

SUPREME COURT OF THE STATE OF NEW YORK - NEW YORK COUNTY

PRESENT: BLUTH, ARLENE P. ARLENE P. BLUTH Justice J.S.C.

PART 32

PEOPLE OF THE STATE OF NEW

INDEX NO. 450835/2016

MOTION DATE 10/18/2016

- v -

ARMOR CORRECTIONAL HEALTH

MOTION SEQ. NO. 001

The following papers, numbered 1 to ... were read on this application to/for ... Notice of Motion/ Petition/ OSC - Affidavits - Exhibits ... Answering Affidavits - Exhibits ... Replying ...

Upon the foregoing papers, it is ORDERED that this motion is RESOLVED via stipulation; see stipulation so-ordered on October 5, 2016.

ARLENE P. BLUTH J.S.C. [Signature]

DATE: 10/5/2016

BLUTH, ARLENE P., JSC

- 1. CHECK ONE : [X] CASE DISPOSED [] NON-FINAL DISPOSITION
2. APPLICATION : [] GRANTED [] DENIED [] GRANTED IN PART [X] OTHER
3. CHECK IF APPROPRIATE : [] SETTLE ORDER [] SUBMIT ORDER [] DO NOT POST [] FIDUCIARY APPOINTMENT [] REFERENCE

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK,
by ERIC T. SCHNEIDERMAN, Attorney General
of the State of New York,

Petitioner,

Index No. 450835/2016
IAS Part 32

- against -

Assigned to: Justice Arlene P. Bluth

ARMOR CORRECTIONAL HEALTH MEDICAL
SERVICES OF NEW YORK, INC. P.C., and ARMOR
CORRECTIONAL HEALTH SERVICES OF NEW
YORK, INC.,

Respondents.

STIPULATION OF SETTLEMENT AND DISCONTINUANCE

1. This Stipulation of Settlement and Discontinuance (the “Agreement”) of the above-entitled proceeding (“this Litigation”) is entered into by and between the Petitioner, the People of the State of New York by Eric T. Schneiderman, Attorney General of the State of New York (“NYAG”), and Respondents Armor Correctional Health Medical Services of New York, Inc., P.C. and Armor Correctional Health Services of New York, Inc. (collectively, “Armor”), and, except to the extent limited by Paragraph 15, extends as well to anyone acting on Armor’s behalf, including but not limited to Armor’s principals, employees, agents, and/or assignees who are involved in the conduct of the business that is the subject of this Litigation, and to any parent, affiliate or successor corporation or other corporation purchasing Armor’s assets, company, business entity or other entity that Armor may now or hereafter act or conduct business through that is the subject of this Litigation.

2. "Parties" means the NYAG and Armor, collectively and as defined herein.
3. This Court has jurisdiction over the subject matter of this Litigation and over all Parties. The Parties agree, for purposes of this Agreement, that venue is proper in New York County.
4. The terms of this Agreement shall be governed by the laws of the State of New York.
5. On or about July 12, 2016 the NYAG filed a Verified Petition (the "Petition") in the Supreme Court for the County of New York, naming Armor as Respondents, alleging violations of the New York State False Claims Act, N.Y. State Finance Law § 187 *et seq.*, N.Y. Executive Law § 63(12), and N.Y. Executive Law § 63-c.
6. Armor has denied these allegations and asserts that it has not violated any applicable laws, regulations, ordinances or legal or contractual obligations.
7. This Agreement reflects a negotiated agreement among the Parties.
8. The Parties have agreed to resolve the issues, claims and matters raised in the Petition and occurring through the date of the filing of the Litigation, by entering into this Agreement.
9. Neither Armor's performance of this Agreement nor the negotiations between the Parties surrounding the Agreement shall be considered an admission by Armor of any wrongdoing or liability of any kind.
10. This Agreement is not intended for use by any third party in any other action or proceeding and is not intended, and should not be construed as, an admission of wrongdoing or liability by Armor. The NYAG will not cite the Agreement in any action or proceeding as an admission of Armor's wrongdoing or liability.
11. This Agreement does not constitute an approval by the NYAG of Armor's

business practices, and Armor shall make no representation or claim to the contrary.

