

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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| -----X | |
| UNITED STATES OF AMERICA, <u>ex rel.</u> | : |
| JOHN F. REILLY, | : 00 Civ. 7906 (KMW) |
| Plaintiff, | : |
| -against - | : |
| CATSKILL REGIONAL MEDICAL CENTER | : |
| f/k/a COMMUNITY GENERAL HOSPITAL | : |
| OF SULLIVAN COUNTY, <u>et al.</u> , | : STIPULATION AND ORDER OF |
| Defendants. | : SETTLEMENT AND DISMISSAL |
| -----X | : AMONG THE UNITED STATES, |
| | : CABRINI MEDICAL CENTER, |
| | : AND THE RELATOR, AND |
| | : BETWEEN THE MISSIONARY |
| | : SISTERS OF THE SACRED |
| | : <u>HEART AND THE RELATOR</u> |

I. PARTIES

This Stipulation and Order of Settlement and Dismissal ("Stipulation and Order") 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"), Cabrini Medical Center ("Cabrini"), and John F. Reilly (the "Relator"), and between the Missionary Sisters of the Sacred Heart ("Missionary Sisters") and the Relator (hereafter referred to collectively as "the Parties").

II. PREAMBLE

As a preamble to this Stipulation and Order, the Parties agree to the following:

A. Cabrini is a New York not-for-profit corporation located at 227 East 19th Street, New York, New York 10003. Cabrini is licensed to operate a hospital by the New York State

Department of Health ("DOH") and is approved to participate in the Medicaid Program, 42 U.S.C. §§ 1396-1396v ("Medicaid").

B. The Missionary Sisters is a New York not-for-profit organization with offices at 222 East 19th Street, New York, New York 10003. At all times relevant to the Civil Action and the Complaint-in-Intervention, the Catholic religious order known as the Missionary Sisters of the Sacred Heart of Jesus was the sponsor of Cabrini.

C. John F. Reilly, the Relator, was at all relevant times an individual resident of the State of New York. On October 17, 2000, the Relator filed a complaint (the "Relator's Complaint") under the qui tam provisions of the False Claims Act, 31 U.S.C. §§ 3729-3733 (the "False Claims Act") in the United States District Court for the Southern District of New York under docket number 00 Civ. 7906 (KMW) (hereinafter "the Civil Action"). At the time, the Relator was an employee of A.R.E.B.A.-Casriel, Inc. ("ACI"), an entity affiliated with Applied CaseManagement, Inc. ("Applied"), with which Cabrini had entered into an agreement for the provision of services related to Cabrini's medical detoxification unit. On December 2, 2005, the United States intervened in part in the Civil Action and filed a complaint (the "Complaint-in-Intervention") against Cabrini under the qui tam provisions of the False Claims Act. On February 3, 2006, the Relator filed a Third Amended Complaint

alleging claims against the Missionary Sisters, as well as alleging additional claims against Cabrini. On June 6, 2006, the Relator filed a Fourth Amended Complaint.

D. In its Complaint-in-Intervention, the United States contends that it has certain civil claims against Cabrini for engaging in the following alleged conduct, which Cabrini denies: (1) during the period from December 15, 1997 through November 30, 1999, Cabrini knowingly submitted or caused to be submitted to the United States false or fraudulent claims for payment to the Medicaid Program for alcohol and substance abuse services it provided to patients by paying kickbacks or other illegal remuneration to Applied to induce the referrals of the patients to Cabrini; and (2) during the period from January 1, 1995 to June 1997, Cabrini knowingly submitted or caused to be submitted to the United States false or fraudulent claims for payment to the Medicaid Program for alcohol and substance abuse detoxification services it provided to patients in its facility, which was not certified by the New York State Office of Alcoholism and Substance Abuse Services ("OASAS") to provide such services, as more specifically described in the United States' Complaint-in-Intervention (hereinafter referred to as the "Covered Conduct").

E. The United States contends also that it has certain administrative claims, as specified in Paragraph 3 below, against Cabrini for engaging in the Covered Conduct.

F. This Stipulation and Order is neither an admission of liability, wrongdoing, or improper conduct by Cabrini or the Missionary Sisters nor a concession by the United States that its claims are not well founded.

G. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

III. TERMS AND CONDITIONS

1. Cabrini agrees to pay to the United States \$3,400,000.00 (the "Settlement Amount"), which shall be due and owing and payable as described below, and in the attached Payment Schedule (Appendix A), and agrees to entry of a judgment (in the form attached hereto as Exhibit A) against it and in favor of the United States, in full compromise and satisfaction of the allegations against it set forth in the United States' Complaint-in-Invention. The United States agrees to pay twenty percent (20%) of the Settlement Amount (\$680,000) to the Relator, plus interest, in installments as provided in subsection (c) below. Cabrini further agrees to pay Relator's expenses and attorney's fees and costs, and the amount thereof has been agreed

upon between Relator and Cabrini in a separate agreement. The foregoing payments shall be made as follows:

a. Cabrini shall pay to the United States the first settlement payment on March 28, 2007 in the amount provided in the attached Payment Schedule (Appendix A). Cabrini shall thereafter make monthly payments to the United States for a period of five (5) years in accordance with the attached Payment Schedule (Appendix A) (which includes interest at a rate of 4.5 percent per annum, compounded daily, which interest is to begin accruing on March 28, 2007). Any such interest shall be added to and deemed to be part of the Settlement Amount as defined and used herein. Cabrini agrees to make each monthly payment to the United States via pay.gov pursuant to written instructions to be provided by the United States Attorney's Office for the Southern District of New York. As security for the Settlement Amount, Cabrini agrees that the United States shall have a security interest on the real property owned by Cabrini located at 227 East 19th Street known as Buildings A and B, and that the United States may place a lien on such property until such time as Cabrini has paid the total Settlement Amount.

b. If Cabrini fails to comply with the payment obligations set forth in Paragraph 1.a., the United States will send written notice to Cabrini giving it ten (10) business days to cure the nonpayment. If after the ten (10) days, Cabrini

fails to cure, it shall pay interest at the rate of 10% per annum, compounded daily beginning on the date the payment was due, on any balance of the Settlement Amount that remains unpaid. Once Cabrini becomes current with the Payment Schedule as described in Appendix A, the interest will revert to 4.5 percent as set forth in this Stipulation and Order. Any such interest shall be added to and deemed to be part of the Settlement Amount as defined and used herein. If Cabrini still fails to comply with the payment obligations set forth in Paragraph 1.a. before the end of the month in which the payment was due, the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and the United States may exercise all statutory, common law, or equitable rights to collect such outstanding balance of the Settlement Amount, including offsetting funds owed to Cabrini by the United States. Cabrini agrees not to contest any offset imposed and not to contest any collection action undertaken by the United States in accordance with this Paragraph, either administratively or in any state or federal court. Any such amounts collected shall be deemed to be part of the Settlement Amount as defined and used herein. The United States shall be entitled to an award of reasonable costs and attorney's fees in connection with its collection efforts. Cabrini may at any time pay the outstanding balance of the Settlement Amount without further payment of interest.

c. Contingent upon the United States receiving each monthly payment from Cabrini and as soon as feasible after receipt, the United States agrees to pay twenty percent (20%) of each payment to Relator to the trust account of Timothy J. McInnis, Esq, f/b/o John F. Reilly.

2. Subject to the exceptions in Paragraph 4 below, in consideration of the obligations of Cabrini in this Stipulation and Order, conditioned upon Cabrini's full payment of the Settlement Amount, plus interest as set forth above, and subject to Paragraph 16 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Stipulation and Order), the United States (on behalf of itself, its officers, agents, agencies, and departments), agrees to release Cabrini and its officers and trustees from any civil or administrative monetary claim 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; the Federal Health Care Program Antikickback Statute, 42 U.S.C. § 1320a-7b(b); and the common law theories of payment by mistake, unjust enrichment, and fraud.

