



State of North Carolina

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ROY COOPER
ATTORNEY GENERAL

November 19, 2015

North Carolina Senate President Pro Tempore Phil Berger
North Carolina House of Representatives Speaker Tim Moore
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Stan Bingham
Senator Shirley Randleman
Senator E.S. "Buck" Newton
Representative James Boles, Jr.
Representative Leo Daughtry
Representative John Faircloth
Representative Pat Hurley
Co-Chairs, Appropriations Subcommittee on Justice and Public Safety

North Carolina General Assembly
Raleigh, North Carolina 27601-1096

Re: G.S. §114-2.5; Report on Settlement Agreement for Dr. Won; Report
on Settlement Agreement for Astrazeneca

Dear Members:

G.S. §114-2.5 requires the Attorney General to report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety regarding all settlements and court orders which result in more than \$75,000.00 being paid to the State. Pursuant to that statute, I am writing regarding the settlement of claims for Medicaid reimbursement to the State and Federal governments in the above-referenced matters. Pursuant to federal law (42 C.F.R. § 433.320) recoveries in these cases are shared on a pro rata basis by the State and Federal governments.

Dr. Won

The settlement resolves allegations that from January 1, 2008 through December 31, 2011, Dr. Won submitted claims for Detailed and Extensive Oral Evaluations, Deep Sedation/general anesthesia, Alveoloplasty in conjunction with extractions – four or more

tooth spaces, per quadrant, and Alveoloplasty in conjunction with extractions – one to three teeth or tooth spaces, per quadrant that were not medically necessary.

Under the terms of North Carolina's settlement, the State of North Carolina will recover \$2,200,000.00. Of that amount the federal government will receive \$1,541,625.87 for North Carolina's federal portion of Medicaid recoveries. The North Carolina Medicaid Program will receive \$421,446.99 as restitution and interest. In addition, pursuant to Article IX, Section 7 of the North Carolina Constitution and G.S. § 115C-457.1, the penalty portion of the settlement in the amount of \$230,041.48 will be paid to the Civil Penalty Forfeiture Fund for the support of North Carolina public schools. Pursuant to G.S. § 115C-457.2 and G.S. § 108A-70.12(b)(3), the North Carolina Department of Justice will receive \$4,303.54 for investigative costs and \$2,582.12 for costs of collection.

Astrazeneca

The settlement resolves allegations that from October 1, 2007 through June 30, 2014, Astrazeneca falsely under-reported its Average Manufacturer's Price ("AMP") to the Center for Medicare and Medicaid Services ("CMS"), improperly decreasing the amounts Astrazeneca rebated to the states under the Medicaid Drug Rebate Program.

Under the terms of North Carolina's settlement, the State of North Carolina will recover \$1,941,686.39. Of that amount the federal government will receive \$1,335,859.36 for North Carolina's federal portion of Medicaid recoveries. Pursuant to G.S. § 1-610, the *qui tam* plaintiffs whose whistleblower actions brought this matter to the government's attention will receive \$144,447.69 of North Carolina's recovery. The North Carolina Medicaid Program will receive \$456,302.00 as restitution and interest. Pursuant to G.S. § 108A-70.12(b)(3), the North Carolina Department of Justice will receive \$5,077.34 for investigative costs.

We will be happy to respond to any questions you may have regarding this report.

Very truly yours,



Kristi Jones
Chief of Staff

cc: Kristine Leggett, NCGA Fiscal Research Division
Christy Agner, NCDOJ, Legislative Liaison
Nels Roseland, NCDOJ, Deputy Chief of Staff

STATE SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement ("Agreement") is entered into between the State of North Carolina ("the State") and AstraZeneca LP and AstraZeneca Pharmaceuticals LP (collectively "AstraZeneca"), hereinafter collectively referred to as "the Parties."

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. AstraZeneca LP and AstraZeneca Pharmaceuticals LP are Delaware limited partnerships with their principal places of business in Wilmington, Delaware. At all relevant times, AstraZeneca distributed and sold pharmaceutical products in the United States.

B. On October 28, 2008, Ronald Streck ("Relator") filed a *qui tam* action in the United States District Court for the Eastern District of Pennsylvania captioned *United States of America et al., ex. rel. Streck, et al. v. Allergan, et al.*, Civil Action No. 08-CV-5135, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S. § 3730(b) and the false claims statutes of the plaintiff states. Relator filed amended complaints on or about January 12, 2009, May 20, 2010, April 25, 2011, and September 29, 2011. AstraZeneca was named as a defendant in Relator's original and amended complaints. This *qui tam* action will be referred to as the "Civil Action."

C. AstraZeneca LP and AstraZeneca Pharmaceuticals LP have entered into a separate civil settlement agreement (the "Federal Settlement Agreement") with the United States (as that term is defined in the Federal Settlement Agreement). "

D. The State contends that AstraZeneca caused claims for payment to be submitted to the Medicaid Program (see Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396w-5). At all relevant times, AstraZeneca participated in the Medicaid Drug Rebate Program, 42 U.S.C. § 1396r-8, which is part of the Medicaid Program.

E. The State contends that it has certain civil and administrative claims or causes of action against AstraZeneca for engaging in the following conduct during the period from October 1, 2007 through June 30, 2014 (the "Covered Conduct"):

1. Pursuant to the Medicaid Drug Rebate Program, AstraZeneca was required to report the Average Manufacturer Price ("AMP") for each of its covered outpatient drugs to the Centers for Medicare and Medicaid Services ("CMS") on a monthly and quarterly basis, and to pay quarterly rebates to state Medicaid programs that were based, in part, on the quarterly AMPs reported by AstraZeneca. Prior to enactment of the Affordable Care Act ("ACA"), the AMP for a drug generally was based on the average unit price paid to the manufacturer for the drug by wholesalers for drugs distributed to the retail pharmacy class of trade, including cash discounts and other price concessions that reduced the actual price paid for the drug. The ACA revised the definition of AMP, in part, by replacing the term "retail pharmacy class of trade" with "retail community pharmacies" and including manufacturer direct sales to pharmacies. Both before and

after enactment of the ACA, bona fide service fees are excluded from manufacturers' AMP calculations.

