

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 Small Business Administration (collectively the "United States"); Azumi, LLC; Zuma NYC, LLC; Zuma Las Vegas, LLC; Zuma Japanese Restaurant Miami, LLC; Inko Nito Garey St., LLC; and Beach Chu Hallandale, LLC (collectively, the "Azumi Entities"); and GNGH2, Inc. ("Relator") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. The Azumi Entities are limited liability companies, each of which operates a restaurant in the United States of America and each of which is either fully or partially owned by Azumi Limited.

B. The United States Small Business Administration ("SBA") is an independent agency of the United States government that provides aid, counsel, and assistance to small businesses and entrepreneurs. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), Section 1102, vested the SBA with the responsibility of managing the Paycheck Protection Program ("PPP") under the SBA's 7(a) Loan Program. The PPP was a federal program that provided emergency relief to small businesses affected by the COVID-19 pandemic. *See* 15 U.S.C. § 636(a)(36).

C. The SBA administered the PPP and guaranteed loans that were made according to PPP rules. To apply for PPP funding, a business or entity had to agree to comply with the PPP rules.

D. On October 24, 2022, Relator filed an action in the United States District Court for the District of Massachusetts captioned *United States ex rel. GNGH2, Inc., v. Azumi, LLC, et al.*, No. 22-cv-11822, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). Following the Effective Date of this Agreement, the United States will file a notice of intervention in part for purposes of settlement.

E. The United States contends it has civil claims against the Azumi Entities for submitting or causing the submission of false claims to the SBA arising from the Azumi Entities’ applications for certain PPP loans disbursed in 2021 (“Second Draw”) of the PPP, and their receipt of funds from and forgiveness of those loans. In particular, the SBA imposed a limit on the total amount of funding a single “corporate group” could receive during the Second Draw of the PPP. *See* Business Loan Program Temporary Changes; Paycheck Protection Program Requirements Corporate Groups and Non-Bank and Non-Insured Depository Institution Lenders, 85 Fed. Reg. 26324 (May 4, 2020); 86 Fed. Reg. at 3720. The United States contends that the Azumi Entities received Second Draw PPP loans in excess of the corporate group limit.

F. The Azumi Entities admit, acknowledge, and accept responsibility for the following facts:

1. Under the PPP interim final rules promulgated by the SBA, the Azumi Entities are members of a single “corporate group.”
2. On various dates in or about February 2021 through March 2021, each of the Azumi Entities applied for and received a Second Draw PPP loan for which they were individually eligible.

3. Except for Inko Nito Garey St. LLC, which repaid its Second Draw PPP loan, each of the Azumi Entities applied for and received forgiveness for its Second Draw PPP loan.
4. The Azumi Entities collectively received and were granted forgiveness for Second Draw PPP loans in a total amount that exceeded the Second Draw PPP corporate group limit.

The foregoing conduct described in paragraph F, including subparagraphs, is referred to below as the Covered Conduct.

G. 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.

H. Except for the facts set forth above in paragraph F as the Covered Conduct, the Azumi Entities expressly deny the allegations of the Civil Action.

In consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. The Azumi Entities collectively shall pay to the United States \$3,602,423 ("Settlement Amount"), of which \$1,801,211.50 is restitution, plus interest at a rate of five percent (5%) from May 15, 2025, and continuing through the date of payment, no later than ten (10) days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Massachusetts. Each of the Azumi Entities is jointly and severally liable for the full Settlement Amount.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$360,242.30 to Relator by electronic funds transfer (“Relator’s Share”).

3. Within ten (10) days of the Effective Date of this Agreement, the Azumi Entities shall pay to Relator the sum of \$2,205.00 for expenses and attorneys’ fees and costs pursuant to 31 U.S.C. § 3730(d). Immediately upon execution of this Agreement, Relator shall provide wire instructions to the Azumi Entities in order to effectuate this payment.