12. Armor has demonstrated and represented that it no longer intends to seek new contracts in New York during at least the three-year period following the Effective Date.

13. By entering into this Agreement, Armor agrees to the following:

A. For a period of three years from the Effective Date, Armor agrees not to bid on or enter into any contract with any municipality in New York State for the provision of jail health services; and

B. Within ten days of the Effective Date, and in full and final settlement of this Litigation, Armor agrees to pay and the NYAG agrees to accept the sum of Three Hundred and Fifty Thousand dollars (\$350,000.00) by check payable to the State of New York.

14. Solely for the NYAG's purposes and without any admission by Armor, upon receiving the payment from Armor, the NYAG intends to designate Two Hundred and Fifty Thousand dollars (\$250,000.00) of that payment to Nassau County as reimbursement related to Armor's performance of certain contractual obligations to the County during the time period covered by the Litigation, with the balance as penalties to the State of New York.

15. For purposes of this Agreement, Paragraph 13(a) above shall not apply to any successor or future purchaser of Armor's stock or assets, or any successor entity that results from a merger, that as of the date of this Agreement or in the future is a party to contracts with municipalities in New York State, provided that, for a period of three years following the Effective Date, such successor or purchaser does not engage any of Armor's senior management officials to supervise the provision of services in, or work at, any New York jail, except as approved by the NYAG. "Senior management officials" as used in this paragraph includes (i) all management at Armor's corporate headquarters who had direct responsibility for

overseeing the provision of services at the Nassau County Correctional Services and (ii) management, including directors, working directly at Nassau County Correctional Center. This includes all individuals employed in such positions at any point in the twelve months prior to the Effective Date.

16. The Court shall retain jurisdiction for the purpose of enforcing and modifying this Agreement.

17. It is hereby stipulated and agreed, by and between the Parties, that the Petition and this Litigation is dismissed with prejudice, and without costs to any party as against another.

18. Nothing herein shall limit either the NYAG's or Respondents' right to seek other remedies provided by law for a violation of this Agreement, including remedies for contempt of court and for enforcement of the Agreement. The NYAG has the right to seek injunctive relief, and all other appropriate and necessary relief, to enforce this Agreement. If a court of competent jurisdiction determines that Armor has breached this Agreement, Armor shall pay to the NYAG the cost, if any, of enforcing this Agreement, including, without limitation, legal fees, expenses, and court costs.

19. This Agreement constitutes the entire, complete, and only agreement and understanding by and between the Parties with respect to the subject matter hereof.

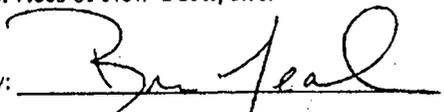
20. This Agreement may not be modified orally, but may be modified only by a writing signed by each Party.

21. The Effective Date for this Agreement is the date that it is fully executed by the Parties.

22. This Agreement may be signed in any number of counterparts, each of which is an original and all of which taken together form one single document. Signatures provided

by facsimile transmission or in Adobe Portable Format (PDF) sent by electronic mail shall be deemed to be in original signatures.

For Respondents, Armor Correctional Health Medical Services of New York, Inc., P.C. and Armor Correctional Health Services of New York, Inc.

By: 
Date: 9/30/16
Bruce Teal, CEO

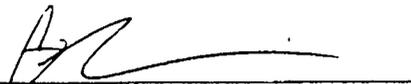
For the NYAG:

By: 
Lisa Landau
Bureau Chief
Health Care Bureau
120 Broadway, 26th Floor
New York, NY 10271

Date: 10/3/16

By: 
Dorothea Caldwell-Brown
Assistant Attorney General
Health Care Bureau
120 Broadway, 26th Floor
New York, NY 10271

Date: 10/4/16

By: 
Elizabeth Chesler
Assistant Attorney General
Health Care Bureau
120 Broadway, 26th Floor
New York, NY 10271

Date: 10/3/16

So ordered
ARLENE P. BLUTH
J.S.C.
10/5/16
NYNY