

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement ("Agreement") is entered into between the United States of America, acting through the United States Department of Justice, the United States Attorney for the Central District of California, and on behalf of the Office of the Inspector General ("HHS-OIG") of the United States Department of Health and Human Services ("HHS") (collectively, the "United States"); Relators Terry Frisco, Darrell Jones and Todd Penizotto (collectively, "Relators"); and Home Americair of California (hereinafter "HAC"), Home Americair (hereinafter "HA"), Thomas E. Frank, Florida Home Cair, Inc. (hereinafter "Home Americair of Central Florida"), Bates East Corporation dba Americair of King of Prussia (hereinafter "Bates East"), and Cynthia M. Bates (collectively, "Defendants"), David Bates, Cindy Justice, Larry Thompson and Americair of the Gold Coast, through their authorized representatives. The United States, Relators, Defendants, David Bates, Cindy Justice, Larry Thompson and Americair of the Gold Coast are collectively referred to herein as "the Parties."

II. PREAMBLE

1. HAC is a California corporation with its principal offices located at 1301 Dove Street, Newport Beach, California. HAC represents that it has 33 independently owned franchises nationwide, and since December 1986, its date of incorporation, has had as many as 45 independently owned franchises nationwide, known as "Americair franchises." These franchises lease or rent oxygen

concentrators, portable oxygen tanks, and other respiratory equipment to patients for home use. HAC has a wholly-owned facility located at 12062 Valley View Street, Garden Grove, California, known as "the Garden Grove facility," which, like the Americair franchises, supplies oxygen to patients for home use. The parent corporation and Garden Grove facility are collectively referred to herein as "HAC." HAC represents that it has supplied oxygen equipment to patients through its Garden Grove facility since December 1986 and has franchised the business of supplying such oxygen equipment since August 1987.

2. HA is a California corporation with its principal offices located at 1301 Dove Street, Newport Beach, California, and was incorporated in November 1986. Since August 1987, HA has acted as a billing agent for HAC and the nationwide Americair franchises and has submitted bills on their behalf to the Medicare Program.

3. Thomas E. Frank is the founder, president and principal owner of HAC and HA. HAC, HA and Thomas Frank are collectively referred to herein as "Americair Corporate."

4. Home Americair of Central Florida is an Americair franchise with an office located at 1924 Dairy Road, West Melbourne, Florida. Americair of Central Florida, which is owned by Larry Thompson and Cindy Justice, has been in the business of leasing and renting oxygen equipment since July 1989, its original date of incorporation. Mr. Thompson also owns another Americair franchise in Deerfield Beach, Florida, known as "Americair of the Gold Coast."

5. Bates East is an Americair franchise with an office located at 397 East Church Road, King of Prussia, Pennsylvania which has been in the business of leasing and renting oxygen equipment since its date of incorporation in June 1992. Cynthia M. Bates and David Bates are the owners of the Bates East franchise. Cynthia and David Bates also own three other Americair franchises: Bates Medical Corporation dba Americair of Riverside County; Bates Central Corporation dba Americair of Central California; and Bates Jersey Corporation dba Americair South Jersey.

6. This Agreement governs the United States' and the Relators' civil claims against Defendants for the conduct alleged in (a) the United States' Fourth Amended Complaint for Violations of the False Claims Act and Common-Law Counts in *United States ex rel. Frisco and Jones v. Home Americair of California, Inc., et al.*, No. CV 93-7186-KMW(SHx) (C.D.Cal.), and (b) the United States' Complaint in *United States ex rel. Penizotto v. Bates East Corporation, et al.*, No. CV 96-5823-KMW(SHx) (C.D.Cal.). This Agreement also governs all "Released Acts" as that term is defined herein in Paragraphs 7 through 10.

