

1 D. Tower Outpatient Surgery Center, Inc. (“TOSC”) is a California corporation with its
2 principal place of business at 8635 W. Third Street, Suite 1090W, Los Angeles, California 90048.

3 TOSC also operates as an outpatient ambulatory surgery center facility.

4 E. Daniel Aronowitz is a resident of the State of California and Dr. Aronowitz’s son.
5 Daniel was the Director of Revenue Cycle Management for TWSM and the chief executive officer of
6 Tower Medical Billing Solutions (“TMBS”). Daniel Aronowitz discontinued his role at TMBS in
7 September 2021.

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9 F. TMBS is a California corporation with its principal place of business at 8635 W. Third
10 Street, Suite 1090W, Los Angeles, California 90048. Until it discontinued operations on June 1, 2021,
11 TMBS provided medical billing services to Dr. Aronowitz, TMMG, TWSM, TOSC, and other
12 unrelated third-party providers.

13 G. Fiona Chalom (“Ms. Chalom”) is Dr. Aronowitz’s wife, and Daniel Aronowitz’s mother.
14 She is a member of a community estate with Dr. Aronowitz.

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16 H. Pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b), and the
17 California False Claims Act, California Government Code § 12652(c), the Relators filed the following
18 civil actions (collectively the “Civil Actions”):

19 (1) On February 7, 2020, TDP RCM Services, LLC filed a *qui tam* action in the
20 United States District Court for the Central District of California captioned *United States ex rel. and the*
21 *State of California ex rel. TDP RCM Servs. v. Dr. Joel Aronowitz, et al.*, No. CV 20-1248.

22 (2) On October 6, 2020, Jason B. Morris filed a *qui tam* action in the United States
23 District Court for the Central District of California captioned *United States ex rel. and the State of*
24 *California ex rel. Morris v. Tower Wound Care Center of Santa Monica, Inc., et al.*, No. CV 20-9238.

25 (3) On May 23, 2022, Harold Bautista filed an operative first amended *qui tam*
26 complaint in the United States District Court for the Central District of California captioned *United*
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1 *States ex rel. and the State of California ex rel. Bautista v. Tower Outpatient Surgery Center, Inc., et*
2 *al.*, No. CV 22-1902.

3 I. The Governments contend that Defendants, but not Ms. Chalom, submitted or caused to
4 be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42
5 U.S.C. §§ 1395-1395III (“Medicare”) and the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5
6 (“Medicaid”).

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8 J. The Governments contend that they have certain civil claims against Defendants, but not
9 Ms. Chalom, related to the improper billing of skin grafts from January 1, 2015, through March 21,
10 2021. The specific alleged conduct giving rise to the Governments’ contentions is as follows (and
11 referred to hereinafter as the “Covered Conduct”):

12 (1) From January 1, 2015, to December 31, 2017, Defendants falsely and knowingly
13 billed government healthcare programs as if all wound care procedures took place in an ambulatory
14 surgery center, when in fact they took place in a physician office. By falsifying the location of the
15 procedure, Defendants received excess reimbursements.

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17 (2) From January 1, 2018, to September 30, 2018, Defendants falsely and knowingly
18 stated that wound care procedures using the skin substitute EpiFix occurred both in the physician office
19 and in the ambulatory surgery center, when the same procedure could occur in only one location and, in
20 fact, took place almost exclusively in the physician office. By falsifying the location of the procedure,
21 Defendants received excess reimbursements.

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23 (3) From October 1, 2020, to March 21, 2021, Defendants falsely and knowingly
24 stated that wound care procedures using the skin substitute PuraPly occurred both in the physician
25 office and in the ambulatory surgery center, when the same procedure could occur in only one location
26 and, in fact, took place almost exclusively in the physician office. By falsifying the location of the
27 procedure, Defendants received excess reimbursements.

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1 (4) From October 1, 2018, to September 30, 2020, Defendants falsely and knowingly
2 stated that, when performing a wound care procedure, the skin substitute PuraPly was supplied by both
3 the ambulatory surgery center facility and the doctor performing the wound care procedure at the
4 ambulatory surgery center. In fact, either the facility or the doctor—but not both—supplied the
5 PuraPly. By billing as if an individual piece of PuraPly had been supplied by two different sources,
6 Defendants received excess reimbursements.

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8 (5) Certain skin substitute products, like PuraPly and EpiFix, are designated to be
9 single-use products. A physician is expected to use one sheet of material per patient, discard any
10 leftover material, and seek reimbursement for both the used and unused portions. From approximately
11 2015 to March 21, 2021, however, Defendants falsely and knowingly billed government healthcare
12 programs as if they had discarded unused portions of single-use skin substitutes, such as PuraPly and
13 EpiFix, and appropriately sought reimbursement for those discarded portions. In fact, Defendants did
14 not discard them and, instead, kept the unused portions for use on subsequent Medicare and Medicaid
15 beneficiaries. This resulted in Defendants submitting multiple claims for the same piece of single-use
16 skin products.

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18 K. This Settlement Agreement is neither an admission of liability by Defendants nor a
19 concession by the United States that its claims are not well founded.

20 L. Relators claim entitlement under 31 U.S.C. § 3730(d) and California Government Code
21 § 12652(g) to a share of the proceeds of this Agreement and to Relators' reasonable expenses,
22 attorneys' fees, and costs.

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24 M. Upon the execution of this Agreement, the relevant Defendants shall dismiss with
25 prejudice *Tower Outpatient Surgery Center, Inc. et al. v. United States of America, et al.*, No. LACV
26 21-9783 DMG (RAOx).

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

4 TERMS AND CONDITIONS

5 1. Defendants shall pay to the United States and California \$23,900,000 (“Settlement
6 Amount”) and interest on the Settlement Amount at a rate of 3.875% per annum from December 8,
7 2022, as follows:

8 a. Defendants shall pay to the United States \$23,402,381 plus interest at a rate of
9 3.875% per annum from December 8, 2022, of which \$11,701,190.50 is restitution. Payment of the full
10 Settlement Amount is due no later than 365 days after the Effective Date of this Agreement by
11 electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the
12 United States Department of Justice.

13 b. Defendants shall pay to California \$497,619 plus interest at a rate of 3.875% per
14 annum from December 8, 2022, of which \$212,636.06 is restitution. This is not an additional payment,
15 but rather payable from the total \$23,900,000 Settlement Amount. Payment of the full Settlement
16 Amount is due no later than 365 days after the Effective Date of this Agreement by electronic funds
17 transfer pursuant to written instructions to be provided by the California Department of Justice Division
18 of Medi-Cal Fraud and Elder Abuse.

19 2. Interest will, at all times, be applied only to the outstanding Settlement Amount, and
20 Defendants shall fully collateralize any unpaid and due Settlement Amount through cash deposits and
21 insured and recorded encumbrances (such as deeds of trust) on one or more parcels of real property.
22 As specified in Exhibit C, all payments transmitted to the United States Department of Justice or to
23 Defendants’ counsel prior to the execution of this Agreement will be applied against the total
24 Settlement Amount as of the date of each transmission. All monies in the possession of Defendants’
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1 counsel at the time of execution of the Agreement will be transmitted to the Governments within five
2 business days of execution. The collateral value of each real property will be its fair market value at the
3 time of the execution of the Settlement Agreement set forth in a real estate appraisal by a qualified
4 appraiser selected by the Governments and agreed upon by Defendants. Defendants shall provide and
5 maintain collateral in the full outstanding balance of the Settlement Amount. If Defendants reduce the
6 outstanding balance of the Settlement Amount, Defendants will have the right to request in writing, and
7 the Governments shall agree, to provide Defendants with a recordable Release of Deed of Trust or
8 similar instrument within a reasonable time on any specific parcel of real property, as long as the
9 remaining collateral, valued at the time of Defendants' written request, exceeds the full outstanding
10 balance of the Settlement Amount. To the extent Defendants use proceeds from the future sale of real
11 property or other assets to satisfy any portion of the Settlement Amount, Defendants shall initiate
12 payment to the United States and California within five (5) business days following the close of escrow
13 on any such real property or within five (5) business days following Defendants' receipt of the proceeds
14 from the sale of any other asset.
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17 3. Subject to the exceptions in Paragraph 6 (concerning reserved claims), Paragraph 17
18 (concerning default), and Paragraph 18 (concerning bankruptcy) below, and upon the United States'
19 receipt of its share of the Settlement Amount, plus interest due under Paragraph 1, the United States
20 releases Defendants from any civil or administrative monetary claim the United States has for the
21 Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties
22 Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the
23 common law theories of payment by mistake, unjust enrichment, and fraud.
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25 4. Subject to the exceptions in Paragraph 7 (concerning reserved claims), Paragraph 17
26 (concerning default), and Paragraph 18 (concerning bankruptcy) below, and upon full payment of the
27 California Settlement Amount, California will release Defendants from any civil or administrative
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1 monetary claim California has for the Covered Conduct under the California False Claims Act, Cal.
2 Gov't Code §§ 12650-12656, other statutory claims, or the common law theories of payment by
3 mistake, quantum meruit, unjust enrichment, and fraud.

