

## **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”), Chroma Systems Solutions, Inc. (“Chroma Systems”), and Aidan Forsyth (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### **RECITALS**

A. Chroma Systems is a California corporation registered doing business in Massachusetts, with an office located in Marlborough, Massachusetts.

B. On or about January 30, 2021, Chroma Systems applied for a Second Draw PPP loan with Cathay Bank under the Paycheck Protection Program provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “Second Draw PPP Loan”).

C. The United States Small Business Administration (“SBA”) is an 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, 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).

D. On January 8, 2025, Relator filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States ex rel. Aidan Forsyth v. Chroma Systems Solutions, Inc.* No. 25-cv-10052-ADB, 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 that it has certain civil claims against Chroma Systems for submitting or causing the submission of false claims to the SBA arising from Chroma Systems’ application for a PPP loan in 2021 during the so-called “Second Draw” period of the PPP funding, and Chroma Systems’ receipt of funds from and forgiveness for that loan.

F. To apply for a Second Draw loan, a business or entity had to certify that it understood and met all the requirements of the PPP program, including the requirement that the business or entity, together with its affiliates, did not employ more than 300 employees, or satisfied a “per-location” exception of employing no more than 300 employees at each location. *See* SBA Form 2483-SD (1/21).

G. Chroma Systems admits, acknowledges, and accepts the following facts:

1. On the first page of its SBA-Form 2483-SD, Chroma Systems identified that, together with its affiliates, it employed 107 people as of January 30, 2021.
2. On the second page, Chroma Systems answered “No” to the question as to whether it “or any owner of [Chroma Systems] an owner of any other business, or have common management (including a management agreement) with any other business?”
3. On the third page of its SBA-Form 2483-SD, Chroma Systems certified that it was “eligible to receive a loan under the rules in effect at the time this

application is submitted” and that it, “together with its affiliates . . . (2) employ[ed] no more than 300 employees . . .”

4. Chroma Systems is 50% owned by Chroma ATE, Inc. USA (“ChromaUSA”), a California-based corporation. ChromaUSA is 100% owned by a Taiwanese-based corporation, Chroma ATE, Inc. Global (“Chroma ATEGlobal”). At the time Chroma Systems submitted the Second Draw PPP loan application to Cathay Bank, Chroma Systems was affiliated with ChromaUSA and Chroma ATEGlobal.

5. At the time Chroma Systems submitted the Second Draw PPP loan to Cathay Bank, Chroma ATEGlobal alone employed approximately 1,831 people.

6. Accordingly, Chroma Systems incorrectly reported the number of employees of it and its affiliates and improperly certified its eligibility for the Second Draw PPP loan on the SBA-Form 2483-SD.

7. Based on its incorrect submission and certification, Chroma Systems received a Second Draw PPP loan, loan number 9066258304 on or around February 5, 2021.

8. Around March 29, 2022, at Chroma System’s request, SBA forgave the full value of Chroma Systems’ Second Draw PPP loan, including interest.

H. The conduct in Paragraph G is hereafter referred to as the “Covered Conduct.”

I. The United States contends that Chroma Systems was ineligible for the Second Draw PPP loan it received because Chroma Systems, together with its affiliates Chroma USA and Chroma ATEGlobal, employed more than 300 employees but falsely certified to the SBA that they did not. Moreover, the United States contends that Chroma

Systems and its affiliates did not satisfy the “per-location” exception because Chroma ATEGlobal employed well over 300 employees.

J. Chroma Systems received credit under the Department of Justice’s guidelines for cooperating in a False Claims Act case, Justice Manual § 4-4.112. Particularly, Chroma Systems timely and proactively produced materials not requested by the government pursuant to process; timely and proactively initiated settlement discussions with the United States; and timely and proactively admitted and acknowledged the Covered Conduct.

K. 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.

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

#### **TERMS AND CONDITIONS**

1. Chroma Systems shall pay to the United States \$1,923,187.55, of which \$1,672,337.07 is restitution, plus interest at a rate of 5% per annum from October 16, 2025 and continuing through the date of payment (“Settlement Amount”), no later than ninety (90) 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.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$192,318.76 plus interest to Relator by electronic funds transfer (“Relator’s Share”).

3. Within 30 days of the Effective Date of this Agreement, Chroma Systems shall pay to Relator the sum of \$8,000 for expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d). With a reasonable time upon execution of this Agreement, Relator shall provide wire instructions to Chroma Systems 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 Chroma Systems 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 himself and for his heirs, successors, attorneys, agents, and assigns, releases Chroma Systems and its current and former officers, directors, employees, agents, representatives, shareholders, affiliates, successors, and assigns 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 or any other cause of 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 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 the 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 Chroma Systems, and its current and former officers, directors, employees, agents, representatives, shareholders, affiliates, successors, and assigns

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. Chroma Systems waives and shall not assert any defenses Chroma Systems 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. Chroma Systems 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 Chroma Systems 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. Chroma Systems fully and finally releases the Relator from any and all claims related to Second Draw PPP Loan, including its forgiveness, Relator's investigation thereof, and the Civil Action, whether civil, criminal, or otherwise from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Chroma Systems has 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.

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 Chroma

Systems, 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) Chroma Systems' 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 makes to the United States pursuant to this Agreement and any payments that Chroma Systems 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 Chroma Systems, and Chroma Systems 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, Chroma Systems shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Chroma Systems or any of

its subsidiaries or affiliates from the United States. Chroma Systems agrees that the United States, at a minimum, shall be entitled to recoup from Chroma Systems 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 Chroma Systems' books and records and to disagree with any calculations submitted by Chroma Systems or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Chroma Systems, 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 payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).

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 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.

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 Chroma Systems' successors, transferees, heirs, and assigns.

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

23. All Parties acknowledge that the United States may disclose this Agreement, and information about this Agreement, to the public as required by law, regulation, or DOJ policy. Nothing herein shall require Chroma Systems to make an independent public statement regarding this Agreement.

24. 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: 10/20/2025 BY:   
STEVEN T. SHAROBEM  
Assistant United States Attorney  
District of Massachusetts

**CHROMA SYSTEMS SOLUTIONS, INC.**

DATED: 10/17/2025 BY:   
FRED SABATINE  
President, Chroma Systems Solutions, Inc.

DATED: 10/17/2025 BY:   
MOHAMMAD KHAN  
Counsel for Chroma Systems Solutions, Inc.

**AIDAN FORSYTH - RELATOR**

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
AIDAN FORSYTH

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
ERIC H. JASO  
CHRISTINE M. KINGSTON  
WILLIAM C. NYSTROM  
Counsel for Aidan Forsyth

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
STEVEN T. SHAROBEM  
Assistant United States Attorney  
District of Massachusetts

**CHROMA SYSTEMS SOLUTIONS, INC.**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
FRED SABATINE  
President, Chroma Systems Solutions, Inc.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
MOHAMMAD KHAN  
Counsel for Chroma Systems Solutions, Inc.

**AIDAN FORSYTH - RELATOR**

DATED: 10/17/2025

BY:   
AIDAN FORSYTH

DATED: 10.17.25

BY:   
ERIC H. JASO  
CHRISTINE M. KINGSTON  
WILLIAM C. NYSTROM  
Counsel for Aidan Forsyth