STATE OF NEW YORK

OFFICE OF THE ATTORNEY GENERAL LETITIA JAMES

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In the Matter of:

JD XPRESS, Inc. Jose David Eufracio Hernandez -----X

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into among the State of New York (the "State"), by the Office of the Attorney General, through the Medicaid Fraud Control Unit ("MFCU"), JD XPRESS, INC. ("JD XPRESS") and JOSE DAVID EUFRACIO HERNANDEZ ("HERNANDEZ"). The State, JD XPRESS, and Hernandez shall be collectively referred to herein as the "Parties."

WHEREAS, JD XPRESS was, until September 24, 2024, a corporation organized under the laws of the State of New York with its principal place of business at 118-35 Queens Boulevard, Suite 400, Forest Hills, NY 11375;

WHEREAS, JD XPRESS was enrolled as a provider of medical services in the New York State Medical Assistance Program (the "Medicaid Program" or "Medicaid"), 42 U.S.C. §§ 1396 *et seq.*, under Provider ID: 05278771; and as such, provides transportation services for Medicaid recipients traveling to or from providers furnishing medical services paid for by Medicaid;

WHEREAS, HERNANDEZ was the owner and managerial agent of JD XPRESS while it provided medical services under the Medicaid Program;

WHEREAS, JD XPRESS and HERNANDEZ submitted and caused to be submitted claims for reimbursement to Medicaid, and Medicaid relied on such claims to pay JD XPRESS for transportation services;

WHEREAS, during all times relevant to this Agreement, HERNANDEZ executed annual Certification Statements For Provider Billing Medicaid through the State's Medicaid Fiscal Agent ("Certification Statements"), pursuant to 18 NYCRR §§ 504.1 (b)(l), 504.9, certifying that all claims that JD XPRESS and HERNANDEZ submitted for reimbursement to Medicaid were made in full compliance with applicable federal and state laws and regulations and pertinent provisions of the eMedNY Provider Manual and all revisions thereto, and that HERNANDEZ understood and agreed that JD XPRESS would be subject to and bound by all rules, regulations, policies, standards, fee codes, and procedures of NYSDOH and the Office of the Medicaid Inspector General ("OMIG") as set forth in statute or title 18 of the Official Compilation of Codes, Rules and Regulations of New York State and other publications of NYSDOH, including eMedNY Provider Manuals and other official bulletins of NYSDOH;

WHEREAS, the Medicaid program reimburses only for the actual costs incurred by a transportation provider while transporting a Medicaid enrollee. *See also* New York State Medicaid Program Transportation Manual Policy Guidelines (the "Manual") (2023 Version at 30) (2019 Version at 47). When tolls are incurred, the toll is assessed per vehicle, not per rider, and should be billed according to the actual toll charged. *See* Manual (2023 Version at 28-29) (2019 Version at 46).

WHEREAS, JD XPRESS and HERNANDEZ were only entitled to submit claims for reimbursement for transportation services provided by validly licensed drivers, and/or transportation services provided in properly registered vehicles. *See* 18 NYCRR §

505.10(e)(6)(iii). See also Manual (2023 Version at 17-19) (2019 Version at 4 and 47).

WHEREAS, MFCU conducted an investigation of JD XPRESS and HERNANDEZ and determined that between April 2019 and December 2023 (hereinafter the "Relevant Period"), JD XPRESS and HERNANDEZ presented claims for payment for transportation services to which JD XPRESS was not entitled, and Medicaid relied upon such claims to pay JD XPRESS;

WHEREAS, MFCU has determined that JD XPRESS and HERNANDEZ engaged in the following conduct (the "Covered Conduct") during the Relevant Period:

- a. JD XPRESS and HERNANDEZ submitted claims for toll expenses not actually incurred.
- b. JD XPRESS and HERNANDEZ submitted claims for transportation services provided by unlicensed, under licensed, or suspended drivers.
- c. JD XPRESS and HERNANDEZ submitted claims for transportation services provided in vehicles not properly registered.
- d. JD XPRESS and HERNANDEZ submitted claims for services not actually furnished.

