

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (“Settlement Agreement”) is entered into this 2<sup>nd</sup> day of October, 2025 (“Effective Date”) by and between Fountains CCRC Holding, LLC d/b/a Allegria at the Fountains, and owners, Fountains CCRC Holding, LLC, Sage Operations NJ, LLC, Samuel Tennenbaum and Avraham Satt (hereinafter “Allegria at the Fountains”), and the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division (“MFD”). Allegria at the Fountains and MFD are hereinafter collectively referred to as the “Parties” and each individually as a “Party.”

WHEREAS, MFD, through its Third Party Liability services vendor, HMS, determined, pursuant to a Long Term Care Payment audit, that Allegria at the Fountains improperly received Medicaid Managed Care and Medicaid Fee For Service (“FFS”) patient liability and claim overpayments between February 1, 2020 and July 31, 2023 to which Allegria at the Fountains was not entitled (“Covered Conduct”); and

WHEREAS, MFD determined that, based on the Covered Conduct, Allegria at the Fountains received an overpayment from the Medicaid program totaling \$192,286.25 (\$191,465.75 attributable to Medicaid Managed Care overpayments and \$820.50 to Medicaid FFS overpayments); and

WHEREAS, the Parties desire to amicably resolve the matter and have reached a mutually acceptable resolution of the controversies that exist between them; and

NOW THEREFORE, in consideration of the mutual promises contained herein, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to settle their dispute on the following terms:

(1) Allegria at the Fountains agrees to pay the total sum of One Hundred Ninety-Two Thousand Two Hundred Eighty-Six Dollars and Twenty-Five Cents (\$192,286.25) to MFD within five (5) months of the execution of this Settlement Agreement (the Total Payment Amount).

Payment shall be made to MFD in six (6) monthly payments on or before the first day of each month, as follows:

(a)	October 15, 2025	\$32,047.71
(b)	November 15, 2025	\$32,047.71
(c)	December 15, 2025	\$32,047.71
(d)	January 15, 2026	\$32,047.71
(e)	February 15, 2026	\$32,047.71
(f)	March 15, 2026	\$32,047.70

(2) Payment to MFD shall be by certified check, bank check, or attorney trust check, made payable to “Treasurer, State of New Jersey,” and shall be mailed or delivered as follows:

Treasurer, State of New Jersey  
P.O. Box 417754  
Boston, MA 02241-7754

“Allegria at the Fountains - [REDACTED]” must be included in the memo line so that payment is properly credited.

(3) Upon execution of this Settlement Agreement, MFD will file a Certificate of Debt against Allegria at the Fountains in the amount of \$192,286.25 with the Superior Court of New Jersey for the full amount of the overpayment. As soon as practicable after receipt of the Total Payment Amount from Allegria at the Fountains, MFD shall file a Warrant to Discharge with the Clerk of the Superior Court of New Jersey indicating that the Certificate of Debt filed against Allegria at the Fountains is satisfied and should be removed from the Court’s docketed list of judgments, with a copy of such filing sent to Allegria at the Fountains.

(4) If payment as provided for in this Settlement Agreement is more than ten (10) days late, Allegria at the Fountains will be in default of this Settlement Agreement, and the total remaining unpaid balance plus interest accruing from the date of default will immediately become due (“the Default Amount”). Should Allegria at the Fountains not cure the default within five (5) business days of receiving notice of default, the Default Amount immediately will be collected

through any means available to MFD as provided by law. Allegria at the Fountains agrees that a default of this Settlement Agreement constitutes good cause for exclusion pursuant to N.J.A.C. 10:49-11.1(d), and MFD reserves the right to exclude Allegria at the Fountains from the New Jersey Medicaid program until the Default Amount is repaid to MFD.

(5) Allegria at the Fountains agrees to act in full compliance with all applicable state and federal rules and regulations, including but not limited to, submitting only claims that accurately and completely reflect the services provided. To that end, Allegria at the Fountains agrees to only submit claims for services provided for which Allegria at the Fountains possesses sufficient documentation to support such claims and will implement policies to ensure that the underlying issues that caused or contributed to the Covered Conduct will be appropriately addressed and thereby not repeated.

(6) The Parties agree that this Settlement Agreement is intended to be a final resolution of all issues arising out of the Covered Conduct, referenced above, and is intended by each party to release the other party and its representatives from liability arising out of the Covered Conduct, unless MFD is mandated to act by federal or State law, or mandated by order or judgment of a court or administrative agency (other than MFD).

(7) Nothing in this Settlement Agreement waives the rights of any other state or federal agency, including, among others, the New Jersey Office of Attorney General, from continuing with a pending or beginning a future civil or criminal investigation or other action for alleged conduct concerning Allegria at the Fountains or from taking any action for such conduct. Nothing in this Settlement Agreement waives the rights of MFD to conduct an audit or investigation for the improper submission of any claims or conduct not specifically covered by this Settlement Agreement, and to take any action for such conduct, subject to and as limited by applicable law.

(8) The terms of this Settlement Agreement may be modified only by a subsequent written agreement signed by all Parties.

(9) Subject to the express terms of this Settlement Agreement as provided for in paragraphs 1-8 above, by the signatures set forth below, the authorization of which is hereby affirmed, Allegria at the Fountains and MFD agree to the following Release: in consideration of the provisions hereof including this release, each party agrees to release the other party and its employees, representatives, officers and directors from liability, obligations and damages arising out of the Covered Conduct.

(10) Nothing herein shall constitute an admission, concession, waiver or finding of wrongdoing or liability by any party.

(11) This Settlement Agreement shall be construed, enforced and governed by the laws of the State of New Jersey.

(12) This Settlement Agreement may be executed in Counterparts.

(13) This Settlement Agreement is effective upon the Effective Date reflected on the first page of the Settlement Agreement.

(14) This Settlement Agreement sets forth the entire agreement between and among the Parties hereto with respect to the claims described herein and supersedes any other written or oral understandings. This Settlement Agreement does not reflect any other terms or conditions or agreements between or among the Parties with respect to any other matter.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto, on the following page, have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

**FOUNTAINS CCRC HOLDING, LLC**

DATE:

By: Sam Tannenbaum  
Samuel Tennebaum,  
Individually and as Authorized  
Signatory for Fountains CCRC  
Holding, LLC and Sage  
Operations NJ, LLC

DATE:

By: Avraham Satt  
Avraham Satt, Individually and  
as Authorized Signatory for  
Fountains CCRC Holding, LLC  
and Sage Operations NJ, LLC

**KEVIN D. WALSH  
ACTING STATE COMPTROLLER**

DATE: 10/2/2025

By: Josh Lichtblau  
Josh Lichtblau, Director  
Medicaid Fraud Division

DATE: 10/2/2025

By: Justin Berardo  
Justin Berardo,  
Assistant Division Director  
Regulatory and Exclusion Unit  
Medicaid Fraud Division

DATE: 10/2/2025

By: Michal Czarnecki  
Michal Czarnecki  
Regulatory Officer  
Medicaid Fraud Division