

SUPREME COURT OF THE STATE OF NEW YORK
FOR THE COUNTY OF NEW YORK

STATE OF NEW YORK *ex rel.* Erik Clayton,

Plaintiff,

-against-

ABLE RENTALS INC.; ABARN EQUIPMENT
CORP.; MYRON SCHULMAN; MARTIN
SCHULMAN,

Defendants.

Index No. 100735/2020

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (“Agreement”) is entered into among the State of New York (the “State”), defendants Abarn Equipment Corp., Able Rentals Inc., Myron Schulman and Martin Schulman (collectively, “Defendants”), and Relator Erik Clayton (the “Relator”), through their authorized representatives. The above-named parties are hereinafter collectively referred to as “the Parties.”

PREAMBLE

WHEREAS, on or about August 12, 2020, Relator filed a *qui tam* action (the “Action”) captioned *State of New York ex rel. Erik Clayton v. Abarn Equipment Corp., d/b/a Barn Rentals, Myron Shulman, Martin Shulman, Ben Shulman*, pursuant to the New York False Claims Act, N.Y. State Finance Law §§ 187 *et seq.* (“NYFCA”), alleging that Defendants knowingly made, used, or caused to be made or used, false statements or records that were material to Defendants’ obligation to pay or transmit money to the State; and

WHEREAS, on June 17, 2025, Relator filed an Amended Complaint captioned

State of New York ex rel. Erik Clayton v. Able Rentals Inc.; Abarn Equipment Corp.; Myron Schulman; Martin Schulman; and

WHEREAS, the Office of the Attorney General commenced an investigation in connection with the allegations in the Relator's Complaint and Amended Complaint; and

WHEREAS, as a result of that investigation, the State contends that it has certain civil claims against Defendants under the NYFCA and Executive Law § 63(12); and

WHEREAS, Defendants have agreed to this Agreement in settlement of the violations alleged below and to avoid the time, expense, and distraction of litigation, and the Office of the Attorney General has agreed to accept the terms of the Agreement and discontinue its investigation in connection with the allegations of the Complaint in the Action; and

WHEREAS, Relator claims entitlement under State Fin. Law § 190(6) to a share of the proceeds of this Agreement, and to Relator's reasonable expenses, attorney's fees and costs;

NOW THEREFORE, in consideration of the mutual promises and obligations of the Agreement, the Parties agree fully and finally to settle this Action pursuant to the Terms and Conditions below.

BACKGROUND

1. Defendant Abarn Equipment Corp. ("Abarn") is a corporation with a principal place of business at 57-05 Broadway, Woodside, New York.

2. Defendant Able Rentals, Inc. ("Able") is a corporation with a principal place of business at 57-00 Broadway, Woodside, New York.

3. Defendant Myron Schulman ("Myron Schulman") is an officer and co-owner of Abarn and Able, with a residence at [REDACTED]

4. Defendant Martin Schulman (“Martin Schulman”) is an officer and co-owner of Abarn and Able, with a residence at [REDACTED].

5. Abarn and Able operate a van and truck rental and sale business under the name Barn Truck Rental with two locations in Queens, New York. Both locations employ a point-of-sale system, called TSD Rental, that, among other things, automatically calculates and records sales tax on every taxable transaction.

6. New York imposes a sales tax on the receipts of every taxable sale of tangible personal property, which includes the rental and sale of trucks and equipment. In New York City, the total sales tax rate is 8.875%. The Schulmans knew that Abarn and Able had an obligation under the Tax Law to remit to the State sales tax on taxable transactions, because their accountant had informed them of that obligation. But since at least 2014, the Schulmans, with the aid of their accountants, caused both Abarn and Able to file sales tax returns to New York State that significantly understated the amount of sales tax actually due to be remitted based on the transactions recorded by TSD Rental. The Schulmans nevertheless collected the sales tax from their customers, but did not remit all of it.

