

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE ("Settlement Agreement") is entered into this 28th day of May 2026 ("Effective Date") by and between Community Pharmacy & Surgical Inc., and its owner Hasan Chaudhry (hereinafter collectively "Community Pharmacy"), represented by Satish V. Poondi, Esq. of Trenk Isabel Siddiqi & Shahdanian P.C., and the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division ("MFD"). Community Pharmacy and MFD are hereinafter collectively referred to as the "Parties" and each individually as a "Party."

WHEREAS, MFD conducted a pharmacy inventory investigation and found that between February 1, 2022 through November 8, 2023, Community Pharmacy was reimbursed by the Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) and/or its fiscal agent and/or the Managed Care Organizations (MCO) for submitting 190 claims that could not be supported by wholesaler invoices in violation of N.J.S.A. 30:4D-12(d), N.J.A.C. 10:49-5.5(a)(17), N.J.A.C. 10:49-9.8, N.J.A.C. 13:39-7.6, and N.J.A.C. 13:39-4.19 ("Covered Conduct"); and

WHEREAS, MFD determined that, based on the Covered Conduct, Community Pharmacy received an overpayment from the Medicaid program totaling \$12,398.98 for 190 claims that could not be supported by wholesaler invoices; and

WHEREAS, MFD issued an Amended Notice of Claim, Certificate of Debt, and Notice of Withhold in this matter and money has been withheld pursuant to the Notice of Withhold by DMAHS and/or its fiscal agent and/or one or more MCOs (these funds hereinafter referred to as "Withheld Funds"); and

WHEREAS, the parties desire to amicably resolve the dispute regarding the alleged overpayment 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 are hereby acknowledged, the parties agree to settle their dispute on the following terms:

(1) Community Pharmacy agrees to pay MFD the total sum of Twelve Thousand Three Hundred Ninety-Eight dollars and Ninety-Eight cents (\$12,398.98), (Total Payment Amount”), which shall be made as follows:

- i. Community Pharmacy agrees to allow MFD to apply Withheld Funds as part of the settlement of this matter and MFD agrees that the Withheld Funds will be applied toward the Total Payment Amount set forth in paragraph (1). At present, MFD estimates the Withheld Funds to be approximately \$0.00 (“Estimated Withheld Funds”). Within five (5) days of the execution of this Settlement Agreement, MFD shall notify DMAHS and each MCO immediately to take the necessary steps to terminate withholding of otherwise payable funds. The parties understand that the Withheld Funds cannot be determined until MFD has completed an accounting of such funds. MFD shall make all reasonable efforts to provide to Community Pharmacy an accounting of Withheld Funds no later than sixty (60) days after the Effective Date of this Settlement Agreement.

(2) Community Pharmacy will pay the difference between the Total Payment Amount and the Estimated Withheld Funds amount, which is Twelve Thousand Three Hundred Ninety-Eight dollars and Ninety-Eight cents (\$12,398.98) (“Estimated Balance Due”), within thirty (30) days of the execution of this Settlement Agreement.

(3) MFD will release to Community Pharmacy any Withheld Funds held by MFD in excess of the Total Payment Amount of \$12,398.98 as set forth above in paragraph (1), within

thirty (30) days of completion of the accounting of the Withheld Funds or after MFD is in receipt of the Total Payment Amount from Community Pharmacy, whichever is later.

(4) Nothing in this Settlement Agreement precludes Community Pharmacy from disputing the amount of the Withheld Funds by any means permitted by law.

(5) Community Pharmacy agrees to pay any remaining portion of the Total Payment Amount set forth in paragraph (1) should the sum of the Withheld Funds and the Estimated Balance Due be less than the Total Payment Amount. Payment of this balance, if any, will be made within thirty (30) days of notification by MFD that the Withheld Funds and the Estimated Balance Due are less than the Total Payment Amount.

(6) 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:

Attention: Processing Bureau
Treasurer, State of New Jersey
Division of Revenue
200 Woolverton Street, Building 20
Lockbox 656
Trenton, New Jersey 08646

"Community Pharmacy - [REDACTED]" must be included in the memo line so that payment is properly credited.

(7) As soon as practicable after receipt of the Total Payment Amount from Community Pharmacy, 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 Community Pharmacy is satisfied and should be removed from the Court's docketed list of judgments, with a copy of such filing sent to Community Pharmacy.

(8) If payment as provided for in this Settlement Agreement is more than ten (10) days late, Community Pharmacy 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 Community Pharmacy 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. Community Pharmacy 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 Community Pharmacy from the New Jersey Medicaid program until the Default Amount is repaid to MFD.

(9) Community Pharmacy agrees to act in full compliance with all applicable state and federal laws and regulations, including but not limited to submitting only claims that accurately and completely reflect the services provided. To that end, Community Pharmacy agrees to only submit claims for services provided for which Community Pharmacy 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. If Community Pharmacy is again found to improperly documented claims, MFD may deem Community Pharmacy to have acted knowingly and willfully and MFD may take such action as deemed appropriate, including but not limited to seeking monetary damages, civil penalties, and/or sanctions, based on Community Pharmacy knowing and willful conduct.

(10) 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, including MFD’s investigation, and is intended by each party to release the other party and its representatives from liability arising out of the Covered Conduct, including MFD’s investigation, 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).

(11) 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 Community Pharmacy or from taking any action for such conduct. Nothing in this Settlement Agreement waives the rights of MFD to conduct an investigation or audit regarding the improper submission of any claims or conduct not specifically covered by this Settlement Agreement, or to take any action for such conduct, subject to and as limited by applicable law.

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

(13) Subject to the express terms of this Settlement Agreement as provided for in paragraphs 1-12 above, by the signatures set forth below, the authorization of which is hereby affirmed, Community Pharmacy and MFD agree to the following Release: in consideration of the provision 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 and MFD's investigation.

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

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

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

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

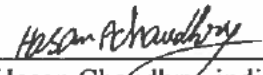
(18) This Settlement Agreement sets forth the entire agreement between and among the parties hereto with respect to the claims described herein and supersedes any other written or oral understanding. This Settlement Agreement does not reflect any other terms or conditions or agreements between or among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

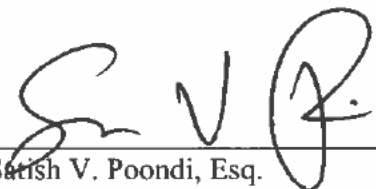
FORM AND CONTENT ACCEPTED AND AGREED TO BY:

**COMMUNITY PHARMACY & SURGICAL
INC.**

DATE: 5/22/24


Hasan Chaudhry, individually
and as authorized signatory for
Community Pharmacy

DATE: 5/22/24


Satish V. Poondi, Esq.
Trenk Isabel Siddiqi & Shahdanian P.C.
Attorney for Community Pharmacy

**SHIRLEY U. EMEHELU
ACTING STATE COMPTROLLER**

DATE: 5/28/26

By: *Josh Lichtblau*
Josh Lichtblau, Director
Medicaid Fraud Division

DATE: 5/28/26

By: *Nina Galletto*
Nina Galletto, Assistant Deputy Director
Medicaid Fraud Division

DATE: 5/28/26

By: *Niccole Sandora*
Niccole L. Sandora, Regulatory Officer
Medicaid Fraud Division