WHEREAS, as a result of the Covered Conduct, JD XPRESS and HERNANDEZ caused

the State to suffer damages of at least the amount to be repaid under this Agreement;

WHEREAS, the State has civil claims against JD XPRESS and HERNANDEZ as a result

of the Covered Conduct, including under N.Y. Executive Law § 63-c and N.Y. Social Services

Law § 145-b, and the common law;

WHEREAS, JD XPRESS and HERNANDEZ wish to resolve their civil liability for the

Covered Conduct;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set

forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. JD XPRESS and HERNANDEZ admit the Covered Conduct.

2. As repayment to the State for the Covered Conduct and to resolve any claims related to the Covered Conduct, JD XPRESS and HERNANDEZ shall pay to the State a total of THREE-HUNDRED THIRTY-ONE THOUSAND Dollars (\$331,000) (the "Settlement Amount"), plus applicable interest described below, pursuant to the terms set forth herein.

(a) Initial Payment

- Within seven (7) calendar days of the Effective Date (as defined in Paragraph 33) of this Agreement, JD XPRESS and HERNANDEZ shall pay to the State by wire transfer the sum of Fifty Thousand Dollars (\$50,000.00) ("Initial Payment"). The remaining portion of the Settlement Amount, plus applicable interest, following JD XPRESS and HERNANDEZ's Initial Payment, shall be referred to herein as the "Remaining Settlement Amount."
- (b) Subsequent Payments
 - JD XPRESS and HERNANDEZ shall pay the Remaining Settlement Amount, plus interest at the rate of nine percent (9%) per annum from the Effective Date, through sixteen equal quarterly payments, commencing on October 1, 2025, through October 1, 2029, in accordance with the schedule attached hereto as Appendix A, which Schedule is expressly incorporated herein by reference.

3. Notwithstanding any of the foregoing provisions, the Remaining Settlement Amount balance may be prepaid, in whole or in part, without penalty or premium ("Prepayment"). In the event that JD XPRESS and/or HERNANDEZ make any Prepayment pursuant to this Paragraph, the State shall recalculate the Remaining Settlement Amount balance due in accordance with this Agreement and provide notice of the same to JD XPRESS and HERNANDEZ pursuant to the provisions of Paragraph 32. 4. In consideration of permitting JD XPRESS and HERNANDEZ to make payments towards the Remaining Settlement Amount over time, JD XPRESS and HERNANDEZ shall provide the State with an Affidavit of Confession of Judgment ("COJ") in the form attached hereto as Exhibit 1 at the time of its execution of this Agreement. JD XPRESS and HERNANDEZ consent to the filing of said Confession of Judgment and entry of judgment thereon without further notice.

5. JD XPRESS and HERNANDEZ shall be in default of this Agreement if they fail to comply with the terms and conditions as set forth herein, in whole or in part, including but not limited to failure to pay the Settlement Amount, including a failure to pay all or any portion of each installment on or before its respective due date ("Default"). In the event of Default, the State will provide written notice of any such Default, to be sent by email and first-class U.S. mail to the undersigned attorney for JD XPRESS and HERNANDEZ, who will then have thirty (30) days to cure the Default (the "Cure Period"). If JD XPRESS and/or HERNANDEZ fail to cure the Default within the Cure Period ("Uncured Default"), the entire Remaining Settlement Amount balance shall be immediately due and payable, and interest shall continue to accrue thereon from the Effective Date in accordance with the provisions of this Agreement.

6. In the event of an Uncured Default, the State, at its option, may: (a) rescind this Agreement or seek specific performance of this Agreement; (b) offset the Remaining Settlement Amount from any amounts due and owing to JD XPRESS and/or HERNANDEZ by any department, agency, or agent of the State as of the time of Default; (c) file a civil action for the Covered Conduct; (d) execute on the COJ; and/or (e) exercise any other rights granted by law or in equity, including referral of this matter for private collection.

