

SETTLEMENT AGREEMENT

This Settlement Agreement (the “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 & Border Protection (“CBP”) (collectively the “United States”), Anyclo International, Inc. (“Anyclo”), and Yang Sup Cha (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Anyclo is a business entity headquartered in Seoul, South Korea and is engaged in the business of manufacturing and selling apparel.

B. On July 16, 2018, Relator filed a *qui tam* action in the United States District Court for the District of New Jersey captioned *United States ex rel. Yang Sup Cha v. Anyclo International, Inc., et al.*, Civil Action No. 18-11863, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). Relator alleged, among other things, that Anyclo knowingly evaded customs duties owed in connection with its importation of apparel into the United States. Specifically, Relator alleged that Anyclo caused false statements to be made on entry documents furnished to CBP concerning the value of the merchandise Anyclo imported into the United States for sale to U.S. customers. Relator also alleged that Anyclo created fraudulent commercial invoices and provided those fraudulent

invoices to its U.S. customs broker knowing that the broker would use the information on the invoices to declare to CBP the value of the merchandise being imported into the United States.

C. The United States contends that it has certain civil claims against Anyclo arising from the facts and conduct described in this paragraph, for which Anyclo admits, acknowledges, and accepts responsibility:

- (i) Between October 5, 2012 and August 5, 2019, Anyclo was the importer of record for a number of entries consisting of apparel manufactured by Anyclo and imported into the United States. For many of these entries, Anyclo knowingly evaded customs duties that it should have paid by undervaluing the merchandise being imported into the United States.
- (ii) Specifically, for a number of sales to U.S. customers, Anyclo would prepare two versions of the same invoice for the same shipment. Anyclo would provide one version of its commercial invoice, which accurately stated the total value of the goods sold and additional costs/services provided under delivered duty paid (“DDP”) terms, to its U.S. customer setting forth the total amount to be paid for the goods and services being purchased. Anyclo also generated another version of the invoice, known as a free on board (“FOB”) invoice, that did not include the additional

costs or expenses. This FOB version set forth a lower value and some of the discrepancy between the two invoices was due to Anyclo's undervaluation. Anyclo provided the fraudulent invoice to its freight forwarder, which then forwarded the information to its U.S. customs broker, knowing that the broker would use the value of the goods sold in the fraudulent invoice in filing necessary entry forms with CBP which includes, among other things, the value of the goods being entered into the United States. Anyclo knew that by furnishing the fraudulent invoice to its freight forwarder, Anyclo would pay a lower amount of customs duties than it should have paid, had the true value of the merchandise been declared to CBP.

- (iii) Anyclo and the United States agree that, based on its ability to pay, Anyclo will pay \$2,050,000 as part of this Settlement Agreement relating to the above conduct.

This conduct described in Paragraph C (including each and every subpart) is referred to below as the Covered Conduct.

D. 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. Anyclo shall pay to the United States two million fifty thousand dollars (\$2,050,000) (the “Settlement Amount”) and interest on the Settlement Amount at a rate of 2% per annum from February 7, 2023, of which \$2,050,000 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the District of New Jersey. Anyclo shall pay the Settlement Amount in installments over a period of 15 months. Within 30 days of execution of this Agreement (the “Execution Date”) Anyclo will make its first installment payment of two hundred thousand dollars (\$200,000). Anyclo shall pay the remainder of the Settlement Amount according to the following terms and conditions:

- A. Over a period of 15 months, Anyclo will pay the remaining one million eight hundred fifty thousand dollars (\$1,850,000), plus interest at 2% per annum, pursuant to the payment schedule attached at Exhibit A (the “Payments Over Time”).
- B. Interest shall accrue on the unpaid settlement amount as indicated in Exhibit A. Collectively the settlement amount

and interest received by the United States shall be referred to as the Settlement Payments.

- C. If Anyclo is sold, merged, or transferred, or a significant portion of the assets of Anyclo is sold, merged, or transferred into another non-affiliated entity, Anyclo shall promptly notify the United States, and all remaining payments owed pursuant to the Settlement Agreement shall be accelerated and become immediately due and payable.
- D. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

2. Conditioned upon the United States receiving the Settlement Amount payments, the United States agrees that it shall pay to Relator by electronic funds transfer 18% percent of each such payment received under the Settlement Agreement (Relator's Share) as soon as feasible after receipt of the payment. Payment shall be made to an attorney trust account designated by Relator's counsel.