7. The United States and Relators allege that from the respective dates upon which each of the Defendants established their businesses and began submitting claims to the Medicare Program until November 11, 1997, Defendants knowingly submitted or caused to be submitted, and conspired among themselves and with others to submit, Certificates of Medical Necessity (HCFA Forms 484 or "CMNs") containing the following false or fraudulent information,

and false or fraudulent claims for payment (HCFA Forms 1500 or their electronic equivalent), to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ddd (1997). Specifically, the United States and the Relators allege that these claims, submitted for oxygen and oxygen equipment under HCPCS product codes E0431, E1401, and E1402, were false or fraudulent because Defendants or their personnel:

- a. reported the results of arterial blood gas or oxygen saturation tests on CMNs as having been conducted while the patient was "at rest" when said tests were conducted when the patient was actually "walking," "sleeping," or "exercising," or were conducted when the oximetry probe or the test itself had been manipulated in order to achieve qualifying oxygen saturation levels;
- b. provided false information to physicians that was used by physicians to fill out the CMNs;
- c. recorded false information on CMNs in order to justify the medical necessity for portable oxygen equipment;
- d. completed medical information reported on CMNs;
- e. forged physicians' signatures on CMNs;
- f. conducted oximetry tests on Medicare beneficiaries, and used these test results on CMNs to qualify patients for Medicare reimbursement;
- g. submitted Medicare claims for nonexistent patients and/or for patients known by Defendants to be deceased;
- h. altered test results obtained from outside laboratories

in order to avoid retesting patients at required three-month intervals;

- i. waived the co-payment by Medicare beneficiaries to induce such beneficiaries to agree to rent oxygen equipment from Defendants;
- j. asked physicians to sign blank CMNs and then completed those CMNs with false information in order to receive Medicare reimbursement; and
- k. submitted false or fraudulent CMNs or Forms 1500 for reimbursement of oxygen or oxygen equipment that was not medically reasonable or necessary.

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8. The United States and Relators Terry Frisco and Darrell Jones further allege that from 1986 until January 1997, Americair Corporate operated an unlawful billing arrangement whereby all Americair franchises were required to use HA as their billing service and HA kept a substantial percentage of the value of claims submitted to the Medicare Program by Americair franchises, in violation of 31 U.S.C. § 3729, 42 U.S.C. § 1395u(b)(6) and 42 C.F.R. § 424.80(b)(6) (1988-1997).

9. The United States and Relators Terry Frisco and Darrell Jones further allege that, until November 11, 1997, Americair Corporate encouraged and instructed its franchises to manipulate or falsify the results of arterial blood gas or oxygen saturation tests administered to patients and reported on CMNs, in order to obtain Medicare reimbursement for patients, and that Americair Corporate encouraged its franchisees to put significant pressure on

franchise employees to set up and qualify as many patients with home oxygen as possible by offering these employees financial incentives and threatening them with termination if certain specified sales quotas were not met.

10. The United States and Relators Terry Frisco and Darrell Jones further allege that, until November 11, 1997, Americair Corporate and Americair of Central Florida colluded with so-called "independent" laboratories to insure that the lab test results from oximetry or arterial blood gas tests were falsified so that the reported lab test results were sufficiently low to qualify for Medicare coverage, and that Defendants reported such false arterial blood gas or oxygen saturation levels in the "at rest" category of the CMNs.

11. The United States and Relators further allege that these fraudulent claims, as described above in Paragraphs 7 through 10 (hereinafter referred to as the "Released Acts"), were submitted to the Medicare Program by Defendants in violation of the False Claims Act, 31 U.S.C. §§ 3729-3733, the common law, the Medicare Program regulations, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, and the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812.

12. The United States also maintains that Defendants engaged in conduct which would permit the United States to bring additional administrative claims against Defendants under provisions allowing exclusion from the Medicare, Medicaid and other federal health care programs (as defined by 42 U.S.C. § 1320a-7b(f)), pursuant to

42 U.S.C. § 1320a-7a and 42 U.S.C. § 1320a-7, for the Released Acts.

13. Defendants have denied all allegations of wrongdoing. To avoid the expense and uncertainty of further litigation, the parties mutually agree to settle these disputes 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 in this Agreement, and for good and valuable consideration as stated herein, the Parties hereby agree as follows:

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14. Defendants agree collectively to pay to the United States the sum of Five Million Dollars (\$5,000,000) (the "Settlement Amount"), as follows: Defendants agree to make payment of the Settlement Amount, less the offset described below, by electronic funds transfer pursuant to written instructions to be provided by the United States. Defendants agree to make this electronic funds transfer within 10 calendar days of the execution of this Agreement. The Settlement Amount shall be offset by \$2,713,103.79 (the "Offset Amount"), which represents the Parties' best estimate of Medicare payments owed to HAC or Bates East for claims submitted by HA (for supplies or services furnished by HAC's Garden Grove facility or by Bates East), as of and including November 11, 1997, and withheld by the Medicare program by means of the suspension imposed pursuant to 42 C.F.R. § 405.371 (the "Suspension").

