

## SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) and the Defense Health Agency (DHA), acting on behalf of the TRICARE Program (collectively, the “United States”), Strauss Ventures, LLC d/b/a/ The Grand Health Care System (Grand Health) and the 12 entities listed on Exhibit A (the 12 Grand Facilities) (collectively, Grand Health and the 12 Grand Facilities will be referred to as “The Grand” or “Defendants”), and Stacey Rosenberger and Kelley Retig (collectively, “Relators”), through their authorized representatives. Collectively, all of the above will be referred to as “the Parties.”

### RECITALS

A. Grand Health provides consulting services to a network of inpatient skilled nursing facilities (SNFs) that operate throughout New York State, including to the 12 Grand Facilities during the periods identified on Exhibit A. Grand Health provided the 12 Grand Facilities with various services, including corporate compliance, billing, analytics, and back-office support.

B. Each Grand Facility provided skilled nursing and rehabilitation services to residents, including residents insured by Part A of the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (Medicare); the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (Medicaid); and the TRICARE Program, 10 U.S.C. §§ 1071-1110b (TRICARE). The Grand submitted or caused claims for payment to be submitted to Medicare Part A (Part A), Medicaid, and TRICARE.

C. Part A benefits cover skilled nursing care, rehabilitation services (*i.e.*, physical, occupational, and speech therapy), and other services in a SNF for up to 100 days in a SNF benefit period (*i.e.*, spell of illness) following a qualifying hospital stay of at least three consecutive days. To qualify, a beneficiary must, among other things, need skilled services daily in an inpatient setting and require the skills of technical or professional personnel to provide these services. All services provided must be reasonable and necessary.

D. During the relevant time period, Medicare paid SNFs under a prospective payment system. Throughout beneficiaries' stays, SNFs classified Part A beneficiaries into groups based on their care and resource needs. At all times relevant to this Agreement, these groups were called resource utilization groups (RUGs). Therapy RUGs were, until October 1, 2019, divided into five levels of therapy: ultra high, very high, high, medium, or low. A SNF was supposed to categorize the beneficiary into one of the five therapy levels based primarily on the number of minutes of skilled therapy provided during a seven-day assessment reference period that was called the "look-back period." If, during the look-back period, the beneficiary received at least 720 minutes of skilled rehabilitation therapy combined from at least two therapy disciplines, one of which was provided at least five days per week, then the beneficiary would be categorized into an ultra-high therapy RUG, which generally resulted in a higher reimbursement rate than the other RUGs.

E. On October 24, 2019, Relators Stacey Rosenberger and Kelley Retig filed an action in the United States District Court for the Northern District of New York captioned *United States ex rel. Rosenberger and Retig v. Strauss Ventures, LLC, et al.*, 1:19-cv-1311, pursuant to, among other things, the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). Relators alleged that The Grand had a practice of billing Medicare and the New

York State Medicaid Program for therapy services that were unreasonable, unnecessary, unskilled or that did not occur in the manner they were billed. Concurrent with this Agreement, the United States is intervening in the Civil Action with regard to the Covered Conduct, as defined below.

F. The United States contends that it has certain civil claims against The Grand for submitting or causing to be submitted false claims to Medicare Part A and TRICARE for unnecessary and unskilled rehabilitation therapy provided to patients at the 12 Grand Facilities during the time periods set forth in Exhibit A. Specifically, the United States contends the false claims resulted from The Grand's implementation of policies and procedures and engagement in practices set forth below that encouraged and resulted in the provision of unnecessary and unskilled rehabilitation therapy to Part A and TRICARE beneficiaries:

- (1) setting budgets that were predicated on billing the vast majority of patients at the ultra-high RUG level;
- (2) presumptively placing patients in the ultra-high RUG level unless the patients could not physically tolerate that amount of therapy, rather than using individualized evaluations to determine the level of care most suitable for each patient's clinical needs;
- (3) planning the number of minutes of therapy to be provided to patients in order to meet the minimum number of minutes required to bill at the targeted RUG level while discouraging the provision of therapy in amounts beyond that minimum threshold;
- (4) allowing corporate officials who were not familiar with the individual patients or their therapy needs to set or adjust the planned daily minutes of rehabilitation therapy for individual patients in an effort to make the patients' therapy schedules meet, but not exceed, the number of minutes necessary to bill the targeted RUG;
- (5) pressuring therapists and patients to complete the planned minutes of therapy even when patients were sick or declined to participate in therapy;

- (6) falsely reporting that more minutes of therapy were provided to patients than actually were;
- (7) falsely reporting that time spent on initial evaluations was therapy time in order to avoid the prohibition on counting initial evaluation time as therapy time;
- (8) falsely reporting that time spent providing unskilled services was time spent rendering skilled therapy to patients; and,
- (9) keeping patients on the therapy caseload for longer than medically necessary.

