claims related to the Covered Conduct, agree not to appeal any such denials of claims, and agree to withdraw any such pending appeals.

16. Ventura County and Gold Coast agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Ventura County or Gold Coast, their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Ventura County's and/or Gold Coast's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;

- (5) the payments Ventura County and Gold Coast make to the United States pursuant to this Agreement and any payments that Ventura County and Gold Coast may make to Relators, including costs and attorneys' fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the CIAs to:
  - (i) retain an independent review organization to perform annual reviews as described in Section III of the CIAs; 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 CIAs affects the status of costs that are not allowable based on any other authority applicable to Ventura County or Gold Coast.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Ventura County and Gold Coast, and Ventura County and Gold Coast 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 Ventura County or Gold Coast or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Ventura County and Gold Coast further agree that within 90 days of the Effective Date of this Agreement, each 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 Ventura County and/or Gold Coast or any of their 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. Ventura County and Gold Coast agree that the United States, at a minimum, shall be entitled to recoup from Ventura County and Gold Coast 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 Ventura County or Gold Coast or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Ventura County or Gold Coast or any of their 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 Ventura County's and Gold Coast's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

17. Subject to applicable privileges which they do not waive, Ventura County and Gold Coast agree to cooperate fully and truthfully with the United States' and California's investigations of individuals and entities not released in this Agreement. Upon reasonable notice, Ventura County and Gold Coast shall encourage, and agree not to impair, the cooperation

of their respective directors, officers, and employees, and shall use their 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. Ventura County and Gold Coast further agree to furnish to the United States and California, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that has been performed by another on their 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. Ventura County and Gold Coast agree to waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

20. Default.

a. In the event that Ventura County fails to pay the full Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Ventura County shall be in Default of its payment obligations (“Default”). The United States will provide a written Notice of Default, and Ventura County shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to Ventura County, or to such other representative as designated in advance in writing. If Ventura County fails to cure

the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule (“Uncured Default”), the remaining unpaid balance of the Settlement Amount due from Ventura County shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, Ventura County agrees that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Ventura County for the claims that would otherwise be covered by the releases provided in Paragraphs 4 through 6 above, with any recovery reduced by the amount of any payments previously made by Ventura County to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action against Ventura County or by reinstating the Civil Action as to Ventura County; (iii) offset the remaining unpaid balance from any amounts due and owing to Ventura County and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) with respect to Ventura County, exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default as to Ventura County, including referral of this matter for private collection. In the event the United States pursues a collection action, Ventura County shall immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States’ reasonable attorneys’ fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, Ventura County waives and

agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on October 2, 2015. Ventura County agrees not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude Ventura County from participating in all Federal health care programs until Ventura County pays the Settlement Amount, with interest, as set forth above (“Exclusion for Default”). OIG-HHS will provide written notice of any such exclusion to Ventura County. Ventura County 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, if Ventura County 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-.3005. Ventura County will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

d. Any Default or Uncured Default by Ventura County shall not invalidate the releases given to Gold Coast in Paragraphs 4 through 7 of this Agreement.

e. Any proceeds obtained by the United States following Uncured Default will be treated as “Settlement Amount payments” under paragraph 2, from which additional Relators’ Share payments shall be made.

21. In exchange for valuable consideration provided in this Agreement, Ventura County and Relators each acknowledge the following:

a. Ventura County has reviewed its financial situation and warrants that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Ventura County, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Ventura County was or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If Ventura County's payment or monetary 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) or if, before the Settlement Amount is paid in full, Ventura County or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Ventura County's debts, or to adjudicate Ventura County as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Ventura County or for all or any substantial part of Ventura County's assets, as to Ventura County:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Ventura County for the claims that would otherwise be covered by the releases provided in Paragraphs 4 through 6 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Ventura County in the amount of One Hundred One Million, Seven Hundred Thousand Dollars (\$101,700,000), less any payments received pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by Ventura County, a receiver, trustee, custodian, or other similar official for Ventura County; and

(iii) if any payments are avoided and recovered by Ventura County, a receiver, trustee, custodian, or similar official the United States shall not be responsible for the return of any amounts already paid by the United States to the Relators; and

(iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the Relators pursuant to Paragraph 2 are recovered from the United States in an action or proceeding filed by a receiver, trustee, creditor, custodian, or similar official in or in connection with a bankruptcy case that is filed within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of this Agreement, Relators shall, within thirty days of written notice from the United States to the undersigned Relators' counsel, return to the United States all amounts recovered from the United States

f. Ventura County agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 20.e is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. Ventura County shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary,

consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Ventura County waives and 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 claim, action, or proceeding brought by the United States within 120 days of written notification that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on October 2, 2015.

