



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

March 17, 2010

Jennifer L. Groves, Esquire
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510

RE: Rescission of a Certificate of Need Determination under Report Number 06-30861-DTR
The acquisition of an MRI unit for New Milford office location of HVRA

Dear Attorney Groves:

Pursuant to the Settlement Agreement between Housatonic Valley Radiological Associates and the Office of Health Care Access ("OHCA") division of the Department of Public Health, the Certificate of Need Determination report issued on November 7, 2006 under Docket Number 06-30861-DTR is hereby rescinded.

Sincerely,

A handwritten signature in black ink, appearing to read "Cristine A. Vogel".

Cristine A. Vogel
Deputy Commissioner

DOCKET NO.: HHD-CV-07-4034061-S

STATE OF CONNECTICUT	:	SUPERIOR COURT
OFFICE OF HEALTH CARE ACCESS	:	
	:	JUDICIAL DISTRICT OF
v.	:	HARTFORD
	:	
HOUSATONIC VALLEY	:	
RADIOLOGICAL ASSOCIATES, P.C.	:	MARCH 17, 2010

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This Settlement Agreement and Release of All Claims (“Agreement”) is made and entered into this 17th day of March, 2010 by and between the Plaintiff, State of Connecticut Office of Health Care Access, now, Department of Public Health, Office of Health Care Access (“OHCA”), acting herein by Cristine A. Vogel, Deputy Commissioner and Housatonic Valley Radiological Associates, P.C. (“HVRA”), the Defendant in the above-captioned case, acting herein by Conrad P. Ehrlich, its President, duly authorized. OHCA and HVRA are each referred to herein as a “Party” and collectively as “Parties.”

OHCA and HVRA are parties to an enforcement action brought by OHCA under Chapter 368z of the Connecticut General Statutes, which action is pending in the Superior Court, Judicial District of Hartford, Docket No. HHD-CV-07-4034061-S (the “Action”). The Action relates to HVRA’s operating and providing services with an alleged unauthorized MRI scanner at its New Milford office location, and an alleged unauthorized CT scanner at its Ridgefield office location (the “Enforcement Action Equipment”). This Agreement also resolves any outstanding dispute the parties have as of the date hereof related to the CT scanner unit acquisition for New Milford (Docket No 06-30860-DTR); MRI unit acquisition for Southbury (Docket No. 06-30859-DTR);

and MRI unit acquisition for Ridgefield (Docket No. 05-30544-DTR) (the “Disputed Equipment”).

For and in consideration of the releases, covenants and undertakings hereinafter set forth, and for other good and valuable consideration, the sufficiency of which each party acknowledges, it is agreed as follows:

1. HVRA Civil Penalty Within three (3) days of the date of execution of this Agreement, HVRA shall pay to OHCA eight thousand five hundred dollars and 00/100 cents (\$8,500) (the “Civil Penalty”). Payment shall be made by certified or cashier’s check payable to Treasurer, State of Connecticut.

2. OHCA Shall Rescind 2006 CON Determinations relating to the Ridgefield CT scanner (Docket No. 06-30858-DTR) and the New Milford MRI unit (Docket No. 06-30861-DTR). Within three (3) days after HVRA’s payment of the Civil Penalty, OHCA shall rescind the 2006 CON Determinations related to the Ridgefield CT scanner (Docket No. 06-30858-DTR) and the New Milford MRI (Docket No. 06-30861-DTR). The 2005 OHCA CON Determinations related to the Ridgefield CT Scanner (Docket No. 05-30546-DTR) and New Milford MRI (Docket No. 05-30542-DTR) shall remain valid, and HVRA may operate and provide services with the Ridgefield CT scanner and New Milford MRI identified in said 2005 OHCA CON determinations. The 2005 CON Determinations referenced in this paragraph 2, shall be considered CON Determinations for the purpose of waiver to upgrade imaging equipment in accordance with the provisions of Chapter 368z, as may be amended from time to time. Any waiver requests filed with respect to the Ridgefield CT scanner and/or the New Milford MRI unit shall be considered by OHCA without prejudice to HVRA and in the same manner as such requests are considered for other providers.

3. HVRA Shall Be Bound by OHCA CON Determinations relating to CT scanner acquisition for New Milford (Docket No 06-30860-DTR); MRI unit acquisition for Southbury (Docket No. 06-30859-DTR); and MRI unit acquisition for Ridgefield (Docket No. 05-30544-DTR) The OHCA CON Determinations relating to the CT scanner unit acquisition for New Milford (Docket No 06-30860-DTR); MRI unit acquisition for Southbury (Docket No. 06-30859-DTR); and MRI unit acquisition for Ridgefield (Docket No. 05-30544-DTR) (the “Disputed Equipment CON Determinations”) shall remain in effect. Pursuant to the Disputed Equipment CON Determinations, HVRA shall not acquire, operate, and/or provide services with any of these pieces of equipment unless and until it receives CON approval from OHCA pursuant to Conn. Gen. Stat. § 19a-639, absent any change in applicable law,

4. Release of all Claims

a. OHCA on behalf of itself, the Attorney General of the State of Connecticut, the State of Connecticut, and all subdivisions and employees thereof does hereby fully and expressly release,

acquit, remise, and forever discharge HVRA, Dr. Conrad Ehrlich, *and its partners, officers, directors, shareholders, affiliates, agents employees, insurers, and Dr. Conrad Ehrlich,* personally, from any and all claims existing as of the date of this Agreement related to the Action, including but not limited to OHCA's claims related to HVRA's operating and providing services with an alleged unauthorized MRI scanner at its New Milford office location, and an alleged unauthorized CT scanner at its Ridgefield office location, except for claims related to the enforcement of the terms of this Agreement.

b. HVRA and Dr. Conrad Ehrlich, *and its partners, officers, directors, shareholders, affiliates, agents employees, insurers, and Dr. Ehrlich* personally does hereby fully and expressly release, acquit, remise, and forever discharge OHCA on behalf of itself, the Attorney General of the State of Connecticut, the State of Connecticut, and all subdivisions and employees, from any and all claims existing as of the date of this Agreement related to the Action and the Disputed Equipment. HVRA and Dr. Conrad Ehrlich expressly reserves their rights to defend themselves by whatever means necessary and appropriate in connection with any claim filed by OHCA, the Attorney General of the State of Connecticut or the State of Connecticut related to the enforcement of the terms of this Agreement.