3. Within one month of the Execution Date, Anyclo will pay to Relator \$25,000 dollars for expenses, attorneys' fees, and costs pursuant to 31 U.S.C. § 3730(d). Anyclo and Relator agree that this amount represents reasonable expenses, attorneys' fees, and costs for the Civil Action.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, the United States releases Anyclo 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.

5. Subject to the exceptions in Paragraph 6 below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Anyclo from any civil monetary claim 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 Paragraph 4 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; and
- f. Any liability of individuals.

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 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.

8. Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Anyclo from any claims or liability to Relator arising from the filing of the Civil Action (including attorneys' fees, costs, and expenses of every kind and however denominated).

9. Anyclo waives and shall not assert any defenses Anyclo 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. Anyclo 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 Anyclo 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.

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

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 Anyclo, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement and any Plea Agreement between the United States Attorney's Office for the District of New Jersey and Anyclo concerning the Covered Conduct;
- (2) the United States' audit(s) and civil and criminal investigations of the matters covered by this Agreement;
- (3) Anyclo's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigations in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement and the criminal plea agreement;
- (5) the payment Anyclo makes to the United States pursuant to this Agreement and any payments that Anyclo 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 Anyclo, and Anyclo 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, Anyclo shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Anyclo or any of its subsidiaries or affiliates from the United States. Anyclo agrees that the United States, at a minimum, shall be entitled to recoup from Anyclo 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 Anyclo's books and records and to disagree with any calculations submitted by Anyclo or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Anyclo, or the effect of any such Unallowable Costs on the amount of such payments.

13. In the event that Anyclo fails to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Anyclo shall be in Default of Anyclo's payment obligations ("Default") and the following provisions apply:

A. The United States will provide a written Notice of Default, and Anyclo shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to Anyclo's counsel (identified below), or to such other representative as Anyclo shall designate in advance in writing. If Anyclo fails to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

B. In the event of Uncured Default, Anyclo agrees that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Anyclo for the claims that would otherwise

be covered by the releases provided in Paragraph 4 above, with any recovery reduced by the amount of any payments previously made by Ancylo to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to Ancylo and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Ancylo agrees immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, Ancylo waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims

that are (i) filed by the United States against Anyclo within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on Effective Date of this Agreement. Anyclo agrees not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

C. The United States has an additional remedy with respect to Anyclo's Uncured Default. If Anyclo is in an Uncured Default, the United States may, at its sole discretion, file the Consent Judgment that is attached hereto as Exhibit C not earlier than 7 business days of the Notice of Default. Anyclo agrees not to contest the Consent Judgment and/or collection action undertaken by the United States pursuant to this Agreement, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

14. Anyclo agrees to the following:

A. In the event that Anyclo or any of its successors, heirs, assigns, and other agents enter, introduce, or attempt to enter or

introduce any merchandise into the commerce of the United States, Anyclo and any of its successors, heirs, assigns, and other agents shall fully comply with the substantive and procedural requirements of the Tariff Act related to the ascertainment, collection, and recovery of duties, 19 U.S.C. § 1481 et seq., and the applicable regulations issued at 19 C.F.R. Part 141 and Part 142, and agree to accurately declare the value of the merchandise in accordance with 19 U.S.C. § 1401a. In the event that Anyclo or any of its successors, heirs, assigns, and other agents seek to utilize a subsidiary or any other related entity or agent as importer of record of merchandise into the United States, Anyclo shall ensure full compliance with the substantive and procedural requirements of the Tariff Act related to the ascertainment, collection, and recovery of duties, 19 U.S.C. § 1481 et seq., and the applicable regulations issued at 19 C.F.R. Part 141 and Part 142, and that the merchandise is accurately valued in accordance with 19 U.S.C. § 1401a.

B. Anyclo agrees to develop and implement, within 60 days of the Effective Date, a written customs compliance policy (the “Policy”). Anyclo shall submit a draft of the Policy to CBP for review within 30 days of the Effective Date, and the Policy shall be subject to CBP’s approval. Anyclo further agrees that, for a

period of five years, on the anniversary of the Effective Date, it will provide CBP a letter signed by the CEO summarizing the implementation of, and all actions taken in furtherance of and any modifications to, the Policy during the prior year. In this annual submission, Ancylo will also provide the following information related to customs entries into the United States made by Ancylo or on Ancylo's behalf:

(1) The date, identity of the payor, payment amount received, and associated invoice number(s) and entry number(s) for each payment; and

(2) The quantity and unit price paid for each shipment.