4 5. Subject to the exceptions in Paragraphs 6 and 7 below, and upon the Governments'
5 receipt of the Settlement Amount, plus interest due under Paragraph 1, Relators, for themselves and for
6 their heirs, successors, attorneys, agents, and assigns, release Defendants from any civil monetary claim
7 the Relators have on behalf of the United States and California for the Covered Conduct under the False
8 Claims Act, 31 U.S.C. §§ 3729-3733 and the California False Claims Act, California Government Code
9 §§ 12650-12656.
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11 6. Notwithstanding the releases given in Paragraph 3 of this Agreement, or any other term
12 of this Agreement, the following claims and rights of the United States are specifically reserved and are
13 not released:

- 14 a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- 15 b. Any criminal liability;
- 16 c. Except as explicitly stated in this Agreement, any administrative liability or
17 enforcement right, including mandatory or permissive exclusion from Federal
18 health care programs;
- 19 d. Any liability to the United States (or its agencies) for any conduct other than the
20 Covered Conduct;
- 21 e. Any liability based upon obligations created by this Agreement; and
- 22 f. Any liability of individuals other than as expressly released herein.

23 7. Notwithstanding the releases given in Paragraph 4 of this Agreement, or any other term
24 of this Agreement, the following claims of California are specifically reserved and are not released:
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- 26 a. Any criminal, civil, or administrative liability arising under California
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1 revenue codes;

2 b. Any criminal liability;

3 c. Any civil or administrative liability that any person or entity, including the
4 Defendant, has or may have to California or to individual consumers or state
5 program payors under any statute, regulation, or rule not expressly covered by
6 the releases in Paragraphs 2 through 5 above, including, but not limited to, any
7 and all of the following claims: (i) state or federal antitrust violations; and (ii)
8 claims involving unfair and/or deceptive acts and practices and/or violations of
9 consumer protection laws;

10 d. Any liability to California for any conduct other than the Covered Conduct;

11 e. Any liability based upon obligations created by this Agreement;

12 f. Except as explicitly stated in this Agreement, any administrative liability,
13 including mandatory or permissive exclusions from California's Medicaid
14 Program;

15 g. Any liability for expressed or implied warranty claims or other claims for
16 defective or deficient products and services, including quality of goods and
17 services;

18 h. Any liability for personal injury or property damage or for other consequential
19 damages arising from the Covered Conduct;

20 i. Any liability for failure to deliver goods or services due; and

21 j. Any liability of individuals other than as expressly released herein.

22 8. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this
23 Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the
24 circumstances, pursuant to the False Claims Act, including 31 U.S.C. § 3730(c)(2)(B), and California
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1 Government Code § 12652(e)(2)(B). In connection with this Agreement and the Civil Actions,
2 Relators and their heirs, successors, attorneys, agents, and assigns agree that neither this Agreement,
3 any intervention by the Governments in the Civil Actions in order to dismiss the Civil Actions, nor any
4 dismissal of the Civil Actions, shall waive or otherwise affect the ability of the Governments to contend
5 that provisions in the False Claims Act, including 31 U.S.C. §§ 3730(d)(3) and 3730(e), and the
6 California False Claims Act bar Relators from sharing in the proceeds of this Agreement. Moreover,
7 the Governments and Relators and their heirs, successors, attorneys, agents, and assigns agree that they
8 each retain all of their rights pursuant to the False Claims Act and the California False Claims Act on
9 the issue of the share percentage, if any, that Relators should receive of any proceeds of the settlement
10 of their claim(s).

12 9. Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns,
13 release Defendants, and their officers, agents, and employees, from any liability to Relators arising
14 from or related to the Civil Actions and the “Covered Conduct” described in this Agreement, as well
15 any and all other liability, claims, demands, actions, or causes of action whatsoever, whether known or
16 unknown, fixed or contingent, in law or in equity, in contract or in tort, under any federal or state statute
17 or regulation, or in common law, that any Relator otherwise would have standing to bring for
18 themselves or any other person or entity as of the date of this Agreement, conditioned upon the
19 Government’s receipt of the full Settlement Amount and subsequent payment of the full Relator’s
20 share, except that, Relators, for themselves, and for their heirs, successors, attorneys, agents, members,
21 and assigns, retain their rights to petition the Court for statutory attorneys’ fees, expenses and costs
22 under 31 U.S.C. § 3730(d) and Cal. Gov’t Code § 12652, to the extent pleaded in their respective
23 operative Civil Actions, and receive those statutory attorneys’ fees, expenses and costs, although
24 Defendants reserve their right to challenge any Relator’s claim to fees, costs, and expenses.
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1 10. Voluntary Exclusion

2 a. In compromise and settlement of the rights of OIG-HHS to exclude Dr.
3 Aronowitz and TMMG pursuant to 42 U.S.C. § 1320a-7(b)(7), based upon the Covered Conduct, Dr.
4 Aronowitz and TMMG agree to be excluded under this statutory provision from Medicare, Medicaid,
5 and all other Federal health care programs, as defined in 42 U.S.C. § 1320a-7b(f), for a period of 15
6 years. The exclusion shall be effective upon the Effective Date of this Agreement.

7 b. Such exclusion shall have national effect. Federal health care programs shall not
8 pay anyone for items or services, including administrative and management services, furnished,
9 ordered, or prescribed by Dr. Aronowitz and TMMG in any capacity while Dr. Aronowitz and TMMG
10 are excluded. This payment prohibition applies to Dr. Aronowitz and TMMG and all other individuals
11 and entities (including, for example, anyone who employs or contracts with Dr. Aronowitz and TMMG,
12 and any hospital or other provider where Dr. Aronowitz and TMMG provide services). The exclusion
13 applies regardless of who submits the claim or other request for payment. Violation of the conditions
14 of the exclusion may result in criminal prosecution, the imposition of civil monetary penalties and
15 assessments, and an additional period of exclusion. Dr. Aronowitz and TMMG further agree to hold
16 the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any
17 financial responsibility for items or services furnished, ordered, or prescribed to such beneficiaries or
18 sponsors after the effective date of the exclusion. Dr. Aronowitz and TMMG waive any further notice
19 of the exclusion and agree not to contest such exclusion either administratively or in any state or federal
20 court.
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22 c. Reinstatement to program participation is not automatic. If Dr. Aronowitz and
23 TMMG wish to be reinstated, Dr. Aronowitz and TMMG must submit a written request for
24 reinstatement to the OIG in accordance with the provisions of 42 C.F.R. §§ 1001.3001-3005. Such
25 request may be made to the OIG no earlier than 90 days prior to the expiration of the 15-year period of
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1 exclusion. Reinstatement becomes effective upon application by Dr. Aronowitz and TMMG, approval
2 of the application by the OIG, and notice of reinstatement by the OIG. Obtaining another license,
3 moving to another state, or obtaining a provider number from a Medicare contractor, a state agency, or
4 a Federal health care program does not reinstate Dr. Aronowitz's and TMMG's eligibility to participate
5 in these programs.

6 11. Defendants waive and shall not assert any defenses Defendants may have to any criminal
7 prosecution or administrative action relating to the Covered Conduct that may be based in whole or in
8 part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the
9 Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this
10 Agreement bars a remedy sought in such criminal prosecution or administrative action.
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12 12. Defendants fully and finally release the Governments, their agencies, officers, agents,
13 employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind
14 and however denominated) that Defendants have asserted, could have asserted, or may assert in the
15 future against the Governments, their agencies, officers, agents, employees, and servants, related to the
16 Covered Conduct or the Governments' investigation or prosecution thereof.
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18 13. Defendants, and their officers, agents, heirs, successors, attorneys, members, assigns,
19 and employees fully and finally release the Relators, and Relators' heirs, successors, attorneys, agents,
20 members, and assigns (collectively, "Relator Releasees"), from any and all claims (including attorneys'
21 fees, costs, and expenses of every kind and however denominated), proceedings, liens, and causes of
22 action that Defendants have asserted, could have asserted, or may assert in the future against the Relator
23 Releasees, related to the Covered Conduct, the Civil Actions, and the Relator Releasees' investigations,
24 disclosures of information, communications, and prosecution thereof, as well any and all other liability,
25 claims, demands, actions, or causes of action whatsoever, whether known or unknown, fixed or
26 contingent, in law or in equity, in contract or in tort, under any federal or state statute or regulation, or
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1 in common law, that Defendants otherwise would have standing to bring for themselves or any other
2 person or entity as of the date of this Agreement.

