

SETTLEMENT AGREEMENT

Parties

This Agreement is entered by and between the United States of America, acting through the United States Department of Justice, and Joseph B. Lee ("the Relator"). As a preamble to this Agreement, the United States and the Relator state:

Preamble

WHEREAS, a complaint has been filed by the Relator, on behalf of the United States, in the U.S. District Court for the Eastern District of New York pursuant to 31 U.S.C. § 3730, Civil Action No. 04-3234 ("the Complaint");

WHEREAS, the United States and the defendant named in the Complaint, Victory Memorial Hospital ("VMH"), entered into a Settlement Agreement in or about March 4, 2009 (the "Settlement Agreement") resolving, among other matters, the allegations in the Complaint;

WHEREAS, under the terms of the Settlement Agreement, VMH has agreed to resolve the allegations in the Complaint that it violated the False Claims Act for \$1,939,875 (the "Settlement Amount");

WHEREAS, the United States and the Relator mutually desire to make a full, complete, and final settlement of Relator's share of the proceeds from the Settlement Agreement pursuant to 31 U.S.C. § 3730(d)(1).

ACCORDINGLY, in reliance upon the representations contained herein and in consideration of the mutual promises, covenants and obligations in this Agreement and the resolution of the claims set forth below, and for good and valuable consideration, receipt of which is by each acknowledged, the United States and the Relator agree as follows:

Terms and Conditions

1. The United States agrees that Relator shall be awarded \$368,576 of the Settlement Amount. The United States will make this payment within a reasonable time after the United States' receipt of the Settlement Amount and the execution of this Agreement. The obligation to make this payment to the Relator is expressly conditioned on the receipt or

recoupment by the United States of the Settlement Amount. Should the United States fail to receive or recoup any amount required by that Agreement, the United States shall have no obligation to make a payment to the Relator.

2. Relator agrees that this settlement is fair, adequate, and reasonable under all circumstances, and will not challenge the Settlement Agreement pursuant to 31 U.S.C. § 3730(c)(2)(B), and expressly waives the opportunity for a hearing on any such objection, pursuant to 31 U.S.C. § 3730(c)(2)(B).

3. On receipt of payment described in paragraph 1, Relator, for himself, his heirs, successors, and assigns, will release and will be deemed to have released and forever discharged the United States from any claims pursuant to 31 U.S.C. § 3730(d)(1) for a share of the proceeds of the Settlement Agreement. The Relator hereby releases any and all claims, of whatever kind, against the United States arising out of or relating to Civil Action No. 04-3234 filed in the U.S. District Court for the Eastern District of New York.

4. Specifically excluded and reserved from those claims released under Paragraph 3 above is any dispute, claim, or defense which may arise between the Relator and VMH regarding attorneys fees.

5. The United States and the Relator agree that, if the Settlement Agreement between the United States and VMH is held by a court not to be “fair, adequate, and reasonable,” as required under 31 U.S.C. § 3730(c)(2)(B), or if the Complaint is not dismissed with prejudice, this Settlement Agreement is null and void.

6. This Agreement, together with all of the obligations and terms hereof, shall inure to the benefit of and shall bind assigns, successors-in-interest, or transferees of the United States and the Relator.

7. Each of the signatories to this Agreement represents that he or she has the full power and authority to enter into this Agreement.

8. This writing constitutes the entire agreement of the United States and the Relator with respect to the subject matter of this Agreement and may not be modified, amended or terminated except by a written agreement signed by the United States and Relator specifically referring to this Agreement.

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

10. This Agreement is effective on the date of signature of the last signatory to the Agreement.

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

In Witness Whereof, the parties, through their duly authorized representatives, hereunder set their hands.

THE UNITED STATES OF AMERICA

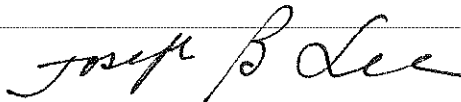
Dated: Brooklyn, New York
2/1, 2009 2010

BENTON J. CAMPBELL
United States Attorney
Eastern District of New York
271 Cadman Plaza East
Brooklyn, New York 11201

By: Paul Kaufman
Paul Kaufman
Assistant U.S. Attorney
(718) 254-6047

RELATOR

Dated: New York, New York
12/28, 2009



JOSEPH B. LEE

Dated: New York, New York
January 4, 2009

LAW OFFICE OF TIMOTHY J. MCINNIS
Attorney for Relator
521 Fifth Avenue, Suite 1700
New York, New York 10175-0038

By: 
TIMOTHY J. MCINNIS, ESQ.
(212) 292-4573

Dated: Ft. Lauderdale, Florida
January 4, 2009

~~NOLAN & AUERBACH, P.A.~~
~~NOLAN LAW FIRM~~
*Attorney for Relator and Special Counsel to Nancy
Isaacson, Chapter 7 Trustee for Joseph Lee, Chapter 7
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By: 
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