22. Upon receipt of the payments from Ventura County and Gold Coast described in Paragraph 1.a, above, the United States, California, and Relators shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of VCMC and Gold Coast as to the Covered Conduct, pursuant to Rule 41(a)(1), as follows:

a. the Stipulation of Dismissal shall be with prejudice as to the United States' and California's claims against VCMC and Gold Coast as to the Covered Conduct;

b. the Stipulation of Dismissal shall be without prejudice as to the United States and California as to all other claims against VCMC and as to all other claims against Gold Coast for the VCMC Allegations;

c. the Stipulation of Dismissal shall be with prejudice as to Relators as to all claims against VCMC; and

d. the Stipulation of Dismissal shall be with prejudice as to Relators as to all of their claims against Gold Coast as to the VCMC Allegations and as to all of Relators' employment law claims, including but not limited to claims pursuant to 31 U.S.C. § 3730(h), Cal. Gov. Code § 12653, and California Labor Code § 1102.5.

23. Except as specifically provided herein, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

24. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

25. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Central District of California. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

26. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States or California from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

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

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

29. This Agreement is binding on Ventura County's and Gold Coast's current or former heirs, successors, attorneys, agents, transferees, and assigns.

30. This Agreement is binding on Relators' current or former heirs, successors, attorneys, agents, transferees, and assigns.

31. All Parties consent to the United States' and California's disclosure of this Agreement, and information about this Agreement, to the public.

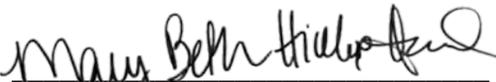
32. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date" of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

**THE UNITED STATES OF AMERICA**

DATED: August 8, 2022

BY:   
Jack D. Ross  
Assistant United States Attorney  
Central District of California

DATED: August 11, 2022

BY:   
Mary Beth Hickcox-Howard  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

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**

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

BY: \_\_\_\_\_

Jack D. Ross  
Assistant United States Attorney  
Central District of California

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

BY: \_\_\_\_\_

Mary Beth Hickcox-Howard  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

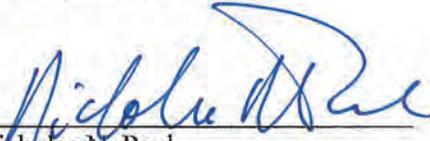
DATED: 8/10/2022

BY: Lisa M. Re / RMP \_\_\_\_\_

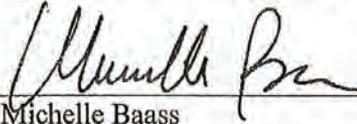
Lisa M. Re  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

THE STATE OF CALIFORNIA

DATED: 8/8/22

BY:   
Nicholas N. Paul  
Senior Assistant Attorney General  
California Department of Justice  
Division of Medi-Cal Fraud & Elder Abuse

DATED: 8-8-22

BY:   
Michelle Baass  
Director  
California Department of Healthcare Services

**VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION d/b/a GOLD  
COAST HEALTH PLAN - DEFENDANT**

DATED: 08/04/22

BY: *Nicholas Liguori*

Nick Liguori, CEO  
Ventura County Medi-Cal Managed Care Commission  
d/b/a Gold Coast Health Plan

DATED: 08/04/22

BY: *Charles J. Stevens*

Charles J. Stevens  
Counsel for Ventura County Medi-Cal Managed Care  
Commission d/b/a Gold Coast Health Plan

DATED: 08/04/22

BY: *W. Chan*

Winston Y. Chan  
Counsel for Ventura County Medi-Cal Managed Care  
Commission d/b/a Gold Coast Health Plan

VENTURA COUNTY, INCLUDING VENTURA COUNTY MEDICAL CENTER -  
DEFENDANT

DATED: 8/9/2022 BY:   
Sevet Johnson, Interim County Executive Officer  
Ventura County

DATED: 8/10/2022 BY:   
Lloyd A. Bookman  
Counsel for Ventura County

DATED: 8/10/2022 BY:   
Jordan Kearney  
Counsel for Ventura County

ATUL MAITHEL - RELATOR

DATED: Aug 2nd, 2022 BY: Atul Maithel  
Atul Maithel

DATED: 8/3/22 BY: Robert J. Nelson  
Robert J. Nelson  
Nimish R. Desai  
Leiff Cabraser Heimann & Berstein, LLP  
Counsel for Atul Maithel

DATED: 8/3/2022 BY: Marc G. Reich  
Marc G. Reich  
Reich Radcliffe & Hoover, LLP  
Counsel for Atul Maithel

ANDRE GALVAN - RELATOR

DATED: 8-3-2022 BY: Andre Galvan  
Andre Galvan

DATED: 8/3/22 BY: NRD  
Robert J. Nelson  
Nimish R. Desai  
Lieff Cabraser Heimann & Bernstein, LLP  
Counsel for Andre Galvan

DATED: 8/3/2022 BY: Marc G. Reich  
Marc G. Reich  
Reich Radcliffe & Hoover, LLP  
Counsel for Andre Galvan