2. AstraZeneca entered into distribution services agreements with wholesalers ("Distribution Services Agreements") to facilitate the distribution and sale of the pharmaceuticals listed on Attachment A hereto ("the Covered Drugs"). Pursuant to the Distribution Services Agreements, the wholesalers performed various specified services, and AstraZeneca compensated the wholesalers for performing those services by providing the wholesalers quarterly credits calculated as a percentage of the quarterly sales of the Covered Drugs, subject to certain performance penalties based on criteria set forth in the agreements.

3. The State contends that AstraZeneca improperly treated compensation provided to the wholesalers pursuant to the Distribution Services Agreements as price reductions, rather than as bona fide service fees, in calculating and reporting quarterly AMPs to CMS for the Covered Drugs. As a result of AstraZeneca's reporting such improperly reduced AMPs, the State contends that AstraZeneca underpaid quarterly rebates owed to the states for the Covered Drugs under the Medicaid Drug Rebate Program, and caused the State Medicaid Program to be overcharged for the pharmaceuticals listed in the Distribution Services Agreements.

F. This Agreement is made in compromise of disputed claims. This Agreement is neither an admission of facts or liability by AstraZeneca, nor a concession by the State that its allegations are not well founded. AstraZeneca expressly denies the allegations of the State as set forth herein and Relator's allegations in the Civil Action.

G. To avoid the delay, expense, inconvenience, and uncertainty of protracted litigation of the above claims and causes of action the Parties mutually desire to reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. AstraZeneca agrees to pay to the United States and the Medicaid Participating States (as defined in sub-paragraph (c) below), collectively, the sum of \$46,500,000.00 plus accrued interest on that amount at a rate of 1.625% per annum commencing on February 20, 2015 and continuing until and including the day payment is made under this Agreement the "Settlement Amount"). The Settlement Amount shall constitute a debt immediately due and owing to the United States and the Medicaid Participating States on the Effective Date of the Federal Settlement Agreement. The debt shall forever be discharged by payments to the United States and the Medicaid Participating States, under the following terms and conditions:

(a) AstraZeneca shall pay to the United States the sum of \$26,670,744.67, plus accrued interest on that amount at the rate of 1.625% per annum commencing on February 20, 2015 ("Federal Settlement Amount"). The Federal Settlement Amount shall be paid pursuant to the terms of the Federal Settlement Agreement.

(b) AstraZeneca shall pay to the Medicaid Participating States the sum of \$19,829,255.33, plus accrued interest ("Medicaid State Settlement Amount"), subject to the non-participating state deduction provision of Sub-paragraph (d) below ("Medicaid Participating State Settlement Amount"), no later than seven (7) business days after the expiration of the 60 day opt-in period for Medicaid Participating States described in Sub-paragraph (c) below. The Medicaid Participating State Settlement Amount shall be paid by electronic funds transfer to the New York State Attorney General's National Global Settlement Account pursuant to written instructions from the State Negotiating Team ("State Team"), which written instructions shall be delivered to counsel for AstraZeneca.

(c) AstraZeneca shall execute a State Settlement Agreement with any State that executes such an Agreement in the form to which AstraZeneca and the State Team have agreed, or in a form otherwise agreed to by AstraZeneca and an individual State. The State shall constitute a Medicaid Participating State provided this Agreement is fully executed by the State and delivered to AstraZeneca's attorneys within 60 days of receiving this Agreement. If this condition is not satisfied within 60 days, AstraZeneca's offer to resolve this matter with the individual State shall become null and void absent written agreement between counsel for AstraZeneca and the State Team to extend the 60 day period.

(d) The total portion of the amount paid by AstraZeneca in settlement for the Covered Conduct for the State is \$1,937,724.74, consisting of a portion paid to the State under this Agreement and another portion paid to the United States as part of the Federal Settlement Agreement. The individual portion of the Medicaid State Settlement Amount

allocated to the State under this Agreement is the sum of \$601,865.38, plus applicable interest (the "State Amount"). If the State does not execute this Agreement within 60 days of receiving this Settlement Agreement, the State Amount (including applicable interest), shall be deducted from the Medicaid State Settlement Amount and shall not be paid by AstraZeneca absent written agreement between counsel for AstraZeneca and the State Team to extend the time period for executing this Agreement.

2. The State agrees to dismiss with prejudice any state law claims which the State has the authority to dismiss, including claims for restitution, damages, or civil fines or civil penalties, under state statutes currently pending against AstraZeneca in State or Federal Courts for the Covered Conduct, including any supplemental state law claims asserted in the Civil Action. Contingent upon the receipt of its respective State Amount, the State, if served with the Civil Action and liable to pay a Relator's share, agrees to pay the Plaintiff-Relator through the State Team an amount to be determined by court hearing or by agreement between the State Team and the Plaintiff-Relator in the Civil Action.

3. Subject to the exceptions in Paragraph 4 below, in consideration of the obligations of AstraZeneca set forth in this Agreement, and conditioned upon receipt by the State of its share of the Medicaid State Settlement Amount, the State agrees to release AstraZeneca, together with its predecessors and current and former parents, divisions, subsidiaries, affiliates, successors, transferees, heirs and assigns, and all of their current and former directors, officers, agents, and employees, individually and collectively (collectively, the "AstraZeneca Released Parties"), from any civil or administrative monetary claims or causes of action that the State may have for any claims submitted or

caused to be submitted to the State Medicaid Program as a result of the Covered Conduct, or for the underpayment of Medicaid rebates to the State Medicaid Program as a result of the Covered Conduct. The payment of the Medicaid State Settlement Amount fully discharges the AstraZeneca Released Entities from any obligation to pay restitution, damages, civil fines, and/or civil penalties, to the State for the Covered Conduct.

