

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made by and between ChartOne, Inc., on the one hand; and on the other hand, by Julian Ford, Deborah Longus, and Peter Petersan, individually, and in the case of Julian Ford as the representative of a class of similarly-situated persons, and in the case of Peter Petersan and Deborah Longus as representatives of a representative action brought under D.C. Code § 28-3905(k)(1).

DEFINITIONS:

Claim. A Claim for payment pursuant to the Class Notice and Claim Form.

Claim Amount. Fifteen Dollars (\$15.00).

Claimant. Any person who submits a Claim Form.

Claim Form. The Claim Form in substantially the form attached to this Settlement Agreement as Exhibit A.

Class Administrator. A third party approved by the parties to this case to administer the class settlement.

Claims Period. The period of time ending 60 days subsequent to the mailing of Class Notice.

Class. All Class Members.

Class Members. Every Patient who made a request, either Directly or through an authorized representative, for a copy of their health care records and for whom an invoice was generated from ChartOne from August 7, 1999 until the date of Final Judgment and Order, where the billed amount exceeded the Maryland Rate.

Class Notice. The Notice of Class Action, Proposed Class Settlement, and Hearing, in substantially the form attached to this Settlement Agreement as Exhibit A.

Class Counsel. As used herein Class Counsel refers to William Claiborne and Sean Day.

Court. The District of Columbia Superior Court.

Effective Date. The effective date of this Settlement Agreement is the date upon which all parties have signed it.

Final Approval. The Court's issuance of a final, appealable order which is the same in substance as the form of Final Judgment and Order attached hereto as Exhibit B, which order finally approves this Settlement pursuant to Rule 23 of the District of Columbia Superior Court Rules of Civil Procedure.

Final Judgment and Order. An order which is the same in substance as the form of Final Judgment and Order attached hereto as **Exhibit B**.

Final Judgment. As used herein, a "Final Judgment" shall be deemed entered only after both of the following have occurred: (a) an order which is the same in substance as the form of Final Judgment and Order attached hereto as Exhibit B has been entered in which the Court gives its Final Approval to the Settlement; and (b) the time has expired in which to seek review or appeal of such order without any review or appeal having been taken therefrom, or, if such review or appeal is taken, such review or appeal shall have been finally determined (subject to no right of further review or appeal) by the highest court before which such review or appeal is sought and allowed, and such review or appeal shall have been resolved in such manner as to permit the consummation of the Settlement effected by this agreement in accordance with all of its terms and provisions.

Ford Class Representative. Julian Ford, Deborah Longus, and Peter Petersan. Plaintiff Julian Ford in his capacity as representative of the Ford Class. Deborah Longus and Peter Petersan as a result of their filing a representative action against ChartOne pursuant to D.C. Code § 28-3905(k)(1) which is based upon the same facts and circumstances as Julian Ford's claims and their agreement that they will dismiss their case upon final judgment in the Ford case.

HIPAA. The Health Insurance Portability and Accountability Act, 45 C.F.R. § 164.500 et seq.

Lawsuits. The actions in the Superior Court for the District of Columbia styled *Ford v. ChartOne, Inc.*, Civil Action No. 02-7111 ("the Ford case"), and *Petersan et al. v. ChartOne, Inc.*, Civil Action No. 03-8328 ("the Petersan case"). Counsel for Plaintiffs twice appealed decisions in the Ford case, Ford v. ChartOne, 834 A.2d 875 (D.C. 2003) ("Ford I") and Ford v. ChartOne, Inc., 908 A.2d 72 (D.C. 2006); and appealed a decision in the Petersan case, Petersan v. ChartOne, 06-CV-643. Deborah Longus and Peter Petersan agree to dismiss Petersan v. ChartOne, 06-CV-643 upon final judgment in the Ford case.

Maryland Rate. The types and amounts of fees permitted to be charged for copies of health care records as set forth in Ann. Code of Md., Health – General § 4-304 (and as affected by federal HIPAA regulations, 45 CFR 164.524, effective April 14, 2003), excluding taxes required to be collected and remitted by ChartOne. For Direct Requests subsequent to April 14, 2003, the Maryland Rate does not include or allow the preparation fee set forth in § 4-304.

Patient. A person who received health care treatment that (a) requested, either on his own or through an authorized representative, health care records from a health care provider located in the District of Columbia and (b) during the period from August 7, 1999 through the date of entry of the Final Judgment And Order, has paid or has had paid on his or her behalf an invoice received from ChartOne to process and fulfill such request.

Payment. For each Requestor, the amount paid to ChartOne for all fees relating to processing the request for health care records, but not including any tax that ChartOne was required to collect and remit.