15 a. Except as expressly provided below, after execution of this Agreement, Defendants agree not to resubmit or to appeal to any Medicare carrier or intermediary any claims for oxygen equipment provided by the Garden Grove facility, Home Americair of Central Florida, or Bates East, that have been submitted prior to November 12, 1997. The Garden Grove facility may resubmit no more than 1,200 denied claims that were submitted prior to November 12, 1997, provided, that those claims were denied under a "B17" denial code, and those claims are resubmitted prior to May 1, 1998. Such claims resubmitted after April 30, 1998, may only be billed and paid for items and services provided on or after November 12, 1997.

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If necessary, to comply with the November 12, 1997 cut-off, HAC may submit claims for partial months. All such resubmitted claims will be processed in good faith and according to DMERC Region D standard operating procedures. The Garden Grove facility agrees that it will waive its right to appeal or request any further review of any such resubmitted claims.

b. The Garden Grove facility may request review of claims which are not eligible for review because the request for review is more than six months after the date of remittance notice. This provision applies only to those claims for which payment was withheld by means of the suspension and for which remittance notices were received by HAC during the period February through November 1997. For these claims, review may be requested within six months of the date of receipt by HAC of the remittance notice denying the claim. For such claims for which requests for review



were previously denied because of the lapse of the review period, the DMERC will re-review the claim. Such claims should be submitted with a cover letter explaining that the requests for review were denied due to the "6 month time limit." These claims must otherwise meet normal claims processing requirements, such as proper documentation. This provision does not apply to the B17 denials treated above.

16. Within thirty calendar days after final execution of this Agreement, the United States shall lift the Suspension.

17. The provisions of this Agreement concerning release and non-exclusion from federal programs are as follows:

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- a. Subject only to the exceptions in Paragraph 18 below, and in consideration of the obligations of Defendants set forth in this Agreement, and conditioned upon Defendants' payment in full of the Settlement Amount, ninety-one (91) calendar days after payment of the Settlement Amount, the United States will release and forever discharge the Defendants, David Bates, and Americair of the Gold Coast, and any and all of their respective present and former

[The next page is Page 9]

shareholders, officers, directors, predecessors, successors and assigns, and any and all employees of the Defendants or Americair of the Gold Coast (hereinafter collectively referred to as the "Released Parties") from any or all civil or administrative monetary claims that the United States has or may have under the False Claims Act, 31 U.S.C. §§ 3729-3733, as amended; under the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; under the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; under the common law theories of payment by mistake, unjust enrichment, breach of contract and fraud; or under

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any other statute creating causes of action for civil damages or civil penalties for submitting or causing to be submitted claims to the government, for the Released Acts. Effective on the full execution of this Agreement and payment in full, HHS-OIG agrees to release and refrain from instituting, directing or maintaining any administrative claim or any action seeking permissive exclusion from the Medicare, Medicaid, or federal health care programs, against the Released Parties under 42 U.S.C. § 1320a-7a, 42 U.S.C. § 1320a-7(b), or 42 U.S.C. § 1320a-7(d), for the Released Acts.

- b. The Parties to this Agreement agree to execute and deliver any further documents that may be reasonably necessary to carry out the provisions of Paragraph 17(a) of this Agreement.

18. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of the United States' release of the Released Parties are any and all of the following claims the United States may have for:

- a. Any civil, criminal or administrative claims arising under Title 26, United States Code (Internal Revenue Code), Internal Revenue Service regulations or securities laws;
  - b. Any criminal liability for the Released Acts;
  - c. Any liability to the United States (or its agencies) for any conduct other than the Released Acts;
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- d. Any claims based upon such obligations as are created by this Agreement or by the Corporate Integrity Agreements incorporated by reference into this Agreement by Paragraph 19;
  - e. Any express or implied warranty claims or other claims for defective or deficient products or services, including quality or quantity of goods and services, provided by the Released Parties;
  - f. Any claims against any individuals or entities not included among the Released Parties;
  - g. Any rights and statutory obligations to exclude the Released Parties from the Medicare, Medicaid, or federal health care programs pursuant to 42 U.S.C. § 1320a-7(a) (mandatory exclusion); and

h. Any claims submitted by the Released Parties after November 11, 1997.