7. Both Myron Schulman and Martin Schulman knew that TSD Rental accurately recorded Abarn and Able transactions, including sales tax collected on every taxable transaction. The Schulmans regularly reviewed the TSD Rental data to monitor and value the two businesses. For example, in March 2019, Myron and Martin Schulman reviewed the 2018 business results recorded in TSD Rental. And in 2020, Myron and Martin Schulman reviewed the TSD Rental data regularly to gauge the impact of Covid.

As Myron Schulman explained in an email to a lawyer (not retained by him), the TSD Rental records “reflect daily transactions.”

8. The Schulmans never informed the accounting firm that helped Abarn and Able prepare and file quarterly sales tax returns that Abarn and Able recorded all taxable transactions on a point-of-sale system, nor did they provide the TSD Rental data to the accounting firm, even though they relied on the TSD Rental data for their own purposes.

9. Instead, for the purpose of preparing quarterly sales tax returns, Myron and Martin Schulman transmitted to their accountant monthly statements from two bank accounts. One bank account, held at Citibank, was in the name of Abarn Equipment. The other bank account, held at Flushing Bank, was in the name of Able Rentals. Myron and Martin Schulman instructed their accountant that the cash deposits into the Citibank account should be used to determine the amount of sales tax Abarn should report and remit to New York State, and that the cash deposits into the Flushing Bank account should be used to determine the amount of sales tax Able should report and remit to New York State. The cash deposits to both accounts always totaled less than the actual cash receipts recorded in TSD Rental in that same period.

10. Moreover, Myron and Martin Schulman did not send their accountant actual records of any credit card receipts, even though the vast majority of Abarn and Able’s New York transactions involved credit cards. Instead, Myron and Martin Schulman deposited credit card receipts from those transactions into a third bank account at a different bank. Myron and Martin Schulman sent bank account statements from the third bank to their accountant, but they did not direct that those transactions be included in Abarn and Able’s New York sales tax calculations.

11. These sales-tax calculation methods meant a huge difference between reported transactions and actual transaction receipts. For example, in 2018, Able and Able reported taxable receipts of \$250,099, while documents that Myron and Martin Schulman reviewed stated, “Total payments received in 2018 according to TSD was [*sic*] 1,888,388.”

12. Myron Schulman then instructed the accountant to lower taxable receipts even further. He instructed the accountant to disregard portions of the cash deposits on the basis of unsubstantiated “estimates of nontaxable transactions” that were purportedly part of the cash deposits. And when the resulting calculation of sales tax due was still too high, Myron Schulman pressured the accounting firm to arbitrarily lower the taxable amounts further, email correspondence shows.

13. The accounting firm invariably acquiesced, but in a December 2020 email communication, their accountant warned Myron and another Schulman family member that “[w]e are already only paying approximately 50 cents on the dollar regarding sales tax based on estimating these nontaxable events” and recommended that the Schulmans not seek to lower Abarn and Able’s sales-tax payments further. But Myron Schulman insisted that the accounting firm report as taxable receipts for sales-tax purposes only 70% of Able’s cash deposits and only 20% of Abarn’s cash deposits.

14. As a result of this misconduct, over the eleven years since 2014, Abarn and Able have failed to report taxable sales of \$15,008,715.98. As a result, Abarn and Able falsely understated sales tax due by \$1,332,023.54 and did not remit that amount of sales tax to the State.

15. Beginning in 2014 and continuing until the Effective Date, Able thus

knowingly made or caused to be made false statements material to its obligation under the Tax Law to transmit sales tax receipts to the State, in violation of the NYFCA.

16. Beginning in 2014 and continuing until the Effective Date, Abarn thus knowingly made or caused to be made false statements material to its obligation under the Tax Law to transmit sales tax receipts to the State, in violation of the NYFCA.

17. Beginning in 2019 and continuing until the Effective Date, Myron Schulman thus engaged in persistent fraud and illegality in the transaction of business in violation of Executive Law § 63(12).

18. Beginning in 2019 and continuing until the Effective Date, Martin Schulman thus engaged in persistent fraud and illegality in the transaction of business in violation of Executive Law § 63(12).