G. More specifically, management level employees of the Grand who were but are no longer employed by Grand Health set policies that applied to all 12 Grand Facilities and implemented quotas that each facility's Director of Rehabilitation (DOR) was expected to reach, including quotas for the percent of the Part A beneficiaries who would be at the "ultra-high" (RU or UH) RUG level at any given time and each facility's average-length-of-stay (ALOS) for Part A beneficiaries. To meet these quotas, DORs often started new Part A beneficiaries at the ultra-high level of therapy, including in some instances before the patient was evaluated, and they would schedule that patient to receive that amount of therapy unless he or she could not physically "tolerate" it.

H. Employees who are no longer employed by Grand Health but were responsible for billing and supervising rehabilitation therapy at the Grand (Rehab Supervisors) pressured and instructed DORs from each of the 12 Grand Facilities to increase their facility's ultra-high RUG billing for the Part A program generally, and for individual Part A beneficiaries whom they never personally evaluated or treated. Many DORs obliged. For example, one DOR wrote Rehab Supervisors that the facility would improve utilization by ensuring "All residents coming in with Med A to be planned at UH." Another DOR wrote Rehab Supervisors: "I typically schedule all Medicares for RU unless they can't tolerate it."

I. A Rehab Supervisor also instructed DORs that the “ALOS for Medicare patients” must be “greater than 35 days.” One way that The Grand implemented this policy was by instructing that no Part A patients should be discharged from rehabilitation therapy “without a discussion with corporate,” and, further, by directing that no more than three patients be discharged from any facility per week. In some instances, this resulted in Part A beneficiaries staying on therapy longer than was reasonable and medically necessary. DORs were, at times, asked by former Rehab Supervisors to extend the length of a particular Part A beneficiary’s therapy, or delay their discharge, to avoid “too many cuts” or because The Grand “need[s] the score.”

J. There were also various instances where Rehab Supervisors, who were not personally evaluating or treating patients, set or adjusted the number of minutes of therapy that a Part A patient would receive. Some of the reasons provided by these Rehab Supervisors were that The Grand needs to “get the RU” or “avoid a COT [change of therapy,]” or the patient could “tolerate increased minutes,” or that the Grand wanted “to capture projected RUG.” Some Rehab Supervisors instructed DORs to “not RUG down Med A” beneficiaries, which would have resulted in Part A beneficiaries receiving more therapy than their treating provider deemed appropriate.

K. When one DOR asked a now former Rehab Supervisor if they “want to try” to get a higher RUG for a particular Part A beneficiary, the Rehab Supervisor responded: “Yes b/c I’m greedy!”

L. There were also instances where Rehab Supervisors falsified the number of therapy minutes in The Grand’s electronic recordkeeping system well after the therapy was

allegedly rendered, or instruct subordinates to do so, and in almost all instances it resulted in an increase to the number of minutes billed.

M. The United States further contends that between January 1, 2016 and June 30, 2021, Grand Health and The Center for Rehabilitation and Healthcare at Dutchess, LLC d/b/a/ The Grand Rehabilitation and Nursing at Pawling (Pawling Facility) submitted false Medicaid claims to fiscal agents of New York pursuant to Social Services law and the Public Health Law of the State of New York, which were relied upon by Medicaid and the State of New York to pay Pawling for dates of service occurring between January 1, 2016 and June 30, 2021.

N. With respect to the Medicaid Program, the Pawling facility, through the actions of management level employees who the Grand represents were but no longer are employed by the Grand, submitted data to the New York State Department of Health (NY DOH), which misrepresented the degree of care, including rehabilitation services, required by certain residents at the Pawling Facility, thereby compromising the accuracy of the RUG score for each of those residents. In so doing, such employees caused the Pawling Facility's Case Mix Index score to be higher than it otherwise should have been, thereby increasing the amount of money Pawling received from Medicaid.