3. In consideration of the obligations of Cabrini in this Stipulation and Order and the Corporate Integrity Agreement ("CIA") attached as Exhibit B, and conditioned upon Cabrini's

full payment of the Settlement Amount, plus interest as set forth above, and subject to Paragraph 16 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Stipulation and Order), the OIG-HHS agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Cabrini 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 Paragraph 4 below, and as reserved in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Cabrini from the 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 4 below. Notwithstanding the foregoing, in the event that Cabrini fails to comply with the payment obligations set forth in Paragraph 1.a after an opportunity to cure as set forth in Paragraph 1.b within ten days or by the end of the month in which payment was due, whichever is later, OIG-HHS may exclude Cabrini from participating in all Federal health

care programs until Cabrini pays the Settlement Amount and reasonable costs as set forth in Paragraph 1.b. OIG-HHS will provide written notice of any such exclusion to Cabrini. Cabrini 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 Cabrini wishes to apply for reinstatement, Cabrini must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Cabrini will not be reinstated unless and until OIG-HHS approves such request for reinstatement.

4. Notwithstanding any term of this Stipulation and Order, specifically reserved and excluded from the scope and terms of this Stipulation and Order as to any entity or person (including Cabrini and Relator) are the following claims of the United States:

- a. Any civil, criminal, or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Stipulation and Order, 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 such obligations as are created by this Stipulation and Order;

f. Any liability to the United States of any entity or person, including but not limited to any joint tortfeasor, that or who is not released by the terms of this Stipulation and Order.

5. Conditioned upon receipt of the payments described in Paragraph 1.c., the Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, agrees to release the United States, its officers, agents, and employees, from any claims arising from or relating to 31 U.S.C. § 3730 in connection with this Civil Action, or arising from the filing of the Civil Action, including 31 U.S.C. §§ 3730(b), (c), (c)(5), (d), and (d)(1) in connection with the Civil Action. The Relator agrees and confirms that this Stipulation and Order is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

6. Conditioned upon receipt of the payments described in Paragraph 1, the Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, hereby forever waives, and fully and finally releases and discharges Cabrini, along with Cabrini's direct and indirect subsidiaries and brother

or sister corporations, and its current and former officers, trustees, agents, servants, and employees from any and all claims, liabilities, causes of action, and/or suits of any kind arising out of any action, events, or conduct that predate this Stipulation and Order, except for any claims under 31 U.S.C. § 3730(d) for expenses or attorney's fees and costs, which costs are referenced above in Paragraph 1.

7. In consideration of the Relator's execution of this Stipulation and Order, Cabrini, on behalf of itself, and the Missionary Sisters on behalf of itself, together with each of their direct and indirect subsidiaries and brother or sister corporations, hereby forever waive, and fully and finally release and discharge the Relator, his heirs, attorneys, agents, successors, and assigns, from any claims, liabilities, causes of action, and/or suits of any kind arising out of any action, events or conduct that predates this Stipulation and Order, including without limitation any claims arising under 31 U.S.C. § 3730(d)(4).

8. Cabrini has provided financial disclosures to the United States and the United States has relied on the accuracy and completeness of those disclosures in entering into this Stipulation and Order. If the United States learns of asset(s) in which Cabrini had an interest at the time of this Stipulation and Order that were not disclosed in the financial disclosures,

or if the United States learns of any material misrepresentation by Cabrini on, or in connection with, the financial disclosures, and if such nondisclosure or misrepresentation changes the estimated net worth set forth in the financial disclosures by \$300,000 or more, the United States may at its option (a) rescind this Stipulation and Order and reinstate its suit based on the Covered Conduct, or (b) let the Stipulation and Order stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the net worth of Cabrini previously undisclosed. Any such payment pursuant to this provision shall be deemed to be part of the Settlement Amount as defined and used herein. Further, any amounts paid by Cabrini to the date of the United States' rescision shall be credited toward any recovery in a future suit for the Covered Conduct. Cabrini agrees not to contest any proper collection action undertaken by the United States pursuant to this provision.

9. In the event that the United States, pursuant to Paragraph 8 above, opts to rescind this Stipulation and Order, Cabrini 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 which (a) are filed by the United States within ninety (90) calendar days of written notification to Cabrini that this Stipulation and Order has been rescinded, and (b) relate to the

Covered Conduct, except to the extent these defenses were available prior to October 17, 2000.