19. Certain individuals and entities have entered into Corporate Integrity Agreements with HHS (as specified therein), attached as Exhibits A, B and C, which are incorporated into this Agreement by reference. The obligations set forth in the Corporate Integrity Agreements shall be implemented within 60 calendar days of execution of this Agreement.

20. In consideration of the mutual promises and obligations of this Agreement, Relators hereby release the Released Parties, and each of their subsidiaries, affiliates and partners, and any of their respective present and former shareholders, officers, directors, employees, predecessors, successors and assigns, from any and all causes of action, known or unknown, including but not limited to all causes of action related to:

- a. Any civil claims which Relators assert or could have asserted under the False Claims Act, common law, the Program Fraud Civil Remedies Act, or any other statute creating causes of action for civil relief for the conduct alleged in Relators' respective *qui tam* complaints, styled *United States ex rel. Frisco and Jones v. Home Americair of California, Inc., et al.*, No. CV 93-7186-KMW(SHx) (C.D. Cal.), and *United States ex rel. Penizotto v. Bates East Corporation, et al.*, No. CV 96-5823-KMW(SHx) (C.D. Cal.); and
- b. Any other causes of action Relators have or may assert

against the Released Parties, whether known or unknown, as of the date of this Agreement.

21. In consideration of the mutual promises and obligations of this Agreement, the Released Parties hereby release Relators, and each of their subsidiaries, affiliates and partners, and any of their respective present and former shareholders, officers, directors, employees, predecessors, successors and assigns, from any and all causes of action, known or unknown, as of the date of this Agreement.

22. Relators' Release shall be effective upon receipt by Relators of the amounts agreed upon between the United States and each Relator, pursuant to Paragraph 24 of this Agreement, and after receipt by Relators' attorneys of their respective attorneys' fees as agreed to in paragraph 34 of this Agreement.

23. Relators agree that this settlement is fair, adequate, and reasonable, and will not challenge the agreement pursuant to 31 U.S.C. § 3730(c)(2)(B).

24. Pursuant to 31 U.S.C. § 3730(d)(1), the United States will pay Relators' shares of the Settlement Amount in an amount agreed to separately by each Relator on one hand and the United States on the other. If no agreement can be reached, the District Court will retain jurisdiction to determine the appropriate amount of any relator's share. The United States shall not be obligated to pay Relators unless and until the United States receives payment in full of the Settlement Amount from Defendants, and agrees to pay Relators their shares within a reasonable time after it receives

such payment.

25. In exchange for the United States' promise to pay Relators the agreed-upon share of the Settlement Amount, Relators agree to relinquish any and all claims they might bring against the United States, its officers, agents, and employees, from any liability arising from the filing of the complaints, including any claims to a share of the proceeds pursuant to 31 U.S.C. § 3730(d), and Relators agree to execute a Joint Stipulation of Dismissal as to their respective complaints.

26. Relators and the Released Parties hereby warrant, represent and agree that each of them is fully aware of the provisions of California Civil Code § 1542, which provides that "[a] general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." Relators and the Released Parties voluntarily waive the provisions of California Civil Code § 1542, and any similar law, as to any and all claims, demands, causes of action, or charges of whatever nature, known or unknown, which are related or are in any manner incidental to the subject matter of the cases *United States ex rel. Frisco and Jones v. Home Americair of California, Inc., et al.*, No. CV 93-7186-KMW(SHx) (C.D. Cal.), and *United States ex rel. Penizotto v. Bates East Corporation, et al.*, No. CV 96-5823-KMW(SHx) (C.D. Cal.), and further agree that this waiver is a material aspect of the consideration entering into this Agreement.