O. The conduct described in Paragraphs F through N constitutes the "Covered Conduct."

P. The Grand admits, acknowledges, and accepts responsibility for the conduct set forth in Paragraphs G-L, above.

Q. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relators' reasonable expenses, attorneys' fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. The Grand agrees to pay the United States the sum of \$21,300,000 (Settlement Amount), of which \$9,941,860 is restitution, plus interest at a rate of 4.25% from December 12, 2023 until and including the day that final payment is made under this Agreement, per the terms set forth in Paragraphs 1(A)-(F). All payments by The Grand to the United States under this Agreement will be made pursuant to electronic funds transfer pursuant to written instructions to be provided to The Grand by the United States Department of Justice.

- A. By August 15, 2024, The Grand will make payment to the United States in the amount of \$2,467,159.40, plus interest at the rate identified in Paragraph 1 above.
- B. The Grand will pay the remaining \$18,832,840.60, plus interest at the rate identified in Paragraph 1, pursuant to the payment schedule attached as Exhibit B (the Payments Over Time).
- C. The payments identified in Paragraphs 1(A)-(B) shall be secured pursuant both to (i) a Consent Judgment, in the form of Exhibit C, and (ii) the Guarantee attached as Exhibit D.
- D. Interest shall accrue on the unpaid Settlement Amount as indicated in Paragraph 1. Collectively the Settlement Amount and interest received by the United States shall be referred to as the Settlement Payments.

- E. If Defendants are sold, merged, or transferred, or a significant portion of the assets of Defendants are sold, merged, or transferred into another non-affiliated entity, The Grand shall promptly notify the United States, and, absent agreement from the United States to forego application of this paragraph, all remaining payments owed pursuant to the Settlement Agreement shall be accelerated and become immediately due and payable.
- F. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

2. Conditioned upon the United States receiving the Settlement Amount payments, the United States agrees that it shall pay to Relators, collectively, by electronic funds transfer nineteen percent of each such payment received under the Settlement Agreement (Relators' Share) as soon as feasible after receipt of the payment.

3. Relators expressly reserve their right to pursue Relators' reasonable attorneys' fees, costs, and expenses under 31 U.S.C. § 3730(d) and N.Y. Fin. Law § 190(6) against The Grand, and its heirs, successors, transferees, attorneys, agents, assigns, employees, current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them.

4. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and subject to Paragraph 11 (concerning disclosure of assets), Paragraph 19 (concerning default), and Paragraph 20 (concerning bankruptcy), upon the United States' receipt of the Settlement Amount and all interest due under Paragraphs 1 and 19, the United States releases The Grand, together with its current and former parent corporations, direct and indirect subsidiaries, brother and sister



corporations, divisions, and the corporate successors and assigns of any of them, from any civil or administrative monetary claims the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 8 below, and subject to Paragraph 11 (concerning disclosure of assets), Paragraph 19 (concerning default), and Paragraph 20 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Defendants from any civil monetary claim the Relators have on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. In consideration of the obligations of The Grand in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and The Grand, and upon the United States' receipt of full payment of the Settlement Amount, plus interest due under Paragraph 1, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against The Grand under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this paragraph and in Paragraph 8 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude The Grand from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a)

(mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 8, below.

7. In consideration of the obligations of The Grand set forth in this Agreement, and upon the United States' receipt of full payment of the Settlement Amount, plus interest due under Paragraph 1, DHA shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE Program against The Grand under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 8 (concerning reserved claims), below. DHA expressly reserves authority to exclude The Grand from the TRICARE Program under 32 C.F.R. §§ 199.9 (f)(1)(i)(A), (f)(1)(i)(B), and (f)(1)(iii) (mandatory exclusion), based upon the Covered Conduct. Nothing in this paragraph precludes DHA or the TRICARE Program from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 8, below.

