

## SETTLEMENT AGREEMENT

1. This Settlement Agreement (Settlement Agreement) is entered into, on the one hand, by the Attorney General of the State of California (the Attorney General), on behalf of the People of the State of California, Qui Tam Plaintiff Timothy Logan (Qui Tam Plaintiff), Crossroads Equipment Lease and Finance, LLC (Crossroads), and Howard Shiebler, through their authorized representatives (collectively, the Parties).

2. WHEREAS, Crossroads is a California limited liability company, with its principal place of business in Rancho Cucamonga, California. Crossroads is a financial services company that originates and services loans for the purchase or lease of heavy-duty trucks and equipment.

3. WHEREAS, Howard Shiebler has been the president of Crossroads since he joined the company in January 2017.

4. WHEREAS, from 2009 to 2023, the State of California had a credit enhancement and loan loss reserve program that supported small business loans for the purchase of heavy-duty vehicles complying with zero-emission standards, called the “California Capital Access Program California Air Resources Board Heavy-Duty Vehicle Air Quality Loan Program” (CalCAP). Lenders, such as Crossroads, could enroll loans with CalCAP, and when the borrower defaults on the loans, lenders can apply to CalCAP for reimbursement of the loan balances, less the proceeds received from resale of the truck. Lenders can also seek reimbursement of the costs associated with preparing the vehicles for resale, including towing and repair charges, to offset losses on the loan. Crossroads has participated in CalCAP from 2012 to present.

5. WHEREAS, on May 17, 2021, Qui Tam Plaintiff filed under seal a *qui tam* action pursuant to the California False Claims Act (CFCA) in the Superior Court for Sacramento County, styled *State of California ex rel. Timothy Logan v. Crossroads Equipment Lease and Finance, LLC et al.*, Case No. 34-2021-00300810, on behalf of real party in interest the State of California, and naming Crossroads and Howard Shiebler as defendants.

6. WHEREAS, the complaint alleges in relevant part that defendants Crossroads and Howard Shiebler violated the CFCA by presenting or causing to be presented false claims and or making/using false records or statements to obtain payment or approval of false claims through Crossroads' requests for reimbursements to CalCAP.

7. WHEREAS, pursuant to the CFCA, following receipt of the complaint, the Attorney General investigated the complaint allegations. Based on his investigation, the Attorney General believes that there is an evidentiary basis for potential legal claims by the Attorney General against Crossroads and Shiebler for violations of the CFCA in connection with the conduct alleged in the complaint.

8. WHEREAS, Crossroads and Shiebler expressly dispute and deny all of allegations of wrongdoing.

9. NOW THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth in this Settlement Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

10. **Settlement Amount.** Crossroads, on behalf of itself and Howard Shiebler, agrees to pay a Settlement Amount of one million, six hundred forty thousand dollars (\$1,640,000.00) in settlement of all potential claims to be released by the Attorney General

and the Qui Tam Plaintiff under this Settlement Agreement. Payment shall be made to the Office of the Attorney General by electronic funds transfer within thirty (30) days of receiving written payment processing instructions from the Attorney General.

11. **Relator's Share.** Conditioned upon the Attorney General receiving the Settlement Amount and as soon as feasible after receipt, the Attorney General shall pay eighteen percent (18%) of the Settlement Amount for a total of two hundred ninety-five thousand, two hundred dollars (\$295,200.00) to Qui Tam Plaintiff.

12. **Covered Conduct.** "Covered Conduct" as used herein is defined as Crossroads' and Howard Shiebler's conduct, representations, disclosures, or omissions related to the submission of claims on loans enrolled in the CalCAP program during the period of January 1, 2017 to present, including but not limited to, collateral-management, charge-off, repossession, recovery, pricing, remarketing, collections, liquidation, resale, claims preparation, and/or claims submission of or relating to any vehicle or equipment listed in a claims application submitted by Crossroads to CalCAP.

