

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among (i) the United States of America, acting through the United States Department of Justice (the “Department of Justice”) and on behalf of U.S. Small Business Administration (“SBA”); (ii) Woodholme Country Club Inc. (the “Club”); and (iii) Aidan Forsyth (“Relator”) (the United States, Woodholme, and Relator each a “Party” and collectively the “Parties”), through their authorized representatives arising from the action filed by Relator captioned, *U.S. ex rel. Aidan Forsyth v. Woodholme Country Club Inc.*, Civ. A. No. 24-1175 (D.D.C.) (the “Civil Action”).

RECITALS

A. Relator commenced the Civil Action against Woodholme under the *qui tam* provisions of the False Claims Act, 31 U.S.C. §§ 3729–33

B. The United States contends that it has certain civil and administrative claims against Woodholme arising from the following alleged conduct. The actions, transactions, occurrences, and alleged wrongdoing set forth in this Paragraph B are herein collectively referred to as the “Covered Conduct.”

i. Woodholme is located at 300 Woodholme Avenue, Pikesville, Maryland 21280.

ii. Woodholme applied for and received in 2020 a first draw loan (SBA No. 8366317310) in the amount of \$695,000 under the Paycheck Protection Program (“PPP”), a program created by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and administered by SBA.

iii. In January 2021, Woodholme subsequently applied for and received forgiveness of the second draw loan in the amount, including interest, of \$699,710.56.

iv. Woodholme is registered under the Internal Revenue Code as a Section 501(c)(7) tax exempt nonprofit organization.

v. As initially enacted, certain nonprofit organizations were eligible for PPP loans, but Section 1102 of the CARES Act defined the term “nonprofit organization” as “an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and that is exempt from taxation under section 501(a) of such Code.” Absent here and elsewhere in the CARES Act as initially enacted was an authorization to grant PPP loans to Section 501(c)(7) organizations.

vi. In its applications for a first draw PPP loan and for forgiveness of the loan, Woodholme certified or represented that it was eligible to receive a PPP loan and forgiveness of a PPP loan under the statutes, regulations, and rules in effect at the time of its application implementing the Paycheck Protection Program under the CARES Act.

vii. The United States contends that Woodholme’s certifications relating to its first draw PPP loan described above were false. Woodholme contends that the certifications in its application for a first draw PPP loan and application for forgiveness were not knowingly false.

C. 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.

D. This Agreement is made in compromise of disputed claims. This Agreement is neither an admission of facts or liability by Woodholme nor a concession by the United States that its claims are not well founded.

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 Agreement, the Parties agree and covenant as follows.

TERMS AND CONDITIONS

1. Woodholme shall pay to the United States the total sum of one million forty-two thousand five hundred dollars (\$1,042,500.00), of which seven hundred twenty thousand five hundred sixty dollars and fifty-six cents (\$720,560.56) is restitution. The Settlement Amount shall be paid to the United States according to the following schedule:

- a. \$600,000 due by May 13, 2026; and
- b. \$442,500 due by November 13, 2026.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay a total of one hundred four thousand two hundred fifty dollars (\$104,250.00) to Relator by electronic funds transfer ("Relator's Share") pursuant to instructions to be provided by the undersigned Relator's counsel.

3. Within thirty days after the Effective Date of this Agreement, the Club shall pay to Relator twenty thousand dollars (\$20,000) ("Fees Payment") using instructions to be provided by Relator's counsel as full and complete payment of Relator's attorneys' fees, costs, and expenses pursuant to 31 U.S.C. § 3730(d).

4. Subject to the exception in Paragraph 6(e) below, and upon the Relator's receipt of the Relator's Share, Relator, for themselves and for their heirs, successors, attorneys, agents, and assigns, release the Club and its current and former owners, directors, officers, employees, agents, and assigns 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.

5. Subject to the exceptions in Paragraph 6 below (concerning excluded claims), and conditioned upon the Club's full payment of the Settlement Amount, the United States releases the Club 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; the Contract Disputes Act, 41 U.S.C. §§ 7101-7109; or common law theories of breach of contract, payment by mistake, unjust enrichment, negligent misrepresentation, or fraud.

6. Notwithstanding the releases given in Paragraphs 4 and 5 above, or any other term of this Agreement, the following claims 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. Any administrative liability (except administrative monetary claims noted in Paragraph 5 above), 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; and

- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Relator and their 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 their 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 the Civil Action.

8. Conditioned on Relator's receipt of the Fees Payment, Relator, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release the Club, and any officers, agents, 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 Club waives and shall not assert any defenses the Club 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 Club fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney fees, costs, and expenses of every kind and however denominated) that the Club 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 and the United States' investigation and prosecution thereof.

11. The Club fully and finally releases Relator, their attorneys, and their respective heirs, successors, assigns and agents, for all time and to the fullest extent allowed by law, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that the Club has asserted, could have asserted, or may assert in the future against Relator related to the Covered Conduct or the investigation and prosecution of the Civil Action.

12. The Club agrees 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 Club, 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 and any criminal investigation(s) of the matters covered by this Agreement;
 - (3) the Club's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
 - (4) the negotiation and performance of this Agreement; and/or
 - (5) the payments the Club makes to the United States pursuant to this Agreement,

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 Club, and the Club 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 Club shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by the Club or any of its subsidiaries or affiliates from the United States. The Club agrees that the United States, at a minimum, shall be entitled to recoup from the Club 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 Club's books and records and to disagree with any calculations submitted by the Club or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by the Club, 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. The Parties do not release any claims against any other person or entity.

14. Upon the United States' receipt of the Settlement Amount described in Paragraph 1 above, the United States with Relator's consent shall promptly sign and file in the Civil Action a

notice dismissing the Club and the claims asserted against the Club from the Civil Action under Federal Rule of Civil Procedure 41(a)(1)(A) and 31 U.S.C. § 3730(c)(2)(A) and (B).

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, except as otherwise expressly provided herein.

16. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

17. This Agreement is governed by the laws of the United States.

18. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Columbia unless that Court determines that venue or jurisdiction is lacking over any such dispute.

19. 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.

21. This Agreement may not be amended except by written consent of the Parties.

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

23. This Agreement is binding on the Club'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 (the "Effective Date" of this Agreement).

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

28. Facsimiles of signatures and electronic signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

<REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGES TO FOLLOW>

FOR THE UNITED STATES OF AMERICA:

DATED: _____

BY: **SEAN**
TEPE  Digitally signed
by SEAN TEPE
Date: 2026.03.31
13:38:43 -04'00'

SEAN M. TEPE
Assistant United States Attorney
U.S. Attorney's Office for the District of Columbia

FOR THE CLUB:

DATED: 3/31/26

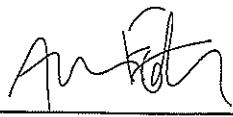
BY: 
ARTHUR ADLER
President
Woodholme Country Club Inc.

DATED: 3/31/26

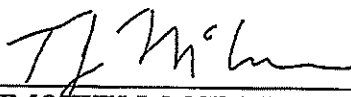
BY: 
ROBERT B. SCHULMAN
Attorney for Woodholme Country Club Inc.

FOR RELATOR:

DATED: 03/24/2026

BY: 
AIDAN FORSYTH

DATED: 3/24/26

BY: 
TIMOTHY J. MCINNIS
McInnis Law
Attorney for Aidan Forsyth