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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA
ex rel. RANDY JACOBS,
and
STATE OF CALIFORNIA ex rel.
RANDY JACOBS

Relator,

v.

PACIFIC DERMATOLOGY
INSTITUTE, INC., BRADLEY
MUDGE, et al.

Defendants.

Case No. 5:20-cv-01906-JGB-SHK

CONSENT JUDGMENT

First Amended Complaint Filed:
September 7, 2023

1 The United States of America; the State of California; Randy Jacobs,
2 M.D. (“Relator”); the Bothwell Law Group (“Relator’s counsel”); Pacific
3 Dermatology Institute, Inc. (“PDI”); and Bradley Mudge, Richard Rotan, and
4 Jeffery Bottomley (“Defendants”) (PDI and Defendants will be collectively referred
5 to as the “Defendant Parties”) hereby consent to the filing of this Consent Judgment.
6 These individuals and entities, which hereafter shall be referred to as the “Parties”,
7 hereby stipulate and agree as follows:

8 1. On September 9, 2020, Relator filed a civil action in the United States
9 District Court for the Central District of California that was originally captioned
10 *United States of America ex rel. Randy Jacobs v. Pacific Dermatology Institute, Inc.,*
11 *et al.*, No. EDCV20-1906PA(KKx) (the “Civil Action”). The Civil Action asserts
12 *qui tam* claims on behalf of the United States and the State of California under the
13 federal False Claims Act (“FCA”), 31 U.S.C. §§ 3729 *et seq.*, and the California
14 False Claims Act (“CFCA”), Cal. Gov’t Code §§ 12651 *et seq.*, by, among other
15 things, entering into kickback arrangements with pathologists to falsely bill Mohs
16 codes for non-Mohs surgeries, and improperly billing for Mohs surgeries.

17 2. This Court has subject matter jurisdiction over this matter under 31
18 U.S.C. § 3732(a), 31 U.S.C. § 3732(b), 28 U.S.C. § 1345, and 28 U.S.C. § 1331, the
19 Federal Debt Collection Procedure Act, 28 U.S.C. §§ 3001 *et seq.*, and 28 U.S.C. §
20 1355.

21 3. The Court has personal jurisdiction over the Parties in connection with
22 this matter, who waive all objections as to this action, including objections as to the
23 form and manner of service of the Consent Judgment, except as provided in the
24 underlying Settlement Agreement between the Parties, a true and correct copy of
25 which is attached hereto as Exhibit A.

26 4. On or around June 30, 2024, Relator and Defendants agreed to settle
27 certain claims asserted against the Parties in the Civil Action, pursuant to the terms
28 set forth in the Parties’ Settlement Agreement. (*See*, Ex. A).

1 5. In the Settlement Agreement, Defendants agreed to the entry of this
2 judgment against them, jointly and severally, in the amount of Six Million Dollars
3 (\$6,000,000), should Parties fail to pay the entire Settlement Amount within the
4 agreed upon terms of the execution of the Settlement Agreement including a 10-day
5 cure period (or up to 21 days where the default is no fault of the Defendants and is
6 out of Defendants' control). (*See*, Ex. A).

7 6. Therefore, Defendants acknowledge their liability and debt owed to the
8 United States in the amount of One Million Four Hundred Eighty-Nine Thousand
9 Three Hundred Forty-Two Dollars (\$1,489,342), to the State of California in the
10 amount of Four Hundred Seventy-Six Thousand Two Hundred Sixty-Seven Dollars
11 (\$476,267), and to the Bothwell Law Group in the amount of Four Million Thirty-
12 Four Thousand Three Hundred Ninety-One Dollars (\$4,034,391) for a total of Six
13 Million Dollars (\$6,000,000), plus post-judgment interest at the judgment rate, plus
14 attorneys' fees and costs, less any amounts that have already been paid in connection
15 with the Parties' violations of the FCA and the CFCA. (*See*, Ex. A, Recitals).

16 7. This Consent Judgment may not be avoided pursuant to 11 U.S.C. § 547.

17 8. Any claims, actions or proceedings brought by the United States, the
18 State of California, and/or Relator's counsel to collect this Judgment are not subject
19 to an "automatic stay" under the Federal Bankruptcy Laws.

20 9. All terms of the Settlement Agreement are to remain in effect,
21 notwithstanding entry of this Judgment.

22 10. The United States, the State of California, and Relator's counsel reserve
23 the right to take all actions permitted by law to collect the judgment debt, including
24 actions provided in the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3001
25 *et seq.*, should Defendants fail to pay the debt in full within ten (10) days (or up to 21
26 days where the default is no fault of the Defendants and is out of Defendants' control)
27 of the notice of default as outlined in the Settlement Agreement. (*See*, Ex. A).

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1 11. The Court shall retain jurisdiction over this case for purposes of
2 enforcing the Settlement Agreement and this Consent Judgment and Order.

3 The foregoing Consent Judgment is hereby **APPROVED** and **ORDERED**
4 **TO BE ENTERED AS A JUDGMENT OF THIS COURT**, this 4th day of
5 March, 2025.

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10 Hon. Jesus G. Bernal
11 District Judge

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1 Consented to:

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ON BEHALF OF THE RELATOR

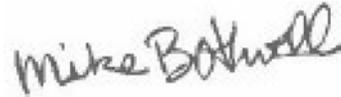
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AND ON BEHALF OF THE BOTHWELL LAW GROUP, P.C.

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Dated: 1/28/2025



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Mike Bothwell

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Bothwell Law Group, P.C.

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Counsel for Relator

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ON BEHALF OF THE DEFENDANTS

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Dated: 2/3/2025



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Elizabeth Mitchell

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Umhofer, Mitchell & King, LLP

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Counsel for Defendants

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