3 14. The Settlement Amount shall not be decreased as a result of the denial of claims for
4 payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative
5 Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and
6 Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied
7 claims related to the Covered Conduct, agree not to appeal any such denials of claims, and agree to
8 withdraw any such pending appeals.
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10 15. Defendants agree to the following:

11 a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition
12 Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C.
13 §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated
14 thereunder) incurred by or on behalf of Defendants, their present or former officers, directors,
15 employees, shareholders, and agents in connection with:
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- 17 (1) the matters covered by this Agreement;
- 18 (2) the United States' audit(s) and civil investigation(s) of the matters covered by
19 this Agreement;
- 20 (3) Defendants' investigation, defense, and corrective actions undertaken in response
21 to the Governments' audit(s) and civil investigation(s) in connection with the
22 matters covered by this Agreement (including attorneys' fees);
- 23 (4) the negotiation and performance of this Agreement; and
- 24 (5) the payment Defendants make to the United States pursuant to this Agreement
25 and any payments that Defendants may make to Relator, including costs and
26 attorneys' fees,
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1 are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid
2 Program, TRICARE Program, and Federal Employees Health Benefits Program (“FEHBP”)
3 (hereinafter referred to as “Unallowable Costs”).

4 b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately
5 determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs
6 directly or indirectly to any contracts with the United States or any State Medicaid program, or seek
7 payment for such Unallowable Costs through any cost report, cost statement, information statement, or
8 payment request submitted by Defendants or any of its subsidiaries or affiliates to the Medicare,
9 Medicaid, TRICARE, or FEHBP Programs.

10 c. Treatment of Unallowable Costs Previously Submitted for Payment: Defendants
11 further agree that within 90 days after the Effective Date of this Agreement they shall identify to
12 applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and
13 FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments
14 previously sought from the United States, or any State Medicaid program, including, but not limited to,
15 payments sought in any cost reports, cost statements, information reports, or payment requests already
16 submitted by Defendants or any of their subsidiaries or affiliates, and shall request, and agree, that such
17 cost reports, cost statements, information reports, or payment requests, even if already settled, be
18 adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants agree that the
19 United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus
20 applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-
21 submitted cost reports, information reports, cost statements, or requests for payment.

22 Any payments due after the adjustments have been made shall be paid to the United States
23 pursuant to the direction of the Department of Justice and/or the affected agencies. The United States
24 reserves its rights to disagree with any calculations submitted by Defendants or any of its subsidiaries
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1 or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on
2 Defendants or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

3 d. Nothing in this Agreement shall constitute a waiver of the rights of the United
4 States to audit, examine, or re-examine Defendants' books and records to determine that no
5 Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

6 16. The Parties shall enter the Stipulation for Entry of Consent Judgment Against
7 Defendants attached here as Exhibit A, which seeks entry of the Consent Judgment attached here as
8 Exhibit B. The parties agree, consistent with and pursuant to the Stipulation for Entry of Consent
9 Judgement Against Defendants and the Consent Judgment, that the District Court will retain
10 jurisdiction over this action until (a) the filing of a Satisfaction of Judgment as to the United States, (b)
11 the filing of a Satisfaction of Judgment as to California, (c) the filing of Satisfaction of Judgment as to
12 each of the Relators, and (d) final resolution of any issues related to Relators' statutory share from the
13 United States pursuant to 31 U.S.C. § 3730(d)(1).
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15 17. a. As specified in Exhibits A and B attached here, in the event that Defendants fail to pay
16 the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Defendants
17 shall be in Default of their payment obligations ("Default"). The United States will provide a written
18 notice of default ("Notice of Default") (which it may transmit via email), and Defendants shall have an
19 opportunity to cure such Default within fourteen (14) calendar days from the date of receipt of the
20 Notice of Default by making the payment due under the payment schedule and paying any additional
21 interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be
22 delivered to Defendants through counsel, Terree Bowers, at 555 West Fifth Street, 48th Floor, Los
23 Angeles, CA 90013, terree.bowers@afslaw.com, or to such other representative as Defendants shall
24 designate in advance in writing. If Defendants fails to cure the Default within fourteen (14) calendar
25 days of receiving the Notice of Default and in the absence of an agreement with the United States to a
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1 modified payment schedule (“Uncured Default”), the remaining unpaid balance of the Settlement
2 Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall
3 thereafter accrue at the rate of 12.375% per annum, compounded daily from the date of Default, on the
4 remaining unpaid total (principal and interest balance).

5 b. In the event of Uncured Default, Defendants agree that the United States, at its
6 sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the
7 Civil Action or bring any civil and/or administrative claim, action, or proceeding against Defendants for
8 the claims that would otherwise be covered by the releases provided in Paragraph 3 above, with any
9 recovery reduced by the amount of any payments previously made by Defendants to the United States
10 under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating
11 the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to
12 Defendants and/or affiliated companies by any department, agency, or agent of the United States at the
13 time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms
14 of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to
15 any other rights granted by law or in equity by reason of Default, including referral of this matter for
16 private collection. In the event the United States pursues a collection action, Defendants agree
17 immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount
18 collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States’ reasonable attorneys’ fees and
19 expenses incurred in such an action. In the event that the United States opts to rescind this Agreement
20 pursuant to this paragraph, Defendants waive and agree not to plead, argue, or otherwise raise any
21 defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative
22 claims that are (i) filed by the United States against Defendants within 120 days of written notification
23 that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent
24 these defenses were available before January 1, 2015. Defendants agree not to contest any offset,
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1 recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either
2 administratively or in any state or federal court, except on the grounds of actual payment to the United
3 States.

4 c. In the event of Uncured Default, OIG-HHS may exclude Defendants from
5 participating in all Federal health care programs until Defendants pay the Settlement Amount, with
6 interest, as set forth above (“Exclusion for Default”). OIG-HHS will provide written notice of any such
7 exclusion to Defendants. Defendants waive any further notice of the exclusion under 42 U.S.C. §
8 1320a-7(b)(7), and agree not to contest such exclusion either administratively or in any state or federal
9 court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion,
10 Defendants wish to apply for reinstatement, they must submit a written request for reinstatement to
11 OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Defendants will not be
12 reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion
13 for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise
14 available.
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17 18. In exchange for valuable consideration provided in this Agreement, Defendants and
18 Relators acknowledge the following:

19 a. Defendants have reviewed their financial situations and warrant that they are
20 solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent
21 following payment to the United States of the Settlement Amount.

22 b. In evaluating whether to execute this Agreement, the Parties intend that the
23 mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for
24 new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude
25 that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous
26 exchange.
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1 c. The mutual promises, covenants, and obligations set forth herein are intended by
2 the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

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

6 e. If any of Defendants' payments or obligations under this Agreement are avoided
7 for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under
8 the Bankruptcy Code) or if, before the Settlement Amount is paid in full, Defendants or a third party
9 commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency,
10 reorganization, or relief of debtors seeking any order for relief of Defendants' debts, or to adjudicate
11 Defendants as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other
12 similar official for Defendants or for all or any substantial part of Defendants' assets:

13 (1) the United States may rescind the releases in this Agreement and bring any
14 civil and/or administrative claim, action, or proceeding against Defendants for the claims that would
15 otherwise be covered by the releases provided in Paragraph 3 above;

16 (2) the United States has an undisputed, noncontingent, and liquidated allowed
17 claim against Defendants in the amount of \$59,750,000, less any payments received pursuant to
18 Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and
19 recovered from the United States by a receiver, trustee, creditor, custodian, or similar official.

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

23 (4) if, notwithstanding subparagraph (3), any amounts already paid by the United
24 States to the Relator are recovered from the United States in an action or proceeding filed by a receiver,
25

1 trustee, creditor, custodian, or similar official in or in connection with a bankruptcy case that is filed
2 within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of
3 this Agreement, Relator shall, within thirty days of written notice from the United States to the
4 undersigned Relator's counsel, return to the United States all amounts recovered from the United
5 States.

6 f. Defendants agree that any civil and/or administrative claim, action, or proceeding
7 brought by the United States under Paragraph 18.e is not subject to an "automatic stay" pursuant to 11
8 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power.
9 Defendants shall not argue or otherwise contend that the United States' claim, action, or proceeding is
10 subject to an automatic stay and, to the extent necessary, consent to relief from the automatic stay for
11 cause under 11 U.S.C. § 362(d)(1). Defendants waive and shall not plead, argue, or otherwise raise any
12 defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such
13 civil or administrative claim, action, or proceeding brought by the United States within 120 days of
14 written notification to Defendants that the releases have been rescinded pursuant to this paragraph,
15 except to the extent such defenses were available before February 7, 2020.
16
17

18 19. This Agreement is intended to be for the benefit of the Parties only. The Parties do not
19 release any claims against any other person or entity, except to the extent provided for in Paragraph 20
20 (waiver for beneficiaries paragraph), below.

21 20. Defendants agree that they waive and shall not seek payment for any of the health care
22 billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally
23 responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.
24

25 21. Defendants agree that upon the execution of this Agreement, the relevant Defendants
26 shall dismiss with prejudice *Tower Outpatient Surgery Center, Inc. et al. v. United States of America, et*
27 *al.*, No. LACV 21-9783 DMG (RAOx).
28

1 22. Each Party shall bear its own legal and other costs incurred in connection with this
2 matter, including the preparation and performance of this Agreement.