4. Notwithstanding any term of this Agreement, the State specifically does not release any person or entity from any of the following liabilities:

- (a) any criminal, civil, or administrative liability arising under state revenue codes;
- (b) any criminal liability not specifically released by this Agreement;
- (c) any civil or administrative liability that any person or entity, including any Released Entities, has or may have to the State or to individual consumers or state program payors under any statute, regulation or rule not expressly covered by the release in Paragraph 3 above, including but not limited to, any and all of the following claims: (i) State or federal antitrust violations; (ii) Claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws (other than State Medicaid Program liability for the Covered Conduct released in Paragraph 3 above);
- (d) any liability to the State for any conduct other than the Covered Conduct;
- (e) any liability which may be asserted on behalf of any other payors or insurers, including those that are paid by the State's Medicaid program on a capitated basis;
- (f) any liability based upon obligations created by this Agreement;

(g) except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusions from the State's Medicaid program;

(h) any liability for expressed or implied warranty claims or other claims for defective or deficient products and services provided by AstraZeneca;

(i) any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct; or

(j) any liability based on a failure to deliver goods or services due.

5. In consideration of the obligations of AstraZeneca set forth in this Agreement and a certification from AstraZeneca relating to government pricing practices in the United States, and conditioned upon AstraZeneca's full payment of the Medicaid Participating State Settlement Amount, the State agrees to release and refrain from instituting, recommending, directing, or maintaining any administrative action seeking exclusion from the State's Medicaid program against the AstraZeneca Released Parties for the Covered Conduct, except as reserved in Paragraph 4 above. Nothing in this Agreement precludes the State from taking action against AstraZeneca in the event that AstraZeneca is excluded by the federal government, or for conduct and practices other than the Covered Conduct.

6. AstraZeneca waive(s) and shall not assert any defenses it may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole or in part on a contention, under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth

Amendment of the Constitution, that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

7. In consideration of the obligations of the State set forth in this Agreement, AstraZeneca waives and discharges the State, its agencies, employees, and agents from any causes of action (including claims for attorneys' fees, costs, and expenses of every kind and however denominated) which AstraZeneca has against the State, its agencies, employees, and agents arising from the State's investigation and prosecution of the Covered Conduct.

8. The amount that AstraZeneca must pay to the State pursuant to Paragraph III.1. above will not be decreased as a result of the denial of any claims for payment now being withheld from payment by the State's Medicaid program, or any other state payor, for the Covered Conduct; and, if applicable, AstraZeneca agrees not to resubmit to the State's Medicaid program or any other state payor, any previously denied claims, which denials were based on the Covered Conduct, and agrees to withdraw the appeal of or not to appeal or cause the appeal of any such denials of claims.

9. AstraZeneca shall not seek payment for any of the claims for reimbursement to the State's Medicaid Program covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors.

10. AstraZeneca expressly warrants that it has reviewed its financial condition and that it is currently 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 of the Settlement Amount and compliance with this Agreement.

11. The Parties each represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

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

13. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties and the AstraZeneca Released Entities only, and by this instrument the Parties do not release any liability against any other person or entity other than those included in the AstraZeneca Released Entities.

14. Nothing in this Agreement constitutes an agreement by the State concerning the characterization of the amounts paid hereunder for purposes of the State's revenue code.

15. In addition to all other payments and responsibilities under this Agreement, AstraZeneca agrees to pay all reasonable expenses and travel costs of the State Team, including reasonable consultant fees and expenses. AstraZeneca will pay this amount by separate check made payable to the National Association of Medicaid Fraud Control Units, after the Medicaid Participating States execute their respective Agreements, or as otherwise agreed by the Parties.

16. Upon receipt of the payments described in Paragraph I(d) above, the State, in connection with the Civil Action, shall promptly sign and file a Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1) as follows:

(a) the Stipulation of Dismissal shall be with prejudice to the State claims against AstraZeneca as to the Covered Conduct; and

(b) the Stipulation of Dismissal shall be without prejudice to the State as to all other claims.

17. This Agreement is governed by the laws of the State, and venue for addressing and resolving any and all disputes relating to this Agreement shall be the state courts of appropriate jurisdiction of the State.

18. The undersigned AstraZeneca signatories represent and warrant that they are authorized as a result of appropriate corporate action to execute this Agreement. The undersigned State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement on behalf of the State through their respective agencies and departments.

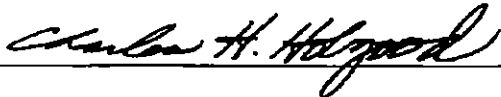
19. The Effective Date of this Agreement shall be the date of signature of the last signatory to this Agreement. Facsimiles of signatures shall constitute acceptable binding signatures for purposes of this Agreement.

20. This Agreement shall be binding on all successors, transferees, heirs, and assigns of the Parties.

21. This Agreement constitutes the complete agreement between the Parties with respect to this matter and shall not be amended except by written consent of the Parties.