Personal Representative. A person who (a) has the legal authority to make health care decisions on behalf of the Patient, or (b) is the executor, administrator, or otherwise has authority to act on behalf of a deceased Patient or his/her estate.

Preliminary Approval. "Preliminary Approval" refers to the Court's determination that the Settlement is within the range of possible approval and therefore that a notice should be sent to the Class and a hearing should be held with respect to fairness and Final Approval.

Preliminary Approval Order. The order substantially in the form of **Exhibit C** attached herein and described below that memorializes the Court's Preliminary Approval.

Released Health Care Provider. A Health Care provider who responded to a request for patient records from a Class Member during the Class Period by delegating its responsibility to make such records available to ChartOne and which did not receive compensation directly from a Settlement Class Member for making such patient records available.

Requestor. Every Patient, Personal Representative, or authorized representative that, (a) requested health care records from a health care provider located in the District of Columbia and (b) during the period from August 7, 1999 through the date of entry of the Final Judgment And Order, has paid or had paid on his or her behalf an invoice received from ChartOne to process and fulfill such request.

Request, Direct. A request made directly by a Patient or Personal Representative for copies of the Patient's health care records.

Request, Authorized. A request for copy of Patients health care records by a person (including an attorney) with a valid authorization from the Patient.

Request, Attorney. A request made through a Patient's attorney for copies of the patient's health care records.

Settlement. The settlement set forth in this agreement.

Settlement Hearing. The hearing on the fairness of this Settlement described herein.

GENERAL PROVISIONS

1. ChartOne is a corporation organized and operating under the laws of the State of Delaware with its principal place of business in the Commonwealth of Massachusetts.
2. Julian Ford, Deborah Longus, and Peter Petersan are residents of the District of Columbia.
3. On August 7, 2002, Mr. Ford filed the Ford case. The Ford case was styled as a class action pursuant to 28 D.C. Code Ann. § 3904(r), brought by Julian Ford individually and as the representative for a class consisting of all patients who individually or by an authorized representative from August 7, 1999, requested copies of health care records from health care providers located in the District of Columbia, where the retrieval, photocopying, handling, and mailing of those records was performed by ChartOne, and who paid more than the then-current Maryland Rate for these services.
4. On October 14, 2003, Mr. Petersan filed the Petersan case. The Petersan case was styled as representative action to D.C. Code § 28-3905(k)(1), as citizen representative bringing suit on behalf of all patients who individually or by an authorized representative from October 14, 2000, requested copies of health care records from health care providers located in the District of Columbia, where the retrieval, photocopying, handling, and mailing of those records was performed by ChartOne, and who paid more than the then-current Maryland Rate for these services; or who, after April 14, 2003, paid more than the rate set forth by HIPAA. Deborah Longus was added as a Plaintiff on May 6, 2004.
5. ChartOne and Mr. Ford, Deborah Longus, and Peter Petersan, individually and for the purported class in their representative capacities, each now desires finally to settle and compromise the claims raised in the Lawsuit, but not extending to any claims that may arise as a result of any party's failure to comply with any provision of this Settlement Agreement.

6. Therefore and in consideration of the mutual promises and undertakings set out below, the parties to this Settlement Agreement agree as follows.

CHANGE OF RATE

7. ChartOne agrees that effective on the Date of Preliminary Approval, it will charge no more than the Maryland Rate for Direct Requests and Authorized Requests, including Attorney Requests, and will not include the preparation fee provided in the Maryland Rate for Direct Requests, for health care records from health care providers located in the District of Columbia.

DATA PRODUCTION

8. ChartOne has provided the Plaintiffs an Excel spreadsheet containing data for the period August 7, 1999, through October 2006, sufficient to enable plaintiffs' counsel to ascertain all Direct and Attorney Requests, and to calculate the Payment. For each request, the data provided show, at a minimum, the date of the invoice, the amount paid by the patient or on the patient's behalf with the amount broken down into the amount paid for retrieval fee, basic fee, clerical fee, other flat fee(s), per page, mailing, shipping, handling, tax, and other charge(s), and the number of pages billed on the invoice.

9. Within fifteen business days after the Court's Preliminary Approval, ChartOne will produce an updated spreadsheet to reflect additional information available at that time; and will supplement the spreadsheet to provide the following information, to the extent available, for each request:

- a. The date of the invoice.
- b. The name of the facility from where records were requested.
- c. The category of the request (e.g., ATT for Attorney Request and PAT for Direct Requests).
- d. The name of the patient.