8. Notwithstanding the release given in Paragraph 4 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States 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 or enforcement right, including mandatory exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

- e. Any liability to the State of New York, including but not limited to any liability for the State share of Medicaid payments;
- f. Any liability based upon obligations created by this Agreement;
- g. Any liability of individuals;
- h. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services; and,
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

9. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relators' receipt of the Relators' Share, Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

10. Conditioned upon the United States' receipt of the Settlement Amount payments, plus applicable interest, Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release The Grand, and its officers, agents, and employees, from all liabilities, claims, demands, actions, causes of action, proceedings, suits, debts, obligations, losses, liens, damages, punitive damages, costs, and expenses of any kind or description, character or nature whatsoever, whether known or unknown, fixed or contingent, in law or in

equity, in contract or in tort, under any federal or state statute or regulation, or in common law that the Relators or their heirs, successors, transferees, attorneys, agents, assigns, have asserted, could have asserted, or may assert in the future against the Grand, its heirs, successors, transferees, attorneys, agents, assigns, employees, current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them, related to the Covered Conduct, the allegations set forth in the Civil Action, or the filing of the Civil Action; provided, however, Relators specifically reserve and do not release their claims for Relators' attorneys' fees, costs, and expenses under 31 U.S.C. § 3730(d) and N.Y. Fin. Law § 190(6).

11. The Grand has provided financial statements and tax returns (together "Financial Disclosures") to the United States and the United States has relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. The Grand warrants that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement.

12. The Grand waives and shall not assert any defenses The Grand may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the 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.

13. The Grand fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that The Grand has asserted, could have asserted, or

may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

14. The Grand together with its heirs, successors, transferees, attorneys, agents, assigns, employees, current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them, fully and finally releases the Relators and their heirs, personal and legal representatives, successors, attorneys, agents, and assigns from all liabilities, claims, demands, actions, causes of action, proceedings, suits, debts, obligations, losses, liens, damages, punitive damages, costs, and expenses of any kind or description, character or nature whatsoever, whether known or unknown, fixed or contingent, in law or in equity, in contract or in tort, under any federal or state statute or regulation, or in common law (including for its attorneys' fees, costs, and expenses of every kind and however denominated) that The Grand or its heirs, successors, transferees, attorneys, agents, assigns, employees, current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them, has asserted, could have asserted, or may assert in the future against the Relators and their heirs, personal and legal representatives, successors, attorneys, agents, and assigns, related to the Covered Conduct, the allegations set forth in the Civil Action, and the Relators' investigation and prosecution thereof.

15. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (*e.g.*, Medicare Administrative Contractor, fiscal intermediary, carrier, TRICARE, or any state payer), related to

the Covered Conduct; and The Grand agrees not to resubmit to any Medicare contractor, TRICARE, or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

16. The Grand 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. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of The Grand, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;
- (3) The Grand's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment The Grand makes to the United States pursuant to this Agreement and any payments that The Grand may make to Relators, including costs and attorneys' fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to:
  - (i) retain an independent review organization to perform annual reviews as

described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs). However, nothing in paragraph 16.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to The Grand.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Grand further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by The Grand 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. The Grand agrees that the United States, at a minimum, shall be entitled to recoup from The Grand any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by The Grand or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on The Grand 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 United States to audit, examine, or re-examine The Grand's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

17. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraphs 4 and 5 above, and Paragraph 18 (waiver for beneficiaries paragraph), below.

18. The Grand 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.

19. The United States is willing to accept payments over time due solely to The Grand's financial condition as reflected in the Financial Disclosures referenced in Paragraph 11.



a. In the event that The Grand fails to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, The Grand shall be in Default of The Grand's payment obligations (Default). The United States will provide a written Notice of Default, and The Grand shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to The Grand, with a copy to Kenneth Abell and Patrick Formato. If The Grand fails to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule (Uncured Default), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, The Grand agrees that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against The Grand for the claims that would otherwise be covered by the releases provided in Paragraph 4, 6, and 7, above, with any recovery reduced by the amount of any payments previously made by The Grand to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action, by reinstating the Civil Action, or by enforcing the Consent Judgment attached hereto as Exhibit C; (iii) offset the remaining unpaid balance from any amounts due and owing to The Grand and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or

under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Uncured Default, including referral of this matter for private collection. In the event the United States pursues a collection action, The Grand agrees immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, The Grand waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against The Grand within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on October 24, 2019. The Grand agrees not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude The Grand from participating in all Federal health care programs until The Grand pays the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to The Grand. The Grand waives any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agrees not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, The Grand wishes to apply for reinstatement, it must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R.

§§ 1001.3001-3005. The Grand will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

20. In exchange for valuable consideration provided in this Agreement, The Grand and Relators acknowledge the following:

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

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

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

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

e. If any of The Grand's payments or obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, The Grand or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of The Grand's debts,

or to adjudicate The Grand as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for The Grand or for all or any substantial part of The Grand's assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against The Grand for the claims that would otherwise be covered by the releases provided in Paragraph 4, 6, and 7, above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against The Grand in the amount of \$29,825,580, less any payments received pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by The Grand, a receiver, trustee, custodian, or other similar official for The Grand;

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

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

f. The Grand agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 20.e is not subject to an "automatic stay" pursuant

to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. The Grand shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). The Grand waives and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to The Grand that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on October 24, 2019.