19. The conduct described in the foregoing Paragraphs 5 through 18 is hereinafter referred to as the “Covered Conduct.”

20. Defendants neither admit nor deny the Covered Conduct.

TERMS AND CONDITIONS

Settlement Amount

21. Defendants are jointly and severally liable for and will pay the sum of Three Million Nine Hundred Seventy-Two Thousand Four Hundred and Nineteen U.S. dollars (\$3,972,419) (the “Settlement Amount”) to resolve the Action and the Office of the Attorney General’s investigation. This amount represents the damages and penalties being recovered by the State, taxes and interest under the N.Y. Tax Law, the Relator’s share, *i.e.*, the share to which the Relator is entitled under New York State Finance Law § 190(6), and the State’s attorney’s fees and costs.

22. The Settlement Amount is divided into two portions: \$3,177,935.20

(Three Million One Hundred Seventy-Seven Thousand, Nine Hundred and Thirty-Five Dollars and Twenty Cents) paid to the State (“State’s Share”), and \$794,483.80 (Seven Hundred Ninety-Four Thousand Four Hundred and Eighty-Three Dollars and Eighty Cents) paid to the Relator (“Relator’s Share”). The Relator’s Share is the portion to which the Relator is entitled under New York State Finance Law § 190(6).

23. Defendants agree to pay or cause to be paid the State’s Share as follows: Within fifteen (15) calendar days of the Effective Date (defined below), Defendants shall pay \$3,177,935.20 (Three Million One Hundred Seventy-Seven Thousand, Nine Hundred and Thirty-Five Dollars and Twenty Cents) by wire transfer pursuant to instructions provided by the Office of the Attorney General.

24. Defendants agree to pay or cause to be paid the Relator’s Share as follows: Within fifteen (15) calendar days of the Effective Date (defined below), Defendants shall pay \$794,483.80 (Seven Hundred Ninety-Four Thousand Four Hundred and Eighty-Three Dollars and Eighty Cents), pursuant to instructions provided by Relator’s counsel.

25. Defendants agree that they will not claim, assert, or apply for a tax deduction or tax credit on any New York State or any New York City tax return, for any portion of the amount due under this Agreement.

26. Defendants agree that pursuant to I.R.C. § 162(f) and the regulations promulgated thereunder: \$1,332,023.54 of the State’s Share constitutes restitution of unpaid sales tax and the remainder of the payments made under the Settlement Agreement constitute payment in relation to an investigation or inquiry into a potential violation of law. Defendants agree to provide the Attorney General, within ten (10) business days of the Effective Date with the name, address and taxpayer identification

number of the payors.

Affirmative Relief

27. In each of the 20 quarters following the Effective Date of the Agreement, the Defendants shall provide the quarterly sales tax returns, amount of quarterly sales tax remittance, and taxable receipts recorded in the Abarn and Able point of sale system to a duly licensed accountant, the choice of whom must be approved by this Office in its sole discretion, on or before each quarterly sales tax filing deadline. Defendants shall direct such accountant to certify, within five business days after each quarterly sales tax filing deadline, that: (1) the amount of New York State and local taxable sales declared on Abarn's quarterly sales tax returns equals the amount of taxable receipts from New York transactions recorded in the Abarn point of sale system; (2) Abarn's sales tax remittance equals the sales tax due on such New York State taxable sales; (3) the amount of New York State and local taxable sales declared on Able's quarterly sales tax returns equals the amount of taxable receipts from New York transactions recorded in the Able point of sale system; and (4) Able's sales tax remittance equals the sales tax due on such New York State taxable sales. Defendants shall direct the accountant to notarize such certification and to provide the certification to this Office within ten business days after the quarterly filing deadline. Failure to provide the notarized certification in the form and manner specified in this Paragraph shall constitute an Event of Default under this Agreement.