- e. The date of birth of the patient.
- f. The name and address of the person or entity that submitted the request for the records.

10. The foregoing information shall be supported by an affidavit that satisfies the requirements of 28 U.S.C. § 1746 executed by an officer of ChartOne certifying that the information provided is based on information ChartOne keeps in the regular course of business and upon which ChartOne relies in performing its business functions.

APPLICATION FOR APPROVAL

11. The parties shall make timely application to the Court for Preliminary Approval of this Settlement and the entry of an order substantially in the form of Exhibit C attached herein (the "Preliminary Approval Order"), which:

- a. evidences the Court's Preliminary Approval of this Settlement; and
- b. is for purposes of this Settlement only;
- c. certifies the Class;
- d. designates the Ford Class Representatives as the representatives of the Class; and
- e. designates William Claiborne and Sean Day as Class Counsel;
- f. schedules a hearing on the fairness of this Settlement, pursuant to Rule 23 of the Superior Court Rules of Civil Procedure, for final approval of this Settlement;
- g. directs that notice of this Settlement be given to the Class.

12. At the Settlement/Fairness Hearing, the parties shall move that the Court enter a judgment and order substantially in the form of Exhibit B evidencing the Court's Final Approval of this Settlement, providing for the implementation of the terms and provisions hereof, dismissing the Lawsuit with prejudice and without

cost, but retaining jurisdiction of the Lawsuit to enforce the provisions of this Agreement, including the releases and the change in rates.

CLASS NOTICE

13. ChartOne will pay all costs associated with printing and mailing Class Notices and Claim Forms.

14. Prior to the mailing of the Class Notices and Claim Forms, the parties will agree upon the list of Class Members and Requestors.

15. Notice shall be made by (a) mailing of the Class Notice and Claim Form to each Requestor at the Requestor's last known address as contained in records that ChartOne's regularly maintains in the ordinary course of business; and b) e-mailing a copy of the Class Notice and Claim Form to the list serve of the District of Columbia Trial Lawyers Association

16. Where the Requestor was not the Patient, the Class Notice and Claim Form shall be accompanied by a cover letter providing such requestor (a) the name(s) of the Patient on whose behalf health care records were requested, (b) the name of the facility from which records were requested, and (c) the date of the invoice. The cover letter will request that the attorney requestor forward the Class Notice(s) and Claim Form(s) to the Patient Class Member(s).

17. Notice shall be placed in the mail and postmarked no later than 30 days from the date of entry of the Preliminary Approval Order. Within 15 days after the mailing of the Class Notice and Claim Form, ChartOne will provide to counsel for Plaintiffs an Excel spreadsheet showing the persons to whom notice was mailed, along with a certification from ChartOne's counsel that the list is accurate.

OBJECTIONS

18. Objections must be (1) filed with the Clerk of Court, and (2) mailed and postmarked to all counsel within 60 days after the mailing of the Class Notice and Claim Forms.

OPT OUT

19. Any Class Member may elect to be excluded from this Settlement and from the Class by mailing to the Claims Administrator within 60 days of the mailing of the Class Notice and Claim Form a written statement of his election to opt out of the Class. Any Class Member who opts out shall neither be bound by the terms of this agreement nor be entitled to any of the benefits set forth in this agreement. Should 5,000 or more individuals choose to opt-out of the Settlement, the Settlement Agreement shall be considered null and void.

RELEASE OF CLAIMS

20. Any Class Member who does not opt-out of the class shall be deemed to have for himself or herself and for his or her assigns, agents, attorneys, and heirs, jointly and severally, expressly released ChartOne and Released Health Care Providers, and each of their legal representatives, officers, directors, shareholders, assigns, agents, predecessors, subsidiaries, and successors, jointly and severally, from all and every manner of claim, demand, and cause of action of whatsoever nature, relating to any fees charged or assessed by ChartOne for the retrieval, photocopying, handling, and mailing of health care records pursuant to a request from that class member or that Class Member's agent, including but not limited to an attorney representing that class member, which claim, demand, or cause of action exists or may exist as of the Effective Date of this Settlement Agreement.

LACK OF FINAL APPROVAL

21. The parties agree that if the Superior Court of the District of Columbia does not approve the certification of the Class and substantially approve the terms of this Settlement, this Settlement Agreement will become null and void, have no effect, and will not be enforceable against either party; the litigation shall continue; and the parties shall jointly move that any order entered pursuant to this Settlement Agreement be vacated.

CLAIMS

22. The Class Notice and Claim Form shall contain sufficient instructions for Class Members to enable them to submit a valid claim.