21. Upon receipt of the full payment described in Paragraph 1, above, the United States and Relators shall promptly sign and file in the Civil Action a Joint Stipulation of Partial Dismissal: (1) dismissing with prejudice to the United States and Relators all claims asserted by Relators on behalf of the United States against The Grand in the Civil Action for the Covered Conduct as set forth in this Agreement; (2) dismissing with prejudice to the Relators and without prejudice to the United States any remaining claims asserted by Relators on behalf of the United States against The Grand in the Civil Action, except for Relators' claims for reasonable attorneys' fees, costs, and expenses; (3) dismissing with prejudice any claims asserted by Relators relating to their employment at the Grand, including their claims under 31 U.S.C. § 3730(h); and (4) reserving Relators' rights to pursue their claims for reasonable attorneys' fees, costs and expenses under 31 U.S.C. § 3730(d) and N.Y. Fin. Law § 190(6) against The Grand, and its heirs, successors, transferees, attorneys, agents, assigns, employees, current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them. In the event that New York State

declines to intervene in the Civil Action, Relators will promptly dismiss with prejudice only as to the Relators all claims that it has filed on behalf of the State of New York under N.Y. Fin. Law § 190(2).

22. Except as provided in Paragraph 3, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement, with the exception of Relators' reasonable attorneys' fees, costs and expenses under 31 U.S.C. § 3730(d) and N.Y. Fin. Law § 190(6), as provided in paragraphs 3, 10, and 21.

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

24. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Northern District of New York. 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.

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

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

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

28. This Agreement is binding on The Grand's successors, transferees, heirs, and assigns.

29. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

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

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

//

//

[signatures follow]

**THE UNITED STATES OF AMERICA**

DATED: 7/2/24

BY: Christelle Klovers  
CHRISTELLE KLOVERS  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

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

BY: \_\_\_\_\_  
ADAM J. KATZ  
Assistant United States Attorney  
Northern District of New York

DATED: 7/2/2024

BY: Robert K. DeConti Chief Counsel for  
SUSAN E. GILLIN  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

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

BY: \_\_\_\_\_  
SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense




THE UNITED STATES OF AMERICA

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

BY: \_\_\_\_\_  
CHRISTELLE KLOVERS  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: 06/28/2024

BY:   
ADAM J. KATZ  
Assistant United States Attorney  
Northern District of New York

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

BY: \_\_\_\_\_  
SUSAN E. GILLIN  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: 06/27/2024

BY: \_\_\_\_\_  
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BLEY.PAUL.NICHOLAS.1099873  
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SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

for

**DEFENDANTS**

DATED: 6/27/24

BY:



\_\_\_\_\_  
JEREMY STRAUSS  
Chief Executive Officer, Strauss Ventures, LLC d/b/a  
The Grand Health Care System  
Majority Owner, The 12 Grand Facilities

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

BY:

\_\_\_\_\_  
KENNETH M. ABELL  
Abell Eskew Landau  
Counsel for Strauss Ventures, LLC d/b/a  
The Grand Health Care System, and  
The 12 Grand Facilities

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

BY:

\_\_\_\_\_  
PATRICK FORMATO  
Abrams Fensterman, LLP  
Counsel for Strauss Ventures, LLC d/b/a  
The Grand Health Care System, and  
The 12 Grand Facilities

**RELATORS**

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

BY:

\_\_\_\_\_  
STACEY ROSENBERGER

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

BY:

\_\_\_\_\_  
KELLEY RETIG

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

BY:

\_\_\_\_\_  
JEFFREY NEWMAN  
Jeff Newman Law  
Counsel for Relators Stacey Rosenberger and Kelley Retig

**DEFENDANTS**

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

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

JEREMY STRAUSS  
Chief Executive Officer, Strauss Ventures, LLC d/b/a  
The Grand Health Care System  
Majority Owner, The 12 Grand Facilities

DATED: 6/27/24

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

KENNETH M. ABELL  
Abell Eskew Landau  
Counsel for Strauss Ventures, LLC d/b/a  
The Grand Health Care System, and  
The 12 Grand Facilities