Discontinuance of the Action

28. In consideration of the obligations of Defendants as set forth in this Agreement, and conditioned on the Defendants' payments to the State and to the Relator

pursuant to Paragraphs 23 and 24, within thirty (30) days of the Final Payment Date, the Relator and the State shall file, pursuant to CPLR 3217(a), a Notice of Discontinuance of the Action, subject to the exceptions set forth in this Agreement. Such dismissal shall expressly preserve the Court's jurisdiction over Defendants' obligation to pay reasonable attorney's fees, expenses and costs to Relator pursuant to State Fin. Law § 190.

Releases

29. Subject to the exceptions in the next Paragraph, in consideration of the obligations of Defendants set forth in this Agreement, conditioned upon the full payment by Defendants of the Settlement Amount and subject to Paragraph 37 herein (concerning bankruptcy proceedings commenced within ninety-one (91) days of the Effective Date of this Agreement or any payment to the State under the Agreement, whichever is later), the State releases Defendants from any civil or administrative monetary claim the State has or may have for the Covered Conduct under the New York False Claims Act, N.Y. State Fin. Law §§ 187 *et seq.*, and Executive Law § 63(12).

30. Notwithstanding any term of this Agreement, this Agreement specifically does not release any person or entity from any of the following liabilities:

- a. Any civil, criminal, or administrative liability arising under state or municipal tax laws;
- b. Any criminal liability;
- c. Any civil liability that Defendants have or may have under any state statute, regulation, or rule not covered by this Agreement;
- d. Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;

- e. Any liability based upon such obligations as are created by this Agreement;
- f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- g. Any liability for personal injury or property damage arising from the Covered Conduct;
- h. Any liability for failure to deliver goods or services due; and
- i. Any civil or administrative liability of individuals, except as provided for herein.

31. In consideration of the obligations of Defendants in this Agreement, conditioned upon the full payment by Defendants of the Settlement Amount, Relator, for himself, and for his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, fully and finally releases Defendants from any claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that Relator has asserted, could have asserted, or may assert in the future against Defendants, their heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, related to the Covered Conduct and Relator's and the State's investigations and prosecution concerning the Action, provided, however, that nothing in this Agreement shall preclude Relator from seeking to recover his expenses or attorney's fees and costs from Defendants, pursuant to N.Y. State Fin. Law § 190.

32. Defendants, for themselves and their respective heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, fully and

finally release the State, its agencies, officers, employees, servants, attorneys, and agents from any claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the State, its agencies, officers, employees, servants, attorneys, agents and assigns, related to the Covered Conduct and the State's investigation and prosecution thereof.

33. Defendants for themselves and their respective heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, fully and finally release Relator, his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns from any claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Relator, his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, related to the Covered Conduct and Relator's and the State's investigations and prosecution concerning the Action.

34. The Relator, for himself individually, and for his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, fully and finally releases the State, its agencies, officers, employees, servants, attorneys, and agents from any claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that Relator has asserted, could have asserted, or may assert in the future against the State, arising out of the filing of the Action or from any other claim for a share of the settlement proceeds. Relator accepts the payment described in Paragraph 24 in full settlement of any claims Relator may have against the State under

this Agreement or as a result of the Action. This Agreement does not resolve or in any manner affect any claims the State has or may have against Relator arising under State tax laws, or any claims arising under this Agreement.

35. Relator, and each of his respective heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, agrees not to object to this Agreement and agrees and confirms that this Agreement is fair, adequate, and reasonable pursuant to New York State Finance Law § 190(5)(b)(ii).

36. The State has agreed to the terms of this Agreement based on, among other things, the representations made to the Office of the Attorney General by Defendants and their counsel. To the extent that any material representations are later found to be inaccurate or misleading, this Agreement is voidable by the Office of the Attorney General in its sole discretion. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Agreement has been made to or relied upon by Defendants in agreeing to this Agreement. Defendants acknowledge that they have entered this Agreement freely and voluntarily and upon due deliberation with the advice of counsel.

