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UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 ALVA W. PENDERGRASS, III, Ph.D., )  
 )  
 Defendant )  
 )

Case No. 1:06-cv-01718  
CONSENT JUDGMENT PURSUANT TO  
AGREEMENT BETWEEN THE PARTIES

Pursuant to the Settlement Agreement entered into between the United States of America and Alva W. Pendergrass, III, Ph.D. (hereinafter referred to as "Debtor"), true and correct copy of which is attached hereto as Exhibit A (hereinafter referred to as "Agreement"), the Court finds:

In order to resolve litigation in U.S. Attorney's Office ("USAO") Case Number 2006V00009 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-50127661 is \$50,208.66 (hereinafter "debt"), which includes the principal, accrued interest and late payment charges, if any. The Debtor agreed to have Judgment entered against him for the total amount of his indebtedness. Accordingly, as part of the Agreement, the parties agreed that interest shall accrue at the post-judgment interest rate applicable to judgments entered in federal court as provided by 28 U.S.C. § 1961. Agreement at ¶ 4.

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1           2. **Payment Schedule.** The Debtor agreed to make payments of at least \$300.00 (Three  
2 Hundred Dollars and No/Cents) per month, due on the 20<sup>th</sup> day of each month, beginning on  
3 December 20, 2006, and continuing until the compromised balance is paid in full or until the Debtor  
4 is notified by the U.S. Department of Justice (“DOJ”) of a modified payment schedule. The Debtor  
5 agreed to submit in a timely manner each year any financial documentation required by DOJ, which  
6 may be used to modify the payment schedule of the Debtor. Agreement at ¶ 5.

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

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

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

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

21           6. **Effect of the Agreement.** The Agreement contains a complete description of the bargain  
22 between the parties. All material representations, understandings and promises of the parties  
23 concerning the repayment of the debt are contained in the Agreement. Any modifications must be set  
24 forth in writing and signed by all parties. The Debtor represented that the Agreement was entered  
25 into with knowledge of the events described therein. The Debtor further represented that the  
26 Agreement was voluntarily entered into to resolve the litigation in USAO Case Number  
27 2006V00009. Agreement at ¶ 9.

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

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

6           ORDERED AND ADJUDGED:

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

8           IT IS SO ORDERED.

9   **Dated: December 2, 2006**  
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/s/ Oliver W. Wanger  
UNITED STATES DISTRICT JUDGE

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