

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of Homeland Security, Customs and Border Protection (collectively the “United States”), 21st Millennium Inc. (“21M”), Iqbal Virani and Aqib Virani (together, “the Viranis,” and with 21M and the United States, “the Parties”), through their authorized representatives.

RECITALS

A. 21M is a company based in Iselin, NJ and is engaged in the business of buying and selling jewelry. At all relevant times, 21M was owned or controlled by the Viranis.

B. The United States contends that it has certain civil claims against 21M and the Viranis arising from the facts and conduct described in this paragraph, for which 21M and the Viranis admit, acknowledge, and accept responsibility for their conduct:

- (i) Between January 1, 2017 through March 31, 2020 (the “Relevant Time Period”), 21M was the importer of record for 82 entries of gold jewelry into the United States;
- (ii) During the Relevant Time Period, the Viranis owned or controlled 21M;

- (ii) To file the necessary entry documents with U.S. Customs and Border Protection (“CBP”), 21M used the services of a duly-authorized customs broker;
- (iii) As the importer of record, 21M was responsible for ensuring it provided truthful and accurate disclosures to CBP, through its authorized customs broker, concerning, among other things, the total value of the merchandise that 21M imported into the United States;
- (iv) In connection with the importation of jewelry into the United States, the Viranis caused 21M to provide the customs broker with commercial invoices, but these invoices failed to include the cost of the gold, jewels, or other components of the jewelry, and instead set forth only the cost of making the jewelry;
- (v) In declaring the value of the merchandise to CBP, 21M’s customs broker relied on the total value set forth in the commercial invoices that 21M provided, which caused the broker to make false statements to CBP concerning the value of the merchandise;
- (vi) The false statements in the entry documents resulted in the undervaluation of the merchandise that 21M imported which, in turn, resulted in a loss of revenue to

the United States in the form of customs duties and other fees that the United States would have collected had the true value of the merchandise been declared.

C. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. 21M shall pay to the United States eight hundred thousand dollars (\$800,000) (“21M Settlement Amount”); Iqbal Virani shall pay to the United States one hundred thousand dollars (\$100,000) (“Iqbal Virani Settlement Amount”); and Aqib Virani shall pay to the United States one hundred thousand dollars (\$100,000) (“Aqib Virani Settlement Amount”). The settlement amounts shall accrue interest at a rate of 2% per annum from September 19, 2023. Of the 21M Settlement Amount, \$401,852 is restitution. Payment shall be made by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office of the District of New Jersey. 21M and the Viranis shall pay their respective settlement amounts in installments over a period of 180 days, in accordance with the following schedules:

A. With respect to 21M, the 21M Settlement Amount shall be paid pursuant to the following schedule:

- i. Within 30 days of the Effective Date, 21M shall pay three hundred thousand dollars (\$300,000), plus interest at 2% per annum;
- ii. Within 90 days of the Effective Date, 21M shall pay two hundred fifty thousand dollars (\$250,000), plus interest at 2% per annum;
- iii. Within 180 days of the Effective Date, 21M shall pay two hundred two thousand, nine hundred twenty-eight dollars and 62 cents (\$202,928.62), plus interest at 2% per annum; and
- iv. CBP will retain \$47,071.38 that 21M previously tendered to CBP as part of an offer in compromise on or about July 16, 2021.

B. With respect to Iqbal Virani, the Iqbal Virani Settlement

Amount shall be paid pursuant to the following schedule:

- i. Within 30 days of the Effective Date, Iqbal Virani shall pay forty thousand dollars (\$40,000), plus interest at 2% per annum;
- ii. Within 90 days of the Effective Date, Iqbal Virani shall pay thirty thousand dollars (\$30,000), plus interest at 2% per annum; and

iii. Within 180 days of the Effective Date, Iqbal Virani shall pay thirty thousand dollars (\$30,000), plus interest at 2% per annum.

B. With respect to Aqib Virani, the Aqib Virani Settlement Amount shall be paid pursuant to the following schedule:

i. Within 30 days of the Effective Date, Aqib Virani shall pay forty thousand dollars (\$40,000), plus interest at 2% per annum;

ii. Within 90 days of the Effective Date, Aqib Virani shall pay thirty thousand dollars (\$30,000), plus interest at 2% per annum; and

iii. Within 180 days of the Effective Date, Aqib Virani shall pay thirty thousand dollars (\$30,000), plus interest at 2% per annum.

2. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, the United States releases 21M and the Viranis from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Tariff Act of 1930, 19 U.S.C. §§ 1592 and 1595a, or the common law theories of breach of contract, payment by mistake, unjust

enrichment, and fraud. For the sake of clarity, the release of Covered Conduct set forth in this paragraph releases Tariff Act liability associated with CBP's seizures of merchandise imported by 21M under Fines, Penalties and Forfeitures (FP&F) Numbers 2020-4701-013663-01 regarding Entry No. T77-15563856, and 2020-4701-013684-01 regarding Entry No. T77-15563930.