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

5 24. This Agreement is governed by the laws of the United States. The exclusive jurisdiction
6 and venue for any dispute relating to this Agreement is the United States District Court for the Central
7 District of California. For purposes of construing this Agreement, this Agreement shall be deemed to
8 have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any
9 Party for that reason in any subsequent dispute.
10

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

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

15 27. This Agreement may be executed in counterparts, each of which constitutes an original
16 and all of which constitute one and the same Agreement.
17

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

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

20 30. All parties consent to the Governments' disclosure of this Agreement, and information
21 about this Agreement, to the public.

22 31. This Agreement is effective on the date of signature of the last signatory to the
23 Agreement ("Effective Date of this Agreement"). Facsimiles and electronic transmissions of signatures
24 shall constitute acceptable, binding signatures for purposes of this Agreement.
25


26 //

27 //

28

THE UNITED STATES OF AMERICA

1
2 DATED: April 13, 2023

BY: 
David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

3
4
5
6 DATED: _____

BY: _____
Lyle W. Gruby
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

7
8
9
10 DATED: _____

BY: _____
Lisa M. Re
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

11
12
13
14 **THE STATE OF CALIFORNIA**

15 DATED: _____

BY: _____
David B. Songco
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud and Elder Abuse

16
17
18
19
20 **DEFENDANTS**

21
22 DATED: _____

BY: _____
Joel Aronowitz, M.D.

23
24 DATED: _____

BY: _____
Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

25
26 DATED: _____

BY: _____
Joel Aronowitz, M.D.
Tower Would Care Center of Santa Monica, Inc.

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

DATED: _____

BY: _____

Lyle W. Gruby
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 4/3/2023

BY: Lisa M. Re/RMP

Lisa M. Re
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

THE STATE OF CALIFORNIA

DATED: _____

BY: _____

David B. Songco
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud and Elder Abuse

DEFENDANTS

DATED: _____

BY: _____

Joel Aronowitz, M.D.

DATED: _____

BY: _____

Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

DATED: _____

BY: _____

Joel Aronowitz, M.D.
Tower Would Care Center of Santa Monica, Inc.

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

DATED: _____

BY: _____

Lyle W. Gruby
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____

Lisa M. Re
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

THE STATE OF CALIFORNIA

DATED: 4/5/23

BY: 

David B. Songco
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud and Elder Abuse

DEFENDANTS

DATED: _____

BY: _____

Joel Aronowitz, M.D.

DATED: _____

BY: _____

Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

DATED: _____

BY: _____

Joel Aronowitz, M.D.
Tower Would Care Center of Santa Monica, Inc.

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

DATED: _____

BY: _____

Lyle W. Gruby
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____

Lisa M. Re
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

THE STATE OF CALIFORNIA

DATED: _____

BY: _____

David B. Songco
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud and Elder Abuse

DEFENDANTS

DATED: 3/7/23

BY: _____

Joel Aronowitz, M.D.

DATED: 3/7/23

BY: _____

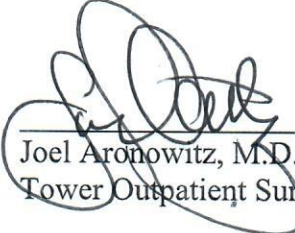
Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

DATED: 3/7/23

BY: _____

Joel Aronowitz, M.D.
Tower Would Care Center of Santa Monica, Inc.

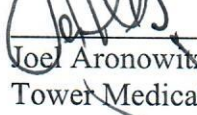
1 DATED: 3/7/23

BY: 
Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

2
3 DATED: _____

BY: _____
Daniel Aronowitz

4
5 DATED: 3/7/23

BY: 
Joel Aronowitz, M.D.
Tower Medical Billing Solutions

6
7 DATED: _____

BY: _____
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

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11 DATED: _____

BY: _____
Fiona Chalom

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13 DATED: _____

BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

14
15
16 **RELATORS**

17 DATED: _____

BY: _____
TDP RCM Services, LLC

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19 DATED: _____

BY: _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

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21 DATED: _____

BY: _____
Jason B. Morris

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23 DATED: _____

BY: _____
Timothy Granitz
Counsel for Jason B. Morris

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25 DATED: _____

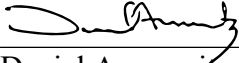
BY: _____
Harold Bautista

26
27 DATED: _____

BY: _____
Kelly Weil
Counsel for Harold Bautista

28

1 DATED: _____ BY: _____
2 Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

3 DATED: 03/07/23 BY: 
4 Daniel Aronowitz

5 DATED: _____ BY: _____
6 Joel Aronowitz, M.D.
Tower Medical Billing Solutions

7 DATED: _____ BY: _____
8 Terree A. Bowers
9 Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
10 Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

11 DATED: _____ BY: _____
12 Fiona Chalom

13 DATED: _____ BY: _____
14 Alan M. O'Connor
Counsel for Fiona Chalom

15
16 **RELATORS**

17 DATED: _____ BY: _____
18 TDP RCM Services, LLC

19 DATED: _____ BY: _____
20 Phillip E. Benson
Counsel for TDP RCM Services, LLC

21 DATED: _____ BY: _____
22 Jason B. Morris

23 DATED: _____ BY: _____
24 Timothy Granitz
Counsel for Jason B. Morris

25 DATED: _____ BY: _____
26 Harold Bautista

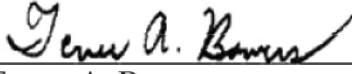
27 DATED: _____ BY: _____
28 Kelly Weil
Counsel for Harold Bautista

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DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

DATED: _____ BY: _____
Daniel Aronowitz

DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Medical Billing Solutions

DATED: April 10, 2023 BY: 
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

DATED: _____ BY: _____
Fiona Chalom

DATED: _____ BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____ BY: _____
TDP RCM Services, LLC

DATED: _____ BY: _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____ BY: _____
Jason B. Morris

DATED: _____ BY: _____
Timothy Granitz
Counsel for Jason B. Morris

DATED: _____ BY: _____
Harold Bautista

DATED: _____ BY: _____
Kelly Weil
Counsel for Harold Bautista

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DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

DATED: _____ BY: _____
Daniel Aronowitz

DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Medical Billing Solutions

DATED: _____ BY: _____
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

DATED: 3-7-23 BY: *Fiona Chalom*
Fiona Chalom

DATED: _____ BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____ BY: _____
TDP RCM Services, LLC

DATED: _____ BY: _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____ BY: _____
Jason B. Morris

DATED: _____ BY: _____
Timothy Granitz
Counsel for Jason B. Morris

DATED: _____ BY: _____
Harold Bautista

DATED: _____ BY: _____
Kelly Weil
Counsel for Harold Bautista

1 DATED: _____ BY: _____
 2 Joel Aronowitz, M.D.
 Tower Outpatient Surgery Center, Inc.

3 DATED: _____ BY: _____
 4 Daniel Aronowitz

5 DATED: _____ BY: _____
 6 Joel Aronowitz, M.D.
 Tower Medical Billing Solutions

7 DATED: _____ BY: _____
 8 Terree A. Bowers
 Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
 9 Multi-Specialty Medical Group, Tower Outpatient Surgery
 Center, Tower Wound Care Center of Santa Monica, and Tower
 10 Medical Billing Solutions

11 DATED: _____ BY: _____
 12 Fiona Chalom

13 DATED: 3/2/23 BY: 
 14 Alan M. O'Connor
 Counsel for Fiona Chalom

RELATORS

17 DATED: _____ BY: _____
 TDP RCM Services, LLC

18 DATED: _____ BY: _____
 19 Phillip E. Benson
 Counsel for TDP RCM Services, LLC

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21 DATED: _____ BY: _____
 Jason B. Morris

22 DATED: _____ BY: _____
 23 Timothy Granitz
 Counsel for Jason B. Morris

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25 DATED: _____ BY: _____
 Harold Bautista

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 Kelly Weil
 Counsel for Harold Bautista

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DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

DATED: _____ BY: _____
Daniel Aronowitz

DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Medical Billing Solutions

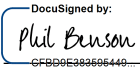
DATED: _____ BY: _____
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

DATED: _____ BY: _____
Fiona Chalom

DATED: _____ BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: 03/08/2023 BY: _____
TDP RCM Services, LLC

DATED: 3/8/2023 | 8:57 AM PST BY: 
Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____ BY: _____
Jason B. Morris