7. Notwithstanding the foregoing, in the event of Uncured Default as defined in Paragraph 5, above, the State through the Office of the Medicaid Inspector General ("OMIG"), may exclude JD XPRESS and/or HERNANDEZ from participating in all state-funded health care programs until JD XPRESS and/or HERNANDEZ cure the Default; provided, however, that so long as JD XPRESS and/or HERNANDEZ are not in Default of this Agreement, as defined in Paragraph 5, above, MFCU will not recommend or request that any federal or state agency exclude JD XPRESS and/or HERNANDEZ from participation in any federal or state-funded health care program based upon information available to MFCU as of the date of this Agreement. The State will provide written notice of any such exclusion to JD XPRESS and HERNANDEZ. JD XPRESS and HERNANDEZ will not contest exclusion on the basis of the Uncured Default either administratively or in any state or federal court. Reinstatement to program participation is not automatic. The option of exclusion for an Uncured Default as set forth in this Paragraph is in addition to, and not in lieu of, the options otherwise identified in this Agreement or available to the State in the event of Uncured Default.

8. JD XPRESS and HERNANDEZ shall not contest any offset imposed or any collection action undertaken by the State pursuant to Paragraph 5, either administratively or in any state or federal court. In addition, JD XPRESS and HERNANDEZ shall pay the State all reasonable costs of collection and enforcement under Paragraph 5, including reasonable attorneys' fees and expenses. In the event that the State opts to rescind this Agreement, JD XPRESS and HERNANDEZ shall not plead, argue, or otherwise raise any defenses under theories of statutes of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that relate to the Covered Conduct, except to the extent such defenses were available as of the Effective Date. Acceptance by the State of late payment with interest shall not cure any other default hereunder.

9. JD XPRESS and HERNANDEZ shall be jointly and severally liable for the Settlement Amount, plus applicable interest, and all payments due pursuant to this Agreement.

10. Subject to the provisions in Paragraphs 11 and 17 below (concerning reserved claims and bankruptcy proceedings, respectively), and conditioned upon full payment of the Settlement Amount, plus applicable interest, by JD XPRESS and HERNANDEZ, the State releases JD XPRESS and HERNANDEZ, its successors, assigns, present and former parents, subsidiaries, and affiliates from any civil monetary claim against JD XPRESS and HERNANDEZ for the Covered Conduct under N.Y. Executive Law § 63-c, N.Y. Social Services Law § 145-b, and the common law theories of disgorgement, payment by mistake, money had and received, unjust enrichment, breach of contract, and fraud.

11. Notwithstanding the releases given in Paragraph 10 above, or any other term of this Agreement, the State specifically does not release:

- a. Any liability arising under state tax law;
- b. Any criminal liability;
- c. Any administrative liability, including mandatory or permissive exclusion from the State's Medicaid Program;
- d. Any liability that JD XPRESS and HERNANDEZ have or may have to the State or to individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the releases in Paragraph 10 above, including but not limited to any and all claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- e. Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;

- f. Any liability for personal injury, patient abuse, or neglect, arising from the Covered Conduct;
- g. Any liability of individuals, except for HERNANDEZ, for the Covered Conduct;
- Any liability that may be asserted by or on behalf of any payor or insurer paid by the State's Medicaid Program on a capitated basis, other than liability of JD XPRESS and HERNANDEZ to the State for the Covered Conduct; and
- i. Any liability based upon obligations created by this Agreement.

12. In consideration of the obligations of the State set forth in this Agreement, JD XPRESS, including any and all predecessors, successors, and members, together with their current and former officers, directors, trustees, servants, employees, and assigns, and HERNANDEZ, fully and finally release the State, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that JD XPRESS and/or HERNANDEZ have asserted, could have asserted, or may assert in the future against the State, its agencies, officers, agents, employees, and servants, related to the Covered Conduct, and the State's investigation and prosecution thereof.

