

## 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 United States Department of Homeland Security and United States Customs and Border Protection (“CBP”) (collectively the “United States”), Grosfillex, Inc. (“Grosfillex”), and Edward Wisner (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. Grosfillex is a multinational furniture manufacturer based in France with U.S. headquarters in Robeson, Pennsylvania.

B. On January 29, 2020, Relator filed a qui tam action in the United States District Court for the Eastern District of Pennsylvania captioned *United States ex rel. Wisner v. Grosfillex, Inc.*, Case No. 20-cv-5117 (E.D. Pa.), pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action).

C. The United States contends that it has certain civil claims against Grosfillex arising from its conduct in knowingly and improperly evading payment of antidumping and countervailing duties (AD/CVD) owed to the United States on items containing extruded aluminum originating from the People’s Republic of China (PRC) and entered into the United States between January 31, 2014 and December 29, 2021. Specifically, the United States contends that, for many entries containing extruded aluminum originating from the PRC:

1. Grosfillex falsely declared to CBP, or caused to be falsely declared, that imported items were not subject to AD/CVD, when Grosfillex knew that such items were in fact subject to AD/CVD;
2. Grosfillex knowingly made, and caused to be made, false records and statements claiming that certain extruded aluminum furniture parts were components of final finished “kits,” when in fact they were not, so as to conceal and/or avoid AD/CVD;
3. Grosfillex knowingly failed to correct prior false customs forms after learning that the forms had falsely represented to CBP that the imported items were not subject to AD/CVD when in fact they were; and
4. Grosfillex knowingly failed to declare and pay, and caused others to fail to declare and pay on its behalf, AD/CVD owed to the United States on products containing extruded aluminum originating from the PRC.

The conduct described in this Paragraph is referred to below as the “Covered Conduct.”

D. This Settlement Agreement is neither an admission of liability by Grosfillex nor a concession by the United States that its claims are not well founded.

E. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator’s reasonable expenses, attorneys’ fees and costs.

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. Grosfillex shall pay to the United States \$4,936,732 plus interest at a rate of 4.75% from February 6, 2025 and continuing until and including the date of payment (the "Settlement Amount"), by electronic funds transfer pursuant to written instructions to be provided by the United States Department of Justice, no later than 30 days after the Effective Date of this Agreement. Of the Settlement Amount, \$2,468,366 is restitution.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay 19.5% of the Settlement Amount to Relator by electronic funds transfer (Relator's Share).

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Grosfillex, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them from all 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 Tariff Act of 1930, 19 U.S.C. § 1592 and 1595a, as amended; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; and common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 5 below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, Relator, for himself/herself and for his/her heirs, successors, attorneys, agents, and assigns,

releases Grosfillex from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

5. Notwithstanding the releases given in Paragraph 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 the 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;

6. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

Conditioned upon Relator's receipt of the Relator's Share, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from

any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. Relator's claim for attorney's fees and costs pursuant to 31 U.S.C. § 3730(d) is not released pursuant to or covered by this Agreement. This claim will either be the subject of a separate agreement between Relator and Grosfillex or will be litigated in the event that Relator and Grosfillex are unable to reach an agreement.

8. Grosfillex waives and shall not assert any defenses Grosfillex 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.

9. Grosfillex fully and finally releases 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 Grosfillex has 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 or the United States' investigation or prosecution thereof.

10. Grosfillex fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Grosfillex has asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct and the Relator's investigation and prosecution thereof.

11. 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 Grosfillex, and its 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) Grosfillex's 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 payment Grosfillex makes to the United States pursuant to this Agreement and any payments that Grosfillex may make to Relator, including costs and attorneys' fees,

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 Grosfillex, and Grosfillex 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, Grosfillex shall identify and repay by adjustment to future claims for payment or otherwise any

Unallowable Costs included in payments previously sought by Grosfillex or any of its subsidiaries or affiliates from the United States. Grosfillex agrees that the United States, at a minimum, shall be entitled to recoup from Grosfillex 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 Grosfillex's books and records and to disagree with any calculations submitted by Grosfillex or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Grosfillex, or the effect of any such Unallowable Costs on the amount of such payments.

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

13. Upon receipt of the payment described in Paragraph 1, above, the United States and Relator shall promptly sign and file in the Civil Action a Notice of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The dismissal shall be (1) with prejudice as to the United States' and Relator's claims as to the Covered Conduct; and (2) without prejudice as to the United States and with prejudice as to Relator as to all other claims set forth in the Civil Action.

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

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

16. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United

States District Court for the Eastern District of Pennsylvania. 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.

17. This Agreement constitutes the complete agreement between the Parties.

This Agreement may not be amended except by written consent of the Parties.

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

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

20. This Agreement is binding on Grosfillex's successors, transferees, heirs, and assigns.

21. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

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

23. 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.


[SIGNATURE PAGES FOLLOW]



THE UNITED STATES OF AMERICA

UNITED STATES DEPARTMENT OF JUSTICE  
CIVIL FRAUD SECTION

Dated: 7/17/2025

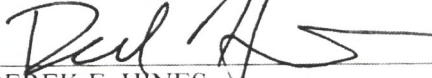
  
NELSON WAGNER  
Trial Attorney

UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT OF PENNSYLVANIA

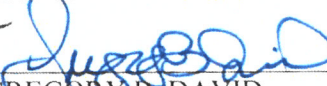
Dated: 7/15/2025

  
DAVID METCALF  
United States Attorney

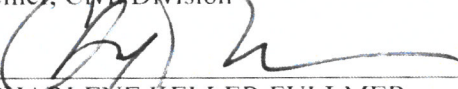
Dated: 7/16/25

  
DEREK E. HINES  
First Assistant United States Attorney

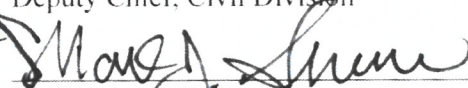
Dated: 7/15/25

  
GREGORY B. DAVID  
Assistant United States Attorney  
Chief, Civil Division

Dated: 7/15/25

  
CHARLENE KELLER FULLMER  
Assistant United States Attorney  
Deputy Chief, Civil Division

Dated: 7/15/25

  
MARK J. SHERER  
Assistant United States Attorney  
Eastern District of Pennsylvania

UNITED STATES DEPARTMENT OF JUSTICE  
NATIONAL COURTS SECTION

DATED: \_\_\_\_\_

PATRICIA  
MCCARTHY

Digitally signed by PATRICIA  
MCCARTHY  
Date: 2025.05.08 12:02:39  
-04'00'

PATRICIA M. MCCARTHY  
Director

DATED: \_\_\_\_\_

STEPHEN TOSINI

Digitally signed by STEPHEN TOSINI  
Date: 2025.05.08 11:46:17 -04'00'

STEPHEN C. TOSINI  
Senior Trial Counsel

GROSFILLEX, INC. - NDANT

ATED: 5/5/25 Y: 

NAME: SCOTT CHARNOFF

TITLE: VP of Finance

On behalf of Grosfillex, Inc.

ATED: 5/6/2025 

Alan R. Klestadt

David Murphy

Max . Schutzman

GRUNFELD DESIDERIO LEBOWITZ

SILVERMAN & KLESTADT LLP

*Counsel for Grosfillex, Inc.*

EDWARD WISNER - RELATOR

DATED: 5/7/25 BY: Edward Wisner  
Edward Wisner  
On behalf of himself

DATED: 5/7/25 BY: David J. Caputo  
David J. Caputo, Esq.  
YOUUMAN & CAPUTO, LLC  
  
*Counsel for Relator*