23. To receive the Claim Amount, a class member must submit a valid Claim Form within the Claims Period.

24. For Direct Requests, the Claimant must submit a Claim Form, and provide at a minimum his or her name and current mailing address, and claims submitted by Personal Representatives must contain documents identifying them as Personal Representatives. For deceased Class Members or those under financial guardianship/conservatorship, the Claimant must additionally provide documentation evidencing the entitlement to receive assets of the Class Member.

25. For Authorized Requests, including Attorney Requests, the Claimant must additionally provide documentation showing that he or she, and not the attorney, bore the cost of the Request, either by paying ChartOne directly for the records, or by paying the attorney for the cost of the records, or by having the cost of the health care records deducted from his or her settlement proceeds (such as in a contingency fee case).

26. The parties will agree to a Class Administrator and will share equally the costs of claims administration. Counsel for Plaintiffs will pay up to \$15,000.00 or one-half, whichever is lower, for claims administration, which is limited to tasks shown on Sections IV through VIII of the Garden City Group Inc. Settlement Administration estimate dated June 27, 2007. ChartOne will be solely responsible for all other tasks undertaken for administration of the settlement. Counsel for Plaintiffs may pay their share of the claims administration at the time they receive the first installment payment from ChartOne.

27. The Class Administrator will receive and review each claim and make a good faith determination as to whether the Claim Amount shall be paid.

28. Within 15 days after the close of the claims period, the Class Administrator will provide to counsel for both parties (a) a list of claims to be paid, including

copies of all documents received from such Claimants, such as claim forms, documentation, correspondence, and (b) a list of claims rejected along with the reason for the rejection and copies of all documents received from such Claimants.

29. Within 15 days after the Class Administrator provides to counsel for the parties the foregoing list and documents, if counsel for the parties mutually agree that a rejected claim should be deemed valid, they may override the Class Administrator's decision and request the Class Administrator to pay such Claim. If the parties do not agree that a claim should be deemed valid, counsel for Plaintiffs may within 30 days petition the Court to determine the validity of the claim(s).

30. For undisputed claims, ChartOne will mail checks to the Claimants within 60 days after the Final Approval Judgment and Order. For disputed claims approved by the Court, ChartOne will mail checks to the Claimants within 30 days after the Court has approved the claim.

31. The checks will be valid for one hundred eighty (180) days commencing on the date of issue, and each check must be mailed within 10 days of issue. The checks shall state clearly on their face the time limitation. Upon the expiration of the 180 day period all outstanding checks will be deemed null and void.

32. Within 14 calendar days of the deadline for mailing refund checks, ChartOne will provide to class counsel an Excel spreadsheet showing the persons to whom refund checks were mailed; and within 14 days after the expiration of checks, ChartOne will provide to class counsel an Excel spreadsheet showing the persons whose refund checks were returned or remain uncashed, along with a certification from ChartOne's counsel that the list is accurate.

ATTORNEY'S FEES, COSTS, AND INCENTIVE PAYMENTS

33. ChartOne will be responsible for its own attorney's fees and costs.

34. ChartOne will pay Two Hundred Twenty Five Thousand Dollars (\$225,000.00) to the named Ford Class Representatives and counsel for the Plaintiffs, for attorney's fees, costs, and incentive payments.

35. ChartOne will not oppose a petition to the Court seeking approval of attorney's fees and costs in the amount of \$225,000.00, less Plaintiff's incentive payments.

36. Each Ford Class Representative shall receive Two Thousand Dollars (\$2,000.00) to compensate him or her for their contribution to the settlement achieved in this case. ChartOne will not oppose a petition to the Court for approval of these incentive payments

INSTALLMENT PAYMENTS

37. ChartOne will pay counsel for Plaintiffs by check or other manner to be designated by counsel for Plaintiffs as follows:

- a. Within 14 days after Final Judgment and Order, \$75,000.
- b. Within three months after Final Judgment and Order, \$75,000.
- c. Within six months after Final Judgment and Order, \$75,000.

BREACH OF AGREEMENT

38. In the event of a breach of this Settlement Agreement, the breaching party shall pay all expenses, including a reasonable attorney's fees, incurred by the non-breaching party in enforcing the Settlement Agreement or any term thereof.

39. In the event that ChartOne begins charging more than the rates agreed to herein, such a breach shall be deemed to cause irreparable harm to the Class, for which there is no adequate remedy at law, and an injunction shall be entered prohibiting ChartOne from engaging in any conduct found by the Court to be in breach of its promise to charge to persons who (directly or through an authorized representative) request records from health care providers located in the District of Columbia no more than the then-current Maryland Rate.