13. JD XPRESS and HERNANDEZ waive and shall not assert any defenses they may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole, or in part, upon a contention made under the Double Jeopardy Clause of the Fifth Amendment of the Constitution, or under the Excessive Fines Clause of the Eighth Amendment of the Constitution, and shall not assert that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

14. The Parties acknowledge that a primary purpose of this Agreement is to promote compliance with the statutes, regulations, and written directives of the Medicaid Program. To further that objective, JD XPRESS and HERNANDEZ acknowledge that they have reviewed, and are required to comply with, the rules and regulations of the Medicaid Program, including but not limited to, those applicable to transportation providers as set forth in 18 NYCRR § 505.10 and the New York State Medicaid Program Transportation Manual Policy Guidelines, as well as Social Services Law § 363-D, which requires that Medicaid providers (as defined in Social Services Law § 363-D(4)) adopt and implement an effective compliance program. JD XPRESS and HERNANDEZ further agree that they will keep current with all revisions to the foregoing rules and regulations relevant to non-emergency medical transportation and ensure all employees are trained upon hire and annually as to such obligations. JD XPRESS and HERNANDEZ further agree that they shall not engage, or attempt to engage, in violations of any applicable law, regulation, or Medicaid guideline, including but not limited to 18 NYCRR § 515.2 and 18 NYCRR §§ 504.3, 517.3(b), 505.10(e)(4). 510.10(6)(iii), and those provisions of the Transportation Manual Policy Guidelines governing the submission of claims for reimbursement for mileage incurred, tolls incurred, and group rides, as well as documentation transportation providers are required to maintain, and local regulations transportation providers must follow. JD XPRESS and HERNANDEZ further acknowledge that they will fully and promptly cooperate with MFCU with respect to any investigation by MFCU, and/or related proceedings and actions, including but not limited to, producing requested documentation.

15. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the State Medicaid Program, or any other state payor, for the Covered Conduct, and JD XPRESS and HERNANDEZ agree not to resubmit to the State Medicaid Program, or any other state payor, any previously denied claims, which denials were based upon the Covered Conduct, and agree not to appeal or cause the appeal of any such denials of claims.

16. JD XPRESS and HERNANDEZ shall not seek payment for any claims for reimbursement to the State Medicaid Program covered by this Agreement from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

17. In exchange for valuable consideration provided in this Agreement, JD XPRESS and HERNANDEZ acknowledges the following:

- a. JD XPRESS and HERNANDEZ warrants that it has reviewed its financial situation and that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the State of the Settlement Amount plus applicable interest.
- b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to JD XPRESS and HERNANDEZ, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such contemporaneous exchange.
- c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to and do, in fact, represent a reasonably equivalent exchange of value.
- d. The Parties do not intend to hinder, delay, or defraud any entity to which JD XPRESS and HERNANDEZ is or became indebted to on or after the date of

any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If JD XPRESS and HERNANDEZ's 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), or if, before the Settlement Amount plus applicable interest is paid in full, JD XPRESS and/or HERNANDEZ commence a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of JD XPRESS's and/or HERNANDEZ's debts, or to adjudicate JD XPRESS and/or HERNANDEZ as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for JD XPRESS and/or HERNANDEZ or for all or any substantial part of JD XPRESS and/or HERNANDEZ's assets, (i) the State may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against JD XPRESS and/or HERNANDEZ for the claims that would otherwise be covered by the releases provided above; and (ii) the State has an undisputed, noncontingent, and liquidated allowed claim against JD XPRESS and HERNANDEZ in the amount of the Settlement Amount, plus applicable interest, less any payments received pursuant to this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the State by JD XPRESS and/or HERNANDEZ, a receiver, trustee, custodian, or other similar official for JD XPRESS and/or HERNANDEZ.

f. JD XPRESS and HERNANDEZ agree that any civil and/or administrative claim, action, or proceeding brought by the State under this Paragraph is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the State's police and regulatory power. JD XPRESS and HERNANDEZ shall not argue or otherwise contend that the State's claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consent to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). JD XPRESS and HERNANDEZ waive and shall not plead, argue, or otherwise raise any defenses under the theories of statutes of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the State, except to the extent such defenses were available as of the date of execution of this Agreement.