DATED: _____ BY: _____
Timothy Granitz
Counsel for Jason B. Morris

DATED: _____ BY: _____
Harold Bautista

DATED: _____ BY: _____
Kelly Weil
Counsel for Harold Bautista

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BY: _____

Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

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BY: _____

Daniel Aronowitz

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5 DATED: _____

BY: _____

Joel Aronowitz, M.D.
Tower Medical Billing Solutions

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7 DATED: _____

BY: _____

Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

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11 DATED: _____

BY: _____

Fiona Chalom

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BY: _____

Alan M. O'Connor
Counsel for Fiona Chalom

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15
16 **RELATORS**

17 DATED: _____

BY: _____

TDP RCM Services, LLC

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19 DATED: _____

BY: _____

Phillip E. Benson
Counsel for TDP RCM Services, LLC

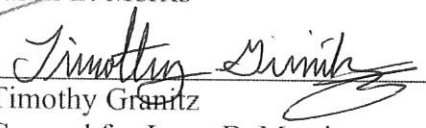
20
21 DATED: 3/7/23

BY: _____


Jason B. Morris

22
23 DATED: 3/7/23

BY: _____


Timothy Granitz
Counsel for Jason B. Morris

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25 DATED: _____

BY: _____

Harold Bautista

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27 DATED: _____

BY: _____

Kelly Weil
Counsel for Harold Bautista

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DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

DATED: _____ BY: _____
Daniel Aronowitz

DATED: _____ BY: _____
Joel Aronowitz, M.D.
Tower Medical Billing Solutions

DATED: _____ BY: _____
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower
Multi-Specialty Medical Group, Tower Outpatient Surgery
Center, Tower Wound Care Center of Santa Monica, and Tower
Medical Billing Solutions

DATED: _____ BY: _____
Fiona Chalom

DATED: _____ BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____ BY: _____
TDP RCM Services, LLC

DATED: _____ BY: _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____ BY: _____
Jason B. Morris

DATED: _____ BY: _____
Timothy Granitz
Counsel for Jason B. Morris

DATED: 3/7/2023 BY: _____
DocuSigned by:
Harold Bautista
E006DA331B9A40C...
Harold Bautista

DATED: 3/7/2023 BY: _____
Kelly Weil
Kelly Weil
Counsel for Harold Bautista

EXHIBIT A

1
2 BRIAN M. BOYNTON
Principal Deputy Assistant Attorney General
3 Civil Division
E. MARTIN ESTRADA
4 United States Attorney
DAVID M. HARRIS
5 Assistant United States Attorney
Chief, Civil Division
6 ROSS M. CUFF
Assistant United States Attorney
7 Chief, Civil Fraud Section
JACK D. ROSS
8 Assistant United States Attorney
Deputy Chief, Civil Fraud Section
9 AARON G. EZROJ (Cal. Bar No. 263711)
Assistant United States Attorney
10 Room 7516, Federal Building
300 N. Los Angeles Street
11 Los Angeles, California 90012
Tel: (213) 894-4858
12 Fax: (213) 894-7819
Email: aaron.ezroj@usdoj.gov
13

14 JAMIE A. YAVELBERG
NATALIE A. WAITES
15 LYLE W. GRUBY
Attorneys, Civil Division
United States Department of Justice
16 Civil Division, Commercial Litigation Branch
U.S. Department of Justice
17 PO Box 261, Ben Franklin Station
Washington, DC 20044
18 Tel: (202) 616-7986
Fax: (202) 307-6364
19 Email: Lyle.W.Gruby@usdoj.gov
20

21
22 UNITED STATES DISTRICT COURT
23 FOR THE CENTRAL DISTRICT OF CALIFORNIA
24 WESTERN DIVISION

25 UNITED STATES OF AMERICA *ex*
26 *rel.* and the STATE OF CALIFORNIA
ex rel. TDP RCM SERVICES, LLC,

27 Plaintiffs,
28

No. CV 20-1248 JFW (PLAx)

STIPULATION FOR ENTRY OF
CONSENT JUDGMENT FOR JUDICIAL
FORECLOSURE AGAINST

v.

DEFENDANTS

DR. JOEL ARONOWITZ; DANIEL ARONOWITZ; SARAH ARONOWITZ; JOEL A. ARONOWITZ, M.D. d/b/a TOWER MULTI-SPECIALTY MEDICAL GROUP; TOWER OUTPATIENT SURGERY CENTER; TOWER WOUND CARE OF SANTA MONICA; TOWER MEDICAL BILLING SOLUTIONS; and FIONA CHALOM,

Defendants.

UNITED STATES OF AMERICA *ex rel.* and the STATE OF CALIFORNIA *ex rel.* JASON B. MORRIS,

Plaintiffs,

v.

TOWER WOUND CARE CENTER OF SANTA MONICA, INC.; TOWER OUTPATIENT SURGERY CENTER, INC.; JOEL A. ARONOWITZ, M.D., a medical corporation; and JOEL A. ARONOWITZ, an individual,

Defendants.

No. CV 20-9238 JFW (PLAx)

STIPULATION FOR ENTRY OF CONSENT JUDGMENT FOR JUDICIAL FORECLOSURE AGAINST DEFENDANTS

UNITED STATES OF AMERICA *ex rel.* and the STATE OF CALIFORNIA *ex rel.* HAROLD BAUTISTA,

Plaintiffs,

v.

TOWER OUTPATIENT SURGERY CENTER, INC.; JOEL A. ARONOWITZ, M.D., a medical corporation; TOWER WOUND CARE CENTER OF SANTA MONICA, INC.; and TOWER MEDICAL BILLING SOLUTIONS, dba Medicommerce, a California corporation,

Defendants.

No. CV 22-1902 JFW (PLAx)

STIPULATION FOR ENTRY OF CONSENT JUDGMENT FOR JUDICIAL FORECLOSURE AGAINST DEFENDANTS

1 *Qui tam* plaintiffs TDP RCM Services, LLC, Jason B. Morris, and Harold Bautista
2 (collectively, “Relators”), plaintiff the United States of America (“United States”),
3 plaintiff the State of California (“California”), and defendants Joel Aronowitz; Joel A.
4 Aronowitz, M.D., a medical corporation, d/b/a Tower Multi-Specialty Medical Group;
5 Tower Wound Care Center of Santa Monica, Inc.; Tower Outpatient Surgery Center,
6 Inc.; Daniel Aronowitz; Tower Medical Billing Solutions; and Fiona Chalom
7 (collectively, “Defendants”), through their respective counsel, hereby stipulate and agree
8 as follows:

9 1. Relators, the United States, California, and Defendants (collectively, the
10 “Parties”) agree to all matters set forth in the proposed Consent Judgment for Judicial
11 Foreclosure Against Defendants, attached to this stipulation as Exhibit B (the “Consent
12 Judgment”). A copy of the Consent Judgment is lodged with this stipulation.

13 2. This Court has subject matter jurisdiction over this action pursuant to 31
14 U.S.C. § 3732(a) and (b) and 28 U.S.C. §§ 1331 and 1345.

15 3. Defendants acknowledge and accept service of the Complaints in this
16 action.

17 4. The Court has personal jurisdiction over Defendants in this action.

18 5. Venue is proper in the Central District of California under 31 U.S.C.
19 § 3732(a) and 28 U.S.C. § 1391(b) because Defendants reside in and transact business in
20 this District and because a substantial part of the events giving rise to the claims brought
21 in this action occurred in this District.

22 6. The Court may immediately sign and enter the Consent Judgment without
23 further notice or hearing.

24 7. Pursuant to a Settlement Agreement (the “Settlement Agreement”) entered
25 into by the Parties on March __, 2023 (the “Effective Date”), Defendants shall pay to the
26 United States and California \$23,900,000 (the “Settlement Amount”) plus interest at a
27 rate of 3.875% per annum from December 8, 2022, as follows:
28

- 1 a. Defendants shall pay to the United States \$23,402,381 plus interest at
2 a rate of 3.875% per annum from December 8, 2022, of which
3 \$11,701,190.50 is restitution. Payment of the full Settlement Amount
4 is due no later than 365 days after the Effective Date of the
5 Settlement Agreement;
- 6 b. Defendants shall pay to California \$497,619 plus interest at a rate of
7 3.875% per annum from December 8, 2022, of which \$212,636.06 is
8 restitution. Payment of the full Settlement Amount is due no later
9 than 365 days after the Effective Date of the Settlement Agreement;
- 10 c. The above-defined payments to the United States (the “Federal
11 Settlement Amount”) shall be made by electronic funds transfer
12 pursuant to written instructions provided by the Office of the United
13 States Attorney for the Central District of California;
- 14 d. The above-defined payments to California (the “California Settlement
15 Amount”) shall be made by electronic funds transfer pursuant to
16 written instructions provided by the California Department of Justice
17 Division of Medi-Cal Fraud and Elder Abuse;
- 18 e. Interest will, at all times, be applied only to the outstanding
19 Settlement Amount, and Defendants shall fully collateralize any
20 unpaid and due Settlement Amount through cash deposits and insured
21 and recorded encumbrances (such as deeds of trust) on one or more
22 parcels of real property. As specified in Exhibit C to the Settlement
23 Agreement, all payments transmitted to the United States Department
24 of Justice or to Defendants’ counsel prior to the execution of this
25 Agreement will be applied against the total Settlement Amount as of
26 the date of each transmission. All monies in the possession of
27 Defendants’ counsel at the time of execution of the Settlement
28

1 Agreement will be transmitted to the Governments within five
2 business days of execution. The collateral value of each real property
3 will be its fair market value at the time of the execution of the
4 Settlement Agreement set forth in a real estate appraisal by a
5 qualified appraiser selected by the Governments and agreed upon by
6 Defendants. Defendants shall provide and maintain collateral in the
7 full outstanding balance of the Settlement Amount. If Defendants
8 reduce the outstanding balance of the Settlement Amount, Defendants
9 will have the right to request in writing, and the Governments shall
10 agree, to provide Defendants with a recordable Release of Deed of
11 Trust or similar instrument within a reasonable time on any specific
12 parcel of real property, as long as the remaining collateral, valued at
13 the time of Defendants' written request, exceeds the full outstanding
14 balance of the Settlement Amount. To the extent Defendants use
15 proceeds from the future sale of real property or other assets to satisfy
16 any portion of the Settlement Amount, Defendants shall initiate
17 payment to the United States and California within five (5) business
18 days following the close of escrow on any such real property or
19 within five (5) business days following Defendants' receipt of the
20 proceeds from the sale of any other asset.

