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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,)	1:06-cv-1712 AWI SMS
)	
Plaintiff,)	CONSENT JUDGMENT PURSUANT TO
)	AGREEMENT BETWEEN THE PARTIES
v.)	
)	
RUSSELL T. SCHAFER,)	
)	
Defendant.)	
)	

Pursuant to the Settlement Agreement entered into between the United States of America and Russell T. Schafer (hereinafter referred to as “Debtor”) (hereinafter referred to as “Agreement”), the Court finds:

In order to resolve litigation in U.S. Attorney’s Office (“USAO”) Case Number 2001V00777 in the Eastern District of California, the parties herein agreed as follows:

1. Indebtedness and Consent Judgment. As of September 14, 2006, the total amount of the debt owed by the Debtor for Health and Human Service Claim Number HHRS-50026371 is \$189,100.48 (hereinafter “debt”), which includes the principal, accrued interest and late payment charges, if any. However, upon payment of a compromised balance of \$80,652.80 (hereinafter “compromised balance”), the United States will consider the debt paid in full. The Debtor agreed to have Judgment entered against him for the original amount of the debt. Accordingly, as part of the Agreement, the parties agreed that interest shall accrue on the compromised balance at a rate of 3% or at the post-judgment interest rate applicable to judgments entered in federal court as provided by

1 28 U.S.C. § 1961, whichever rate is the lowest. The parties further agreed that if Debtor defaults on
2 the Agreement, that interest shall accrue on the original amount of the debt from date of default at
3 the post-judgment interest rate applicable to judgments entered in federal court as provided by 28
4 U.S.C. § 1961. Agreement at ¶ 4.

5 **2. Payment Schedule.** The Debtor agreed to make payments of at least \$300.00 (Three
6 Hundred Dollars and No/Cents) per month, due on the 15th day of each month, beginning on
7 December 15, 2006, and continuing until the compromised balance is paid in full or until the Debtor
8 is notified by the U.S. Department of Justice (“DOJ”) of a modified payment schedule. The Debtor
9 agreed to submit in a timely manner each year any financial documentation required by DOJ, which
10 may be used to modify the payment schedule of the Debtor. Agreement at ¶ 5.

11 All payments shall be made payable to: “U.S. Department of Justice” and mailed to:
12 United States Attorney’s Office, attention: Financial Litigation Unit, 501 I Street, Suite 10-100,
13 Sacramento, California 95814, unless and until directed otherwise in writing by the USAO. *Id.*

14 **3. Default on Agreement.** Should Debtor default on the Agreement, the United States may
15 take any steps authorized by law to enforce its judgment. Agreement at ¶ 6.

16 **4. Bankruptcy.** The Debtor agreed that if a voluntary or involuntary bankruptcy is
17 commenced by or against the debtor, that the Debtor’s failure to comply with the Agreement,
18 including but not limited to the payment terms in paragraph 5 thereof, will not be excused by the
19 commencement of the bankruptcy by or against the Debtor, and will be considered a default on the
20 Agreement for purposes of paragraph 6 thereof, notwithstanding the commencement of the
21 bankruptcy. Agreement at ¶ 7.

22 **5. Severability Clause.** In the event any parts of the Agreement are found to be void, the
23 remaining provisions of the Agreement shall nevertheless be binding with the same effect as though
24 the void parts were deleted. Agreement at ¶ 8.

25 **6. Effect of the Agreement.** The Agreement contains a complete description of the bargain
26 between the parties. All material representations, understandings and promises of the parties
27 concerning the repayment of the debt are contained in the Agreement. Any modifications must be set
28 forth in writing and signed by all parties. The Debtor represented that the Agreement was entered

1 into with knowledge of the events described therein. The Debtor further represented that the
2 Agreement was voluntarily entered into to resolve the litigation in USAO Case Number
3 2001V00777. Agreement at ¶ 9.

4 **7. Execution of the Agreement.** The United States Attorney represented that he received
5 the concurrence of HHS to the monetary terms of the Agreement, and will promptly forward an
6 executed copy of the Agreement to HHS's Program Support Center. Agreement at ¶ 10.

7 Based upon the above findings, and the Court being otherwise fully advised in the premises,
8 it is hereby

9 ORDERED AND ADJUDGED:

10 That the Court adopts the Settlement Agreement entered into by and between the parties.
11

12 IT IS SO ORDERED.

13 **Dated: November 28, 2006**
14 Om8i78

/s/ Anthony W. Ishii
UNITED STATES DISTRICT JUDGE