C. Ancylo agrees to appoint one management employee to 1) update the Policy as needed; 2) distribute the Policy at the time of its implementation, and thereafter at least annually, to all employees who conduct any facet of customs business or customs-related operations on behalf of Ancylo, and to also distribute the Policy to all new employees whose responsibilities are anticipated to include conducting any facet of customs business or customs-related operations on behalf of Ancylo, for review and acknowledgement at the time of hiring; and 3) respond to questions regarding the Policy from any employee, supplier, or other third party. The designated employee shall

have a direct reporting line to Anyclo's CEO regarding all matters related to the Policy.

D. The Policy will include provisions reasonably designed to ensure Anyclo's full compliance with applicable customs laws and regulations. The following provisions in subparagraphs (1) through (4) are among those that will be included in the Policy for this purpose.

1. The Policy will require Anyclo to distribute to agents acting on its behalf for purpose of selling Anyclo's merchandise, either directly or indirectly, to U.S. customers, an acknowledgment form indicating that the agent acknowledges that all import activity in connection with the sale of Anyclo's merchandise to U.S. customers will be in full compliance with applicable customs laws and regulations. The Policy also will also state that, if Anyclo comes to learn that an agent is knowingly violating the customs laws, Anyclo will cease doing business with the agent and report the conduct to CBP.

2. The Policy will include instructions to Anyclo's employees for identifying red flags for customs fraud, both internal and external, and will establish a duty to report any such red flags to Anyclo's management, or directly to

CBP should Anyclo's management be engaged in such customs fraud.

3. In the event that Anyclo, after a reasonable investigation, concludes that any red flags of customs fraud exist with regard to their interactions with a selling agent, Anyclo will promptly request explanatory information from the agent regarding the transaction. If the supplier fails to provide the requested information within 30 days of the request, Anyclo shall cease doing business with that agent. If the information submitted by the agent to Anyclo indicates that the supplier intends to make false statements to CBP or otherwise engage in customs fraud, Anyclo shall cease placing new orders with that supplier and shall report the conduct to CBP.

4. Anyclo will maintain, or utilize the services of a third party to maintain, for a period of not less than five (5) years, reports or documentation reflecting their efforts to comply with the requirements in each of these subparagraphs.

E. The obligations of this paragraph and its subparts shall apply to Anyclo, its successors, heirs, assigns, and other agents,

and any businesses owned or operated in whole or in part by Anyclo for the five years following the Effective Date.

F. The reports and notices to CBP required under this paragraph and its subparts, shall be submitted to the CBP employee noted below, or such other person identified by CBP:

Suzana Mikulka
Supervisory Import Specialist
U.S. Customs and Border Protection
Apparel, Footwear, & Textile Center, Validation & Compliance
Team 044-1
1100 Raymond Blvd.
Newark, NJ 07102
Tele: 973-368-6851
suzana.mikulka@cbp.dhs.gov

15. This Agreement is intended to be for the benefit of the Parties only.
16. Upon receipt of the first installment of the Settlement Amount described in Paragraph 1, the United States will file a notice of intervention and settlement in the civil action, which will be accompanied by a Notice of Voluntary Dismissal executed by the United States and Relator pursuant to Rule 41(a) of the Federal Rules of Civil Procedure and in the form attached as Exhibit B.
17. Except as provided in Paragraph 3, each Party shall bear its own legal and other costs incurred in connection with this matter, including expenses and costs related to the Civil Action and 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 Anyclo's successors, transferees, heirs, and assigns.

24. This Agreement is binding on Relator's 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.

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THE UNITED STATES OF AMERICA

Dated: 2/8/2023

BY:  _____

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

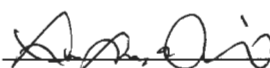
ANYCLO INTERNATIONAL, INC.

DATED: Feb 7th 2023

BY: 

Dong Geun Song
Chief Executive Officer
Anyclo International, Inc.


Dated: Feb 7th 2023

BY: 

Michael Sherwin, Esq.
Daniel S. Lee, Esq.
Kobre & Kim LLP
1919 M Street NW
Washington, DC 20036
Counsel for Anyclo International Inc.

