

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 Small Business Administration (collectively the “United States”); West Coast Dental Administrative Services, LLC (as successor in interest to West Coast Dental Services, Inc.), Cohen Sedgh Manavi & Pakravan Dental Corporation, Sol Cohen Sedgh DDS, Inc., Soleyman Cohen Sedgh, DDS Inc., Sol Cohen Sedgh Dental Corporation, Pakravan Dental Corporation, and Farid Pakravan Professional Dental Corporation (collectively, the “Dental Company Defendants”); Soleyman Cohen-Sedgh, Farid Pakravan, and Farhad Manavi, (collectively, the “Individual Defendants”) and City Real Estate Holdings, LLC (“City Real Estate”); and Relator LLC (the “Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives. The Dental Company Defendants, the Individual Defendants and City Real Estate are hereafter collectively referred to as the “Defendants,”; and the United States, the Defendants and the Relator are hereafter collectively referred to as the “Parties.”

RECITALS

A. In 2020 and 2021, the Individual Defendants owned and operated West Coast Dental Services, Inc., located at 12121 Wilshire Blvd., Suite 1111, Los Angeles, CA 90025, and other affiliated dental offices located throughout Southern California, including: Cohen Sedgh Manavi & Pakravan Dental Corporation, Sol Cohen Sedgh DDS, Inc., Soleyman Cohen Sedgh, DDS Inc., Sol Cohen Sedgh Dental Corporation, Pakravan Dental Corporation, and Farid Pakravan Professional Dental Corporation. Farhad

Manavi also owned City Real Estate Holdings, LLC, which has a mailing address at 9903 Santa Monica Blvd, #921, Beverly Hills, CA 90212.

B. Pursuant to the Paycheck Protection Program (“PPP”), a program established in March 2020 under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Pub. L. No. 116-136 (March 27, 2020), West Coast Dental Services, Inc., applied for and received Loan No. 3882547204 in the amount of \$7,343,627.50, as a first draw PPP loan in April 2020 (the “2020 PPP Loan”).

C. In February and March 2021, the Dental Company Defendants applied for and received the following additional PPP loans:

Cohen Sedgh Manavi & Pakravan Dental Corp.	Loan No. 3466528509	\$1,995,000
Farid Pakravan Professional Dental Corp.	Loan No. 6899168607	\$182,167
Pakravan Dental Corp.	Loan No. 2611058700	\$199,616
Sol Cohen Sedgh DDS, Inc.	Loan No. 1440288710	\$267,612
Sol Cohen Sedgh Dental Corp.	Loan No. 2609628706	\$173,235
Soleyman Cohen Sedgh DDS, Inc.	Loan No. 9171388604	\$148,481
West Coast Dental Services, Inc.	Loan No. 8865508407	\$1,043,518

In addition, City Real Estate applied for and received \$20,833.32 for Loan No. 9229648701 in April 2021. The Small Business Administration paid a total of \$181,820.28 in processing fees and interest to the PPP lenders in connection with the 2021 loans. These eight loans are referred to collectively as the “2021 PPP Loans.” The Small Business Administration subsequently forgave the full amount of each of the 2021 PPP Loans, including principal and accrued interest.

D. On or about June 3, 2022, Relator LLC filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States ex rel. Relator LLC v. West Coast Dental Svcs, Inc., et al.*, CV 22-3812-MCS (MARx), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil

Action”). The Relator purported to state claims concerning the 2020 PPP Loan and the 2021 PPP Loans against the Defendants.

E. The United States contends that it has certain civil claims against Defendants arising from their submission of false loan and forgiveness applications for the 2021 PPP Loans. Specifically, the United States contends that the Dental Company Defendants were ineligible for second draw PPP loans because they collectively employed more than 300 employees. After West Coast Dental Services, Inc. received a first draw loan in April 2020, the United States contends that the Dental Company Defendants made false statements and representations in connection with Loan Nos. 3466528509, 6899168607, 2611058700, 1440288710, 2609628706, 9171388604, and 8865508407 to receive additional PPP loans for which the Dental Company Defendants were ineligible. The United States further contends that City Real Estate was a passive business operated for investment purposes by Farhad Manavi, and therefore ineligible for the PPP loan it received (Loan No. 9229648701). This conduct is referred to below as the “Covered Conduct.”

F. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator’s reasonable expenses, attorneys’ fees and costs.

G. This Agreement is neither an admission of liability by Defendants nor a concession by the United States and the Relator that their claims are not well founded.

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. Defendants shall pay to the United States \$6,335,149.82 (“Settlement Amount”) of which \$4,212,282.60 is restitution, and interest on the Settlement Amount as follows:
 - a. The Individual Defendants, on behalf of the Dental Company Defendants and Individual Defendants, shall pay the United States \$6,300,000 (“Dental Company Settlement Amount”), of which \$4,188,849.39 is restitution, and interest on the Dental Company Settlement Amount at a rate of 4.750% per annum from July 17, 2024, by electronic funds transfer, pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice, no later than two business days after the Effective Date of this Agreement.
 - b. City Real Estate Holdings shall pay the United States \$35,149.82 (“City Real Estate Settlement Amount”), of which \$23,433.21 is restitution, and interest on the City Real Estate Settlement Amount at a rate of 4.750% per annum from July 17, 2024, by electronic funds transfer, pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice, no later than two business days after the Effective Date of this Agreement.

2. Conditioned upon the United States receiving the Settlement Amount and accrued interest, and as soon as feasible after receipt, the United States shall pay to

Relator by electronic funds transfer eight percent of the Settlement Amount and accrued interest (“Relator’s Share”).

3. Defendants agree to pay a total of \$10,000 to Relator pursuant to 31 U.S.C. §3730(d) in satisfaction of attorneys’ fees, expenses, and costs incurred by the Relator in connection with the Civil Action, no later than thirty (30) days after the Effective Date. Payment under this Paragraph shall be made by electronic funds transfer pursuant to written instructions provided by Relator’s counsel.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount, plus interest due under Paragraph 1, the United States releases Defendants from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 6 below, and upon the United States’ receipt of the Settlement Amount, plus interest due under Paragraph 1, Relator, for itself and for its heirs, successors, attorneys, agents, and assigns, releases Defendants together with the Dental Company Defendants’ current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former owners; and the successors and assigns of any of them; and all of their current and former shareholders, members, directors, officers, employees and other agents, and the predecessors, successors and assigns of each of them, from any civil monetary claim the

Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. Notwithstanding the releases 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 the Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
and
- f. Any liability of individuals other than Soleyman Cohen-Sedgh, Farid Pakravan, and Farhad Manavi.

7. Relator and its 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 Relator's receipt of the Relator's Share, Relator and its 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.

8. Relator, for itself, and for its heirs, successors, attorneys, agents, and assigns, releases Defendants, and all of their current and former shareholders, members, directors, officers, employees and other agents, and the predecessors, successors and assigns of each of them, from any liability to Relator arising from the filing of or the conduct alleged in the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs, and from any other conduct on or before the Effective Date of this Agreement, including any and all causes of action, in law or in equity, suits, debts, liens, liabilities, obligations, claims, demands, qui tam relator shares, rights of subrogation, contribution and indemnity, damages, losses, costs or expenses, direct or indirect, of any kind or nature whatsoever, whether known prior to or after the Effective Date of this Agreement, fixed or contingent, based on state, or federal, common law, statute or regulation, liquidated or unliquidated, claimed or concealed, including but not limited to claims under the False Claims Act, 31 U.S.C. §§ 3729-3733.

9. Defendants waive and shall not assert any defenses Defendants 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.

10. Defendants fully and finally release 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 Defendants have 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.

11. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Defendants, and their 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 investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil 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 Defendants make to the United States pursuant to this Agreement and any payments that Defendants may make to Relator, including costs and attorneys fees,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Defendants or any of their subsidiaries or affiliates from the United States. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Defendants' books and records and to disagree with any calculations submitted by Defendants or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Defendants, or the effect of any such Unallowable Costs on the amount of such payments.

12. This Agreement is intended to be for the benefit of the Parties only.

13. Upon receipt of the payment described in Paragraph 1, above, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The dismissal shall be (a) with prejudice to Relator as to all claims against the Defendants in the Civil Action, (b) with

prejudice to the United States only as to the Covered Conduct, and (c) without prejudice to the United States as to all other claims or allegations in the Civil Action.

14. Subject to Paragraph 3, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

16. 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 Central District of California. 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.

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

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

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

20. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

21. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

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

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

THE UNITED STATES OF AMERICA

DATED: 7/30/24

BY: Allie Pang
Allie Pang
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 7/30/24

BY: Jack Ross/ap
Jack Ross
Assistant United States Attorney
Deputy Chief, Civil Fraud Section
Central District of California

DEFENDANTS:

WEST COAST DENTAL ADMINISTRATIVE SERVICES, LLC:

DATED: 7/12/2024

BY: 
Samuel H. Gruenbaum

COHEN SEDGH MANAVI & PAKRAVAN DENTAL CORPORATION
SOL COHEN SEDGH DDS, INC.
SOLEYMAN COHEN SEDGH, DDS INC.
SOL COHEN SEDGH DENTAL CORPORATION

DATED: 7/15/24


BY: 
Soleyman Cohen Sedgh

PAKRAVAN DENTAL CORPORATION
FARID PAKRAVAN PROFESSIONAL DENTAL CORPORATION:

DATED: 7/15/24

BY: 
Farid Pakravan

DATED: 7/15/2024

BY: 
Dan Marmalefsky
Morrison & Foerster LLP
Counsel for Dental Company Defendants

CITY REAL ESTATE:

DATED: 7/15/24

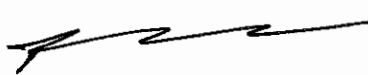
BY: 
Farhad Manavi, Owner

INDIVIDUAL DEFENDANTS:

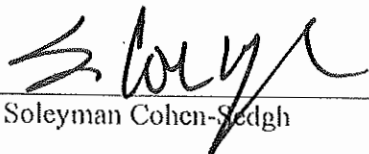
DATED: 7/15/24

BY: 
Farhad Manavi

DATED: 7/15/24

BY: 
Farid Pakravan

DATED: 7/15/24

BY: 
Soleyman Cohen-Sedgh

RELATOR:

DATED: 7/18/2024

BY: 
Anoush Hakimi
Relator LLC

DATED: 7/18/2024

BY: *Peter Shahriari*
Peter Shahriari
Relator LLC

DATED: _____

BY: _____
Julian Brew
Hecht Partners LLP
Counsel for Relator

CITY REAL ESTATE:

DATED: 7/15/24

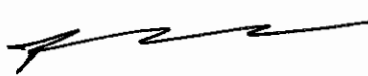
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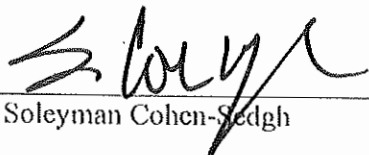
DATED: 7/15/24

BY: 
Farhad Manavi

DATED: 7/15/24

BY: 
Farid Pakravan

DATED: 7/15/24

BY: 
Soleyman Cohen-Sedgh

RELATOR:

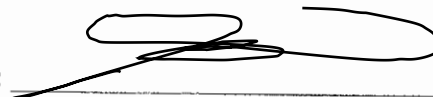
DATED: _____

BY: _____
Anoush Hakimi
Relator LLC

DATED: 7/18/2024

BY: Peter Shahriari
Peter Shahriari
Relator LLC

DATED: 7/18/24

BY: 
Julian Brew
Hecht Partners LLP
Counsel for Relator