

## **SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF ALL CLAIMS**

This Settlement Agreement and Mutual Release of All Claims (hereinafter the "Agreement"), is made and entered into by and among the following:

- (1) James J. Donelon, Commissioner of Insurance for the State of Louisiana (individually "Commissioner"), in his capacity as Rehabilitator of Louisiana Health Cooperative, Inc. ("LAHC"), through Billy Bostick, in his capacity as the duly appointed Receiver for LAHC (individually "Receiver" and together with the Commissioner the "Rehabilitator");
- (2) CGI Technologies and Solutions Inc. ("CGI").

CGI and Rehabilitator in this Agreement are referred to collectively as the "Parties" and, at times, individually as a "Party."

### **AGREEMENT**

A. LAHC was formed on or about September 12, 2011, as a qualified nonprofit health insurer under Section 501(c)(29) of the Internal Revenue Code, pursuant to Section 1322 of the Patient Protection and Affordable Care Act of 2010 ("ACA"), the Louisiana Nonprofit Corporation Law, and Louisiana Insurance Law. CGI contracted with LAHC to provide claims administration and other services.

B. On or about September 1, 2015, in the matter entitled *James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc.*, Case No. 641,928, (the "Rehabilitation Proceeding"), the 19th Judicial District Court for the Parish of East Baton Rouge (the "Court") entered an Order of Rehabilitation of Louisiana Health Cooperative, Inc., which was made permanent on or about September 21, 2015.

C. On or about August 31, 2016, Rehabilitator filed a Petition for Damages and Jury Demand in the Court against CGI and certain other defendants who are not party to this Agreement, Case No. 651,069, entitled "*James J Donelon, Commissioner of Insurance for the State of Louisiana in his capacity as Rehabilitator of Louisiana Health Cooperative, Inc. v. Terry S. Shilling, George G. Cromer, Warner L. Thomas, IV, William A. Oliver, Charles D. Calvi, Patrick C. Powers, CGI Technologies and Solutions, Inc. Group Resources, Incorporated, Beam Partners, LLC, and Travelers Casualty and Surety Company of America,*" (the "Original Petition"). On or about November 29, 2016, the Rehabilitator filed its First Supplemental, Amending and Restated Petition for Damages and Request for Jury Trial naming additional defendants who are not party to this Agreement (the "Amending Petition"). On or about October 25, 2017, the Rehabilitator filed its Second Supplemental, Amending and Restated Petition for Damages and Request for Jury Trial naming additional defendants who are not parties to this Agreement (the "Second Amending").

Petition"). The above-referenced case, including the Original Petition, Amending Petition, and Second Amending Petition, is referred to in this Agreement as the "Litigation."

C. CGI denies all liability to the Rehabilitator and to all other parties and entities, but instead chooses to settle the disputed claims. CGI likewise reserves all claims, rights, positions and defenses with regard to all other defendants and potential defendants.

D. The Parties have agreed to settle the Litigation.

NOW THEREFORE, in consideration of the premises and the terms and provisions hereof, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

## **1.0 Consideration.**

1.1. In consideration of the releases and discharges set forth in this Agreement, CGI has agreed to pay to the Rehabilitator the sum of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00) (the "Settlement Sum"). The check or draft for the Settlement Sum shall be made payable to: "Louisiana Health Cooperative in Receivership."

1.2. CGI's obligation to pay the Settlement Sum shall only arise after (1) all Parties to this Agreement have signed the same prior to submission to the Court for approval; (2) the fully executed Agreement is submitted by Rehabilitator to the Court for approval in the Rehabilitation Proceeding; (3) the Agreement is approved by the Court in the Rehabilitation Proceeding in the form of a signed Order; and (4) fifteen (15) days have elapsed from the date that counsel for CGI is provided a copy of the signed Order approving the Agreement by the Court in the Rehabilitation Proceeding. In the event that the Court in the Rehabilitation Proceeding rejects, in whole or in part, or in any way modifies or alters the terms of the fully executed Agreement submitted to it for approval, then all Parties understand and agree that a new, revised Agreement will need to be drafted to comply with the Court's Order, signed by all Parties, and resubmitted to the Court in the Rehabilitation Proceeding for approval. All Parties acknowledge and agree that CGI's obligation to pay the Settlement Sum is triggered only upon being provided a copy of the signed Order approving the final Agreement by the Court in the Rehabilitation Proceeding.