13. **Compromise of Disputed Claims.** The Parties acknowledge and agree that this Settlement Agreement is not, and shall not in any way be construed as or suggested by any party to represent, a presumption, concession, or admission by any of the Parties or their employees, including Howard Shiebler, of any fault, liability, wrongdoing, damages, or any unlawful or wrongful conduct as to any facts or claims that have been or might have been alleged in any action or proceeding whatsoever relating to the Covered Conduct nor a concession by the Attorney General or the Qui Tam Plaintiff that their claims are not well founded. The Parties acknowledge and agree that this Settlement Agreement is the compromise of disputed claims and has been entered into to

avoid the time, burden, expense, distraction, uncertainty, and inconvenience of litigation. The provisions of this Settlement Agreement shall not be invoked, offered, or received in evidence, or otherwise used by any person in any action or proceeding, whether civil, criminal, or administrative, except in connection with a proceeding to enforce the terms of this Settlement Agreement.

14. **Releases by the Attorney General.** Subject to the exceptions in Paragraph 16 (Excluded Claims), and conditioned solely upon Crossroads' full payment of \$1,640,000.00 to the Office of the Attorney General to remediate potential harms to the State pursuant to California Government Code sections 12650-12656, resulting from the alleged unlawful conduct of Crossroads and Howard Shiebler, the Attorney General fully and finally releases Howard Shiebler and Crossroads, as well as its current and former parents, subsidiaries, and affiliates, and each of its successors and assigns, and all its current and former directors, officers, employees, agents (together, the Released Persons) from any and all claims, demands, and/or causes of action, known or unknown, suspected or unsuspected, relating to, concerning, or arising from the Covered Conduct that the Attorney General has against the Released Persons. The Attorney General executes this release in his official capacity and releases only claims that the Attorney General has the authority to release for the Covered Conduct.

15. **Releases by the Qui Tam Plaintiff.** Subject to the exceptions in Paragraph 16 (Excluded Claims), and conditioned solely upon the Attorney General's full payment of \$295,200.00 (Relator's Share), the Qui Tam Plaintiff fully and finally releases the Released Persons from any and all claims, demands, and/or causes of action, known or unknown, suspected or unsuspected, relating to, concerning, or arising from the

Covered Conduct that the Qui Tam Plaintiff has against the Released Persons. Also as condition for receipt of the Relator's Share, the Qui Tam Plaintiff will not object to this Settlement Agreement and agrees and confirms that this Settlement Agreement is fair, adequate, and reasonable under all the circumstances pursuant to California Government Code sections 12650-12656, and Qui Tam Plaintiff fully and finally releases the State of California and its agencies, departments, entities, officials, officers, agents, representatives, and employees from any and all rights, claims, remedies, expenses, debts, liabilities, demands, obligations, costs, damages, injuries, actions, and causes of action of any nature that Qui Tam Plaintiff has asserted, could have asserted, or may assert in the future against the State of California arising out of the filing of the Complaint, or from any other claim for share of the settlement proceeds or recovery of his fees, expenses or costs. Qui Tam Plaintiff accepts such payment of the Relator's Share from the State of California in full and final settlement of any claims he has or may have under the CFCA arising from the Covered Conduct. This Settlement Agreement does not resolve or in any manner affect any claims: (i) the State of California and/or the Attorney General may have against Qui Tam Plaintiff arising under California's tax laws; and/or (ii) of the State of California, the Attorney General, or Qui Tam Plaintiff for breach of or to enforce this Settlement Agreement.

16. **Excluded Claims.** The following claims are specifically reserved and not released by this Settlement Agreement: (a) any liability based upon obligations created by this Settlement Agreement; (b) any liability of any person or entity other than the Released Persons; and (c) any liability to the State of California for any conduct other than the Covered Conduct.

17. **Releases by Crossroads and Howard Shiebler.** In consideration of the dismissal of this action set forth in Paragraph 18, Crossroads and Howard Shiebler fully and finally release the Qui Tam Plaintiff, the Attorney General and the State of California, and their political subdivisions, departments, agencies, and all their directors, officers, employees, and agents from any claims, including attorney's fees, costs, and expenses of every kind and however denominated, that Crossroads and Howard Shiebler have asserted, could have asserted, or may assert in the future against them related to the Covered Conduct, to the extent released hereunder, and the investigation to date thereof. Notwithstanding the foregoing, nothing in this agreement shall preclude Crossroads or Howard Shiebler from pursuing future legal recourse against the State of California in connection with Crossroads' rights and/or amounts owed to Crossroads as a participant in the CalCAP program.

18. **Dismissal of the Action.** The Qui Tam Plaintiff shall execute a Dismissal with Prejudice as to the Action, *State of California ex rel. Timothy Logan v. Crossroads Equipment Lease and Finance, LLC et al.*, Case No. 34-2021-00300810, Superior Court of California, Sacramento County, within five (5) business days of full payment of the Settlement Amount to the Attorney General.