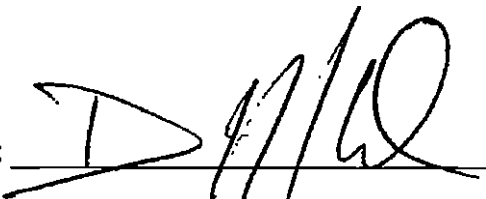
22. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

STATE OF NORTH CAROLINA

By: 

Dated: 9/21/2015

CHARLES H. HOBGOOD
Director, Medicaid Investigations Division
Office of the Attorney General

By: 

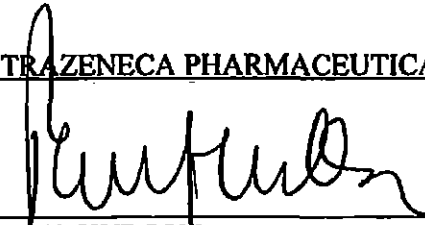
Dated: 9/10/15

DAVE RICHARD
Deputy Secretary for Medical Assistance
Division of Medical Assistance

ASTRAZENECA LP and ASTRAZENECA PHARMACEUTICALS LP

DATED: _____

BY:



PAUL HUDSON
President, US and Executive Vice
President, North America
Astra Zeneca LP and AstraZeneca
Pharmaceuticals LP

DATED: _____

BY:

ANDREW D. SCHAU
MATTHEW J. O'CONNOR
Covington & Burling LLP

and

DATED: _____

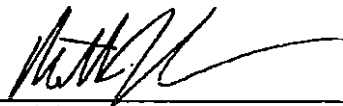
BY:

MICHAEL P. KELLY
McCarter & English LLP

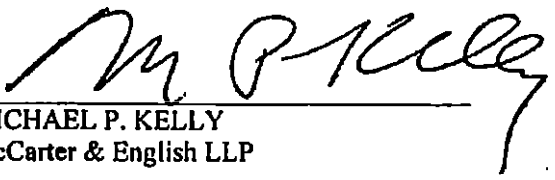
Counsel for AstraZeneca LP and AstraZeneca
Pharmaceuticals LP

ASTRAZENECA LP and ASTRAZENECA PHARMACEUTICALS LP

DATED: _____ BY: _____
PAUL HUDSON
President, US and Executive Vice
President, North America
Astra Zeneca LP and AstraZeneca
Pharmaceuticals LP

DATED: 10/22/2015 BY: 
ANDREW D. SCHAU
MATTHEW J. O'CONNOR
Covington & Burling LLP

and

DATED: 10/20/2015 BY: 
MICHAEL P. KELLY
McCarter & English LLP
Counsel for AstraZeneca LP and AstraZeneca
Pharmaceuticals LP

**ATTACHMENT A
COVERED DRUGS**

NDC	DRUG NAME
00186000131	Lexxel 5-5mg 30x1TAB Bottle
00186000168	Lexxel 5-5mg 100x1TAB Bottle
00186000231	Lexxel 5-2.5 mg 30x1TAB Bottle
00186000431	Atacand 4mg
00186000831	Atacand 8mg
00186001628	Atacand 16m
00186001631	Atacand 16m
00186001654	Atacand 16m
00186003228	Atacand 32m
00186003231	Atacand 32m
00186003254	Atacand 32m
00186016228	Atacand HCT
00186016254	Atacand HCT
00186021203	Xylocaine Inj 1.5% Spinal w/Dextrose 10x2ML Package
00186026092	Xylocaine Inj 1.0% Epl:200 5x30ML Ampule Dispenser
00186032228	Atacand HCT
00186032254	Atacand HCT
00186032454	Atacand HCT
00186036011	Xylocaine Viscous 2% 1x450ML Package
00186037020	Symbicort 1
00186037028	Symbicort 1
00186037220	Symbicort 8
00186037228	Symbicort 8
00186042504	Budesonide
00186042604	Budesonide
00186045028	Plendil 2.5mg 100x1TAB Hospital Unit Dose
00186045058	Plendil 2.5mg 100x1TAB Bottle
00186045128	Plendil 5mg 100x1TAB Hospital Unit Dose
00186045158	Plendil 5mg 100x1TAB Bottle
00186045228	Plendil 10mg 100x1TAB Hospital Unit Dose
00186045258	Plendil 10mg 100x1TAB Bottle
00186051060	Vimovo 375
00186052039	Vimovo 500
00186052060	Vimovo 500
00186060631	Prilosec 10
00186060682	Prilosec 10
00186061001	Prilosec Fo
00186062501	Prilosec Fo

00186070210	Entocort EC
00186074231	Prilosec 20
00186074282	Prilosec 20
00186074331	Prilosec 40
00186074368	Prilosec 40
00186074382	Prilosec 40
00186077739	Brilinta 90
00186077760	Brilinta 90
00186091542	Pulmicort Turbuhaler 200mcg 1x1EA Turbuhaler
00186091612	Pulmicort F
00186091706	Pulmicort F
00186107008	Rhinocort A
00186108805	Toprol-XL 2
00186108839	Toprol-XL 2
00186109005	Toprol-XL 5
00186109039	Toprol-XL 5
00186109050	Toprol-XL 50mg 30 count dose package
00186109205	Toprol-XL 1
00186109239	Toprol-XL 1
00186109405	Toprol-XL 2
00186190501	Foscavir 24mg/mL 250mL IV 12x250ML Package
00186190601	Foscavir 24mg/mL 500mL IV 12x500ML Package
00186198804	PULMICORT R
00186198904	PULMICORT R
00186199004	PULMICORT R
00186401001	Nexlum For
00186402001	Nexlum For
00186402501	Nexlum For
00186404001	Nexlum For
00186406001	Nexlum For
00186423921	Aguasol A 50,000 USP Units/2mL 10x2ML Package
00186502031	Nexlum 20mg
00186502054	Nexlum 20mg
00186502082	Nexlum 20mg
00186502228	Nexlum 20mg
00186504031	Nexlum 40mg
00186504036	Nexlum 40mg
00186504054	Nexlum 40mg
00186504055	Nexlum 40mg
00186504082	Nexlum 40mg
00186504085	Nexlum 40mg
00186504225	Nexlum 40mg
00186504228	Nexlum 40mg
00186802001	Nexlum IV f