27. The Released Parties waive and will not assert any defenses they may have to any criminal prosecution or administrative action relating to the Released Acts, which defenses may be based in whole or in part on the Double Jeopardy Clause of the Constitution or the holding or principles set forth in *United States v. Halper*, 490 U.S. 435 (1989), and *Austin v. United States*, 509 U.S. 602 (1993), and further agree that the Settlement Amount is not punitive in nature or effect for purposes of such criminal prosecution or administrative action. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue Laws, Title 26 of the United States Code.

28. The Released Parties fully and finally release the United States, its agencies, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) which the Released Parties have asserted, could have asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, relating to the Released Acts.

29. Concurrent with the execution of this Settlement Agreement and payment by Defendants to the United States, the Parties shall execute a Joint Stipulation of Partial Dismissal in the form attached hereto as Exhibit D. The Joint Stipulation of Dismissal will request that the Court, *inter alia*, enter an order dismissing the cases styled *United States ex rel. Frisco and Jones*

v. Home Americair of California, Inc., et al., No. CV 93-7186-KMW(SHx) (C.D. Cal.), and United States ex rel. Penizotto v. Bates East Corporation, et al., No. CV 96-5823-KMW(SHx) (C.D. Cal.), only as to Defendants defined herein, with prejudice as to Relators and the United States. The Parties will request, however, that the Court retain jurisdiction to enforce the terms of the Agreement. The partial dismissal shall not include Defendant P-M of Kentucky.

30. The Released Parties agree that all costs (as defined in the Federal Acquisition Regulations ("FAR") § 31.205-47 and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ddd (1997) and 1396-1396v (1997), and the regulations promulgated thereunder) incurred by or on behalf of the Released Parties in connection with (1) the matters covered by this Agreement, (2) the Government's audit and investigation of the matters covered by this Agreement, (3) the Released Parties' investigation, defense, and corrective actions undertaken in response to the Government's investigation in connection with the matters covered by this Agreement including the obligations undertaken pursuant to the Corporate Integrity Agreements incorporated in this Settlement Agreement, (4) the negotiation of this Agreement, and (5) the payments made pursuant to this Agreement, are unallowable costs for Government contract accounting and for Medicare, Medicaid, CHAMPUS/TRICARE, Veterans' Administration and FEHBP reimbursement purposes (hereafter, "unallowable costs"). These unallowable costs will be separately estimated and accounted for by Defendants, and the Released Parties



will not charge such unallowable costs directly or indirectly to any contracts with the United States or any state Medicaid program, or to any cost report, cost statement, or payment request submitted by the Released Parties or any of their subsidiaries to the Medicare, Medicaid, CHAMPUS/TRICARE, Veterans' Administration or FEHBP programs.

31. The Released Parties, consistent with the rights and privileges of individuals, covenant to cooperate fully and truthfully with the United States' investigation of individuals and entities not specifically released in this Agreement, relating to the Released Acts. Upon reasonable notice, the Released Parties will make reasonable efforts to facilitate access to, and encourage the cooperation of, its directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals, and will furnish to the United States, upon reasonable request, all non-privileged documents and records in its possession, custody or control relating to the Released Acts.

32. This Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any claims against any other person or entity.

33. The Parties agree that this Agreement does not constitute an admission by any person or entity with respect to any issue of law or fact.

34. The United States and the Released Parties will bear their own legal and other costs incurred in connection with this matter, including the preparation and performance of this

Agreement. Such costs incurred by Relators will be reimbursed to Relators by Defendants as agreed to by said parties, or if no agreement is reached, as determined by the Court to be fair and reasonable.

35. The Released Parties and Relators represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever and in consultation with legal counsel.

36. This Agreement shall be governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising under this Agreement will be the United States District Court for the Central District of California.

37. This Agreement and the Corporate Integrity Agreements which are incorporated by reference constitute the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties, except to the extent that the Corporate Integrity Agreements may be modified in accordance with the terms set forth therein.

38. The undersigned signatories of the Released Parties and Relators represent and warrant that they are authorized to execute this Agreement. The undersigned United States signatories represent that they are signing this Agreement in their official capacity and that they are authorized to execute this Agreement.

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

which constitutes an original and all of which constitute one and the same agreement.

40. This Agreement shall be deemed executed and shall be effective on the date of signature of the last signatory to the Agreement.