Bankruptcy and Non-Payment

37. If within ninety-one (91) days of the Effective Date of this Agreement or of any payment made under this Agreement, Defendants or a third party commences any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of its or their debts, or seeking to adjudicate any of the Defendants as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for any of

the Defendants or for all or any substantial part of their assets, Defendants agree as follows:

- a. Defendants' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Defendants shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) their obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) they were insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment of the Settlement Amount; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Defendants.
- b. If Defendants' obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State, at its sole option, may rescind the releases in this Agreement insofar as it affects the State and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided above, and Defendants agree that (i) any such claims, actions, or proceedings brought by the State are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Defendants shall not argue or otherwise contend that the State's claims, actions, or proceedings are subject to an automatic stay; (ii) they shall not

plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings that are brought by the State within 60 calendar days of written notification to Defendants that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of the Agreement; and (iii) the State has a valid claim against Defendants in the amount of treble damages plus penalties under the New York False Claims Act, and may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

- c. Defendants acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

38. In the event of the failure by Defendants to make any or all payments of the Settlement Amount, including the State's Share and the Relator's Share, when due according to Paragraphs 23 and 24, the State will provide written notice of the non-payment to the Defendants. Such notice shall be given to the person and address designated in Paragraph 49 by (i) delivery in person, (ii) a nationally recognized next-day courier service, or (iii) first class, registered or certified mail, postage prepaid. Notice so given shall be effective upon (i) receipt, or (ii) on the fifth (5th) day following mailing, whichever occurs first. Defendants shall have an opportunity to pay the unpaid balance within five (5) calendar days from the effective date of the notice. If Defendants fail to

pay the overdue unpaid balance of its payment obligations under this Agreement within five (5) calendar days from the effective date of the notice of non-payment (“Default”), the State, in its sole discretion, may declare or do any or all of the following, or may exercise, without limitation, any remedies available under law, including:

- a. The State may declare the entire Settlement Amount, less any payments already made, immediately due and payable, with unpaid amounts bearing the Default rate of interest at the interest rate set forth in New York Civil Practice Law and Rules § 5004 beginning as of the date of Default until payment of the remaining Settlement Amount is made in full; and/or
- b. Pursue all available remedies to enforce this Agreement and remedy violations of this Agreement. In the event of a Default as described above, Defendants agree not to contest any action to enforce this Agreement or any other collection action undertaken by the State pursuant to this Paragraph or pursuant to law, and Defendants agree to pay the State, without limitation, all reasonable costs of collection and enforcement of this Agreement, including attorney’s fees, expenses and court costs; and/or
- c. Rescind its agreement to this Agreement as to Defendants and reinstitute an action or actions against Defendants in this Court. In the event the State reinstates such action, Defendants: (1) expressly agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims which (i) are filed by the State after the written notification to Defendants of Default, and (ii) relate to the Covered

Conduct, and (2) further waive and will not assert any defenses

Defendants may have to any civil or administrative action relating to the
Covered Conduct.

39. In the event of the failure by Defendants to make any or all payments of the Relator's Share when due according to Paragraph 24, the Relator will provide written notice of the non-payment to Defendants. Such notice shall be given to the person and address designated in Paragraph 49 by (i) delivery in person, (ii) a nationally recognized next day courier service, or (iii) first class, registered or certified mail, postage prepaid. Notice so given shall be effective upon (i) receipt, or (ii) on the fifth (5th) day following mailing, whichever occurs first. Defendants shall have an opportunity to pay the unpaid balance within five (5) calendar days from the effective date of the notice. If Defendants fail to pay the overdue unpaid balance of its payment obligations for the Relator's Share under this Agreement within five (5) calendar days from the effective date of the notice of non-payment ("Relator's Share Default"), the Relator, in its sole discretion, may declare or do any or all of the following:

- a. The Relator may declare the entire Relator's Share, less any payments already made, immediately due and payable, with unpaid amounts bearing the Default rate of interest at the interest rate set forth in New York Civil Practice Law and Rules § 5004 beginning as of the date of Relator's Share Default until payment of the remaining Relator's Share is made in full; and/or
- b. Institute an action or actions against Defendants in this Court to collect the unpaid amounts of the Relator's Share plus applicable interest.