21 f. The above-defined payments may be prepaid, in whole or in part,
22 without penalty.

23 8. a. In the event that Defendants fail to pay the Settlement Amount as
24 provided in the payment schedule set forth in Paragraph 7 above, Defendants shall be in
25 Default of their payment obligations ("Default"). The United States will provide a
26 written notice of default ("Notice of Default") (which it may transmit via email), and
27 Defendants shall have an opportunity to cure such Default within seven (7) calendar days
28

1 from the date of receipt of the Notice of Default by making the payment due under the
2 payment schedule and paying any additional interest accruing under the Settlement
3 Agreement up to the date of payment. Notice of Default will be delivered to Defendants
4 through counsel, Terree Bowers, at 555 West Fifth Street, 48th Floor, Los Angeles, CA
5 90013, terree.bowers@afslaw.com, or to such other representative as Defendants shall
6 designate in advance in writing. If Defendants fail to cure the Default within seven (7)
7 calendar days of receiving the Notice of Default and in the absence of an agreement with
8 the United States to a modified payment schedule (“Uncured Default”), the remaining
9 unpaid balance of the Settlement Amount shall become immediately due and payable,
10 and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12%
11 per annum, compounded daily from the date of Default, on the remaining unpaid total
12 (principal and interest balance).

13 b. In the event of Uncured Default, Defendants agree that the United
14 States, at its sole discretion, may (i) retain any payments previously made, rescind the
15 Settlement Agreement and pursue the Civil Action or bring any civil and/or
16 administrative claim, action, or proceeding against Defendants for the claims that would
17 otherwise be covered by the releases provided in Paragraph 3 of the Settlement
18 Agreement, with any recovery reduced by the amount of any payments previously made
19 by Defendants to the United States under the Settlement Agreement; (ii) take any action
20 to enforce the Settlement Agreement in a new action or by reinstating the Civil Action;
21 (iii) offset the remaining unpaid balance from any amounts due and owing to Defendants
22 and/or affiliated companies by any department, agency, or agent of the United States at
23 the time of Default or subsequently; and/or (iv) exercise any other right granted by law,
24 or under the terms of the Settlement Agreement, or recognizable at common law or in
25 equity. The United States shall be entitled to any other rights granted by law or in equity
26 by reason of Default, including referral of this matter for private collection. In the event
27 the United States pursues a collection action, Defendants agree immediately to pay the
28

1 United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as
2 allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and
3 expenses incurred in such an action. In the event that the United States opts to rescind
4 the Settlement Agreement pursuant to this paragraph, Defendants waive and agree not to
5 plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or
6 similar theories, to any civil or administrative claims that are (i) filed by the United
7 States against Defendants within 120 days of written notification that the Settlement
8 Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the
9 extent these defenses were available before January 1, 2015. Defendants agree not to
10 contest any offset, recoupment, and/or collection action undertaken by the United States
11 pursuant to this paragraph, either administratively or in any state or federal court, except
12 on the grounds of actual payment to the United States.

13 c. In the event of Uncured Default, OIG-HHS may exclude Defendants
14 from participating in all Federal health care programs until Defendants pay the
15 Settlement Amount, with interest, as set forth above ("Exclusion for Default"). OIG-
16 HHS will provide written notice of any such exclusion to Defendants. Defendants waive
17 any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree not to
18 contest such exclusion either administratively or in any state or federal court.
19 Reinstatement to program participation is not automatic. If at the end of the period of
20 exclusion, Defendants wish to apply for reinstatement, they must submit a written
21 request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R.
22 §§ 1001.3001-.3005. Defendants will not be reinstated unless and until OIG-HHS
23 approves such request for reinstatement. The option for Exclusion for Default is in
24 addition to, and not in lieu of, the options identified in the Settlement Agreement or
25 otherwise available.

26 9. The Settlement Amount shall not be discharged by means of a voluntary or
27 involuntary bankruptcy or any other type of insolvency proceeding under the laws of the
28

1 United States, including but not limited to 11 U.S.C. § 101, *et seq.*, or under the laws of
2 any state or locality. The Parties agree that the Consent Judgment is for a judgment
3 under the False Claims Act, 31 U.S.C. §§ 3729-3733.

4 10. As long as Defendants make the payments detailed in paragraph 7, neither
5 the United States nor California shall execute on the Consent Judgment. But if
6 Defendants fail to make any payment under the terms described in paragraph 7, then (a)
7 the full Settlement Amount shall be immediately due and payable, (b) the United States
8 shall have the right to immediately execute on the Consent Judgment for the full
9 remaining unpaid balance of the Federal Settlement Amount, (c) California shall have
10 the right to immediately execute on the Consent Judgment for the full remaining unpaid
11 balance of the California Settlement Amount, and (d) Defendants shall be liable to the
12 United States and California for all costs and expenses, including but not limited to
13 attorney's fees, incurred by the United States and California in connection with
14 enforcing this Consent Judgment.

15 11. When Defendants fully pay the Federal Settlement Amount to the United
16 States, the United States shall prepare and file a Satisfaction of Judgment as to the
17 United States with the Clerk for the United States District Court for the Central District
18 of California. If any lien has been recorded by the United States, the United States shall
19 provide Defendants with a Release of Lien Under Abstract of Judgment, which may be
20 recorded in the applicable County Recorder's office.

21 12. When Defendants fully pay the California Settlement Amount to California,
22 California shall prepare and file a Satisfaction of Judgment as to California with the
23 Clerk for the United States District Court for the Central District of California. If any
24 lien has been recorded by California, California shall provide Defendants with a Release
25 of Lien Under Abstract of Judgment, which may be recorded in the applicable County
26 Recorder's office.

27

28

1 DATED: _____

BY: _____

2 Lyle W. Gruby
3 Trial Attorney
4 Commercial Litigation Branch
5 Civil Division
6 United States Department of Justice

7 **THE STATE OF CALIFORNIA**

8 DATED: 4/5/23

BY:  _____

9 David B. Songco
10 Senior Assistant Attorney General
11 California Department of Justice
12 Division of Medi-Cal Fraud and Elder Abuse

13 **DEFENDANTS**

14 DATED: _____

BY: _____

15 Joel Aronowitz, M.D.

16 DATED: _____

BY: _____

17 Joel Aronowitz, M.D.
18 Tower Multi-Specialty Medical Group

19 DATED: _____

BY: _____

20 Joel Aronowitz, M.D.
21 Tower Would Care Center of Santa Monica, Inc.

22 DATED: _____

BY: _____

23 Joel Aronowitz, M.D.
24 Tower Outpatient Surgery Center, Inc.

25 DATED: _____

BY: _____

26 Daniel Aronowitz

27 DATED: _____

BY: _____

28 Joel Aronowitz, M.D.
Tower Medical Billing Solutions

1 DATED: _____

BY: _____

2 Lyle W. Gruby
3 Trial Attorney
4 Commercial Litigation Branch
5 Civil Division
6 United States Department of Justice

7 **THE STATE OF CALIFORNIA**

8 DATED: _____

BY: _____

9 David B. Songco
10 Senior Assistant Attorney General
11 California Department of Justice
12 Division of Medi-Cal Fraud and Elder Abuse

13 **DEFENDANTS**

14 DATED: 3/7/23

BY: _____

15 Joel Aronowitz, M.D.

16 DATED: 3/7/23

BY: _____

17 Joel Aronowitz, M.D.
18 Tower Multi-Specialty Medical Group

19 DATED: 3/7/23

BY: _____

20 Joel Aronowitz, M.D.
21 Tower Wound Care Center of Santa Monica, Inc.

22 DATED: 3/7/23

BY: _____

23 Joel Aronowitz, M.D.
24 Tower Outpatient Surgery Center, Inc.

25 DATED: _____

BY: _____

26 Daniel Aronowitz

27 DATED: 3/7/23

BY: _____

28 Joel Aronowitz, M.D.
Tower Medical Billing Solutions

1 DATED: _____

BY: _____

2 Lyle W. Gruby
3 Trial Attorney
4 Commercial Litigation Branch
5 Civil Division
6 United States Department of Justice

7 **THE STATE OF CALIFORNIA**

8 DATED: _____

BY: _____

9 David B. Songco
10 Senior Assistant Attorney General
11 California Department of Justice
12 Division of Medi-Cal Fraud and Elder Abuse