00186604001	Nexlum IV f
00186730005	Metoprolol Succinate 25mg 100x1 TAB BTL
00186730105	Metoprolol Succinate 50mg 100x1 TAB BTL
00186730205	Metoprolol Succinate 100mg 100x1 TAB BTL
00186730305	Metoprolol Succinate 200mg 100x1 TAB BTL
00310010110	Tenomin 10
00310010510	Tenomin 50
00310010710	Tenomin 25
00310010810	Tenomin I.V. Inj 6x10mL 5 mg/10 mL AMP
00310011510	Tenoretic 5
00310011710	Tenoretic 1
00310013010	Zestril 5mg 1x100TAB Bottle
00310013011	Zestril 5 m
00310013039	Zestril 5mg 1x100TAB Hospital Unit Dose
00310013110	Zestril 10m
00310013111	Zestril 10m
00310013210	Zestril 20m
00310013211	Zestril 20m
00310013310	Zestril 30mg 1x100TAB Bottle
00310013311	Zestril 30m
00310013410	Zestril 40m
00310013510	Zestril 2.5
00310014110	Zestoretic 10/12.5mg 1x100TAB Bottle
00310013411	Zestril 40
00310013510	Zestril 2.5
00310013511	Zestril 2.5
00310014111	Zestoretic
00310014210	Zestoretic
00310014211	Zestoretic
00310014510	Zestoretic
00310014511	Zestoretic
00310020130	Arimidex 1m
00310020150	Arimidex 1mg 30 count dose package
00310020860	Zomig Nasal
00310020920	Zomig-ZMT 2
00310021020	Zomig 2.5mg
00310021125	Zomig 5mg 1
00310021321	Zomig-ZMT 5
00310027110	Seroquel 10
00310027139	Seroquel 10
00310027210	Seroquel 20
00310027239	Seroquel 20
00310027439	Seroquel 30
00310027460	Seroquel 30

00310027510	Seroquel 25
00310027534	Seroquel 25
00310027539	Seroquel 25
00310027810	Seroquel 50
00310027834	Seroquel 50
00310027839	Seroquel 50
00310027910	Seroquel 40
00310027939	Seroquel 40
00310028039	Seroquel XR
00310028060	Seroquel XR
00310028139	Seroquel XR
00310028160	Seroquel XR
00310028239	Seroquel XR
00310028255	Seroquel XR 200mg 1x500 Tablet Bottle
00310028260	Seroquel XR
00310028339	Seroquel XR
00310028355	Seroquel XR 300mg 1x500 Tablet Bottle
00310028360	Seroquel XR
00310028439	Seroquel XR
00310028455	Seroquel XR 400mg 1x500 Tablet Bottle
00310028460	Seroquel XR
00310032130	Merrem I.V.
00310032165	NOVAPLUS Me
00310032520	Merrem I.V.
00310032584	NOVAPLUS Me
00310037610	Cefotan Inj 1g/10mL 10x1EA VIAL
00310037720	Cefotan Inj 2g/20mL 10x1EA VIAL
00310037851	Cefotan Inj 1g/50mL 1x1EA (Galaxy Bag)
00310037951	Cefotan Inj 2g/50mL 1x1EA (Galaxy Bag)
00310040160	ACCOLATE 10
00310040239	ACCOLATE 20mg
00310040280	ACCOLATE 20
00310048230	Iressa 250m
00310060060	Nolvadex 10mg 1x60TAB Bottle
00310060430	Nolvadex 20mg 1x30TAB Bottle
00310070610	Casodex 50m
00310070530	Casodex 50m
00310070539	Casodex 50m
00310072010	Faslodex 50
00310072025	Faslodex 250mg/5ml 2 X 2 5 ML Pre-filled Syringe
00310072050	Faslodex 25
00310075139	Crestor 10m
00310075190	Crestor 10m
00310075239	Crestor 20m

00310076290	Crestor 20m
00310076430	Crestor 40m
00310075590	Crestor 5mg
00310095038	Zoladex Saf
00310095130	Zoladex Saf
00310108730	Dutoprol 25
00310108530	Dutoprol 50
00310109730	Dutoprol 10
00310782030	Caprelsa 10
00310783030	Vandetanib
00310784030	Caprelsa 30

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among the United States of America ("United States"), 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") and the North Carolina Office of the Attorney General (collectively the "Government"); John Sunghoon Won, D.D.S., M.D.; John S. Won, D.D.S., M.D., P.A, d/b/a Preston Oral and Maxillofacial Surgery, a North Carolina corporation (collectively "Won"). Each of the above hereafter collectively referred to as "the Parties" through their authorized representatives.

RECITALS

A. Won provides dental and oral surgical services to clients within the Eastern District of North Carolina.

B. Virginia Hamilton and Laura Thomas ("Relators") have filed the following respective *qui tam* action in the United States District Court as follows:

United States ex rel. v Dr. John Sunghoon Won & Jon S. Won, D.D.S., M.D., P.A. D/B/A Preston Oral and Maxillofacial Surgery, et al., Case No. 5:14-CV-124 BO.

The above named individual relators are herein collectively referred to as "Relators."