1.3 CGI has asserted no claims of any kind regarding LAHC against LAHC and/or the Rehabilitator; furthermore, CGI is not aware of any such claim which may exist against LAHC and/or the Rehabilitator regarding LAHC; and CGI hereby agrees not to assert any claim which may exist against LAHC and/or the Rehabilitator of any kind regarding LAHC in this Litigation and arising from or relating to the allegations against CGI in the Litigation.

## **2.0 Releases and Discharges.**

### 2.1. Rehabilitator's Release and Discharge of CGI.

a. Except for the obligations imposed by this Agreement, the Rehabilitator hereby completely releases and forever discharges CGI, and its respective agents, officers, directors, members, owners, managers, employees, representatives, attorneys, insurers, successors,

assigns, affiliated companies and their partners and contractors from and against all past, present, and future claims, demands, rights of action, or causes of action of whatever nature (whether known or unknown), whether based on contract, quasi-contract, tort, equity, or statute (including, but not limited to, breach of fiduciary duty, breach of contract, negligence, gross negligence, willful or intentional tortious conduct, mismanagement, unjust enrichment, and fraud) for monetary damages, equitable relief or otherwise (including, but not limited to, compensatory damages, special damages, indirect damages, consequential damages, or punitive damages), or for expenses, attorneys' fees, or costs (including, but not limited to, filing fees and expert expenses), or for any other payments of any nature whatsoever, arising out of, or which are in any way related to LAHC or the Litigation. It is understood that the Rehabilitator does not necessarily represent all other state or federal entities or agencies which may have a claim against CGI related to LAHC or the Litigation; however, the release stated in this Paragraph shall be construed to extend to any and all claims and liabilities that the Rehabilitator has the legal, contractual, actual, or statutory ability or authority to release or settle. Rehabilitator affirms that it has not assigned or negotiated away any of its claims or actions against CGI, and nor has Rehabilitator assigned or negotiated away any ability or authority it had or may have to settle any other parties' claims or actions against CGI.

## 2.2. Rehabilitator's Claims Against Other Entities.

a. The Parties reserve any and all claims, rights, positions, and defenses against all individuals or entities other than the parties released herein. Rehabilitator further reserves its claims against all individuals or entities other than CGI, including but not limited to Atlantic Specialty Insurance Company, Zurich, RSUI Indemnity Company, One Beacon Professional Insurance, Evanston Insurance Company, Group Resources Incorporated, Milliman, Inc., and Buck Consultants, LLC.

## 2.3 CGI's Release of Rehabilitator

a. Except for the obligations imposed by this Agreement, CGI hereby completely releases and forever discharges the Rehabilitator from and against all past, present, and future claims, demands, right of action, or causes of action of whatever nature (whether known or unknown), whether based on contract, quasi-contract, tort or equity (including, but not limited to, breach of fiduciary duty, breach of contract, negligence, gross negligence, willful or intentional tortious conduct, mismanagement, unjust enrichment, and fraud) for monetary damages, equitable relief or otherwise (including, but not limited to, compensatory damages, special damages, indirect damages, consequential damages, or punitive damages), or for expenses, attorneys' fees, or costs (including but not limited to, filing fees and expert expenses), or for any other payments of any nature whatsoever, arising out of, or which are in any way related to LAHC and the Litigation. The release stated in this Paragraph includes, but is not limited to, all past, present, and future claims, demand, rights of action, or causes of action (whether known or unknown) based on breach of implied duty of good faith and fair dealing, bad faith, unfair claim practice, or arising under any and all federal, state, and local laws and regulation, including La. R.S. 22:1892 and La. R.S. 22:1973 or the predecessors of those statutes, which claims, demands, rights of action, or causes of action are in any way related to LAHC or the Litigation.