THE UNITED STATES OF AMERICA

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

BY: *Daniel R. Anderson*  
DANIEL R. ANDERSON  
Attorney, Civil Division  
United States Department  
of Justice

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

BY: \_\_\_\_\_  
DAVID A. RINGNELL  
Assistant United States  
Attorney  
Office of the United  
States Attorney for the  
Central District of  
California

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

BY: \_\_\_\_\_  
LEWIS MORRIS  
Assistant Inspector  
General for Legal Affairs  
Office of Counsel to the  
Inspector General  
Office of the Inspector  
General  
United States Department  
of Health and Human  
Services

the same agreement.

40. This Agreement shall be deemed executed and shall be effective on the date of signature of the last signatory to the Agreement.

THE UNITED STATES OF AMERICA

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

BY: \_\_\_\_\_  
DANIEL R. ANDERSON  
Attorney, Civil Division  
United States Department  
of Justice

DATED: 3/31/98

BY: David A. Ringnell  
DAVID A. RINGNELL  
Assistant United States  
Attorney  
Office of the United  
States Attorney for the  
Central District of  
California

DATED: 3/3/98

BY: Lewis Morris  
LEWIS MORRIS  
Assistant Inspector  
General for Legal Affairs  
Office of Counsel to the  
Inspector General  
Office of the Inspector  
General  
United States Department  
of Health and Human  
Services

RELATORS

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

BY: \_\_\_\_\_  
ROBERT VOGEL, Esq.  
For Relator Daryl Jones

DATED: MARCH 25, 1998

BY: Michael R Leslie  
MICHAEL R. LESLIE, Esq.  
For Relator Terry Frisco

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

BY: \_\_\_\_\_  
LISA FOSTER, Esq.  
For Relator Todd Penizotto

DEFENDANTS AND RELEASED PARTIES

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

BY: \_\_\_\_\_  
GEORGE L. O'CONNELL, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

BY: \_\_\_\_\_  
WILLIAM R. WARNE, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

BY: \_\_\_\_\_  
STEPHEN J. CALVACCA, Esq.  
For Defendant Florida Home  
Cair, Inc., dba Home  
Americair of Central  
Florida

RELATORS

DATED: March 19, 1998

BY: Robert L. Vogel  
ROBERT VOGEL, Esq.  
For Relator Daryl Jones

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

BY: \_\_\_\_\_  
MICHAEL R. LESLIE, Esq.  
For Relator Terry Frisco

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

BY: \_\_\_\_\_  
LISA FOSTER, Esq.  
For Relator Todd Penizotto

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DEFENDANTS AND RELEASED PARTIES

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

BY: \_\_\_\_\_  
GEORGE L. O'CONNELL, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

BY: \_\_\_\_\_  
WILLIAM R. WARNE, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

BY: \_\_\_\_\_  
STEPHEN J. CALVACCA, Esq.  
For Defendant Florida Home  
Cair, Inc., dba Home  
Americair of Central  
Florida

RELATORS


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

BY: \_\_\_\_\_  
ROBERT VOGEL, Esq.  
For Relator Daryl Jones

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

BY: \_\_\_\_\_  
MICHAEL R. LESLIE, Esq.  
For Relator Terry Frisco

DATED: 3/3/98

BY:   
Relator Todd Penzotto

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DEFENDANTS AND RELEASED PARTIES

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

BY: \_\_\_\_\_  
GEORGE L. O'CONNELL, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

BY: \_\_\_\_\_  
WILLIAM R. WARNE, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

BY: \_\_\_\_\_  
STEPHEN J. CALVACCA, Esq.  
For Defendant Florida Home  
Cair, Inc., dba Home  
Americair of Central  
Florida

RELATORS

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

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

ROBERT VOGEL, Esq.  
For Relator Daryl Jones

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

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

MICHAEL R. LESLIE, Esq.  
For Relator Terry Frisco

DATED: 3/3/98

BY: Todd F. Penzotto

Relator Todd Penzotto

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DEFENDANTS AND RELEASED PARTIES

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

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

GEORGE L. O'CONNELL, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

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

WILLIAM R. WARNE, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

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

STEPHEN J. CALVACCA, Esq.  
For Defendant Florida Home  
Cair, Inc., dba Home  
Americair of Central  
Florida