DATED: 6/27/24

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

PATRICK FORMATO  
Abrams Fensterman, LLP  
Counsel for Strauss Ventures, LLC d/b/a  
The Grand Health Care System, and  
The 12 Grand Facilities

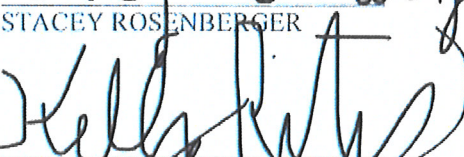
**RELATORS**

DATED: 6/28/24

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

STACEY ROSENBERGER

DATED: 6/28/24

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

KELLEY RETIG

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

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

JEFFREY NEWMAN  
Jeff Newman Law  
Counsel for Relators Stacey Rosenberger and Kelley Retig

**DEFENDANTS**

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

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

JEREMY STRAUSS  
Chief Executive Officer, Strauss Ventures, LLC d/b/a  
The Grand Health Care System  
Majority Owner, The 12 Grand Facilities

DATED: 6/27/24

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

KENNETH M. ABELL  
Abell Eskew Landau  
Counsel for Strauss Ventures, LLC d/b/a  
The Grand Health Care System, and  
The 12 Grand Facilities

DATED: 6/27/24

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

PATRICK FORMATO  
Abrams Fensterman, LLP  
Counsel for Strauss Ventures, LLC d/b/a  
The Grand Health Care System, and  
The 12 Grand Facilities

**RELATORS**

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

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

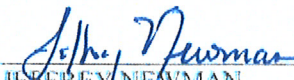
STACEY ROSENBERGER

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

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

KELLEY RETIG

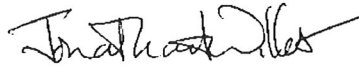
DATED: 6/26/24

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

JEFFREY NEWMAN  
Jeff Newman Law  
Counsel for Relators Stacey Rosenberger and Kelley Retig

DATED: June 27, 2024

BY:



\_\_\_\_\_  
JONATHAN A. WILLENS  
Willens & Scarvalone LLP  
Counsel for Relators Stacey Rosenberger and Kelley Retig

# EXHIBIT A

Facility	Corporate Name	Time Period	NPI	CCN	Address	City	State
	Strauss Ventures LLC dba The Grand Healthcare System	01/1/14 - 9/30/19					
The Grand Rehabilitation and Nursing at Queens	Clearview Operating Co. LLC	12/1/14 - 9/30/19	1275986572 / 1932215209	335130	15715 19th Ave	Whitestone	NY
The Grand Rehabilitation and Nursing at Mohawk	Grand Mohawk Valley LLC	08/1/18 - 9/30/19	1033697883 / 1538397211	335386	99 6th Ave	Ilion	NY
The Grand Rehabilitation and Nursing at Barnwell	Barnwell Operations Associates LLC	11/1/17 - 9/30/19	1669985354 / 1609863232	335565	3230 Church St	Valatie	NY
The Grand Rehabilitation and Nursing at South Point	Grand South Point LLC	01/1/19 - 9/30/19	1528530805	335162	1 Long Beach Rd	Island Park	NY
The Grand Rehabilitation and Nursing at Utica	Heritage Operating Associates LLC	01/1/17 - 9/30/19	1407314412	335600	1657 Sunset Ave	Utica	NY
The Grand Rehabilitation and Nursing at River Valley	River Valley Operating Associates LLC	10/1/14 - 9/30/19	1003851312	335827	140 Main St	Poughkeepsie	NY
The Grand Rehabilitation and Nursing at Chittenango	Chittenango Center LLC	01/1/14 - 9/30/19	1851615942	335588	331 Russell St	Chittenango	NY
The Grand Rehabilitation and Nursing at Great Neck	Grand Great Neck LLC	01/1/19 - 9/30/19	1710459094	335483	15 Saint Pauls Pl	Great Neck	NY
The Grand Rehabilitation and Nursing at Rome	Rome Center LLC	11/1/14 - 9/30/19	1598089682	335589	801 N James St	Rome	NY
The Grand Rehabilitation and Nursing at Guilderland	Guilderland Operator LLC	11/1/14 - 9/30/19	1013278746 / 1346797917	335540	428 State Route 146	Altamont	NY
The Grand Rehabilitation and Nursing at Pawling	The Center for Rehabilitation and Healthcare at Dutchess, LLC	11/1/14 - 9/30/19*	1235127374	335458	9 Reservoir Road	Pawling	NY
The Grand Rehabilitation and Nursing at Batavia	Grand Batavia LLC	08/1/18 - 9/30/19	1740768506 / 1598007031	335202	257 State St	Batavia	NY

\*The Covered Conduct relating to Medicaid only applies to Pawling and the time period for that Medicaid Covered Conduct is 1/1/16 - 6/30/21.

