

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE ("Settlement Agreement") is entered into this 1st day of April 2026 ("Effective Date") by and between Shree Shakti Inc. d/b/a DeRosa Pharmacy and its owners, Purnima Shah and Shailesh Shah (hereinafter collectively "DeRosa Pharmacy"), represented by Mena R. Francis, Esq. of Mendelbaum Barrett PC., and the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division ("MFD"). DeRosa 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, 2015 and January 1, 2020, DeRosa 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 218 claims that could not be supported by wholesaler invoices in violation of N.J.S.A. 30:4D-12(d), N.J.S.A. 30:4D-17(e), 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, DeRosa Pharmacy received an overpayment from the Medicaid program totaling \$28,643.42 for 218 claims that could not be supported by wholesaler invoices; and

WHEREAS, MFD previously conducted a pharmacy inventory investigation of DeRosa Pharmacy for the review period of January 1, 2010 through March 31, 2014 and, DeRosa Pharmacy subsequently entered into a settlement agreement on June 29, 2016 based on MFD's findings; and

WHEREAS, MFD determined that civil penalties against DeRosa Pharmacy and its owners was appropriate because this is a subsequent offense of the same nature; and

WHEREAS, MFD determined that civil penalties against DeRosa Pharmacy and its owners was appropriate here because this is a subsequent offense of the same nature; and

WHEREAS, MFD has applied a total civil penalty of \$5,000.32 (single penalty of \$2,500.16 to DeRosa Pharmacy, and a single penalty of \$2,500.16 divided equally among the owners as follows: \$1,250.08 to Purinma Shah, and \$1,250.08 to Shailesh Shah) for the period of June 30, 2016 to January 1, 2020, which constitutes the period for the subsequent offense; and

WHEREAS, on February 18, 2026, MFD issued a 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 MCO (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 is hereby acknowledged, the parties agree to settle their dispute on the following terms:

(1) DeRosa Pharmacy agrees to pay MFD the total sum of Thirty-Three Thousand, Six Hundred Forty-Three Dollars and Seventy-Four Cents (\$33,643.74) ("Total Payment Amount"), which is comprised of \$28,643.42 in overpayment and \$5,000.32 in civil penalties.

(2) DeRosa 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 ("Estimate Withheld Funds").

(3) 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 DeRosa Pharmacy an accounting of Withheld Funds no later than sixty (60) days after the Effective Date of this Settlement Agreement.

(4) DeRosa Pharmacy will pay the difference between the Total Payment Amount and the estimated Withheld Funds amount, which is Thirty-Three Thousand, Six Hundred Forty-Three Dollars and Seventy-Four Cents (\$33,643.74) ("Estimated Balance Due") in monthly payments. The payments are to be made by way of six (6) monthly installments due on or before the fifteenth day of the month starting April 15, 2026, as follows:

- i. April 15, 2026 - \$5,607.29;
- ii. May 15, 2026 - \$5,607.29;
- iii. June 15, 2026 - \$5,607.29;
- iv. July 15, 2026 - \$5,607.29;
- v. August 15, 2026 - \$5,607.29; and
- vi. September 15, 2026 - \$5,607.29.

(5) MFD will release to DeRosa Pharmacy any Withheld Funds held by MFD in excess of the Total Payment Amount of \$33,643.74 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 DeRosa Pharmacy, whichever is later.

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

(7) DeRosa 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.

(8) 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

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

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

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

(11) DeRosa 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, DeRosa Pharmacy agrees to only submit claims for services provided for which DeRosa 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 DeRosa Pharmacy is again found to have improperly documented claims, MFD may deem DeRosa 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 DeRosa Pharmacy knowing and willful conduct.

(12) 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).

(13) 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 DeRosa 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.

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

(15) Subject to the express terms of this Settlement Agreement as provided for in paragraphs 1-14 above, by the signatures set forth below, the authorization of which is hereby affirmed, DeRosa 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.

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

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

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

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

(20) 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:

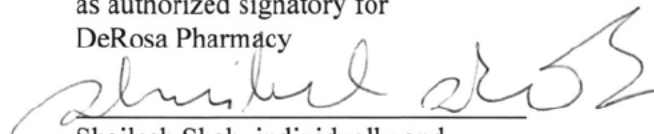
FORM AND CONTENT ACCEPTED AND AGREED TO BY:

**SHREE SHAKTI INC., D/B/A DeROSA
PHARMACY**

DATE: 3/31/2026


Purnima Shah, individually and
as authorized signatory for
DeRosa Pharmacy

DATE: 3/31/2026


Shailesh Shah, individually and
as authorized signatory for
DeRosa Pharmacy

DATE: 3/31/2026


Merla R. Francis, Esq.
Mandelbaum Barrett PC
Attorney for DeRosa Pharmacy

**SHIRLEY U. EMEHELU
ACTING STATE COMPTROLLER**

DATE: 4/1/2026

By: 
Josh Lichtblau, Director
Medicaid Fraud Division

DATE: 4/1/2026

By: 
Nina Galletto, Assistant Deputy Director
Medicaid Fraud Division

DATE: 4/1/2026

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