**3.0 Assumption of Risk.** Rehabilitator and CGI expressly assume the risk that by entering into this Agreement, they will forever waive claims that they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect their decision to enter into this Agreement. The Parties recognize, acknowledge, understand, and assume the risk and possibility that any and all facts or rules of law that have or might have induced them to enter into and execute this Agreement may in fact or in law be different from the present, past, or future understanding and interpretation thereof by the Parties. The Parties all agree that this Agreement shall nevertheless be and remain firm, valid and binding, and in full force and effect notwithstanding such possible or actual misunderstanding or misinterpretation of law or fact.

**4.0 No Admission of Liability.** Rehabilitator and CGI understand and agree that this Agreement is a compromise of disputed claims and any payment is not to be construed as an admission of liability by any Party, who each expressly deny any liability. CGI's willingness to resolve this matter should not be construed as creating precedent under any potentially applicable insurance policies or otherwise for this claim or any future claim, known or unknown.

**5.0 Delivery and Distribution of Executed Agreement and Dismissal of the Litigation With Prejudice.** After all Parties have executed the Agreement, the Settlement Sum has been disbursed, approval of this Agreement has been granted by the Court in the Rehabilitation Proceeding, and counsel for all Parties have received a copy of the fully executed Agreement, counsel for the Parties shall jointly file a motion to dismiss with prejudice, and with the Parties to bear their respective attorneys' fees, costs and expenses.

**6.0 Mutual Limited Indemnity Between CGI and Receiver Only.**

a. In the event that any person or entity controlled by LAHC and/or the Rehabilitator asserts a claim, demand, liability, lien, obligation, debt, action, cause of action, right of action, right to damages (including, but not limited to, special, indirect, consequential, and/or punitive damages), interest, costs, expenses, reasonable attorneys' fees, and payments (whether or not litigation is commenced) against CGI that arises out of or is related to: i) LAHC, ii) the Rehabilitation Proceeding, or iii) the Litigation, then the Rehabilitator shall defend, indemnify, and hold harmless CGI from any such claim. It is also expressly understood and agreed that the Rehabilitator does not control other parties to the Litigation; does not control any other governmental entity, including but not limited to the Centers for Medicare and Medicaid Services ("CMS"), the United States Department of Health and Human Services ("HHS"), and the Louisiana Department of Insurance in any capacity other than as Rehabilitator (or other similar statutory capacity) of Louisiana Health Cooperative, Inc. ("LDI") and that the Rehabilitator is not and shall not undertake any defense, indemnity, or hold harmless obligation in the event that any other governmental entity, including but not limited to CMS and/or HHS and/or LDI, assert any type of claim against CGI that arises out of or is related to LAHC, the Rehabilitation Proceeding, or the Litigation. Rehabilitator represents that it is not aware of any such claims by any governmental entity against CGI.

b. In the event that CGI or any person or entity controlled by CGI, asserts a claim, demand, liability, lien, obligation, debt, action, cause of action, right of action, right to damages (including, but not limited to, special, indirect, consequential, and/or punitive

damages), interest, costs, expenses, reasonable attorneys' fees, and payments (whether or not litigation is commenced) against the Rehabilitator that arises out of CGI's activities in connection with: i) LAHC; ii) the Rehabilitation Proceeding; iii) or the Litigation, then CGI shall defend, indemnify, and hold harmless the Rehabilitator from any such claim. The Rehabilitator and its agents warrant and represent they know of no such claims against the Rehabilitator at this time. It is expressly understood and agreed that CGI does not control LAHC; other parties to the Litigation; or any governmental entity, including but not limited to the CMS, HHS and LDI, and that CGI shall not have to undertake any defense, indemnity, or hold harmless obligation in the event that any other governmental entity, including but not limited to CMS and/or HHS and/or LDI, assert any type of claim against the Rehabilitator. It is further understood and agreed that CGI shall be responsible only for limited indemnification as set forth in this paragraph for claims asserted by any person or entity controlled by CGI.

**7.0 Authority to Execute Agreement.** Each Party represents and warrants that any person signing this Agreement on its behalf has the necessary authority to do so. To the extent the Party is a juridical entity, it represents and warrants that any resolution or approval required by its internal governing documents or any other applicable law to authorize the individual signing this Agreement on its behalf has been obtained.