# EXHIBIT B



### Payment Schedule

Payment	Date	Payment	Interest (4.25%)	Principal	Balance
					\$ 21,300,000.00
1	8/15/2024	\$ 3,079,753.24	\$ 612,593.84	\$ 2,467,159.40	\$ 18,832,840.60
2	11/15/2024	\$ 1,442,768.15	\$ 200,098.93	\$ 1,242,669.22	\$ 17,590,171.38
3	2/15/2025	\$ 1,429,539.24	\$ 186,895.57	\$ 1,242,643.67	\$ 16,347,527.71
4	5/15/2025	\$ 1,416,310.33	\$ 173,692.48	\$ 1,242,617.85	\$ 15,104,909.86
5	8/15/2025	\$ 1,403,081.42	\$ 160,489.67	\$ 1,242,591.75	\$ 13,862,318.11
6	11/15/2025	\$ 1,389,852.51	\$ 147,287.13	\$ 1,242,565.38	\$ 12,619,752.73
7	2/15/2026	\$ 1,376,623.60	\$ 134,084.87	\$ 1,242,538.73	\$ 11,377,214.00
8	5/15/2026	\$ 1,363,394.70	\$ 120,882.90	\$ 1,242,511.80	\$ 10,134,702.20
9	8/15/2026	\$ 1,350,165.78	\$ 107,681.21	\$ 1,242,484.57	\$ 8,892,217.63
10	11/15/2026	\$ 1,336,936.87	\$ 94,479.81	\$ 1,242,457.06	\$ 7,649,760.57
11	2/15/2027	\$ 1,323,707.97	\$ 81,278.71	\$ 1,242,429.26	\$ 6,407,331.31
12	5/15/2027	\$ 1,228,417.26	\$ 68,077.90	\$ 1,160,339.36	\$ 5,246,991.95
13	8/15/2027	\$ 1,046,862.52	\$ 55,749.29	\$ 991,113.23	\$ 4,255,878.72
14	11/15/2027	\$ 849,826.00	\$ 45,218.71	\$ 804,607.29	\$ 3,451,271.43
15	2/15/2028	\$ 781,984.82	\$ 36,669.76	\$ 745,315.06	\$ 2,705,956.37
16	5/15/2028	\$ 774,036.53	\$ 28,750.79	\$ 745,285.74	\$ 1,960,670.63
17	8/15/2028	\$ 766,088.26	\$ 20,832.13	\$ 745,256.13	\$ 1,215,414.50
18	11/15/2028	\$ 648,075.77	\$ 12,913.78	\$ 635,161.99	\$ 580,252.51
19	2/15/2029	\$ 586,417.69	\$ 6,165.18	\$ 580,252.51	\$ 0.00
	Total	\$ 23,593,842.66	\$ 2,293,842.66	\$ 21,300,000.00	
*The initial payment includes an interest payment based on the accrual of interest from 12/12/23 until the first date of payment. Payment dates that fall on a weekend or federal holiday will be due the next business day.					

# EXHIBIT C

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA EX REL. STACEY ROSENBERGER  
and KELLEY RETIG,

STATE OF NEW YORK EX REL. STACEY ROSENBERGER and  
KELLEY RETIG,

Plaintiffs/Relators,

v.