RELATOR YANG SUP CHA

Dated: 2/7/2023

BY: 
Yang Sup Cha
Relator

Dated: 2/8/2023

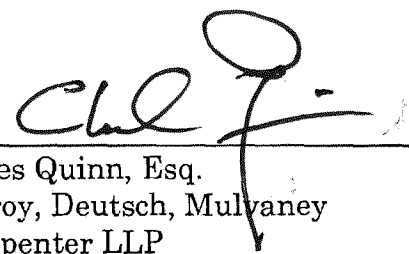
BY: 
Charles Quinn, Esq.
McElroy, Deutsch, Mulvaney
& Carpenter LLP
1300 Mt. Kemble Avenue
Morristown, NJ 07962
Counsel for Relator

EXHIBIT A

PAYMENTS OVER TIME

Pursuant to Paragraph 1 in this Agreement, Anyclo will pay the Settlement Amount over time. Within one month of the Execution Date, Anyclo shall pay \$200,000. The remaining payments, totaling \$1,850,000, shall be made in five equal installments, pursuant to the following schedule:

- Within 3 months of the Execution Date, Anyclo will make an installment payment of \$370,000, plus 2% annualized interest;
- Within 6 months of the Execution Date, Anyclo will make an installment payment of \$370,000, plus 2% annualized interest;
- Within 9 months of the Execution Date, Anyclo will make an installment payment of \$370,000, plus 2% annualized interest;
- Within 12 months of the Execution Date, Anyclo will make an installment payment of \$370,000, plus 2% annualized interest; and
- Within 15 months of the Execution Date, Anyclo will make the final installment payment of \$370,000, plus 2% annualized interest.

EXHIBIT B

PHILIP R. SELLINGER
United States Attorney
DAVID V. SIMUNOVICH
Assistant United States Attorney
970 Broad Street, Suite 700
Newark, NJ 07102
Tel.: 973-645-2736
david.simunovich@usdoj.gov

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA *ex rel.*
YANG SUP CHA,

Plaintiff,

v.

ANYCLO INTERNATIONAL, INC., *et*
al.,

Defendants.

HON. ESTHER SALAS

Civil Action No. 18-11863 (ES) (MAH)

JOINT STIPULATION OF DISMISSAL

WHEREAS on or about July 16, 2018, Relator Yang Sup Cha (“Relator”), through counsel, filed a complaint in this action on behalf of the United States pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b);

WHEREAS the United States completed its investigation of Relator's allegations, reached a resolution with Defendant Anyclo International, Inc. (“Anyclo”) and filed a notice of intervention in this action for the purposes of settlement with Anyclo;

WHEREAS, pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure and the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b)(1), and in accordance with the terms of the Settlement Agreement, the United States and Relator hereby STIPULATE and AGREE as follows:

1. The United States, Relator, and Anyclo have executed a written Settlement Agreement that provides for the dismissal of this action.

2. Relator stipulates and agrees that the settlement of this action is fair, adequate, and reasonable under all the circumstances as defined by 31 U.S.C. § 3730(c)(2)(B).

3. The United States and Relator request that, consistent with the terms and conditions of the Settlement Agreement and pursuant to Rule 41(a) of the Federal Rules of Civil Procedure and the False Claims Act, 31 U.S.C. § 3730(b)(1), this action be dismissed as follows:

- (a) with prejudice to Relator as to all claims on behalf of the United States as against all parties in this action;
- (b) with prejudice to the United States as to the “Covered Conduct,” as defined by the Settlement Agreement and set forth in the United States’ Notice of Election to Intervene for Purposes of Effectuating Settlement (filed with the Court on or about _____, 2023); and
- (c) without prejudice as to the United States’ claims and parties that are not within the “Covered Conduct.”

4. No answer by any defendant has been served or filed, and no parties other than the United States and the Relators have appeared in this action.

5. The United States has informed Anyclo of this Notice of Dismissal and is authorized to inform this Court that Anyclo does not object to the relief sought herein.

Respectfully submitted this ____ day of _____, 2023.

PHILIP R. SELLINGER
United States Attorney

By: _____
DAVID V. SIMUNOVICH
Assistant U.S. Attorney
970 Broad Street
Newark, NJ 07102
(973) 645-2736
Attorney for the United States



CHARLES QUINN, ESQ.
McElroy, Deutsch, Mulvaney &
Carpenter LLP
1300 Mount Kemble Avenue
Morristown, NJ 07962
(973) 993-8100
Attorney for Relator

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA *ex rel.*
YANG SUP CHA,

Plaintiff,

v.

ANYCLO INTERNATIONAL, INC., *et*
al.,

Defendants.