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 each of the Azumi Entities and their respective current and former parent corporations or entities, subsidiaries, related entities, affiliates, successors, and assigns, 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 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 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 itself and for its heirs, successors, attorneys, agents, and assigns, fully and finally releases each of the Azumi Entities and their respective current and former parent corporations or entities, subsidiaries, related entities, affiliates, successors, and assigns, from any civil monetary claim the Relator has on behalf of itself or on behalf of the

United States for the Covered Conduct or any other matters Relator asserted or that it could have asserted in the Civil Action.

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 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.

7. Relator, on behalf of itself and its heirs, executors, administrators, affiliates, 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 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 itself and for its heirs, executors, administrators, affiliates, successors, attorneys, agents, and assigns, fully and finally releases each of the Azumi Entities, and each of their respective officers, directors, managers, members, agents, attorneys and employees, 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.

9. The Azumi Entities waive and shall not assert any defenses the Azumi Entities 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 Azumi Entities 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 the Azumi Entities 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, the Civil Action, or the United States' investigation or prosecution thereof.

11. The Azumi Entities fully and finally release Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that the Azumi Entities have asserted, could have asserted, or may assert in the future

against the Relator, related to the Civil Action and Relator's investigation and prosecution thereof.

12. The Azumi Entities 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 the Azumi Entities, 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) the Azumi Entities' 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 the Azumi Entities makes to the United States pursuant to this Agreement and any payments that the Azumi Entities 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 Azumi Entities, and the Azumi Entities 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 Azumi Entities shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by the Azumi Entities or any of its subsidiaries or affiliates from the United States. The Azumi Entities agrees that the United States, at a minimum, shall be entitled to recoup from the Azumi Entities 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 Azumi Entities' books and records and to disagree with any calculations submitted by the Azumi Entities or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by the Azumi Entities, 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. Within ten (10) business days of the receipt of the payments described in Paragraphs 1 and 3, above, the Relator and the United States shall sign and file in the Civil Action a Joint Notice of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The Joint Notice of Dismissal shall state that: (1) claims for the allegations described in the Covered Conduct are dismissed with prejudice to the United States; (2) all other

claims in the Civil Action, including claims under 31 U.S.C. §§ 3729-3733, shall be dismissed without prejudice to the United States; and (3) all claims in the Civil Action shall be dismissed with prejudice as to Relator.

16. Except as expressly provided for in Paragraph 3, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

17. Each Party to this Agreement represents that the signatory below is authorized to bind the Party on whose behalf it executes this Agreement, and that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

18. 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 Massachusetts. 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.

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

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

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

22. This Agreement is binding on the Azumi Entities' successors, transferees, heirs, and assigns.
23. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.
24. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.
25. 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: _____ BY: Kimya Saied
Digitally signed by Kimya Saied
Date: 2025.06.30
14:15:32 -04'00'
Kimya Saied
Trial Attorney
Benjamin Wei
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____ BY: JULIEN MUNDELE
Digitally signed by JULIEN MUNDELE
Date: 2025.06.30
14:09:11 -04'00'
Julien M. Mundeale
Assistant United States Attorney
District of Massachusetts

AZUMI ENTITIES - DEFENDANTS

DATED: 06/19/2025 BY: [Signature]
Sven Koch
Azumi LLC

DATED: 06/19/2025 BY: [Signature]
Sven Koch
Zuma NYC LLC

DATED: 06/19/2025 BY: [Signature]
Sven Koch
Zuma Las Vegas LLC

DATED: 06/19/2025 BY: [Signature]
Sven Koch
Zuma Japanese Restaurant Miami LLC

DATED: 06/19/2025 BY: [Signature]
Sven Koch
Inko Nito Garey St. LLC

DATED: 06/19/2025 BY: [Signature]
Sven Koch
Beach Chu Hallandale LLC

DATED: 6/20/2025 BY: Jennifer A. Short
Jennifer Short
Counsel for Azumi Entities

GNGH2, INC. - RELATOR

DATED: 6/24/25

BY: _____



David Abrams
GNGH2, Inc.
Relator