Defendants agree not to contest any action to enforce this Agreement with respect to the Relator's Share or any other collection action undertaken by the Relator pursuant to this Paragraph, and Defendants agree to pay the Relator all reasonable costs of collection and enforcement of this Agreement, including attorney's fees and expenses.

Additional Terms

40. Defendants represent and warrant, through the signatures below, that the terms and conditions of this Agreement are duly approved, and that execution of this Agreement is duly authorized.

41. The undersigned counsel and any other signatories represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

42. This Agreement is not intended for use by any third party in any other proceeding.

43. This Agreement and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

44. Except as provided in Paragraphs 38 and 39 above, each Party shall bear its own legal and other costs incurred in connection with this matter.

45. This Agreement constitutes the complete agreement between and among the Parties, and may not be amended except by an instrument in writing signed on behalf of all the Parties to this Agreement.

46. This Agreement shall be binding on and inure to the benefit of the Parties

to this Agreement and their respective successors and assigns, provided that no Party, other than the Office of the Attorney General, may assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Office of the Attorney General.

47. In the event that any one or more of the provisions contained in this Agreement, other than provisions concerning payment and release, shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

48. Any failure by the State to insist upon the strict performance by Defendants and/or Relator of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by the Relator and/or Defendants. Any failure by Relator to insist upon the strict performance by Defendants of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Relator, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed the Defendants.

49. All communications from any Party concerning the subject matter of this Agreement shall be addressed as follows:

If to the State of New York:

Laura Jereski, Esq.
Assistant Attorney General
Office of the New York Attorney General
Taxpayer Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005

Type text here

(212) 416-8943

If to Relator:

Gregory M. Krakower, Esq.
Law Office of Gregory M. Krakower
gkrakower@protonmail.com
(917) 478-4353

If to Defendants:

Jin P. Lee, Esq.
The Law Office of Jin P. Lee
30 Wall Street, 8th Fl.
New York, N.Y. 10005

50. Except for written notices of Defendants' non-payment issued by the State or Relator, the sending and receipt of which shall be governed by the provisions in Paragraphs 38 and 39 respectively, all communications from any Party to another Party concerning this Agreement shall be sent by United States mail with return receipt requested or overnight delivery service with signature required to the signatory counsel for each Party, unless such communications are sent by email and a reply is written without objection to the electronic means of communication.

51. In any subsequent investigation, civil action, or proceeding by the State to enforce this Agreement, or for violations of the Agreement, Defendants expressly agree and acknowledges that any statute of limitations or other time-related defenses are tolled from and after the effective date of this Agreement, and that the State may use statements, documents or other materials produced or provided by the Defendants prior to or after the Effective Date of this Agreement.

52. If a court of competent jurisdiction determines that Defendants have breached this Agreement, other than by failing to pay amounts owed under the Agreement, the remedy for which is described in Paragraphs 38 and 39, Defendants shall pay to the Office of the Attorney General and/or to Relator the cost, if any, of obtaining

such determination and of enforcing this Agreement, including, without limitation, legal fees, expenses, and court costs.

53. Any headings, titles and subtitles contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties, and shall not in any way affect the meaning or interpretation of this Agreement.

54. This Agreement shall be governed by the laws of the State of New York without regard to any conflict of laws principles. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement will be the Supreme Court of the State of New York, New York County.

55. This Agreement is effective on the date of signature of the last signatory of the Agreement (the “Effective Date”). Facsimiles and .pdfs of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

56. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

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IN WITNESS WHEREOF, the Agreement is executed by the Parties hereto.

