

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 Small Business Administration, (collectively the “United States”), and C&J Welding & Construction, LLC; NexGen Industrial Services, Inc.; and Industrial Services Group, Inc. d/b/a Universal Blastco (“Defendants”); and Scissors LLC (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. C&J Welding & Construction (“C&J Welding”) is a maintenance and construction company with a principal place of business at 322 Meadow Run Road, Mount Morris, Pennsylvania. C&J Welding is an indirect, wholly owned subsidiary of Rema Tip Top of America, Inc. (“Rema”). Rema is a holding company incorporated in Delaware. Rema Tip Top/North America, Inc. (“RNA”) is a wholly owned subsidiary of Rema with a principal place of business at 300 Tice Boulevard, Suite 250, Woodcliff Lake, New Jersey. RNA specializes in automotive and industrial products. Rema is a wholly owned subsidiary, and RNA is an indirect, wholly owned subsidiary, of Rema Tip Top AG, which is headquartered in Poing, Germany.

B. NexGen Industrial Services, Inc. (“NexGen”) is an oil, gas, mining, and pipeline construction services company with a principal place of business at 322 Meadow Run Road, Mount Morris, Pennsylvania. NexGen is an indirect subsidiary of Rema.

C. Industrial Services Group, Inc. d/b/a/ Universal Blastco (“ISG”) is an industrial corrosion control company with a principal place of business at 318 Neeley Street, Sumter, South Carolina. ISG is an indirect subsidiary of Rema.

D. On September 29, 2023, Scissors LLC filed a *qui tam* action in the United States District Court for the District of New Jersey captioned *United States ex rel. Scissors LLC v.*

Rema Tip Top of America, Inc., et al, Civil Action No. 23-20790, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”).

E. During the period of April 1, 2020 to October 31, 2021 (“Relevant Time Period”) Defendants applied for and received the following PPP loans and loan forgiveness, which were associated with the following lender processing fees paid for by the United States:

Defendant	Year	Loan Amount Forgiven, Including Interest	Lender Processing Fee
C&J	2020	\$341,848.78	\$11,652.00
ISG	2020	\$2,810,754.74	\$27,828.50
ISG	2021	\$2,013,534.25	\$60,000.00
NexGen	2020	\$2,016,526.21	\$59,844.15
NexGen	2021	\$1,672,092.68	\$49,685.25

Collectively, the loans and forgiven loan amounts including interest are referred to as the “Forgiven PPP Loans.”

F. The United States contends it has certain civil claims against C&J Welding, NexGen, and ISG arising from their knowing submission of false loan and loan forgiveness applications for the Forgiven PPP Loans during the Relevant Time Period. Specifically, the United States contends that Defendants knowingly failed to fully disclose their affiliates, including Rema, on their Forgiven PPP loan applications, and Defendants falsely certified eligibility for PPP loans and loan forgiveness. Because of their affiliation with each other and with other entities, Defendants exceeded the employee and/or revenue-based eligibility limits for PPP loans and loan forgiveness. Defendants were therefore too large to qualify for the Forgiven PPP loans that they received. That conduct is referred to below as the Covered Conduct.

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

H. Defendants deny the United States' allegations in paragraph F.

I. 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. C&J Welding shall pay to the United States \$507,019.91 ("Settlement Amount") of which \$353,500.78 is restitution, and interest on the Settlement Amount at a rate of 4.25% per annum from April 2, 2025, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney for the District of New Jersey no later than 10 days after the Effective Date of this Agreement.

2. ISG shall pay to the United States \$7,045,363.20 ("Settlement Amount") of which \$4,912,117.49 is restitution, and interest on the Settlement Amount at a rate of 4.25% per annum from April 2, 2025, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney for the District of New Jersey no later than 10 days after the Effective Date of this Agreement.

3. NexGen shall pay to the United States \$5,447,616.89 ("Settlement Amount") of which \$3,798,148.29 is restitution, and interest on the Settlement Amount at a rate of 4.25% per annum from April 2, 2025, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney for the District of New Jersey no later than 10 days after the Effective Date of this Agreement.

4. The Settlement Amounts and interest payments described in Paragraphs 1-3 above will collectively be referred to as the “Settlement Proceeds.”

5. Conditioned upon the United States receiving the Settlement Proceeds and as soon as feasible after receipt, the United States shall pay \$2,340,000 to Relator by electronic funds transfer (“Relator’s Share”).

6. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Proceeds, the United States releases C&J Welding, ISG, and NexGen together with their 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 Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

7. Subject to the exceptions in Paragraph 8 below, and upon the United States’ receipt of the Settlement Proceeds, Relator, for itself and for its members, owners, heirs, successors, attorneys, agents, and assigns, releases Defendants and their current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, and directors from any and all claims, actions, causes of action, rights, damages, costs, or other expenses and compensation of any nature whatsoever under any theory of recovery, including but not limited to 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. Relator further represents and warrants that neither Relator, nor anyone on its behalf or associated in any way

with Relator, has filed any claims, complaints, or charges other than the Civil Action against the Defendants or their current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, or directors with any local, state, or federal court or agency. Relator additionally represents and warrants that neither Relator, nor anyone acting on its behalf or associated in any way with Relator, has assigned or transferred to any person or entity any claims or any part or portion thereof. Relator agrees that neither Relator, nor anyone acting on its behalf or associated in any way with Relator, will hereafter pursue any claim against any Defendant or their current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents, employees, officers, or directors by filing a lawsuit in any local, state, or federal court arising in whole or in part from the Covered Conduct or any other matter alleged in the Civil Action.