10. Cabrini waives and shall not assert any defenses Cabrini may have to any criminal prosecution or administrative action relating to the Covered Conduct, which defenses 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 Stipulation and Order bars a remedy sought in such criminal prosecution or administrative action. Nothing in this Paragraph or any other provision of this Stipulation and Order constitutes a characterization by the United States of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

11. Cabrini fully and finally releases the United States, its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which Cabrini has asserted, could have asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, related to the Covered Conduct and the United States' investigation and prosecution thereof.

12. 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 carrier or intermediary, or any state payer, related to the Covered Conduct; and Cabrini shall not resubmit to any Medicare carrier or intermediary, or any state payer any previously denied claims related to the Covered Conduct, and shall not appeal any such denials of claims.

13. Cabrini agrees to the following:

a. Unallowable Costs Defined: that 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. §§ 1395-1395hhh and 1396-1396v, and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Cabrini, its present or former officers, directors, employees, shareholders, and agents in connection with the following shall be "unallowable costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program ("FEHBP"):

(1) the matters covered by this Stipulation and Order;

(2) the United States' audit(s) and investigation of the matters covered by this Stipulation and Order;

(3) Cabrini's investigation, defense, and corrective actions undertaken in response to the United States'

audit(s) and investigation in connection with the matters covered by this Stipulation and Order (including attorney's fees);

(4) the negotiation and performance of this Stipulation and Order;

(5) the payments Cabrini makes to the United States pursuant to this Stipulation and Order and any payments that Cabrini may make to Relator, including expenses, costs and attorneys 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.

However, nothing in this Paragraph 13.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 authority applicable to Cabrini. (All costs described or set forth in this Paragraph 13.a. are hereafter, "unallowable costs").

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: If applicable, Cabrini further agrees that within 90 days of the Effective Date of this Stipulation and Order 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 Cabrini 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. Cabrini agrees that the United States, at a minimum, shall be entitled to recoup from Cabrini 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 Cabrini or any of its subsidiaries or affiliates on the effect of inclusion of unallowable costs (as defined in this Paragraph) on Cabrini or any of its subsidiaries' or affiliates' cost reports, cost statements, information reports, or requests for payment.

d. Nothing in this Stipulation and Order shall constitute a waiver of the rights, if any, of the United States to audit, examine or re-examine Cabrini's books and records to determine that no unallowable costs have been claimed in accordance with the provisions of this Paragraph.

14. Cabrini waives and shall not seek payment for any of the health care billings covered by this Stipulation and Order from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

15. The Parties warrant that, in evaluating whether to execute this Stipulation and Order, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to

Cabrini, 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 and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Cabrini was or became indebted to on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

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

a. Cabrini's obligations under this Stipulation and Order may not be avoided pursuant to 11 U.S.C. §§ 547 and 548, and Cabrini shall not argue or otherwise take the position in any such case, proceeding, or action that: (1) Cabrini's obligations under this Stipulation and Order may be avoided under

11 U.S.C. §§ 547 and 548; (2) Cabrini was insolvent at the time this Stipulation and Order was entered into, or became insolvent as a result of any payment made to the United States; or (3) the mutual promises, covenants, and obligations set forth in this Stipulation and Order do not constitute a contemporaneous exchange for new value given to Cabrini.

b. If Cabrini's obligations under this Stipulation and Order are avoided for any reason, including, but not limited to, 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 Stipulation and Order, and bring any civil and/or administrative claim, action, or proceeding against Cabrini for the claims that would otherwise be covered by the releases provided in Paragraphs 2 and 3 above. Cabrini agrees that (1) any such claims, actions, or proceedings brought by the United States (including any proceedings to exclude Cabrini from participation in Medicare, Medicaid, or other Federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first clause of this Paragraph, and that Cabrini shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (2) Cabrini 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 which are brought by the United States within ninety (90) calendar days of written notification to Cabrini that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on October 17, 2000; and (3) the United States shall have a valid claim against Cabrini in the amount of \$7,460,000.00 (reduced by any payments made under this Stipulation and Order), 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. Cabrini acknowledges that its agreements as set forth in this Paragraph are provided in exchange for valuable consideration provided in this Stipulation and Order.

17. This Stipulation and Order 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 Paragraphs 2 and 3, and 5-7, above.

18. Except as expressly provided to the contrary in this Stipulation and Order, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Stipulation and Order.

