

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE ("Settlement Agreement") is entered into this 14th day of May, 2025 ("Effective Date") by and between CRNC Operating, LLC d/b/a Cranford Rehab & Nursing Center, and owners, CRRE Holdings, LLC, Judy Kushner, Abraham Gutnicki, and Ronit Gutnicki, (hereinafter Cranford Rehab & Nursing Center), and the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division ("MFD"). Cranford Rehab & Nursing Center 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 Cranford Rehab & Nursing Center improperly received Medicaid Managed Care and Medicaid Fee For Service ("FFS") patient liability and claim overpayments between April 1, 2019 and April 30, 2021 to which Cranford Rehab & Nursing Center was not entitled ("Covered Conduct"); and

WHEREAS, MFD determined that, based on the Covered Conduct, Cranford Rehab & Nursing Center received an overpayment from the Medicaid program totaling \$381,152.00 (\$366,231.34 attributable to Medicaid Managed Care overpayments and \$14,920.66 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) Cranford Rehab & Nursing Center agrees to pay the total sum of Three Hundred Eighty-One Thousand One Hundred Fifty-Two Dollars and Zero Cents (\$381,152.00) to MFD within six (6) 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 fifteenth day of each month, as follows:

(a)	May 15, 2025	\$63,525.33
(b)	June 15, 2025	\$63,525.33
(c)	July 15, 2025	\$63,525.33
(d)	August 15, 2025	\$63,525.33
(e)	September 15, 2025	\$63,525.33
(f)	October 15, 2025	\$63,525.35

(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

"Cranford Rehab & Nursing Center - [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 Cranford Rehab & Nursing Center in the amount of \$381,152.00 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 Cranford Rehab & Nursing Center, 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 Cranford Rehab & Nursing Center is satisfied and should be removed from the Court's docketed list of judgments, with a copy of such filing sent to Cranford Rehab & Nursing Center.

(4) If payment as provided for in this Settlement Agreement is more than ten (10) days late, Cranford Rehab & Nursing Center 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 Cranford Rehab & Nursing Center 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. Cranford Rehab & Nursing Center 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 Cranford Rehab & Nursing Center from the New Jersey Medicaid program until the Default Amount is repaid to MFD.

(5) Cranford Rehab & Nursing Center 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, Cranford Rehab & Nursing Center agrees to only submit claims for services provided for which Cranford Rehab & Nursing Center 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 Cranford Rehab & Nursing Center 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, Cranford Rehab & Nursing Center 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:

CRNC Operating, LLC

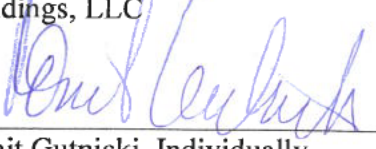
DATE:

By: _____
Judy Kushner, Individually and as
authorized signatory for
CRNC Operating, LLC & CRRE
Holdings, LLC

DATE:

By:  _____
Abraham Gutnicki, Individually and as
authorized signatory for
CRNC Operating, LLC & CRRE
Holdings, LLC

DATE:

By:  _____
Ronit Gutnicki, Individually

**KEVIN D. WALSH
ACTING STATE COMPTROLLER**

DATE:

By: _____
Josh Lichtblau, Director
Medicaid Fraud Division

DATE:

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

DATE:

By: _____
Michal Czarnecki
Regulatory Officer
Medicaid Fraud Division

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

By: Michal Czarnecki
Michal Czarnecki
Regulatory Officer
Medicaid Fraud Division