

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice (DOJ) and on behalf of the United States Customs and Border Protection (CBP) (collectively the “United States”); Scuderia Development, LLC, 1001 Doubleday, LLC, Von Karman-Main Street, LLC, and 10681 Production Avenue, LLC (collectively “Warehouse Defendants”); Perfectus Aluminum, Inc. and Perfectus Aluminum Acquisitions, LLC (collectively “Perfectus Defendants”); and Mike Rapport, Eric Shen, and Aluminum Extruders Council (“Relators”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Warehouse Defendants: Scuderia Development, LLC (“Scuderia”) is a Delaware limited liability company with its principal place of business in Newport Beach, California. Scuderia owned and operated a warehouse located at 14600 Innovation Dr. Riverside, CA 92508. 1001 Doubleday, LLC (“Doubleday”) is a Delaware limited liability company with its principal places of business in Newport Beach and Ontario, California. Doubleday owned and operated a warehouse located at 1001 Doubleday Avenue, Ontario, California 91761. Von Karman-Main Street, LLC (“Von Karman”) is a Delaware limited liability company with a principal place of business in Newport Beach, California. Von Karman owned and operated a warehouse located at 2323 Main Street, Irvine, California 92614. 10681 Production Avenue, LLC (“Production”) is a Delaware limited liability company with a principal place of business in Fontana, California. 10681 Production owned and operated a warehouse located at

10681 Production Avenue, Fontana, California 92337. The warehouses described in this paragraph will be hereafter referred to as “the Warehouses.”

B. Perfectus Defendants: Perfectus Aluminum, Inc. is a California corporation that is located at 1001 Doubleday Avenue, Ontario, California 91761. Perfectus Aluminum Acquisitions, LLC, a Delaware corporation, is a wholly owned subsidiary of Perfectus Aluminum, Inc.

C. On April 13, 2015, Mike Rapport filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States ex rel. Rapport v. Pengcheng Aluminum Enterprise, Inc. USA, et al.*, No. 5:15-cv-00712-JLS (SPx) pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b).

D. On July 11, 2017, Eric Shen filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States ex rel. Shen v. Zhongtian LIU, et al.*, No. 2:17-cv-05103 JLS (SPx) pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b).

E. On September 11, 2018, the Aluminum Extruders Council filed a *qui tam* action in the United States District Court for the Central District of California captioned *United States ex rel. Aluminum Extruders Council v. China Zhongwang Holdings Limited, et al.*, No. EDCV 18-07912 JLS (SPx) pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b). The three Relator *qui tams* and any amendments to those complaints are collectively hereafter referred to as “the Civil Actions.” On December 18, 2025, the Civil Actions were consolidated under lead case No. 5-15-cv-00712-JLS (SPx).

F. On August 23, 2021, a jury in the Central District of California convicted the Warehouse Defendants of Conspiracy to Commit an Offense Against the United States or Defraud the United States, in violation of 18 U.S.C. § 371; Wire Fraud, in violation of 18 U.S.C. §§ 1343 and 2(a); and Passing a False or Fraudulent Document through a Customhouse, in violation of 18 U.S.C. §§ 545 and 2(a). *United States v. Perfectus Aluminum Inc., et al.*, No. 2:19-cr-00282-GK. On July 31, 2024, the U.S. Court of Appeals for the Ninth Circuit affirmed the convictions of the Warehouse Defendants and remanded the case for further proceedings. *United States v. Scuderia Development, LLC*, No. 22-50080, 2024 WL 3594382 (9th Cir. July 31, 2024).

G. On August 23, 2021, a jury in the Central District of California convicted the Perfectus Defendants of Conspiracy to Commit an Offense Against the United States or Defraud the United States, in violation of 18 U.S.C. § 371; Wire Fraud, in violation of 18 U.S.C. §§ 1343 and 2(a); Passing a False or Fraudulent Document through a Customhouse, in violation of 18 U.S.C. §§ 545 and 2(a); and International Money Laundering, in violation of 18 U.S.C. §§ 1956(a)(2)(A) and 2(a). *United States v. Perfectus Aluminum Inc., et al.*, No. 2:19-cr-00282-GK. On July 31, 2024, the U.S. Court of Appeals for the Ninth Circuit affirmed the convictions of the Perfectus Defendants and remanded the case for further proceedings. No. 22-50080, 2024 WL 3594382 (9th Cir. July 31, 2024).

H. On March 24, 2022, the United States District Court for the Central District of California entered a Preliminary Order of Forfeiture Pursuant to Guilty Verdicts (Dkt. 357) (the “Forfeiture Order”), authorizing the government to seize 279,808 aluminum structures in the shape of pallets (the “Aluminum Pallets”) from the Perfectus

Defendants. Subsequently, on April 29, 2022, the court entered an Amended Judgment of Conviction rendering the Forfeiture Order final. (*See* Dkt. 404 and 405).