3. With respect to CBP's two seizures of merchandise under FP&F Numbers 2020-4701-013663-01 regarding Entry No. T77-15563856 and 2020-4701-013684-01 regarding Entry No. T77-15563930, 21M and the Viranis agree to the following:

- A. Within thirty (30) days of the Effective Date, 21M will mark the merchandise, under CBP's supervision, with the country of origin in accordance with 19 U.S.C. § 1304 and 19 C.F.R. Part 134. The marking will take place at Amentum, located at 111 Herrod Blvd., South Brunswick Township, New Jersey or any other facility CBP deems appropriate. 21M will schedule the marking with CBP's FP&F Office. 21M understands and agrees that it is responsible for any and all charges incurred in marking the merchandise.
- B. Upon completion of the marking of the merchandise, 21M will file any additional entry documents, if any, to the appropriate CBP offices, in compliance with all applicable laws of the United States.

- C. 21M understands that it is responsible for paying storage fees associated with the seized merchandise. Payment of these storage fees is necessary for 21M to receive the seized merchandise. The amount of the storage fees shall be determined when the merchandise can be released from storage.
- D. As set forth in Paragraph 1(A)(iv), CBP will retain the funds, totaling forty-seven thousand seventy-one dollars and thirty-eight cents (\$47,071.38), that 21M previously tendered to CBP on or about July 16, 2021, as part of its offer in compromise under 19 U.S.C. § 1617 and 19 C.F.R. § 161.5 in connection with FP&F Numbers 2020-4701-013663-01 regarding Entry No. T77-15563856 and 2020-4701-013684-01 regarding Entry No. T77-15563930. This amount constitutes payment of duties, taxes, and fees associated with the filing of consumption entries and importation of the merchandise as well as a partial penalty for undervaluation of the merchandise.
- E. CBP will dismiss the administrative forfeiture proceedings against the merchandise and release the seized merchandise once 21M completes subsections (A) through (D), above, to CBP's satisfaction.
- F. 21M and the Viranis hereby release and forever discharge the United States, its officers, agents, servants, and employees,

their heirs, successors, or assigns, from any and all action, suits, proceedings, debts, dues, contracts, judgments, damages, claims, and/or demands whatsoever in law or equity which 21M or the Viranis, and their respective heirs, successors, or assigns, ever had, now has, or may have in the future in connection with the detention, seizure, storage and/or release by CBP of the merchandise.

G. 21M and the Viranis further agree to hold and save the United States, its officers, agents, servants and employees, their heirs, successors, and assigns, harmless from any claims by any others, including costs and expenses for or on account of any and all lawsuits or claims of any character whatsoever in connection with the detention, seizure, storage and/or release by the agency of the merchandise.

4. Notwithstanding the releases given in Paragraphs 2 and 3 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any

administrative remedy, including the suspension and debarment rights of any federal agency;

- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals, other than the release of Iqbal Virani and Aqib Virani for the Covered Conduct.

5. 21M and the Viranis waive and shall not assert any defense that 21M or the Viranis may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

6. 21M and the Viranis fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that 21M or the Viranis have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

7. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of 21M and the Viranis, and their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) 21M's or the Viranis' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payments that 21M or the Viranis make to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by 21M and the Viranis, and 21M and the Viranis shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, 21M and the Viranis shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by 21M or the Viranis or any of their subsidiaries or affiliates from the United States. 21M and the Viranis agree that the United States, at a minimum, shall be entitled to recoup from 21M or the Viranis any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine the books and records of 21M and the Viranis and to disagree with any calculations submitted by 21M or the Viranis or any of their subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by 21M or the Viranis, or the effect of any such Unallowable Costs on the amount of such payments.

8. This Agreement is intended to be for the benefit of the Parties only.

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

10. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

11. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

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

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

15. This Agreement is binding on 21M's and the Viranis' successors, transferees, heirs, and assigns.

16. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

17. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

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THE UNITED STATES OF AMERICA

Dated: _____

By: _____

DAVID V. SIMUNOVICH
Assistant United States Attorney
United States Attorney's Office
District of New Jersey

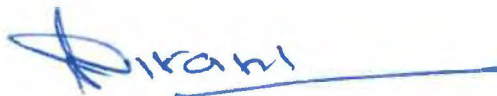
Dated: _____

By: _____

PAUL PIZZECK
Branch Chief, Penalties Branch
Office of Regulations and Rulings
Office of Trade
U.S. Customs and Border Protection

21ST MILLENNIUM, INC.

Dated: 9/25/2023



IQBAL VIRANI
President
21st Millennium, Inc.

Dated: 9/25/2023



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IQBAL VIRANI

Dated: 9/22/2023



IQBAL VIRANI

Dated: 9/25/2023



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Dated: 9/24/2023



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Dated: 9/25/2023



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