C. This *qui tam* action identified in Paragraph (B) will be referred to as the “Civil Action.”

D. The Government contends that during the dates of January 1, 2008, through December 31, 2011, Won submitted or caused to be submitted claims for payment to the North Carolina Medicaid Program (Medicaid), Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v, in violation of the North Carolina False Claims Act, N.C.G.S. §§ 1-605, *et seq.*, and the Medical Assistance Provider Claims Act, N.C.G.S. §§ 108A-70.10, *et seq.*; and

E. The Government contends that it has certain civil claims against Won arising from the following conduct, during the dates of January 1, 2008 through December 31, 2011:

(1) Won’s submission of claims to the North Carolina Medicaid Program for Detailed and Extensive Oral Evaluations (CDT D0160) for patients who, the Government contends, generally already had a preliminary diagnosis at the time of the referral for third molar extraction(s), did not require nor did the patients receive a detailed examination and/or any diagnostic testing, and the patient’s dental chart did not support billing a detailed evaluation;

(2) Won’s submission of claims to the North Carolina Medicaid Program for Deep Sedation/general anesthesia – each additional 15 minutes (CDT 9221), which the Government contends, were not medically necessary and which were performed in violation of Division of Medical Assistance Clinical Coverage Policy;

(3) Won's submission of claims to the North Carolina Medicaid Program for Inhalation of nitrous oxide/anxiolysis, analgesia (CDT D9230), which the Government contends were billed in violation of Division of Medical Assistance Clinical Coverage Policy;

(4) Won's submission of claims to the North Carolina Medicaid Program for Alveoloplasty in conjunction with extractions – four or more tooth spaces, per quadrant (CDT D7310) and Alveoloplasty in conjunction with extractions – one to three teeth or tooth spaces, per quadrant (CDT D7311), which the Government contends, were not medical necessary and which were performed in violation of Division of Medical Assistance Clinical Coverage Policy.

This conduct, as recited above in Paragraph E, is referred to below and throughout this Settlement Agreement as the "Covered Conduct."

F. This Settlement Agreement is neither an admission of liability by Won nor a concession by the Government that its claims are not well founded. Settlement is for the resolution of disputed claims.

G. 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. Won shall pay to the Government the aggregate principal amount of two million two hundred thousand dollars (\$2,200,000.00) (the "Settlement Amount") by electronic funds

(wire) transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the Eastern District of North Carolina. No later than 30 days following the Effective Date of this Agreement, Won shall pay \$900,000.00 via wire transfer to be credited by the Government towards the Settlement Amount. Said monies to be included in the initial payment are any and all monies currently remaining in the "withhold" account linked to any and all claims submitted by John S. Won, D.D.S., M.D. under NPI number 1003836321 or Legacy Provider No. 5901093 pursuant to 10A NCAC 22F .0604 and 42 CFR 455.23. As of April 1, 2015, the total amount of money contained within the "withhold" account is \$644,360.52. The remaining principal balance of \$1,300,000.00 shall be paid by Won, due by 5:00 pm U.S. Eastern time on the following dates: (a) no later than March 31, 2016, Won shall pay \$300,000.00 plus interest via wire transfer to be credited by the Government toward the Settlement Amount; (b) to provide security as to the \$300,000.00 payment, Won shall sign a Consent Judgment (Pursuant to Fed. Rules Civil Procedure 68) for the amount of \$300,000.00 plus interest which may be docketed upon his failure to timely pay the agreed upon payment amounts is reflected herein and his failure to cure such non-payment within 30 days; (c) no later than December 1, 2015, Won shall commence periodic payments of \$50,000.00 plus interest via wire transfer to be credited by the Government toward the Settlement Amount pursuant to the schedule attached as Exhibit A hereto; (d) Thereafter, Won shall make payment of \$50,000.00 plus interest every ninety (90) days for a period of time no more than five years or until all remaining outstanding settlement monies are paid in full, transfer to be credited by the Government toward the Settlement Amount (or if on a weekend or holiday, the next United States business day) (each such day, a "Payment Date") pursuant to the schedule referenced

above until the remaining Settlement Amount is paid in full, (unless the number of payments, final payment date or final payment amount is reduced or the final payment date accelerated by the provisions of this Paragraph 1). Interest payable to the Government shall accrue at an annual rate of 2.75%, and on each Payment Date all interest, computed as 90 days (or, if the first payment, since the Effective Date)/365 (or, 366 during a calendar "leap" year) times 1,300,000.00 times .0275, shall be deemed immediately due and payable. Prepayment of any portion of the Settlement Amount is allowed. Interest, as computed by the provisions of Paragraph 1, shall also be due and payable on the date of any pre-payment. Upon any default by Won of the terms contained in Paragraph 1 or any other terms of this Agreement, the Government shall have the unconditioned right to accelerate payment and require that the full Settlement Amount then-outstanding be immediately due and payable.

2. Contingent upon the receipt of the respective settlement proceeds set forth above, the government agrees to pay the Relator(s) the following share, 20% of the total settlement amount received from the defendant, plus applicable interest. This share will be paid by the United States as money is received from the defendant.

3. Subject to the exceptions in Paragraph 7 (concerning excluded claims), and conditioned upon Won's full payment of the Settlement Amount, the United States releases Dr. John Sunghoon Won, John S. Won, D.D.S., M.D., P.A., d/b/a Preston Oral and Maxillofacial Surgery from any civil or administrative monetary claim the United States has for the Covered Conduct that is described above 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.

Subject to the exceptions in Paragraph 7 (concerning excluded claims) below, and conditioned upon Won's full payment of the Settlement Amount, the State of North Carolina releases John S. Won, D.D.S., M.D., John S. Won, D.D.S., M.D., P.A., d/b/a/ Preston Oral and Maxillofacial Surgery from the North Carolina Medical Assistance Provider Fraud Claims Act, N.C.G.S. '108A-70.10, et seq.; the North Carolina False Claims Act, N.C.G.S. § 1-605, et seq.; or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. In consideration of the obligations of Won in this Agreement and the Integrity Agreement (IA), entered into between OIG-HHS and John Sunghoon Won, D.D.S., M.D., John S. Won, D.D.S., M.D., P.A., d/b/a Preston Oral and Maxillofacial Surgery, and conditioned upon Won's full payment of the Settlement Amount, the OIG-HHS agrees to 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 Won 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 7 (concerning excluded claims), below, and as reserved in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Won 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 7, below.