RELATORS


DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
ROBERT VOGEL, Esq.  
For Relator Daryl Jones

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
MICHAEL R. LESLIE, Esq.  
For Relator Terry Frisco

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
LISA FOSTER, Esq.  
For Relator Todd Penizotto

DEFENDANTS AND RELEASED PARTIES

DATED: March 30, 1998 BY:   
GEORGE L. O'CONNELL, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank


DATED: March 30, 1998 BY:   
WILLIAM R. WARNE, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
STEPHEN J. CALVACCA, Esq.  
For Defendant Florida Home  
Cair, Inc., dba Home  
Americair of Central  
Florida

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

BY: \_\_\_\_\_  
RONALD NESSIM, Esq.  
For Defendants Cynthia  
Bates and Bates East  
Corp., dba Americair King  
of Prussia

DATED: 3/30/98

BY:   
THOMAS E. FRANK

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

BY: \_\_\_\_\_  
CYNTHIA M. BATES

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

BY: \_\_\_\_\_  
DAVID BATES

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

BY: \_\_\_\_\_  
LARRY THOMPSON  
For himself and for  
Americair of the Gold Coast

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

BY: \_\_\_\_\_  
CINDY JUSTICE

RELATORS

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

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

ROBERT VOGEL, Esq.  
For Relator Daryl Jones

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

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

MICHAEL R. LESLIE, Esq.  
For Relator Terry Frisco

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

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

LISA FOSTER, Esq.  
For Relator Todd Penizotto

---

DEFENDANTS AND RELEASED PARTIES

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

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

GEORGE L. O'CONNELL, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

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

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

WILLIAM R. WARNE, Esq.  
For Defendants Home  
Americair of California,  
Inc., Home Americair,  
Inc., and Thomas E. Frank

DATED: 3.23-98

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

STEPHEN J. CALVACCA, Esq.  
For Defendant Florida Home  
Cair, Inc., dba Home  
Americair of Central  
Florida

APPROVED AS TO  
FORM & CONTENT ONLY

EXHIBIT A

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

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

RONALD NESSIM, Esq.  
For Defendants Cynthia  
Bates and Bates East  
Corp., dba Americair King  
of Prussia

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

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

THOMAS E. FRANK

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

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

CYNTHIA M. BATES

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

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

DAVID BATES

DATED: 3-3-98

BY: 

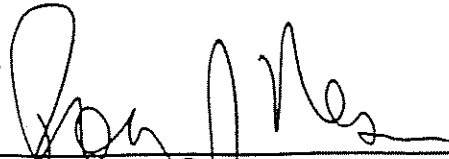
LARRY THOMPSON  
For himself and for  
Americair of the Gold Coast

DATED: 3/3/98

BY: 

CINDY JUSTICE

DATED: 3/5/98

BY:   
RONALD NESSIM, Esq.  
For Defendants Cynthia  
Bates and Bates East  
Corp., dba Americair King  
of Prussia


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

BY: \_\_\_\_\_  
THOMAS E. FRANK

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

BY: \_\_\_\_\_  
CYNTHIA M. BATES

DATED: 3-5-98

BY:   
DAVID BATES  
*witnessed by: [Signature]*


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

BY: \_\_\_\_\_  
LARRY THOMPSON  
For himself and for  
Americair of the Gold Coast

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

BY: \_\_\_\_\_  
CINDY JUSTICE

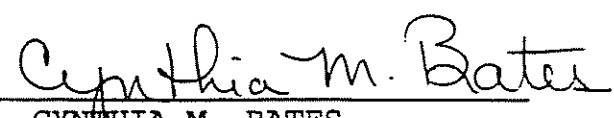
DATED: 3/5/98

BY:   
RONALD NESSIM, Esq.  
For Defendants Cynthia  
Bates and Bates East  
Corp., dba Americair King  
of Prussia

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

BY: \_\_\_\_\_  
THOMAS E. FRANK

DATED: 3/5/98

BY:   
CYNTHIA M. BATES

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

BY: \_\_\_\_\_  
DAVID BATES

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

BY: \_\_\_\_\_  
LARRY THOMPSON  
For himself and for  
Americair of the Gold Coast

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

BY: \_\_\_\_\_  
CINDY JUSTICE