I. In orders filed on April 13, 2022, and April 29, 2022, in connection with sentencing in the criminal matters (“the Restitution Orders”), the Warehouse Defendants and the Perfectus Defendants (hereafter “Defendants”) were ordered to pay restitution in the total amount of \$1,836,244,745 to Customs and Border Protection. Defendants were held jointly and severally liable.

J. In October 2025, the DOJ and the Warehouse Defendants agreed Defendants would sell the Warehouses identified in Paragraph A, *supra*, and provide the net proceeds of those sales to the United States as partial payment for the restitution amount identified in Paragraph I, *supra*. In the event that the properties are not sold by Defendants, the Defendants have agreed that the properties will be forfeited to the United States.

K. The United States contends that it has certain civil claims against Defendants arising from the following conduct during the period July 2011 through June 2014: (i) Defendants knowingly made, and caused others to make, false statements on Customs Form 7501 Entry Summaries that were material to obligations to pay duties owed to CBP on extruded aluminum manufactured in the People’s Republic of China (PRC), including countervailing duties of 374.15 percent owed on more than \$880 million of extruded aluminum misrepresented to be finished merchandise in the form of “pallets” not subject to countervailing duties; and (ii) Defendants knowingly concealed or knowingly and improperly avoided or decreased an obligation to pay duties owed to CBP on extruded aluminum manufactured in the PRC, including countervailing duties of

374.15 percent owed on more than \$880 million of extruded aluminum misrepresented to be finished merchandise in the form of “pallets” not subject to countervailing duties. As a result of the foregoing conduct, the United States alleges that CBP was deprived of more than \$3 billion in duties owed to the United States. This conduct is referred to below as the “Covered Conduct.”

L. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement.

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. Pursuant to this Settlement Agreement, Defendants shall pay the United States \$549,594,030 (“Settlement Amount”), of which \$349,594,030 is attributable to the sale of the Warehouses and \$200,000,000 is attributable to the sale of the Aluminum Pallets. Defendants agree that they are jointly and severally liable for the Settlement Amount, and following execution of this Agreement, the parties shall file with the Court the proposed consent judgment for the full Settlement Amount (the “Consent Judgment”) in the form attached hereto as Exhibit A. Defendants’ liabilities under the Consent Judgment are not dischargeable in the event of bankruptcy.

2. The United States will receive the net proceeds of any sale of the Aluminum Pallets and the Warehouses. Under this Agreement, the net amounts received by the United States from the sale of the Warehouses and Aluminum Pallets pursuant to the Forfeiture Order, agreements between Defendants and the DOJ, or the Restitution

Order will be credited toward the Settlement Amount. All such amounts credited toward the Settlement Amount are defined herein as the “Net Civil Payment.” Neither the Settlement Amount nor the Consent Judgment shall have any effect on DOJ’s other agreements with Defendants.

3. Conditioned upon the United States receiving any amount of the Net Civil Payment, the United States shall pay 17.5% of the Net Civil Payment to Relator Rapport as the Relator Share pursuant to 31 U.S.C. § 3730(d)(1). Each such payment shall be made by electronic funds transfer within a reasonable time after receipt by the United States of any portion of the Net Civil Payment and will be made pursuant to instructions to be provided to the United States by counsel for Relator Rapport. The amounts paid to Relator Rapport pursuant to this Paragraph shall hereinafter be referred to as the Relator’s Share. No other relator share payments shall be made by the United States with respect to the matters covered by this Agreement. All Relators in the Civil Actions listed in Preamble Paragraphs C, D, and E, above, represent that they will abide by the terms of any separate agreements they may have entered into with one or more of the other Relators concerning the allocation of the amounts paid by the United States to Relator Rapport pursuant to 31 U.S.C. § 3730(d).

4. Relators waive their right to seek expenses, fees, or costs that would otherwise be available pursuant to 31 U.S.C. § 3730(d).

5. Subject to the exceptions in Paragraph 7 (concerning reserved claims) below, and Paragraph 15 (concerning bankruptcy) below, and United States’ receipt of the Net Civil Payment, the United States releases Defendants 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 Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Administrative False Claims Act (formerly known as the Program Fraud Civil Remedies Act), 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

6. Relators understand and agree that this Agreement constitutes a full and final settlement of any claims they could assert or may assert in the future to any and all property forfeited or subject to forfeiture as a result of the Central District of California's Criminal Case against the Defendants and any other cases related in any way to the Covered Conduct and the United States' investigation and prosecution thereof, and agree that they waive any rights to make any further claims to such property, to pursue remission or mitigation of the forfeiture of such property, and to appear or attempt to intervene in the Central District of California's Criminal Case or any other case related in any way to the Covered Conduct or the United States' investigation and prosecution thereof. Relators further agree that they have no right to, and will not make any challenge to, the United States' actions or inactions in connection to the sale of the Warehouses by Defendants or the Aluminum Pallets by the government. Upon Relators' request, the DOJ will provide reasonable updates concerning the status of CBP's receipt of the Net Civil Payment.