5. Default. In the event that Won, either personally or through Preston Oral and Maxillofacial Surgery, fails to pay any amount as provided in Paragraph 1, above, within five (5) business days of the date upon which such payment is due, Won shall be in Default of its payment obligations ("Default"). The United States will provide written notice of the Default, and Won shall have an opportunity to cure such Default within five (5) business days from the date of the receipt of the notice. Notice of Default will be delivered to Won, or to such representative as Won shall designate in advance in writing. If Won fails to cure the Default within five (5) business days of receiving the Notice of Default, the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest shall accrue at the rate of 12% per annum compounded daily from the date of Default on the remaining unpaid total (principal, balance and interest due). Won hereby consents to a Consent Judgment, in the event of such Default in the amount of the unpaid balance, and the United States, at its sole option, may: (a) offset the remaining unpaid balance from any amounts due and owing to Won by any department, agency, or agent of the United States at the time of the Default; or (b) exercise any other rights granted by law or in equity, including the option of referring such matters for private collection. Won agrees not to contest any offset imposed and not to contest any collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court. Won shall pay the United States all reasonable costs of collection and enforcement under this Paragraph, including attorney's fees and expenses.

6. Notwithstanding the foregoing, in the event of Default as defined in Paragraph 5, above, OIG-HHS may exclude Won from participating in all Federal health care programs until

Won pays the Settlement Amount and reasonable costs as set forth in Paragraph 5, above. OIG-HHS will provide written notice of any such exclusion to Won. Won waives any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7). Reinstatement to program participation is not automatic. If at the end of the period of exclusion Won wishes to apply for reinstatement, Won must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Won will not be reinstated unless and until OIG-HHS approves such request for reinstatement.

7. Notwithstanding the releases given in paragraph 3 and 4 of this Agreement, or any other term of this Agreement, the following claims of the Government are specifically reserved and are not released:

- 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 exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct; or
- e. Any liability based upon obligations created by this Agreement;

8. Won has provided sworn financial disclosure statements ("Financial Statements") to the Government and the Government has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Won warrants that the Financial Statements were complete and accurate at the time they were provided to the Government. If the Government learns of asset(s) in which Won had an interest at the time the Financial Statements were provided to the Government that were not disclosed in the Financial Statements, or if the Government learns of any misrepresentation by Won 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 \$50,000 or more, the Government 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 Won previously undisclosed. Won agrees not to contest any collection action undertaken by the Government pursuant to this provision, and immediately to pay the Government all reasonable costs incurred in such an action, including attorney's fees and expenses.

9. In the event that the Government, pursuant to Paragraph 8 (concerning disclosure of assets) above, opts to rescind this Agreement, Won 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 Government within 60 calendar days of written notification to Won that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the date of execution of this Agreement.

10. Won waives and shall not assert any defenses Won may have to any criminal prosecution or administrative action relating to the Covered Conduct that are specifically limited to 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 Government concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

11 Won fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Won has asserted, could have asserted, or may assert in the future against the United States, and 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 Medicaid carrier or intermediary or any state payor, related to the Covered Conduct; and Won agrees not to resubmit to any Medicaid carrier or intermediary or any state payor any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

13. Won 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 Won its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the Government's audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Won's investigation, defense, and corrective actions undertaken in response to the Government's audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Won makes to the Government pursuant to this Agreement, including any costs and attorney's fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the IA to:
 - (i) Retain an independent review organization to perform quarterly reviews as described in Section III of the IA; 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 this paragraph

18.a.(6) that may apply to the obligations undertaken pursuant to the IA affects the status of costs that are not allowable based on any other authority applicable to Won.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, and to the extent necessary, Won agrees to 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 Won 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. Won agrees that the Government, at a minimum, shall be entitled to recoup from Won 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 Government pursuant to the direction of the United States Department of Justice and/or the affected agencies.

The Government reserves its rights to disagree with any calculations submitted by Won or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Won 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 Government to audit, examine, or re-examine Won's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

14. 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.

15. Won 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.

16. Won warrants that he has reviewed his financial situation and that he currently is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall, to the fullest extent possible, remain solvent during payment to the Government of the Settlement Amount. 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 Won, within the meaning of 11 U.S.C. § 547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations due, 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 Won was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

17. Relator and their heirs, successors, attorneys, agents, and assigns do 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(e)(2)(B). Conditioned upon Relator's receipt of the payment described in Paragraph 2, Relator 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.

18. Relators, each for herself, and for their heirs, successors, attorneys, agents, and assigns, releases Won, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action upon payment of all sums as provided herein without default and upon payment under 31 U.S.C. § 3730(d) for expenses and attorney's fees and costs and not until all such payments are made. Notwithstanding the foregoing, Relator Virginia Hamilton is not providing any release under 31 U.S.C. Section 3730(h) and retains all rights to pursue this claim separate and apart from this Settlement Agreement.

19. Excluding Relators or as provided in 31 U.S.C. § 3730(d)(1) or (2), each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

20. 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.

21. 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 Eastern District of North Carolina. 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.

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

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

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

25. This Agreement is binding on the Parties' successors, transferees, heirs, and assigns.

26. All parties consent to the Government's disclosure of this Agreement, and information about this Agreement, to the public.