18. JD XPRESS and HERNANDEZ agree to the following:

- a. <u>Unallowable Costs Defined</u>: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395Ill and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of JD XPRESS and/or HERNANDEZ or any of its present or former officers, directors, trustees, employees, shareholders, and agents in connection with:
 - i. the matters covered by this Agreement;
 - the State's audit and any civil and/or criminal investigation of the matters covered by this Agreement;

- the investigation, defense, and corrective actions undertaken by JD XPRESS and HERNANDEZ in response to the State's audit and any civil and/or criminal investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- iv. the negotiation and performance of this Agreement; and
- v. the payments that JD XPRESS and/or HERNANDEZ make relating to this Agreement, including costs and attorneys' fees,
 are unallowable costs for government contracting purposes and under the Medicaid Program ("Unallowable Costs").
- b. <u>Future Treatment of Unallowable Costs</u>: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by JD XPRESS and HERNANDEZ, and JD XPRESS and HERNANDEZ shall not charge such Unallowable Costs directly or indirectly to any contracts with the Medicaid Program or seek payment for such Unallowable Costs through any Consolidated Fiscal Report, cost report, cost statement, information statement, or payment request submitted by JD XPRESS and HERNANDEZ to the Medicaid Program.
- c. <u>Treatment of Unallowable Costs Previously Submitted for Payment</u>: JD XPRESS and HERNANDEZ further agree that, within ninety (90) days of the Effective Date of this Agreement, it shall identify to applicable Medicaid fiscal agents any Unallowable Costs that were included in payments previously sought from the Medicaid Program, including but not limited to payments sought in any cost reports, cost submissions, information reports, or payment

requests already submitted by JD XPRESS and HERNANDEZ and shall request and agree that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. JD XPRESS and HERNANDEZ agree that the State, at a minimum, shall be entitled to recoup from JD XPRESS and HERNANDEZ any overpayment, plus applicable interest and penalties, as a result of the inclusion of such Unallowable Costs on previously submitted cost reports, cost statements, information reports, appeals, or requests for payment. Any payments due after the adjustments have been made shall be paid to the State. The State reserves its right to disagree with any calculations submitted by JD XPRESS and/or HERNANDEZ on the effect of inclusion of Unallowable Costs on JD XPRESS's and HERNANDEZ's Consolidated Fiscal Reports, cost reports, cost statements, or information reports, appeals, or other payment requests.

d. Nothing in this Agreement shall constitute a waiver of the rights of the State to audit, examine, or re-examine the books and records of JD XPRESS and/or HERNANDEZ to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

19. JD XPRESS and HERNANDEZ will not assert any claim for any tax rebate or refund, or other government payment from the State, until the Settlement Amount plus applicable interest is satisfied. In the State's sole discretion, the State may recoup or offset any such payment, without further notice to JD XPRESS and HERNANDEZ, for credit towards the Settlement Amount plus applicable interest.

20. No provision of this Agreement constitutes an agreement by the State concerning the characterization of the Settlement Amount for purposes of New York Tax Law. JD XPRESS and HERNANDEZ shall not deduct or discharge the Settlement Amount as part of its New York State tax obligations.

21. JD XPRESS and HERNANDEZ will not submit any insurance claims for the Covered Conduct.

22. JD XPRESS and HERNANDEZ agree not to take any action or to 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 JD XPRESS's and/or HERNANDEZ's (a) testimonial obligations, if any, or (b) right to take any good faith legal or factual positions in defense of litigation or other proceedings to which the State is not a party.

23. 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 Supreme Court, New York County, in any action brought by the State to enforce or interpret this Agreement.

24. Any failure by the State to insist upon the strict performance of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

25. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

26. 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.

27. The Parties each acknowledge and represent that they have entered into this Agreement freely, voluntarily, and upon due deliberation, with the advice of counsel and without any degree of coercion, duress, or compulsion whatsoever.

28. This Agreement shall be binding on all successors, transferees, heirs, and assigns of JD XPRESS and HERNANDEZ.

29. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

30. Each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

31. All payments by JD XPRESS and/or HERNANDEZ to the State pursuant to this Agreement shall be made by wire transfer in accordance with the written wire instructions to be provided by the State.