5. Agreement as Evidence in Enforcement Action

In any enforcement action brought by OHCA or by Dr. Conrad Ehrlich of this Agreement, this Agreement shall be entered into evidence.

6. Withdrawal of the Action by OHCA Within three (3) days of execution of this Agreement, OHCA shall deliver to Dr. Ehrlich a signed and file-stamped Voluntary Withdrawal of all of its claims for relief asserted in the above-referenced Action, that, when construed together with OHCA's release of Dr. Ehrlich in Paragraph 1, shall be deemed a dismissal "with prejudice."

7. Warranty of Capacity to Execute Release. The Parties represent and warrant that no other person or entity has presented any claims, demands, obligations, or causes of action related to or referred to in this Agreement to be executed, and that they have not sold, assigned, transferred, conveyed, converted or otherwise disposed of any of the claims that are the subject of this Agreement. Both Parties represent that they have the corporate or statutory authority to execute and deliver this Agreement and perform their obligations hereunder.

8. No Admission of Liability. This Agreement constitutes the settlement and release of a disputed Action and does not constitute an admission of liability as to any matters whatsoever. It is understood and agreed that this settlement is the compromise of disputed claims, and that, by entering into this Agreement, the Parties merely intend to avoid further expense and litigation.

9. Attorney's Fees, Costs and Expenses. The Parties shall bear their respective costs, expenses (including consultants and experts), and attorney fees related to the Action.

10. Controlling Law; Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Connecticut, without giving effect to their principles of conflicts of law.

11. Modification. No provisions of this Agreement may be changed, altered, modified, or waived except in writing signed by authorized representatives of each of the Parties. If any provision of this Agreement is held to be invalid or unenforceable, all other provisions shall nevertheless continue to be in full force and effect.

12. Entire Agreement. It is agreed that this is the complete settlement agreement and release, and that there are no written or oral understanding or agreements connected with this Agreement that are not incorporated herein.

13. Understanding. The Parties acknowledge and represent that they have read this Agreement in full and understand and voluntarily consent and agree to each and every provision contained herein. Both Parties were represented by counsel, and each Party represents and warrants to each other Party that it has made such independent investigation of the facts pertaining to the Action and the Disputed Equipment and this Agreement as it deems necessary, and that it is relying solely upon its own investigation of the facts and is not relying in any way (and acknowledges that it would be unreasonable to so rely) upon any statement, silence, act or omission of any other Party in entering into this Agreement other than those representations specifically set forth in writing herein.

14. Interpretation. Each Party had an opportunity to participate in drafting of this Agreement. Therefore, it will not be construed against any Party.

15. Obligations Binding on Successors. The obligations contained in this Agreement shall be binding upon and will inure to the benefit of the Parties, their affiliates, and each of their respective agents, servants, officers, directors, employees, shareholders, principals, predecessors, partners, attorneys, insurers, reinsurers, sureties, subdivisions, successors and assigns.

16. Notices. Any notice, demand, request, document or other communication made, given, require or permitted pursuant to this Agreement shall in (a) in writing, (b) delivered personally, transmitted by Facsimile, delivered by a commercial overnight courier service, REGISTERED United States mail or Certified Mail, postage prepaid, and (c) addressed to the Party for whom intended as follows:

If to OHCA:

Cristine A. Vogel
Deputy Commissioner
Department of Public Health, Office of Health Care Access
410 Capitol Avenue
MS 13 HA
Hartford, CT 06134-0308

With a copy to:

Rosemary M. McGovern
Assistant Attorney General
55 Elm Street
Hartford, CT 06106-1774

If to HVRA:

Conrad P. Ehrlich, M.D.
Housatonic Valley Radiological Associates, P.C.
67 Sand Pit Road
Danbury, CT 06810

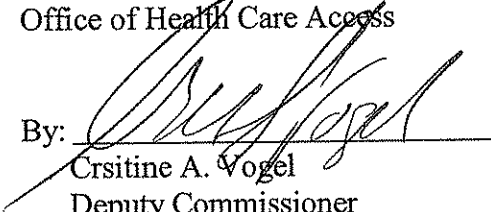
With a Copy to:

Jennifer L. Groves
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510

Either Party may designate by notice given to the other a new address to which notices or other communications intended for such Party thereafter be given. Unless otherwise stated in this Agreement and except for such notices of change of address, which shall be considered given when received, a notice or other communication shall be considered given on the earliest of actual receipt, personal delivery, transmission by facsimile, one business day after being delivered to a commercial overnight courier service or two business days after being deposited in the United States mail in the manner aforesaid.

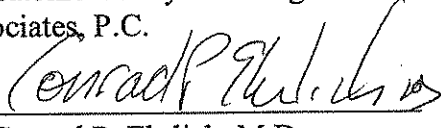
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the set forth below:

State of Connecticut
Office of Health Care Access

By: 
Crsitine A. Vogel
Deputy Commissioner

Date: 3-17-10

Conrad P. Ehrlich, M.D. and
Housatonic Valley Radiological
Associates, P.C.

By: 
Conrad P. Ehrlich, M.D.
Its: President, Duly Authorized

Date: 3/11/10