13 **DEFENDANTS**

14 DATED: _____

BY: _____

15 Joel Aronowitz, M.D.

16 DATED: _____

BY: _____

17 Joel Aronowitz, M.D.
18 Tower Multi-Specialty Medical Group

19 DATED: _____

BY: _____

20 Joel Aronowitz, M.D.
21 Tower Would Care Center of Santa Monica, Inc.

22 DATED: _____

BY: _____

23 Joel Aronowitz, M.D.
24 Tower Outpatient Surgery Center, Inc.

25 DATED: 03/07/23

BY:  _____

26 Daniel Aronowitz

27 DATED: _____

BY: _____

28 Joel Aronowitz, M.D.
Tower Medical Billing Solutions

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DATED: _____

BY: Terree A. Bowers

Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz,
Tower Multi-Specialty Medical Group, Tower
Outpatient Surgery Center, Tower Wound Care Center
of Santa Monica, and Tower Medical Billing Solutions

DATED: _____

BY: _____

Fiona Chalom

DATED: _____

BY: _____

Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____

BY: _____

TDP RCM Services, LLC

DATED: _____

BY: _____

Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____

BY: _____

Jason B. Morris

DATED: _____

BY: _____

Timothy Granitz
Counsel for Jason B. Morris

DATED: _____

BY: _____

Harold Bautista

DATED: _____

BY: _____

Kelly Weil
Counsel for Harold Bautista

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DATED: _____

BY: _____

Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz,
Tower Multi-Specialty Medical Group, Tower
Outpatient Surgery Center, Tower Wound Care Center
of Santa Monica, and Tower Medical Billing Solutions

DATED: 3-7-23

BY: Fiona Chalom
Fiona Chalom

DATED: _____

BY: _____

Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____

BY: _____

TDP RCM Services, LLC

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BY: _____

Phillip E. Benson
Counsel for TDP RCM Services, LLC

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Harold Bautista

DATED: _____

BY: _____

Kelly Weil
Counsel for Harold Bautista

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DATED: _____

BY: _____
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz,
Tower Multi-Specialty Medical Group, Tower
Outpatient Surgery Center, Tower Wound Care Center
of Santa Monica, and Tower Medical Billing Solutions

DATED: _____

BY: _____
Fiona Chalom

DATED: 3-7-23

BY: Alan M O'Connor
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

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BY: _____
TDP RCM Services, LLC

DATED: _____

BY: _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

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Jason B. Morris

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Timothy Granitz
Counsel for Jason B. Morris

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BY: _____
Harold Bautista

DATED: _____

BY: _____
Kelly Weil
Counsel for Harold Bautista

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DATED: _____

BY: _____

Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz,
Tower Multi-Specialty Medical Group, Tower
Outpatient Surgery Center, Tower Wound Care Center
of Santa Monica, and Tower Medical Billing Solutions

DATED: _____

BY: _____

Fiona Chalom

DATED: _____

BY: _____

Alan M. O'Connor
Counsel for Fiona Chalom

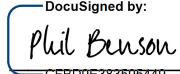
RELATORS

DATED: 03/08/2023

BY:  _____

TDP RCM Services, LLC

DATED: 3/8/2023 | 8:57 AM PST

BY:  _____

Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____

BY: _____

Jason B. Morris

DATED: _____

BY: _____

Timothy Granitz
Counsel for Jason B. Morris

DATED: _____

BY: _____

Harold Bautista

DATED: _____

BY: _____

Kelly Weil
Counsel for Harold Bautista

1 DATED: _____

BY: _____

2 Terree A. Bowers
3 Counsel for Joel Aronowitz, M.D., Daniel Aronowitz,
4 Tower Multi-Specialty Medical Group, Tower
5 Outpatient Surgery Center, Tower Wound Care Center
of Santa Monica, and Tower Medical Billing Solutions

6 DATED: _____

BY: _____

7 Fiona Chalom

8 DATED: _____

BY: _____

9 Alan M. O'Connor
10 Counsel for Fiona Chalom

11
12 **RELATORS**

13 DATED: _____

BY: _____

14 TDP RCM Services, LLC

15 DATED: _____

BY: _____

16 Phillip E. Benson
17 Counsel for TDP RCM Services, LLC

18 DATED: 3/7/23

BY: _____

19 Jason B. Morris

20 DATED: 3/7/23

BY: _____

21 Timothy Granitz
22 Counsel for Jason B. Morris

23 DATED: _____

BY: _____

24 Harold Bautista

25 DATED: _____

BY: _____

26 Kelly Weil
27 Counsel for Harold Bautista
28

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DATED: _____

BY: _____

Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz,
Tower Multi-Specialty Medical Group, Tower
Outpatient Surgery Center, Tower Wound Care Center
of Santa Monica, and Tower Medical Billing Solutions

DATED: _____

BY: _____

Fiona Chalom

DATED: _____

BY: _____

Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____

BY: _____

TDP RCM Services, LLC

DATED: _____

BY: _____

Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____

BY: _____

Jason B. Morris

DATED: _____

BY: _____

Timothy Granitz
Counsel for Jason B. Morris

DATED: 3/7/2023

BY:  _____
E008DA331B9A40C...

Harold Bautista

DATED: 3/7/2023

BY:  _____

Kelly Weil
Counsel for Harold Bautista

EXHIBIT B

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

1
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8 UNITED STATES OF AMERICA *ex*
rel. and the STATE OF CALIFORNIA
ex rel. TDP RCM SERVICES, LLC,

9 Plaintiffs,

10 v.

11 DR. JOEL ARONOWITZ; DANIEL
12 ARONOWITZ; SARAH ARONOWITZ;
13 JOEL A. ARONOWITZ, M.D. d/b/a
14 TOWER MULTI-SPECIALTY
15 MEDICAL GROUP; TOWER
16 OUTPATIENT SURGERY CENTER;
17 TOWER WOUND CARE OF SANTA
18 MONICA; TOWER MEDICAL
19 BILLING SOLUTIONS; and FIONA
20 CHALOM,

21 Defendants.

No. CV 20-1248 JFW (PLAx)

CONSENT JUDGMENT FOR JUDICIAL
FORECLOSURE AGAINST
DEFENDANTS

22
23
24
25
26
27
28 UNITED STATES OF AMERICA *ex*
rel. and the STATE OF CALIFORNIA
ex rel. JASON B. MORRIS,

Plaintiffs,

v.

TOWER WOUND CARE CENTER OF
SANTA MONICA, INC.; TOWER
OUTPATIENT SURGERY CENTER,
INC.; JOEL A. ARONOWITZ, M.D., a
medical corporation; and JOEL A.
ARONOWITZ, an individual,

Defendants.

No. CV 20-9238 JFW (PLAx)

CONSENT JUDGMENT FOR JUDICIAL
FORECLOSURE AGAINST
DEFENDANTS

1 UNITED STATES OF AMERICA *ex*
2 *rel.* and the STATE OF CALIFORNIA
3 *ex rel.* HAROLD BAUTISTA,

4 Plaintiffs,

5 v.

6 TOWER OUTPATIENT SURGERY
7 CENTER, INC.; JOEL A.
8 ARONOWITZ, M.D., a medical
9 corporation; TOWER WOUND CARE
CENTER OF SANTA MONICA, INC.;
and TOWER MEDICAL BILLING
SOLUTIONS, dba Medicommerce, a
California corporation,

10 Defendants.

No. CV 22-1902 JFW (PLAx)

CONSENT JUDGMENT FOR JUDICIAL
FORECLOSURE AGAINST
DEFENDANTS

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Qui tam plaintiffs TDP RCM Services, LLC, Jason B. Morris, and Harold Bautista (“Relators”), plaintiff the United States of America (“United States”), plaintiff the State of California (“California”), and defendants Joel Aronowitz; Joel A. Aronowitz, M.D., a medical corporation, d/b/a Tower Multi-Specialty Medical Group; Tower Wound Care Center of Santa Monica, Inc.; Tower Outpatient Surgery Center, Inc.; Daniel Aronowitz; Tower Medical Billing Solutions; and Fiona Chalom (collectively, “Defendants”), through their respective counsel, have submitted a Stipulation for Entry of Consent Judgment for Judicial Foreclosure Against Defendants (the “Stipulation”).