32. All notices pursuant to this Agreement shall be in writing and shall, unless expressly provided otherwise herein, be given by e-mail, followed by hand delivery, overnight delivery by any nationally recognized overnight courier service, or first-class U.S. mail, addressed as follows:

TO THE STATE:

Chief, Civil Enforcement Division Medicaid Fraud Control Unit New York State Office of the Attorney General 28 Liberty Street, 13th Floor New York, NY 10005 Telephone: (212) 417-5300 MFCUNotices@ag.ny.gov

TO JD XPRESS and JOSE DAVID EUFRACIO HERNANDEZ:

John R. Fink, Esq. Law Office of Robert Tsigler, PLLC 299 Broadway, Suite 1400 New York, New York 10007 Telephone: (718) 701-2272 JF@tsiglerlaw.com

33. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement ("Effective Date").

34. This Agreement constitutes the complete agreement between the Parties with respect to JD XPRESS and HERNANDEZ's civil liability under the provisions released above, 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.

35. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

36. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained herein and hereby have caused this Agreement to be signed as of the date adjacent to their signatures:

THE STATE OF NEW YORK

LETITIA JAMES Attorney General of the State of New York

Dated: 06/17/2025

Dated: 6/12/25

Edward Bradley Special Assistant Attorney General Medicaid Fraud Control Unit 28 Liberty Street New York, New York 10005

JOSE DAVID EUFRACIO HERNANDEZ Individually and as owner/operator of JD XPRESS

State of GA)

BY:

BY:

)ss: County of (Live Kee)

On the <u>2</u> day of <u>vne</u>, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared JOSE DAVID EUFRACIO HERNANDEZ, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same individually, and in his capacity as Owner of JD XPRESS, Inc., and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

MATHEW P DUNN Notary Publ State Of Georgi Cherokee County Commission Expires: Aug 4, 2028 NOTARY PUBLIC

Approved as to Form:

BY:

John R. Fink

06 / 13 / 2025 Dated:

JOHN R. FINK, Esq. Law Office of Robert Tsigler, PLLC 299 Broadway, Suite 1400 New York, New York 10007 As Attorney for JD XPRESS, Inc. and JOSE DAVID EUFRACIO HERNANDEZ

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EXHIBIT 1

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF QUEENS

THE STATE OF NEW YORK, by LETITIA JAMES, Attorney General of the State of New York, Plaintiff,

- against -

JD XPRESS, INC. and JOSE DAVID EUFRACIO HERNANDEZ,

Defendant.

STATE OF NEW YORK

) ss.:

COUNTY OF QUEENS

JOSE DAVID EUFRACIO HERNANDEZ, being duly sworn, deposes and says:

- 1. I am the individual named above, and I reside in Cherokee County, Georgia.
- 2. I am doing business as JD Xpress, Inc. and as such, I am authorized to execute this Affidavit of Confession of Judgment on behalf of JD Xpress, Inc.
- 3. I hereby confess judgment, individually and on behalf of JD Xpress, Inc., pursuant to CPLR § 3218, in favor of Plaintiff, State of New York, against myself and authorize entry thereof in Queens County, and in any county in which I own property, in the sum of Three Hundred Thirty One Thousand Dollars (\$331,000.00), plus interest at a rate of 9% per annum from <u>JUNE 12</u>, 2025.
- 4. This confession of judgment is for a debt justly due to Plaintiff, the State of New York, arising out of the acts set forth in the attached Settlement Agreement, which I executed on <u>June 12</u>, 2025 in my individual capacity, and on behalf of JD Xpress, Inc. As a result of the conduct described in the Settlement Agreement, I caused claims to be submitted to the New York State Medicaid Program for which I received, or caused others to receive, amounts that were not legally due. As a result, the New York State Medicaid Program was harmed.
- 5. I authorize entry of judgment against JD Xpress, Inc., and me, individually, in Queens County, jointly and severally, in the State of New York, and in any county in which I own property, in the amount of Three Hundred Thirty One Thousand Dollars (\$331,000.00), less any payments paid pursuant to the Settlement Agreement, plus interest as described in Paragraph 3, above, without further notice at any time.