HON. ESTHER SALAS

Civil Action No. 18-11863 (ES) (MAH)

**[PROPOSED]
ORDER OF DISMISSAL**

Plaintiffs, the United States of America and Relator Yang Sup Cha (“Relator”), have notified the Court of a Settlement Agreement reached with Defendant Anyclo International, Inc. (“Anyclo”) that resolves Relator’s allegations on behalf of the United States under the False Claims Act, 31 U.S.C. §§ 3729-3733. On _____, 2023, and pursuant to the terms of the Settlement Agreement, the United States and Relator filed a joint stipulation of dismissal pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure and the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b)(1). Having reviewed the Plaintiffs’ Notice of Dismissal and pursuant to 31 U.S.C. § 3730(b)(1), it is hereby:

ORDERED AND ADJUDGED as follows:

1. The Complaint is dismissed with prejudice as to Relator's claims against all parties in this action.
2. The Complaint is dismissed with prejudice as to the United States insofar as the allegations fall within the "Covered Conduct" as defined by the Settlement Agreement and set forth in the United States' Notice of Election to Intervene for Purposes of Effectuating Settlement (filed with the Court on or about _____, 2023).
3. The Complaint is dismissed without prejudice as to the United States' claims and parties that are not within the "Covered Conduct."

Dated:

Newark, NJ

HON. ESTHER SALAS

EXHIBIT C

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA *ex rel.*
YANG SUP CHA,

Plaintiff,

v.

ANYCLO INTERNATIONAL, INC., *et*
al.,

Defendants.

HON. ESTHER SALAS

Civil Action No. 18-11863 (ES) (MAH)

CONSENT JUDGMENT

Plaintiff United States of America (the “United States”) and Defendant Anyclo International, Inc. (“Anyclo,” and together with the United States, the “Parties”), hereby stipulate, agree and consent to the entry of this judgment based upon the following uncontested allegations:

1. This Court has jurisdiction over this case under 28 U.S.C. §§1331, 1345, 1367(a). Anyclo consents to the jurisdiction of the United States District Court for the District of New Jersey for the resolution of this dispute.
2. On or about the 7rd day of February 2023, Anyclo entered into a Settlement Agreement with the United States for the purpose of resolving a dispute (the “Settlement Agreement”). A copy of the Settlement Agreement is attached hereto as Exhibit 1 and incorporated by reference herein.

3. Under the terms of the Settlement Agreement, Anyclo agreed to pay to the United States the sum of two million fifty thousand dollars (\$2,050,000) (the “Settlement Amount”) and interest on the Settlement Amount at a rate of 2% per annum from February 7, 2023. Under the terms of the Settlement Agreement, Anyclo was obligated to pay two hundred thousand dollars (\$200,000) within 30 days of the parties signing the Settlement Agreement, and the remaining one million eight hundred fifty thousand dollars (\$1,850,000), plus interest at 2% per annum, in five equal installments over a period of 15 months.

4. In the Settlement Agreement, Anyclo also agreed that in case Anyclo fails to pay the Settlement Amount (“Default”), and fails to cure the Default within seven (7) calendar days of receiving the Notice of Default in the absence of an agreement with the United States to a modified payment schedule (triggering an “Uncured Default” as defined in the Settlement Agreement), the United States may file a Consent Judgment against Anyclo in the amount of the unpaid balance of the Settlement Amount.

5. Anyclo has failed to make one or more payments in accordance with the Settlement Agreement and is now in an Uncured Default under the terms of the Settlement Agreement. Concurrent with the filing of this Consent Judgment, the United States has filed Exhibit 2 setting forth a statement of debt, showing the amount due and owing under the Settlement Agreement as of the date of default.

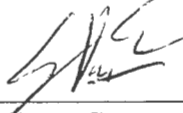
ACCORDINGLY, THIS COURT enters judgment for the United States against Anyclo in the amount set forth in Exhibit 2, plus post-judgment interest at the rate of 10% per annum, compounded daily from the date this Consent Judgment is entered until it is satisfied. This Court retains jurisdiction over this action.

IT IS SO ORDERED in the District of New Jersey this ____ day of _____, in the year _____.

HON. ESTHER SALAS

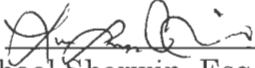
The undersigned consent to the entry of this Consent Judgment:

Dated: Feb 7th 2023

BY: 


Dong Geun Song
Chief Executive Officer
Anyclo International, Inc.

Dated: Feb 7th 2023

BY: 

Michael Sherwin, Esq.
Daniel S. Lee, Esq.
Kobre & Kim LLP
1919 M Street NW
Washington, DC 20036
Counsel for Anyclo International, Inc.

Dated: 2/08/2023

BY: 

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