Pursuant to the Stipulation and Federal Rule of Civil Procedure 58, and good cause appearing, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1. Pursuant to a Settlement Agreement (the “settlement Agreement”) entered into by the Parties on March __, 2023 (the “Effective Date”), Defendants shall pay to the United States and California \$23,900,000 (“Settlement Amount”) plus interest on the Settlement Amount at a rate of 3.875% per annum from December 8, 2022, as follows:
 - a. Defendants shall pay to the United States \$23,402,381 plus interest at a rate of 3.875% per annum from December 8, 2022, of which \$11,701,190.50 is restitution. Payment of the full Settlement Amount is due no later than 365 days after the Effective Date of the Settlement Agreement;
 - b. Defendants shall pay to California \$497,619 plus interest at a rate of 3.875% per annum from December 8, 2022, of which \$212,636.06 is restitution. Payment of the full Settlement Amount is due no later than 365 days after the Effective Date of the Settlement Agreement;

- c. The above-defined payments to the United States (the “Federal Settlement Amount”) shall be made by electronic funds transfer pursuant to written instructions provided by the Office of the United States Attorney for the Central District of California;
- d. The above-defined payments to California (the “California Settlement Amount”) shall be made by electronic funds transfer pursuant to written instructions provided by the California Department of Justice Division of Medi-Cal Fraud and Elder Abuse;
- e. Interest will, at all times, be applied only to the outstanding Settlement Amount, and Defendants shall fully collateralize any unpaid and due Settlement Amount through cash deposits and insured and recorded encumbrances (such as deeds of trust) on one or more parcels of real property. As specified in Exhibit C to the Settlement Agreement, all payments transmitted to the United States Department of Justice or to Defendants’ counsel prior to the execution of this Agreement will be applied against the total Settlement Amount as of the date of each transmission. All monies in the possession of Defendants’ counsel at the time of execution of the Agreement will be transmitted to the Governments within five business days of execution. The collateral value of each real property will be its fair market value at the time of the execution of the Settlement Agreement set forth in a real estate appraisal by a qualified appraiser selected by the Governments and agreed upon by Defendants. Defendants shall provide and maintain collateral in the full outstanding balance of the Settlement Amount. If Defendants

reduce the outstanding balance of the Settlement Amount, Defendants will have the right to request in writing, and the Governments shall agree, to provide Defendants with a recordable Release of Deed of Trust or similar instrument within a reasonable time on any specific parcel of real property, as long as the remaining collateral, valued at the time of Defendants' written request, exceeds the full outstanding balance of the Settlement Amount. To the extent Defendants use proceeds from the future sale of real property or other assets to satisfy any portion of the Settlement Amount, Defendants shall initiate payment to the United States and California within five (5) business days following the close of escrow on any such real property or within five (5) business days following Defendants' receipt of the proceeds from the sale of any other asset.

- f. The above-defined payments may be prepaid, in whole or in part, without penalty.
2. a. In the event that Defendants fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Defendants shall be in Default of their payment obligations ("Default"). The United States will provide a written notice of default ("Notice of Default") (which it may transmit via email), and Defendants shall have an opportunity to cure such Default within fourteen (14) 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 Defendants through counsel, Terree Bowers, at 555 West Fifth Street, 48th Floor, Los Angeles, CA 90013, terree.bowers@afslaw.com, or to such other representative as Defendants shall designate in advance in writing. If Defendants fail to cure the Default within fourteen (14) 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, Defendants agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind the Settlement Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraph 3 of the Settlement Agreement, with any recovery reduced by the amount of any payments previously made by Defendants to the United States under the Settlement Agreement; (ii) take any action to enforce the Settlement Agreement in a new action or by reinstating the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendants 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 the Settlement 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 Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Defendants agree 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 the Settlement Agreement pursuant to this paragraph, Defendants waive and agree 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 Defendants within 120 days of written notification that the Settlement Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available before February 7, 2020. Defendants agree 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 Defendants from participating in all Federal health care programs until Defendants pay the Settlement Amount, with interest, as set forth above ("Exclusion for Default"). OIG-HHS will provide written notice of any such exclusion to Defendants. Defendants waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree 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, Defendants wish to apply for reinstatement, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Defendants 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 the Settlement Agreement or otherwise available.

3. As long as Defendants make the payments ordered in paragraph 1, neither the United States nor California shall execute on the Consent Judgment for Judicial Foreclosure. But if Defendants fail to make any payment as ordered in paragraph 1, then (a) the full Settlement Amount shall be immediately due and payable, (b) the United States shall have the right to immediately execute on the Consent Judgment for Judicial Foreclosure for the full remaining unpaid balance of the Federal Settlement Amount, (c) California shall have the right to immediately execute on the Consent Judgment for Judicial Foreclosure for the full remaining unpaid balance of the California Settlement Amount, and (d) Defendants shall be liable to the United States and California for all costs and expenses, including but not limited to attorney's fees, incurred by the United States and California in connection with enforcing this Consent Judgment for Judicial Foreclosure.
4. This Court retains jurisdiction over this action until (a) the filing of a Satisfaction of Judgment as to the United States, (b) the filing of a Satisfaction of Judgment as to California, (c) the filing of Satisfaction

of Judgment as to each of the Relators, and (d) final resolution of any issues related to Relators' statutory share from the United States pursuant to 31 U.S.C. § 3730(d)(1).

IT IS SO ORDERED.

Dated: _____

UNITED STATES DISTRICT JUDGE

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Respectfully presented, and approved as to form and content by:

THE UNITED STATES OF AMERICA

DATED: April 13, 2023

BY: 

David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

DATED: _____

BY: _____
Lyle W. Gruby
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

THE STATE OF CALIFORNIA

DATED: _____

BY: _____
David B. Songco
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud and Elder Abuse

DEFENDANTS

DATED: _____

BY: _____
Joel Aronowitz, M.D.

DATED: _____

BY: _____
Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

Respectfully presented, and approved as to form and content by:

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

DATED: _____

BY: _____

Lyle W. Gruby
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

THE STATE OF CALIFORNIA

DATED: 4/5/23 _____

BY:  _____

David B. Songco
Senior Assistant Attorney General
California Department of Justice
Division of Medi-Cal Fraud and Elder Abuse

DEFENDANTS

DATED: _____

BY: _____

Joel Aronowitz, M.D.

DATED: _____

BY: _____

Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

Respectfully presented, and approved as to form and content by:

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

David M. Harris
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Central
District of California

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BY: _____

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David B. Songco
Senior Assistant Attorney General
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DEFENDANTS

DATED: 3/7/23

BY: _____

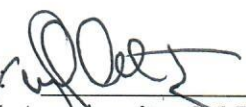
Joel Aronowitz, M.D.

DATED: 3/7/23

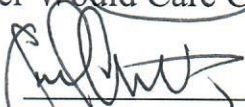
BY: _____

Joel Aronowitz, M.D.
Tower Multi-Specialty Medical Group

DATED: 3/7/23

BY: 
Joel Aronowitz, M.D.
Tower Wound Care Center of Santa Monica, Inc.

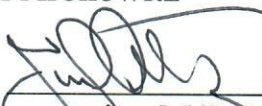
DATED: 3/7/23

BY: 
Joel Aronowitz, M.D.
Tower Outpatient Surgery Center, Inc.

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Daniel Aronowitz

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BY: 
Joel Aronowitz, M.D.
Tower Medical Billing Solutions

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BY: _____
Terree A. Bowers
Counsel for Joel Aronowitz, M.D., Daniel Aronowitz, Tower Multi-Specialty Medical Group, Tower Outpatient Surgery Center, Tower Wound Care Center of Santa Monica, and Tower Medical Billing Solutions

DATED: _____

BY: _____
Fiona Chalom

DATED: _____

BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: _____

BY: _____
TDP RCM Services, LLC

DATED: _____

BY: _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____

BY: _____
Jason B. Morris

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BY: _____

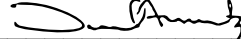
Joel Aronowitz, M.D.
Tower Wound Care Center of Santa Monica, Inc.

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DATED: 03/07/23

BY:  _____

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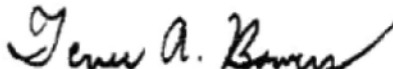
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BY: Fiona Chalom
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DATED: _____

BY: _____

Fiona Chalom

DATED: 3-1-23

BY: AL, MOC

Alan M. O'Connor
Counsel for Fiona Chalom

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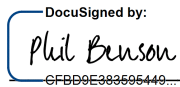
BY: _____
Alan M. O'Connor
Counsel for Fiona Chalom

RELATORS

DATED: 03/08/2023

BY:  _____
TDP RCM Services, LLC

DATED: 3/8/2023 | 8:57 AM PST

BY:  _____
Phillip E. Benson
Counsel for TDP RCM Services, LLC

DATED: _____

BY: _____
Jason B. Morris

DATED: _____

BY: _____
Joel Aronowitz, M.D.
Tower Wound Care Center of Santa Monica, Inc.

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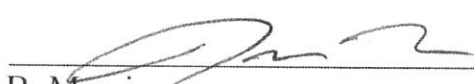
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DATED: 3/7/23

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BY: 
Timothy Granitz
Counsel for Jason B. Morris

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BY: _____
Harold Bautista

DATED: _____

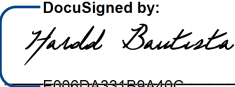
BY: _____
Kelly Weil
Counsel for Harold Bautista

DATED: _____

BY: _____

Timothy Granitz
Counsel for Jason B. Morris

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