AFFIDAVIT OF CONFESSION

OF JUDGMENT



Georgía STATE OF NEW YORK, COUNTY OF Cherokee ss.:

On $6/1^{2}$, 2025, before me personally came JOSE DAVID EUFRACIO HERNANDEZ, to me known, and known to me to be the individual described in, and who executed energy ove MATHEM Photos Nowledged to me that he executed same.



Notary Public State Of Georgia Cherokee County Commission Expires: Aug 4, 2028

MAYAA NOTARY PUBLIC

Georgia

STATE OF NEW YORK, COUNTY OF Chero hee ss .:

On 6/12, 2025, before me personally came JOSE DAVID EUFRACIO HERNANDEZ, to me known, who being by me duly sworn, did depose and say that he resides in Cheroke County, New York; that he is the owner of JD Xpress, Inc., the company that is described in and that executed the above instrument; and that he is duly authorized to sign his name thereto and did so in such capacity.

NOTARY PUBLIC



MATHEW P DUNN Notary Public State Of Georgia Cherokee County Commission Expires: Aug 4, 2028

APPENDIX A

JD Xpress Inc Payment Schedule at 9%					
Month Payment	Principal	Principal(Repaym	9% Annual Int.		
Received	Balance	ent)	Per Month	Ending Balance	Principal Only
6/1/2025	331,000.00	50,000.00		281,000.00	50,000.00
7/1/2025	281,000.00	0.00		281,000.00	
8/1/2025	281,000.00	0.00		281,000.00	
9/1/2025	281,000.00	0.00		281,000.00	
10/1/2025	281,000.00	21,000.00	2,107.50	262,107.50	18,892.50
11/1/2025	262,107.50	0.00	1,965.81	264,073.31	0.00
12/1/2025	264,073.31	0.00	1,980.55	266,053.86	0.00
1/1/2026	266,053.86	21,000.00	1,995.40	247,049.26	19,004.60
2/1/2026	247,049.26	0.00	1,852.87	248,902.13	0.00
3/1/2026	248,902.13	0.00	1,866.77	250,768.90	0.00
4/1/2026	250,768.90	21,000.00	1,880.77	231,649.66	19,119.23
5/1/2026	231,649.66	0.00	1,737.37	233,387.03	0.00
6/1/2026	233,387.03	0.00	1,750.40	235,137.44	0.00
7/1/2026	235,137.44	21,000.00		215,900.97	19,236.47
8/1/2026	215,900.97	0.00			0.00
9/1/2026	217,520.23	0.00		219,151.63	
10/1/2026	219,151.63	21,000.00		199,795.26	
11/1/2026	199,795.26	0.00	-	201,293.73	
12/1/2026	201,293.73	0.00	-	202,803.43	
1/1/2027	202,803.43	21,000.00	,		
2/1/2027	183,324.46				
3/1/2027	184,699.39	0.00		186,084.64	
4/1/2027	186,084.64	21,000.00	-	166,480.27	
5/1/2027	166,480.27	0.00		167,728.87	
6/1/2027	167,728.87	0.00		168,986.84	
7/1/2027	168,986.84	21,000.00		149,254.24	
8/1/2027	149,254.24	0.00	•	150,373.65	0.00
9/1/2027	150,373.65		,		
10/1/2027	151,501.45				
11/1/2027	131,637.71	0.00			-
12/1/2027	132,624.99	0.00		133,619.68	
1/1/2028	133,619.68				
2/1/2028	113,621.83				
3/1/2028	114,473.99				
4/1/2028	115,332.55	21,000.00			
5/1/2028	95,197.54				
6/1/2028	95,911.52			-	
7/1/2028	96,630.86				
8/1/2028	76,355.59			-	
9/1/2028	76,928.26				
10/1/2028	77,505.22				
11/1/2028	57,086.51	0.00			
12/1/2028	57,514.66				
1/1/2029	57,946.02			-	
2/1/2029	37,380.61	0.00			
3/1/2029	37,660.97				
4/1/2029	37,943.42				
5/1/2029	17,228.00				
6/1/2029	17,228.00				
7/1/2029	17,357.21	0.00 17,487.39		17,407.39	0.00
//1/2029	17,407.39	17,407.39			