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

[Settlement Agreement – Remainder of Page Intentionally Blank]

THE UNITED STATES OF AMERICA

**Thomas Walker
UNITED STATES ATTORNEY**

DATED: _____

BY: _____

**G. Norman Acker
Assistant United States Attorney
For the Eastern District of North Carolina
310 New Bern Avenue
Federal Building, Ste. 800
Raleigh, NC 27601**

DATED: _____

BY: _____

**Robert K. DeConti
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
United States Department of
Health and Human Services**

THE STATE OF NORTH CAROLINA

DATED: 8/6/2015

BY: *Charles H. Hobgood*

**Charles H. Hobgood
Special Deputy Attorney General
Director, North Carolina Medicaid Investigations
Division**

THE UNITED STATES OF AMERICA

**Thomas Walker
UNITED STATES ATTORNEY**

DATED: 8/21/15

BY: *Michael Bugn for G. Norman Acker*

**G. Norman Acker
Assistant United States Attorney
For the Eastern District of North Carolina
310 New Bern Avenue
Federal Building, Ste. 800
Raleigh, NC 27601**

DATED: _____

BY: _____

**Robert K. DeConti
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
United States Department of
Health and Human Services**

THE STATE OF NORTH CAROLINA

DATED: _____

BY: _____

**Charles H. Hobgood
Special Deputy Attorney General
Director, North Carolina Medicaid Investigations
Division**

THE UNITED STATES OF AMERICA

**Thomas Walker
UNITED STATES ATTORNEY**

DATED: _____

BY: _____

**G. Norman Acker
Assistant United States Attorney
For the Eastern District of North Carolina
310 New Bern Avenue
Federal Building, Ste. 800
Raleigh, NC 27601**

DATED: 8/21/15

BY: Greg Demko for Robert DeConti

**Robert K. DeConti
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
United States Department of
Health and Human Services**

THE STATE OF NORTH CAROLINA


DATED: _____

BY: _____

**Charles H. Hobgood
Special Deputy Attorney General
Director, North Carolina Medicaid Investigations
Division**


PRESTON ORAL AND MAXILLOFACIAL SURGERY

DATED: 8/18/15

BY: 
JOHN S. WON, D.D.S., M.D., P.A.
(as Owner)

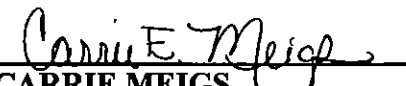
JOHN S. WON, D.D.S., M.D.

DATED: 8/18/15

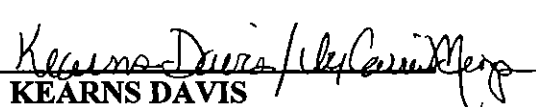
BY: 
JOHN S. WON, D.D.S., M.D.
(as an Individual)

**COUNSEL FOR PRESTON ORAL AND MAXILLOFACIAL SURGERY/JOHN S. WON,
D.D.S., M.D.**

DATED: 8/19/15

BY: 
CARRIE MEIGS
TEAGUE CAMPBELL DENNIS &
GORHAM, LLP
4700 FALLS OF NEUSE ROAD, STE. 450
RALEIGH, NC 27619

DATED: 8/19/15

BY: 
KEARNS DAVIS
BROOKS, PIERCE, MCLENDON,
HUMPHREY & LEONARD
2000 RENAISSANCE PLAZA
230 NORTH ELM STREET
GREENSBORO, NC 27401

DATED: _____

BY: _____

BETSY LANZEN

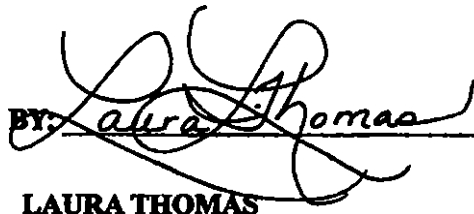
WOMBLE CARLYLE SANDRIDGE & RICE LLP

150 FAYETTEVILLE STREE, STE. 2100

RALEIGH, NC 27601

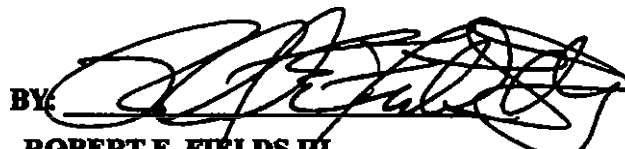
PLAINTIFF-RELATOR LAURA THOMAS

DATED: 8/11/15

BY: 
LAURA THOMAS

COUNSEL FOR PLAINTIFF-RELATOR LAURA THOMAS

DATED: 8/11/15

BY: 
ROBERT E. FIELDS III
SAMUEL PINERO II
OAK CITY LAW, LLP
702 NORTH BLOUNT STREET
RALEIGH, NC 27604

PLAINTIFF-RELATOR VIRGINIA HAMILTON

DATED: 8/5/15 BY: Virginia Hamilton
VIRGINIA HAMILTON

COUNSEL FOR PLAINTIFF-RELATOR VIRGINIA HAMILTON

DATED: 8/7/15 BY: Sandra L. W. Miller
SANDRA L. W. MILLER
WOMBLE CARLYLE SANDRIDGE & RICE LLP
550 S. MAIN STREET, STE. 400
P.O. BOX 10208
GREENVILLE, SC 29603-0208

DATED: 8/7/15 BY: Betsy Lanzén / Dr. [Signature]
BETSY LANZEN
WOMBLE CARLYLE SANDRIDGE & RICE LLP
150 FAYETTEVILLE STREE, STE. 2100
RALEIGH, NC 27601

PLAINTIFF-RELATOR LAURA THOMAS

DATED: _____ BY: _____
LAURA THOMAS

COUNSEL FOR PLAINTIFF-RELATOR LAURA THOMAS

DATED: _____ BY: _____
ROBERT E. FIELDS III
SAMUEL PINERO II
OAK CITY LAW, LLP
702 NORTH BLOUNT STREET
RALEIGH, NC 27604