THE STATE OF NEW YORK

Dated: February 5, 2026

LETITIA JAMES
New York State Attorney General

BY 
Laura Jereski

Assistant Attorney General
Office of the New York Attorney General
Taxpayer Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8943

RELATOR

Dated: _____

Erik Clayton

Dated: 12/23/25

Phillips & Cohen LLP

By:


Stephen Hasegawa

Phillips & Cohen LLP
Stephen Hasegawa
shasegawa@phillipsandcohen.com

Emily Stabile
estabile@phillipsandcohen.com
492 9th St, Ste. 200,
Oakland, CA 94607
(415) 836-9000

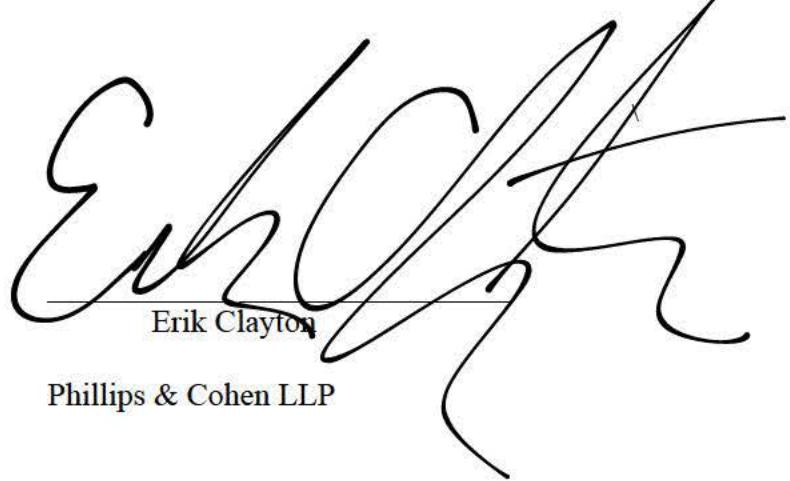
Gregory M. Krakower, Esq.
Law Office of Gregory M. Krakower
gkrakower@protonmail.com
(917) 478-4353

Attorneys for Relator

RELATOR

Dated: 12/23/25

Dated: _____



Erik Clayton

Phillips & Cohen LLP

By: _____
Stephen Hasegawa

Phillips & Cohen LLP
Stephen Hasegawa
shasegawa@phillipsandcohen.com

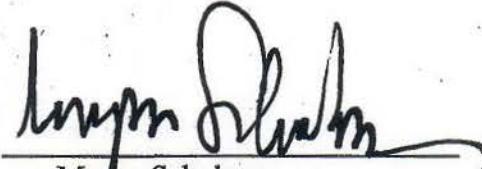
Emily Stabile
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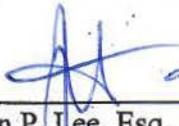
Attorneys for Relator

DEFENDANT MYRON SCHULMAN

Dated: 2/2/26

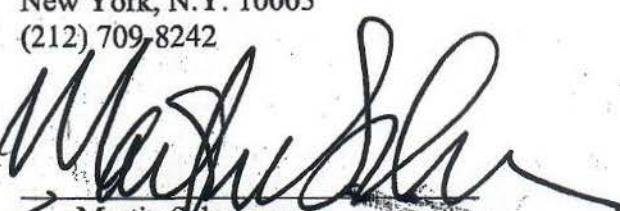

Myron Schulman

Dated: 2/5/2026


Mr. Jin P. Lee, Esq.
The Law Office of Jin P. Lee
30 Wall Street, 8th Fl.
New York, N.Y. 10005
(212) 709-8242

DEFENDANT MARTIN SCHULMAN

Dated: 2/2/26


Martin Schulman

Dated: 2/5/2026


Mr. Jin P. Lee, Esq.
The Law Office of Jin P. Lee
30 Wall Street, 8th Fl.
New York, N.Y. 10005
(212) 709-8242

DEFENDANT ABLE RENTALS INC.

Dated: 1/1/16

ABLE RENTALS INC.

By: Myron Schulman
Myron Schulman,
Chief Executive Officer

Dated: 2/5/2024

By: Jin P. Lee
Jin P. Lee, Esq.

Mr. Jin P. Lee, Esq.
The Law Office of Jin P. Lee
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DEFENDANT ABARN EQUIPMENT CORP.

Dated: 2/2/24

ABARN EQUIPMENT CORP.

By: Martin Schulman
Martin Schulman
Secretary

Dated: 2/5/2024

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