**8.0 Advice of Attorney.** Each Party warrants and represents that in executing this Agreement the Party has relied upon legal advice from the attorneys of the Party's choice; has read the terms of this Agreement and understands the consequences thereof, which have been completely explained to the Party by the Party's attorneys; and the Party fully understands the terms of this Agreement. Each Party further acknowledges and represents that, in executing this Agreement the Party has not relied upon any inducements, promises, or representations made by any other Party or any person or entity representing any other Party other than as may be set forth in this Agreement. Each Party has participated equally in the drafting of this Agreement. The language of this Agreement shall not be presumptively construed in favor of or against any of the Parties.

**8.1 Actions to Enforce Agreement.** In the event that any Party shall commence proceedings against any other Party to enforce the terms of this Agreement, or to declare rights hereunder, the prevailing Party in any such proceedings shall be entitled to recover from the losing Party or Parties its costs of suit, including reasonable attorneys' fees.

**9.0 No Tax Advice.** The Parties acknowledge that neither CGI, nor the Rehabilitator, have made any representation, or given any advice, about any tax issues associated with the Settlement Sum or any aspect of this Agreement.

**10.0 Integrated Agreement.** This Agreement contains the entire understanding and agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, warranties, negotiations, and discussions, whether oral or written, of the Parties. There are no agreements, understandings, restrictions, representations, or warranties other than those set forth in this Agreement. The Parties agree that the terms of this Agreement are contractual and not mere recitals.

**11.0 Amendment.** This Agreement may be amended only by an instrument, in writing and signed by all of the Parties, which expressly refers to this Agreement and specifically states that it is intended to amend this Agreement. This Agreement may not be modified by an oral agreement even though supported by new consideration.

**12.0 No Intent to Benefit Third Parties.** The Parties disclaim any intent to confer a benefit on any person or entity who is not a signatory to this Agreement, except as set forth in this Agreement. It is expressly understood that, to the extent that a solidary obligation of CGI's is released or settled in this Agreement, any other solidary co-obligors with respect to such solidary obligation can no longer be held liable by the Rehabilitator for CGI's share of such solidary obligation.

**13.0 Reformation of the Agreement.** Should it ever be determined that any provision of this Agreement is unenforceable or illegal, the Parties agree that the provision should be substituted with an enforceable or legal provision that corrects the relevant impropriety and best maintains the general spirit of this Agreement. If the Parties cannot agree on a substitute provision, the Parties agree to expressly ask and authorize any court construing this Agreement to so reform the offending provision.

**13.1 Severability of Provisions.** Should it ever be determined that any provision of this Agreement is unenforceable or illegal and cannot be reformed, the offending provision shall be severed and the remaining terms of the Agreement shall remain enforceable, provided that the loss of the offending provision does not materially alter the primary exchange of benefits contemplated in the Agreement. The primary exchange of benefits in this Agreement is the payment of the Settlement Sum to Rehabilitator in exchange for a settlement of CGI's liability and a release of the Rehabilitator's claims against CGI.

**14.0 Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Louisiana, without reference to its conflict of laws principles. This Agreement shall be deemed to have been made and entered into within the State of Louisiana, regardless of the order in which the Parties sign this Agreement and regardless of where this Agreement is signed by any Party.

**15.0 Counterparts/Execution.** This Agreement may be executed in any number of counterparts with the same effect as if all of the Parties had signed the same document. All counterparts shall be construed together and shall constitute but one agreement.

**16.0 Headings and Captions.** All headings and captions contained in this Agreement are for ease of reference only and do not interpret, define, or limit the scope, extent, or intent of this Agreement or any of its provisions. As used in this Agreement and when required by the context, the neuter gender shall include the masculine and feminine genders, and the singular number shall include the plural.

I hereby certify that I have read the Settlement Agreement and Release of Claims, fully understand it, and voluntarily execute it.

**WITNESSES:**

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**JAMES J. DONELON, COMMISSIONER OF  
INSURANCE FOR THE STATE OF LOUISIANA,  
IN HIS CAPACITY AS REHABILITATOR OF  
LOUISIANA HEALTH COOPERATIVE, INC.  
THROUGH HIS DULY APPOINTED RECEIVER,  
BILLY BOSTICK**

**DATE:** \_\_\_\_\_

**WITNESSES:**

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**CGI TECHNOLOGIES AND SOLUTIONS, INC.**

By: \_\_\_\_\_