19. Cabrini represents that this Stipulation and Order is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

20. Relator represents that this Stipulation and Order is freely and voluntarily entered into upon the advice of counsel and without any degree of duress or compulsion whatsoever.

21. This Stipulation and Order is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Stipulation and Order shall be the United States District Court for the Southern District of New York, except that disputes arising under the CIA shall be resolved exclusively under the dispute resolution provisions in the CIA.

22. This Stipulation and Order constitutes the complete agreement between the Parties, provided however, that the Relator's costs and attorneys fees and the Relator's release of the Missionary Sisters have been resolved in the separate agreement referenced in Paragraph 1. This Stipulation and Order may not be amended except by written consent of the Parties, except that only Cabrini and OIG-HHS must agree in writing to modification of the CIA.

23. The individuals signing this Stipulation and Order on behalf of Cabrini represent and warrant that they are

authorized by Cabrini to execute this Stipulation and Order. The individual(s) signing this Stipulation and Order on behalf of the Relator represent and warrant that they are authorized by the Relator to execute this Stipulation and Order. The United States signatories represent that they are signing this Stipulation and Order in their official capacities and that they are authorized to execute this Stipulation and Order.

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

25. This Stipulation and Order is binding on Cabrini and its successors, transferees, heirs and assigns.

26. This Stipulation and Order is effective on the date that the Court so orders it (the "Effective Date").

THE UNITED STATES OF AMERICA

MICHAEL J. GARCIA
United States Attorney for the
Southern District of New York

DATED:

3/28/07

BY:

Heidi A. Wendel

HEIDI A. WENDEL (HW-2854)
Assistant United States
Attorney

DATED:


3/22/07

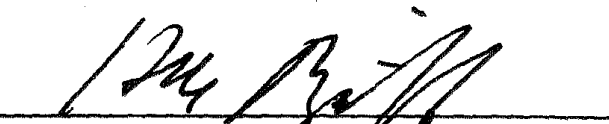
BY:



GREGORY E. DEMSKE
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

CABRINI MEDICAL CENTER

DATED: 27 March 2007 BY: 
RONALD GADE, M.D.
Interim President and Chief
Executive Officer

DATED: March 27, 2007 BY: 
HOWARD ROGATNICK, ESQ.
BRYAN CAVE LLP

THE MISSIONARY SISTERS OF THE SACRED HEART

DATED: March 26, 2007 BY: Sr. Lucille Souza, M.S.C.
S.R. LUCILLE SOUZA, M.S.C.
President

DATED: March 27, 2007 BY: W.P. Harrington
WILLIAM P. HARRINGTON, ESQ.
BLEAKLEY, PLATT & SCHMIDT, LLP

JOHN F. REILLY - RELATOR

DATED: 02-14-2007 BY: John F. Reilly
JOHN F. REILLY

DATED: _____ BY: _____
TIMOTHY J. McINNIS, ESQ.
Law Office of Timothy J. McInnis
Co-Attorney for Relator

DATED: _____ BY: _____
DAVID A. KOENIGSBERG, ESQ.
Menz Bonner & Komar LLP
Co-Attorney for Relator

SO ORDERED:


UNITED STATES DISTRICT JUDGE

JOHN F. REILLY - RELATOR

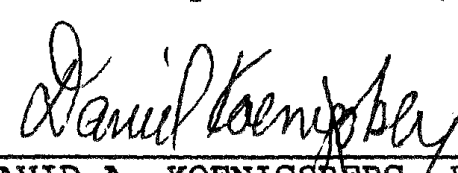
DATED: _____

BY: _____
JOHN F. REILLY

DATED: 3.6.07

BY: 
TIMOTHY J. McINNIS, ESQ.
Law Office of Timothy J. McInnis
Co-Attorney for Relator

DATED: 3.6.07

BY: 
DAVID A. KOENIGSBERG, ESQ.
Menz Bonner & Komar LLP
Co-Attorney for Relator

**The Clerk of Court is directed
to close this case. Any pending
motions are moot.**

SO ORDERED: 3-28-07


UNITED STATES DISTRICT JUDGE