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 Customs and Border Protection ("CBP") (collectively, the "United States"), New York Packaging II LLC d/b/a Redi-Bag USA ("New York Packaging") and Jeffrey Rabiea (together, the "New York Packaging Defendants"), and John Maierhoffer ("Relator") (the United States, the New York Packaging Defendants, and Relator hereafter collectively referred to as the "Parties"), through their authorized representatives.

RECITALS

A. New York Packaging is a New York company headquartered in New Hyde Park, New York that supplies custom bags, liners, and packaging to grocery, restaurant, deli, medical, and other retail and industrial customers across the United States. Jeffrey Rabiea is New York Packaging's CEO and a part-owner of the company.

B. On November 22, 2021, Relator filed a *qui tam* action in the United States District Court for the District of New Jersey captioned *United States ex rel. Maierhoffer v. New York Packaging II LLC, et al.*, Civil No. 21-20170 (SDW) (JSA), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action"). The United States is partially intervening in the Civil Action for the purposes of settlement.

C. The United States contends that it has certain civil claims against the New York Packaging Defendants for allegedly knowingly engaging in the following conduct from December 23, 2015, through July 13, 2018:

> The New York Packaging Defendants misrepresented the country of origin of certain polyethylene retail carrier bags ("PRCBs") on customs forms at importation into the United States. Specifically, the New York Packaging Defendants knew that certain PRCBs that they imported into the United States

> had been manufactured in the People's Republic of China ("PRC") and transshipped through Hong Kong. The New York Packaging Defendants nevertheless misrepresented on customs entry forms that the country of origin of these PRCBs was Hong Kong, thus evading duties assessed by the United States under Antidumping Duty Order No. A-570-886 ("ADD Order") if the PRCBs met certain size and use specifications. When applicable, the ADD Order imposed an antidumping duty of up to 77.57% on the value of PRCBs manufactured in the PRC and imported into the United States.
>
> The New York Packaging Defendants further concealed the PRCBs' true country of origin by hiding information from others, including New York Packaging's customs broker, and by extension, CBP, including by directing employees to cover up "Made in China" markings, directing the manufacturer to remove "Made in China" markings, and directing the cancelation of orders after learning the orders would be inspected by customs authorities.

This conduct is referred to below as the "Covered Conduct."

As a consequence of the Covered Conduct, the United States contends that the New York Packaging Defendants knowingly made, used, or caused to be made or used false records or statements material to obligations to pay or transmit money to the United States, or knowingly concealed or knowingly and improperly avoided or decreased such obligations, in violation of the False Claims Act, 31 U.S.C. § 3729(a)(1)(G), and that they conspired with others to do so, 31 U.S.C. § 3729(a)(1)(C).

D. This Settlement Agreement is neither an admission of liability by the New York Packaging Defendants nor a concession by the United States that its claims are not well founded. The New York Packaging Defendants deny the United States' allegations in Paragraph C and the Relator's allegations in the Civil Action.

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. The New York Packaging Defendants shall collectively pay to the United States $7,300,000, of which $3,650,000 is restitution, plus interest at a rate of 3.64% per annum from May 1, 2026, and continuing until and including the date of payment (the "Settlement Amount"), as follows:

a. New York Packaging shall pay to the United States $6,789,000 plus accrued interest as set forth above no later than 30 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

b. Jeffrey Rabiea shall pay to the United States $511,000 plus accrued interest as set forth above no later than 30 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

Notwithstanding the foregoing, New York Packaging and Jeffrey Rabiea agree that each is jointly and severally liable for the entire Settlement Amount, and that if any of the above payments (or portions thereof) is not received from the payor identified above, any unpaid payment or portion is and remains a joint and several obligation of both New York Packaging and Jeffrey Rabiea.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay $1,332,250, plus a proportionate share of any interest, to Relator by electronic funds transfer ("Relator's Share"). No other relator payments shall be made by the United States with respect to the matters covered by this Agreement.

3. The New York Packaging Defendants agree to pay a total of $225,000 to Relator

pursuant to 31 U.S.C. § 3730(d) in satisfaction of attorneys' fees, expenses, and costs incurred by Relator in connection with the Civil Action by no later than 30 days after the Effective Date. Payment under this paragraph shall be made by electronic funds transfer pursuant to instructions provided by Relator's counsel.

4. Subject to the exceptions in Paragraph 6 below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases the New York Packaging Defendants, together with New York Packaging's 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 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 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; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 6 below, and upon the United States' receipt of the Settlement Amount, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases the New York Packaging Defendants, together with New York Packaging's current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, insurers and reinsurers, and the corporate successors and assigns of any of them, 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.

6. Notwithstanding the releases given in Paragraphs 4 and 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;

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 other than Jeffrey Rabiea;

g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

h. Any liability for failure to deliver goods or services due;

i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. 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 her 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.