1:19-cv-1311  
(DNH/DJS)

STRAUSS VENTURES, LLC D/B/A THE GRAND HEALTHCARE SYSTEM; CENTER FOR REHABILITATION AND HEALTHCARE AT DUTCHESS LLC D/B/A THE GRAND REHABILITATION AND NURSING AT PAWLING; CLEARVIEW OPERATING CO. LLC D/B/A THE GRAND REHABILITATION AND NURSING AT QUEENS; RIVER VALLEY OPERATING ASSOCIATES LLC D/B/A THE GRAND REHABILITATION AND NURSING AT RIVER VALLEY; GRAND GREAT NECK LLC D/B/A THE GRAND REHABILITATION AND NURSING AT GREAT NECK; GRAND SOUTH POINT LLC D/B/A THE GRAND REHABILITATION AND NURSING AT SOUTH POINT; BARNWELL OPERATIONS ASSOCIATES LLC D/B/A THE GRAND REHABILITATION AND NURSING AT BARNWELL; GUILDERLAND OPERATOR LLC D/B/A THE GRAND REHABILITATION AND NURSING AT GUILDERLAND; GRAND MOHAWK VALLEY LLC D/B/A THE GRAND REHABILITATION AND NURSING AT MOHAWK VALLEY; GRAND BATAVIA LLC D/B/A THE GRAND REHABILITATION AND NURSING AT BATAVIA; CHITTENANGO CENTER LLC D/B/A, THE GRAND REHABILITATION AND NURSING AT CHITTENANGO; ROME CENTER LLC D/B/A THE GRAND REHABILITATION AND NURSING AT ROME; HERITAGE OPERATING ASSOCIATES, LLC D/B/A THE GRAND REHABILITATION AND NURSING AT UTICA,

Defendants.

**CONSENT JUDGMENT**

This matter is before the Court upon the consent of the United States, Relators, and all Defendants.

Defendants consent to entry of this judgment against it in Case No. 1:19-cv-1311 (the “Civil Action”). As established by the attached Settlement Agreement, the Court finds as follows:

1. This Court has jurisdiction over the Parties as well as over the subject matter of the Civil Action.

2. The Parties negotiated an agreement to resolve certain claims that Relators filed against Defendants on behalf of the United States in the Civil Action (Settlement Agreement).

3. The Settlement Agreement required Defendants to pay the United States \$21,300,000, plus interest at the rate identified in Paragraph 1 of the Settlement Agreement, per the terms set forth in Paragraphs 1(a)-(e) of the Settlement Agreement.

4. Defendants are in Default, as defined in paragraph 19 of the Settlement Agreement, because Defendants have failed to timely meet their payment obligations. Notice of Default has been given to Defendants and the 7-day period to cure the Default provided in Paragraph 19(a) of the Settlement Agreement has expired.

5. In the Settlement Agreement, Defendants agreed that if they were in Default as to their payment obligations, and did not timely cure that Default, this consent judgment would be entered in favor of the United States against it for the amount set forth below. Such a Default has occurred.

**WHEREFORE, IT IS HEREBY ORDERED** that judgment be entered in favor of the United States and against Defendants in the amount of \$21,300,000, plus interest accrued thereon and less any amount previously paid by Defendants to the United States pursuant to the Settlement Agreement. As set forth in the Settlement Agreement, interest shall accrue as follows: (a) at a rate of 4.25% per annum, from December 12, 2023 until and including the day

prior to Default, and (b) at a rate of 12% per annum, compounded daily, from the date of Default and continuing to and including the day that Defendants make final payment under the Agreement.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

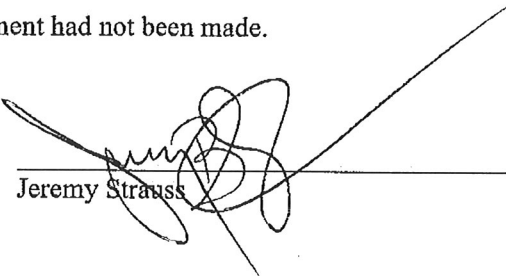
\_\_\_\_\_  
Hon. David N. Hurd  
United States District Judge

# EXHIBIT D

**GUARANTEE**

Jeremy Strauss unconditionally guarantees that, in the event that Defendants fail to cure a Default pursuant to the requirements set forth in Paragraph 19 of this Agreement, he will pay the United States the remaining unpaid total of the Settlement Amount, plus interest at a rate of (a) 4.25% per annum, from December 12, 2023 until and including the day prior to Default, and (b) 12% per annum, compounded daily, from the date of Default and continuing to and including the day that final payment under the Agreement. This guarantee shall not be affected by any event, occurrence, or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety (other than full and complete payment of all financial obligations). If any payment by Defendants under this Agreement is rescinded or must otherwise be returned by virtue of any action by a bankruptcy court, then the undersigned unconditionally guarantees such financial obligations as if the payment had not been made.

June 27, 2024

  
\_\_\_\_\_  
Jeremy Strauss