

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (“Settlement Agreement”) is entered into this 4th day of January, 2017 (“Effective Date”) by and between La Esperanza Pharmacy Corporation, Benita Lim and Clarissa Cauli, respectively (hereinafter collectively referred to as “La Esperanza Pharmacy”) and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). La Esperanza Pharmacy and MFD may hereinafter collectively be referred to as the "Parties" and each individually as a “Party.”

WHEREAS, MFD investigated La Esperanza Pharmacy and found that between June 1, 2009 and May 31, 2014, La Esperanza Pharmacy submitted 7,398 claims that failed to have necessary supporting documentation in violation of the Provider Agreement between La Esperanza Pharmacy and the New Jersey Division of Medical Assistance and Health Services (“Medicaid”) dated September 15, 2005, N.J.S.A. 30:4D-12(d), N.J.A.C. 10:49-9.8(b), N.J.A.C. 13:39-7.6 and N.J.A.C. 10:49-5.5(a), and between July 25, 2012 and March 30, 2015, La Esperanza Pharmacy submitted 54,111 claims without disclosing an ownership change or entering into a contract, in violation of N.J.A.C. 10:49-5.5(a), N.J.A.C. 10:51-1.2(b), N.J.A.C. 10:49-21.4(c) and 42 C.F.R. 455.104(c) (collectively, the “Covered Conduct”);

WHEREAS, MFD determined that, based on the Covered Conduct, La Esperanza Pharmacy had received overpayments from Medicaid; and

WHEREAS, the Parties desire to amicably resolve all disputes between them giving rise to the Covered Conduct and have reached a mutually acceptable resolution of the controversies that exist between them;

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) La Esperanza Pharmacy agrees to pay to MFD the sum of Three Hundred Forty Seven Thousand Five Hundred Eighty Two Dollars (\$347,582.00) as follows:

An initial payment of Two Hundred Thousand Dollars (\$200,000.00) within 30 days of the Effective Date. Thereafter, La Esperanza Pharmacy agrees to pay to MFD twelve (12) consecutive monthly payments of Twelve Thousand Two Hundred Ninety Eight Dollars and Fifty Cents (\$12,298.50) on or before the 1st of each month starting March 1, 2017.

(2) Payment 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

“La Esperanza Pharmacy – OSC-MFD” must be included in the memo line so that payment is properly credited.

(3) If any payment provided for in this Settlement Agreement is more than ten (10) days late, La Esperanza Pharmacy will be in default of this Settlement Agreement and the outstanding and unpaid balance will immediately become due and collected through any means available to MFD as provided by law.

(4) The Parties agree that this Settlement Agreement is intended to be a final resolution of all issues arising out of the Covered Conduct, and is intended by each Party to release the other Party and its representatives from liability arising out of the Covered Conduct.

(5) Nothing in this Settlement Agreement waives the rights of any other State or Federal agency, including, among others, the New Jersey Division of Criminal Justice, from continuing

with a pending, if any, or beginning a future civil, administrative or criminal investigation or other action for alleged conduct concerning La Esperanza Pharmacy or from taking any action for such conduct. Nothing in this Settlement Agreement waives the rights of MFD to conduct an audit or investigation of conduct outside of the Covered Conduct for any claims or conduct not specifically covered by this Settlement Agreement, and to take any action it deems appropriate to address such conduct.

(6) Subject to adherence to the express terms of this Settlement Agreement as provided for in paragraphs 1-5 above, by the signatures set forth below, the authorization of which is hereby affirmed, La Esperanza 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 representatives from liability, obligations and damages arising out of the Covered Conduct.

(7) Nothing herein shall constitute an admission, concession or finding of liability by any Party.

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

(9) This Settlement Agreement may be executed in counterparts.

(10) This Settlement Agreement is effective upon the last date it is executed by the Parties hereto.

(11) 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 have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

DATE: 12/30/16

By: Benita Lim
Benita Lim, Former President,
La Esperanza Pharmacy
Corporation and in her
individual capacity

DATE: 1/3/17

By: Clarissa Cauli
Clarissa Cauli, President, La Esperanza
Pharmacy Corporation and in her
individual capacity

DATE:

By: _____
Josh Lichtblau, Director
Office of the State Comptroller
Medicaid Fraud Division

DATE:

By: _____
Daniel A. Prupis, Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

DATE:


By: _____
Benita Lim, Former President,
La Esperanza Pharmacy
Corporation and in her
individual capacity

DATE:

By: _____
Clarissa Cauli, President, La Esperanza
Pharmacy Corporation and in her
individual capacity

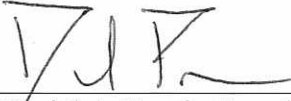
DATE:

1/4/2017

By: 
Josh Lichtblau, Director
Office of the State Comptroller
Medicaid Fraud Division

DATE:

1/4/2017

By: 
Daniel A. Prupis, Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division