8. Except as provided in Paragraph 3 above and as provided in the final sentence of this paragraph, Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, and on behalf of Mustang Marketing Group LLC, fully and finally releases the New York Packaging Defendants, and their current and former directors, managers, officers, agents, and employees, together with New York Packaging's 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 claims of any kind (including attorneys' fees, costs, and expenses of every kind and however denominated), known or unknown, accrued or not yet accrued, arising from any conduct occurring prior to the Effective Date of this Agreement, including specifically any liability to Relator arising under the False Claims Act, 31 U.S.C. §§ 3729-3733, including but not limited to all allegations in the Civil Action and the contentions in the Covered Conduct, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs. The releases provided in this paragraph shall not extend to any claims, counterclaims or defenses that have been alleged in the following cases: *New York Packaging II, LLC v. Mustang Marketing Group, LLC, et al.*, Case No. 2:21-cv-01629 (E.D.N.Y.); *New York Packaging II, LLC v. Daryl Danielowicz and John Maierhoffer*, Case No. 604169/2024 (N.Y. Sup. Ct.); and *New York Packaging II, LLC v. John Maierhoffer and Mustang Marketing Group LLC*, Case No. 615114/2025 (N.Y. Sup. Ct.) (collectively, the "Non-Released Cases"), nor shall they modify or eliminate any rights or obligations under the settlement agreement dated February 10, 2025 between and among Mustang Marketing Group

LLC, John Maierhoffer and New York Packaging II, LLC d/b/a Redibag USA (the "Clay County Settlement Agreement").

9. The New York Packaging 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.

10. The New York Packaging 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 they 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.

11. Except as provided in the final sentence of this paragraph, the New York Packaging Defendants and their current and former directors, managers, officers, agents, and employees, together with New York Packaging's 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, fully and finally release the Relator and Mustang Marketing Group LLC from all claims of any kind (including attorneys' fees, costs, and expenses of every kind and however denominated), known or unknown, accrued or not yet accrued, arising from any conduct occurring prior to the Effective Date of this Agreement, including but not limited to any liability to New York Packaging Defendants related

to all allegations in the Civil Action and the contentions in the Covered Conduct and the Relator's investigation and prosecution thereof. The releases provided in this paragraph shall not extend to any claims, counterclaims or defenses that have been alleged in the Non-Released Cases, nor shall they modify or eliminate any rights or obligations under the Clay County Settlement Agreement.

12. 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 the New York Packaging Defendants, 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 and any criminal investigation(s) of the matters covered by this Agreement;

(3) the New York Packaging 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 payments the New York Packaging Defendants make to the United States pursuant to this Agreement and any payments that the New York Packaging Defendants 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 the New York Packaging Defendants, and the New York Packaging 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: Within 90 days of the Effective Date of this Agreement, the New York Packaging Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by the New York Packaging Defendants or any of their subsidiaries or affiliates from the United States. The New York Packaging Defendants agree that the United States, at a minimum, shall be entitled to recoup from the New York Packaging 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 the New York Packaging Defendants' books and records and to disagree with any calculations submitted by the New York Packaging Defendants or any of their subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by the New York Packaging Defendants, or the effect of any such Unallowable Costs on the amount of such payments.

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

14. Upon receipt of the payments described in Paragraph 1 and Paragraph 3 above, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). For the United States, the dismissal will be with prejudice as to the New York Packaging Defendants as to the Covered Conduct

released by the United States in the Settlement Agreement, but otherwise will be without prejudice, including as to any other defendant in the Civil Action. For the Relator, the dismissal will be with prejudice as to all claims and all defendants in the Civil Action.

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

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

17. 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 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.

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

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

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

21. This Agreement is binding on each of the New York Packaging Defendants' successors, transferees, heirs, and assigns.

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

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

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

[SIGNATURE PAGES FOLLOW]

THE UNITED STATES OF AMERICA

DATED: 7/7/2026 BY: ______________________
David Simunovich
Assistant U.S. Attorney
United States Attorney's Office for the
District of New Jersey

DATED: 7/8/2026 BY: ______________________
Gavin Thole
Trial Attorney
Commercial Litigation Branch
Civil Division, United States Department of Justice

PATRICIA MCCARTHY Digitally signed by PATRICIA MCCARTHY Date: 2026.06.25 17:16:00 -04'00'

DATED: ______________ BY: ______________________
Patricia McCarthy
Director
Commercial Litigation Branch
Civil Division, United States Department of Justice

THE NEW YORK PACKAGING DEFENDANTS

DATED: July 10, 2026 BY: ______________________

Jeffrey Rabiea, Chief Executive Officer
On behalf of New York Packaging

DATED: July 10, 2026 BY: ______________________

Jeffrey Rabiea
In his individual capacity

DATED: July 10, 2026 BY: Peter W. Baldwin

Peter Baldwin
Counsel for New York Packaging and Jeffrey Rabiea

JOHN MAIERHOFFER (RELATOR)

DATED: 7/7/2026 BY: John Maierhoffer
John Maierhoffer
For himself and for Mustang Marketing Group LLC

DATED: 7/7/2026 BY: Bruce C. Judge
Bruce C. Judge
Counsel for Relator John Maierhoffer