7. Notwithstanding the releases given in Paragraph 5 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, including any restitution or forfeiture obligations, or any other obligations set forth in the sentencing orders entered in the Central District of California Criminal Case, above;
- 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; and
- f. Any liability of individuals.

8. Relators and their 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 Relators' receipt of the Relator Share, Relators and their 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 their *qui tams* or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or their respective *qui tams*.

9. Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release, waive, and forever discharge Defendants from any claims or liability

to Relators arising from the filing of their *qui tams*, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

10. Defendants waive and shall not assert any defenses they 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.

11. Defendants 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 Defendants 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 or the United States' investigation or prosecution thereof.

12. Defendants fully and finally release the Relators, their attorneys, officers, agents, employees and servants from any claims (including attorneys' 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 Relators, their attorneys, officers, agents, employees and servants related to the Covered Conduct and the Relators' investigation and prosecution thereof.

13. Defendants agree to the following:

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

Defendants, and their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement and the Sentencing Papers;
- (2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal 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 Defendants makes 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 Defendants, and Defendants 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: Defendants further agree that within 90 days of the Effective Date of this Agreement, they shall identify and repay by adjustment to future claims for payment or

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

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

15. In exchange for valuable consideration provided in this Agreement, Defendants acknowledge that if their 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 Consent Judgment is satisfied in full, Defendants or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Defendants' debts, or to adjudicate Defendants as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or any substantial part of their assets, then:

(a) The United States may rescind the releases in this Agreement 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 in Paragraph 5 above.

(b) The United States has an undisputed, noncontingent, and liquidated allowed claim against Defendants in the amount of \$1,836,244,275, less any payments received pursuant to this agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by the Individuals and/or Defendants, a receiver, a trustee, custodian, or other similar official for the Individuals and/or Defendants.

16. Upon the sale of all the Warehouses, the United States shall promptly notify the Court of the sale so that the Court can enter dismissal as detailed in the Consent Judgment.

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

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

19. 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 Central District of California. 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.

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

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

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

23. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.


24. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.


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

26. 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


DATED: May 1, 2026 BY: 
Jennifer Chorpene
Martha Glover
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: May 1, 2026 BY: 
Hunter B. Thomson
Assistant United States Attorney
Acting Chief, Civil Fraud Section
Central District of California

DATED: April 30, 2026 BY: 
Alice A. Kipel
Executive Director, Regulations & Rulings
U.S. Customs and Border Protection

DEFENDANTS

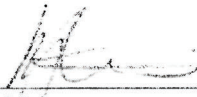
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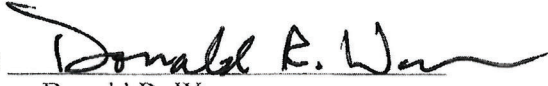

Stephen G. Larson
Hilary Potashner
Counsel for Warehouse Defendants

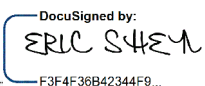
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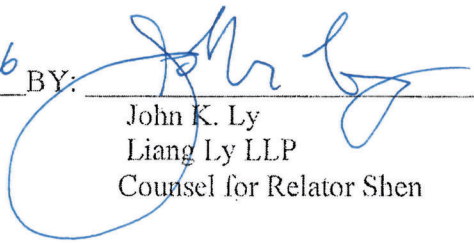

Robert F. Ruyak
Counsel for Perfectus Defendants

RELATORS

DATED: 4-10-26 BY: 
Michael Rapport
Relator

DATED: 4-20-26 BY: 
Donald R. Warren
Warren - Benson Law Group
Counsel for Relator Rapport

DATED: 4/21/2026 BY: 
Eric Shen
Relator

DATED: 4-21-26 BY: 
John K. Ly
Liang Ly LLP
Counsel for Relator Shen

DATED: _____ BY: _____
Jason Weber
President
Relator Aluminum Extruders Council

DATED: _____ BY: _____
Ralph J. Caccia
Wiley Rein LLP
Counsel for Relator Aluminum Extruders Council

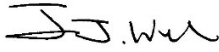
RELATORS


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Michael Rapport
Relator

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Donald R. Warren
Warren - Benson Law Group
Counsel for Relator Rapport

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Eric Shen
Relator

DATED: _____ BY: _____
John K. Ly
Liang Ly LLP
Counsel for Relator Shen

DATED: 4/21/2026 BY:  _____
Jason Weber
President
Relator Aluminum Extruders Council

DATED: 4/21/2026 BY:  _____
Stephen J. Obermeier
Wiley Rein LLP
Counsel for Relator Aluminum Extruders Council