19. Qui Tam Plaintiff, Crossroads, and Howard Shiebler acknowledge that they have been advised by their attorneys of the contents and effect of California Civil Code section 1542, which reads as follows: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." Qui Tam Plaintiff and

Defendants hereby expressly waive any and all of the provisions, rights, and benefits conferred by section 1542 with respect to this Settlement Agreement.

20. **Effects of Agreement.** This Settlement Agreement is intended to be for the benefit of the Attorney General, the Qui Tam Plaintiff and the Released Persons only. This Settlement Agreement is not intended for use by any other third party in any other proceeding and is not intended, and should not be construed, as an admission of liability by the Released Persons in this or any other proceeding. Nothing contained herein shall be construed so as to create any other third-party rights or private rights of action or to deprive any person of any private right under the law.

21. Except as provided in paragraphs 10 and-11 above or as may be otherwise agreed between the Qui Tam Plaintiff, Crossroads and Howard Shiebler consistent with the provisions of Cal. Gov't Code § 12652(g)(8), each of the Parties shall bear his or its own legal and other costs incurred in connection with this action, including the preparation and performance of this agreement.

22. The terms of this Settlement Agreement were negotiated in good faith by the Parties and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel, and arms-length negotiation.

23. This Settlement Agreement is made without any trial or adjudication or court finding on any issue of fact or law and is not a final order of any court or governmental authority.

24. The Parties represent and warrant, through the signatures below, that the terms and conditions of this Settlement Agreement are duly approved, and execution of this Settlement Agreement is duly authorized.

25. This Settlement Agreement may not be amended except by an instrument in writing signed on behalf of all the Parties.

26. All notices, reports, requests, and other communications to any party pursuant to this Settlement Agreement shall be in writing and shall be directed as follows:

If to Crossroads, to:

Thomas C. Moyer  
Bracewell LLP  
2001 M Street, N.W., Suite 900  
Washington, DC 20006

If to Howard Shiebler, to:

Cheryl M. Lott  
Buchalter  
1000 Wilshire Boulevard, Suite 1500  
Los Angeles, CA 90017-1730

If to the Attorney General, to:

Kenny V. Nguyen  
Deputy Attorney General  
Office of the Attorney General  
1300 "I" Street, Suite 925  
Sacramento, CA 95814

If to Qui Tam Plaintiff, to:

Grace Y. Park  
Cotchett Pitre & McCarthy LLP  
840 Malcolm Road  
Burlingame, CA 94010

27. This Settlement Agreement shall be governed by the laws of the State of California without regard to any conflict of laws principles.

28. In the event of any dispute arising from or relating to this Settlement Agreement, the Parties and the Released Persons submit and consent to the exclusive jurisdiction of the Superior Court of California, County of Sacramento.

29. This Settlement Agreement constitutes the entire agreement between the Parties, and supersedes any prior communication, understanding, or agreement whether written or oral, concerning the subject matter of this Settlement Agreement.

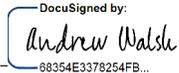
30. This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

31. This Settlement Agreement shall become effective and binding upon execution by the Parties hereto.

For Crossroads Equipment Lease & Finance, LLC:

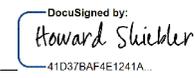
Dated: March 26, 2026

CROSSROADS EQUIPMENT LEASE & FINANCE, LLC

By:  \_\_\_\_\_  
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For Howard Shiebler:

Dated: March 26, 2026

By:  \_\_\_\_\_  
41D37BAF4E1241A...  
HOWARD SHIEBLER

For the People of the State of California:

Dated: March 27, 2024

THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA

By:   
Kenny V. Nguyen  
Deputy Attorney General for  
Rob Bonta  
Attorney General of the State of California

For Qui Tam Plaintiff, Timothy Logan:

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
TIMOTHY LOGAN

For the People of the State of California:

Dated: \_\_\_\_\_

THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_

Kenny V. Nguyen  
Deputy Attorney General for  
Rob Bonta  
Attorney General of the State of California

For Qui Tam Plaintiff, Timothy Logan:

Dated:   3/23/2026  

By: \_\_\_\_\_

TIMOTHY LOGAN