8. Notwithstanding the releases given in Paragraph 6 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;
- 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.

9. Relator and its members, owners, 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 its members, owners, 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.

10. No later than 10 days after the Effective Date of this Agreement, Defendants shall pay to Relator's Counsel the sum of \$54,209.00 by electronic funds transfer pursuant to written instructions to be provided by Relator's Counsel ("Attorneys' Fee Payment"). Payment of the Attorneys' Fee Payment resolves any and all claims Relator, for itself, and for its members, owners, heirs, successors, attorneys, agents, and assigns, has or may have against Defendants, and their current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, corporate owners, corporate successors and assigns, affiliates, agents,

employees, officers, and directors, from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

11. Defendants waive and shall not assert any defenses Defendants 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.

12. 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.

13. Defendants fully and finally release the Relator 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 Relator, related to the Covered Conduct and the Relator's investigation and prosecution thereof.

14. 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 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) Defendants' 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 Defendants make to the United States pursuant to this Agreement and any payments that 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 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: Within 90 days of the Effective Date of this Agreement, Defendants 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 its 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.

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

16. Upon receipt of the payment described in Paragraph 4, above, the Relator and the United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The United States' claims against Defendants are dismissed with prejudice as to the Covered Conduct. Relator's claims are dismissed in their entirety, with prejudice.

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 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.

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 Relator's members, owners, 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. Neither Relator, nor anyone acting on its behalf or associated in any way with Relator, shall make any oral or written statement relating in any way to the Civil Action or the settlement of the Civil Action in news media or any method of dissemination, including without limitation print media, television, radio, social media, and the internet.

27. 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.


THE UNITED STATES OF AMERICA

DATED: 6/10/25

BY: *Susan J. Pappy*
Susan J. Pappy
Assistant United States Attorney
District of New Jersey

C&J Welding & Construction, LLC - DEFENDANT

DATED: _____

BY: 
C. Jason Foster, President

DATED: _____

BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for C&J Welding & Construction, LLC

NexGen Industrial Services, Inc. - DEFENDANT

DATED: _____

BY: _____
Dennis Mock, President

DATED: _____

BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for NexGen Industrial Services, Inc.

Industrial Services Group, Inc. d/b/a Universal Blastco - DEFENDANT

DATED: _____

BY: _____
Harold R. Waynick, III

DATED: _____

BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for Industrial Services Group, Inc.

C&J Welding & Construction, LLC - DEFENDANT

DATED: _____ BY: _____
C. Jason Foster, President

DATED: _____ BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for C&J Welding & Construction, LLC

NexGen Industrial Services, Inc. - DEFENDANT

DATED: 6-2-25 BY: 
Dennis Mock, President

DATED: _____ BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for NexGen Industrial Services, Inc.

Industrial Services Group, Inc. d/b/a Universal Blastco - DEFENDANT

DATED: _____ BY: _____
Harold R. Waynick, III

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Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for Industrial Services Group, Inc.

C&J Welding & Construction, LLC - DEFENDANT

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C. Jason Foster, President


DATED: _____ BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for C&J Welding & Construction, LLC

NexGen Industrial Services, Inc. - DEFENDANT

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Dennis Mock, President

DATED: _____ BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for NexGen Industrial Services, Inc.

Industrial Services Group, Inc. d/b/a Universal Blastco - DEFENDANT

DATED: 6/2/2025 BY: 
Harold R. Waynick, III


DATED: _____ BY: _____
Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for Industrial Services Group, Inc.

C&J Welding & Construction, LLC - DEFENDANT

DATED: _____

BY: _____
C. Jason Foster, President

DATED: 6/9/2025

BY: 


Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for C&J Welding & Construction, LLC

NexGen Industrial Services, Inc. - DEFENDANT

DATED: _____

BY: _____
Dennis Mock, President

DATED: 6/9/2025

BY: 


Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for NexGen Industrial Services, Inc.

Industrial Services Group, Inc. d/b/a Universal Blastco - DEFENDANT

DATED: _____


BY: _____
Harold R. Waynick, III


DATED: 6/9/2025

BY: 

Eric W. Sitarchuk
Steven Strauss
Morgan, Lewis & Bockius LLP
Counsel for Industrial Services Group, Inc.

Scissors LLC – RELATOR

DATED: 6/9/2025 BY: 
[X] *Charles J. Stein, Attorney*
representative for Scissors LLC

DATED: 6.9.25 BY: 
Eric Jaso
Spiro Harrison & Nelson
Counsel for Scissors LLC