

AGREEMENT AND SETTLEMENT

AGREEMENT (the "Agreement") reached the 31st day of January 2013, by and between THE STATE OF NEW YORK (the "STATE") by THE OFFICE OF THE NEW YORK STATE ATTORNEY GENERAL, MEDICAID FRAUD CONTROL UNIT ("MFCU") and OLEG ARONOV individually (collectively, the "Parties").

WHEREAS, COMPREHENSIVE PHARMACY, INC. ("COMPREHENSIVE PHARMACY"), previously located at 97-18 Queens Boulevard, Rego Park New York, was a pharmacy enrolled in the New York State Medicaid Program ("Medicaid") as a provider of prescription medications and was assigned Medicaid provider number 02620331.

WHEREAS, OLEG ARONOV, for all periods relevant to this Agreement, was a one-third owner and a high managerial agent of COMPREHENSIVE PHARMACY.

WHEREAS, MFCU conducted an investigation and audit, which revealed that, beginning on March 24, 2005 to August 1, 2006, COMPREHENSIVE PHARMACY submitted claims to Medicaid, which indicated that COMPREHENSIVE PHARMACY had dispensed compounded medications containing more Ketamine than actually present in the compounded prescriptions that were dispensed to Medicaid recipients. Relying on those erroneous claims, Medicaid paid COMPREHENSIVE PHARMACY Two Hundred Seventeen Thousand, Seven Hundred Fifty Dollars and Fourteen Cents (\$217,750.14), to which it was not entitled under the applicable Medicaid billing rules and regulations (hereinafter referred to as the "COVERED CONDUCT.")

WHEREAS, in lieu of the STATE'S right to commence civil proceedings against OLEG ARONOV, including the STATE'S right to seek treble damages pursuant to Social Services Law Section 145-b(2), against OLEG ARONOV, the STATE agrees to allow OLEG ARONOV to

resolve his liability through a civil settlement arising from the COVERED CONDUCT pursuant to this Agreement.

WHEREAS, OLEG ARONOV agrees to resolve any of his civil liability arising from the COVERED CONDUCT pursuant to this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertaking set forth herein, the STATE and OLEG ARONOV agree as follows:

1. OLEG ARONOV agrees to repay the STATE a total of One Hundred Thousand Dollars and Zero Cents (\$100,000.00).
2. OLEG ARONOV further agrees that the payment of One Hundred Thousand Dollars and Zero Cents (\$100,000.00), will be made to the STATE by certified check payable to the "MFCU Restitution Fund" in five equal payments of Twenty Thousand Dollars and Zero Cents (\$20,000.00) to be paid on February 1, 2013, March 1, 2013, April 1, 2013, May 1, 2013, and June 1, 2013 (the "FINAL PAYMENT DATE.") If OLEG ARONOV does not pay the amounts due to the STATE on these dates, the STATE may proceed with any civil proceedings against OLEG ARONOV.
3. OLEG ARONOV also agrees to execute the attached Affidavit of Confession of Judgment in the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) upon execution of this Agreement. OLEG ARONOV consents to the filing of said Affidavit of Confession of Judgment, and entry of judgment thereon in favor of the STATE without further notice. If OLEG ARONOV pays all sums due under this Agreement on or before the FINAL PAYMENT DATE, the State shall forbear from executing upon the Judgment.

4. This Agreement is intended for the benefit of the Parties only, and, by this instrument, the Parties do not release any claims against any other person or entity. Nothing in this Agreement constitutes an agreement by the STATE concerning the characterization of any of the relevant statutes or regulations, and the Agreement shall not be construed as an admission by the STATE as to any contested issue encompassed by the STATE'S investigation.

5. This Agreement relates solely to Medicaid compensation paid to, claimed, or received by OLEG ARONOV as a one-third owner of COMPREHENSIVE PHARMACY, pursuant to any statutes, rules, regulations, and official directives governing Medicaid payments with respect to the COVERED CONDUCT, and not to any other relationship between OLEG ARONOV or any entities owned in any way by OLEG ARONOV and the STATE or OLEG ARONOV or any entities owned in any way by OLEG ARONOV and any other government-funded healthcare program.

6. In consideration of the foregoing payments by OLEG ARONOV, the payments made hereunder shall be received in full satisfaction of the obligations of OLEG ARONOV hereunder, and the STATE shall not seek to impose on OLEG ARONOV any other financial obligation due to the COVERED CONDUCT. In addition, the STATE will not prosecute OLEG ARONOV for the COVERED CONDUCT.

OTHER PROVISIONS

7. This Agreement is binding upon all Parties and upon the assigns, transferees, purchasers, and any successors-in-interest of OLEG ARONOV.

8. This Agreement is a settlement of civil liability. This Agreement constitutes the complete and full agreement reached by the STATE and OLEG ARONOV with regard to the

financial liability relating to the COVERED CONDUCT, and it may not be changed in any respect, except by a writing duly executed by the parties or their authorized representatives.

9. The terms of this Agreement shall remain effective notwithstanding the death or incapacity of OLEG ARONOV.

11. OLEG ARONOV agrees not to take any action or make or permit to be made any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects OLEG ARONOV's: (a) testimonial obligations or (b) right to take legal or factual positions in defense of litigation or other proceedings to which the Attorney General is not a party.

12. This Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

13. OLEG ARONOV individually acknowledges that he has entered into this Agreement freely and voluntarily and upon due deliberation, with the advice of counsel, and without coercion or duress.

14. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of the Supreme Court of the State of New York, Queens County in any action to enforce or interpret this Agreement.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained therein and hereby have caused this Agreement to be signed as of the day and date adjacent to their signature.

AGREED TO:

OLEG ARONOV

By: 

OLEG ARONOV

DATE

1-29-13

ELLANA HILFMAN
Notary Public, State of New York
No. 016180523
Qualified in Queens County
Commission Expires July 23, 2016

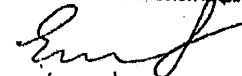
STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
MEDICAID FRAUD CONTROL UNIT

BY: 

SAMUEL YEE
Special Assistant Attorney General

DATE

1/31/13


1/29/13

medications had been dispensed to Medicaid recipients, when they had not been provided ~~or when they were not~~ provided as claimed. Having signed a Certification Statement for Provider Utilizing Electronic Billing on December 15, 2004, I certified these claims would be accurate and based on services rendered when in fact they were not. As a result, I caused the State harm in damages plus pre-judgment interest in the amount of at least ONE HUNDRED THOUSAND DOLLARS and ZERO CENTS (\$100,000.00).

My debt to the State is a nondischargeable debt under 11 U.S.C. §§ 523 and 1328.

I expressly authorize entry of judgment based on this Affidavit of Confession of Judgment against me at any time without notice, in the amount of ONE HUNDRED THOUSAND DOLLARS and ZERO CENTS (\$100,000.00).


OLEG ARONOV

Subscribed and sworn to before me this
29th day of January, ~~2012~~ 2013


Notary Public

My commission expires: _____

ELLANA PINCHASOW
Notary Public, State of New York
No. 01P0190523
Qualified in Queens County
Commission Expires July 28, 2016