GOVERNING LAW AND VENUE

40. The law of the District of Columbia, with the exclusion of the District of Columbia's choice of law provisions, shall govern this Settlement Agreement.

NO ADMISSIONS

41. Nothing in this Settlement Agreement shall constitute either an admission of liability or an affirmation or acknowledgement of the validity of any claim or defense to any claim or counterclaim arising from or relating to the Lawsuit or arising from or relating to any other proceedings that have taken place among the parties.

INTEGRATION

42. This Settlement Agreement represents the full and complete agreement between ChartOne and Julian Ford, Deborah Longus, and Peter Petersan. All other promises, understandings, commitments, or agreements, prior to or contemporaneous with this Settlement Agreement, are merged into this Settlement Agreement and integrated herein.

REPRESENTATION BY COUNSEL

43. Each party to this Settlement Agreement represents that such party was represented by counsel of that party's choice in connection with the negotiation and execution of this Settlement Agreement; and that such party voluntarily signed this Settlement Agreement after full and fair consultation with counsel.

INCORPORATION OF GENERAL PROVISIONS

44. The provisions of the General Provisions of this Settlement Agreement are a material part of this Settlement Agreement.

AUTHORITY

45. Each party signing this Settlement Agreement on behalf of an entity warrants that she or he has full authority to execute this Settlement Agreement on behalf of such entity for which she or he executes this Settlement Agreement.

SUCCESSORS

46. All of the terms of this Settlement Agreement shall apply to, be binding upon, and inure to the benefit of the parties and of their respective agents, personal representatives, predecessors, subsidiaries, successors, and assigns.

HEADINGS

47. The section and subsection headings in this Settlement Agreement are for convenience only and do not limit or otherwise affect any of the terms hereof.

SEVERABILITY

48. If the obligation to perform any provision of this Settlement Agreement requires acts or omissions in violation of law, then the obligation created by this Settlement Agreement to perform such act or omission shall be reduced or eliminated to the extent necessary to avoid such illegality, and the rest of this Settlement Agreement shall remain in full force and effect.

49. If any provision of this Settlement Agreement is held to be invalid in whole or in part, then only that provision shall be void, and the rest of this Settlement Agreement shall remain in full force and effect.

JOINT EFFORT

50. Each party to this Settlement Agreement participated in the negotiation and drafting of this Settlement Agreement, so that this Settlement Agreement shall be deemed to have been drafted jointly by the parties.

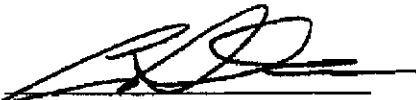
EXECUTION

51. This Settlement Agreement may be executed in counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one document. Each party to this Settlement Agreement shall execute two (2) originals of this Settlement Agreement, keeping one original for itself and sending the other to the other party.

EFFECTIVE DATE

52. The Effective Date of this Settlement Agreement shall be the date on which the last party to sign this Settlement Agreement affixes his or her signature to it, as established conclusively below.

IN AGREEMENT to the terms and conditions of this Settlement Agreement, and intending to be bound, I voluntarily sign this Settlement Agreement as set out below.

 7-16-07
CHARTONE, INC. Date

George Abatjoglou
Name (Printed)
CFO
Title

 (Witness Signature)

Carrie Carlson (Witness Printed Name)

3 New England Exec Rd (Witness Address)

Burlington, MA 01803 (Witness Address)

IN AGREEMENT to the terms and conditions of this Settlement Agreement, and intending to be bound, I voluntarily sign this Settlement Agreement as set out below.

Julian L Ford
JULIAN FORD

7-10-07
Date

~~XXXXXXXXXX~~ (Witness Signature)

Sean R. Day (Witness Printed Name)


8505 Baltimore Ave (Witness Address)

College Park, MD (Witness Address)
20740

IN AGREEMENT to the terms and conditions of this Settlement Agreement, and intending to be bound, I voluntarily sign this Settlement Agreement as set out below.


PETER PETERSAN

7/10/07
Date

 (Witness Signature)

Sean R. Day (Witness Printed Name)

8505 Baltimore Ave (Witness Address)

College Park, MD (Witness Address)
20740

IN AGREEMENT to the terms and conditions of this Settlement Agreement, and intending to be bound, I voluntarily sign this Settlement Agreement as set out below.

Deborah Longus
DEBORAH LONGUS

7/10/07
Date

[Signature] (Witness Signature)

Sean R. Day (Witness Printed Name)

8505 Baltimore Ave. (Witness Address)

College Park, MD 20740 (Witness Address)