

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between the United States of America, acting through the United States Department of Justice and on behalf of the United States Small Business Administration (“SBA”) (collectively, the “United States”); Verity Investigations, LLC (“Relator”); and Ajinomoto Cambrooke, Inc. (“Cambrooke” or the “Company”) (hereinafter collectively referred to as the “Parties”), through their authorized representatives.

RECITALS

A. Cambrooke is a medical foods company involved in the development, manufacture, and sale of food formulas for varying dietary, nutritional, and medical needs. Cambrooke is headquartered in Ayer, Massachusetts. During the relevant time, Cambrooke was a U.S. subsidiary of and wholly, but indirectly, owned by the Japanese company, Ajinomoto Co., Inc.

B. The 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, 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). The SBA administered the PPP and guaranteed loans that were made according to PPP rules.

C. Under the PPP, certain qualifying entities could receive up to two loans—a “First Draw” PPP loan, which was available from March 2020 through March 2021, and a “Second Draw” PPP loan, which was available from January 2021 through May 2021. To receive PPP

funding, an applicant had to certify that it met the requirements of the program. In defining what businesses were small enough to be eligible, SBA promulgated guidance and rules, which SBA prominently posted on its website. To be eligible for a First Draw loan, borrowers were required to certify that, together with any affiliated businesses, they met one of the following size standards: (a) collectively employing 500 or fewer persons, (b) meeting the SBA employee-based or revenue-based industry size standards, or (c) meeting the SBA alternative size standard that the maximum tangible net worth of the business is not more than \$15 million and the average net income for two fiscal years before the date of the application is not more than \$5 million. *See* 13 C.F.R. § 121.201; 15 U.S.C. §§ 632(a)(36)(D); 632(a)(5). On May 5, 2020, the SBA issued guidance that explained that, for purposes of meeting size eligibility requirements—e.g., whether the applicant is a “small business concern” or otherwise falls below the cap on employee headcount—an applicant must count all of its employees *and* the employees of its U.S. and foreign affiliates, absent a waiver of or an exception to the affiliation rules. *See* 85 Fed. Reg. 30835, 30836 (May 21, 2020).

D. On January 28, 2025, Verity Investigations, LLC filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States ex rel. Verity Investigations, LLC v. Ajinomoto Cambrooke, Inc.*, No. 25-cv-10220-RGS, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). The Relator alleged that Cambrooke violated the False Claims Act because it falsely certified to the SBA that it met the size standard for a small business.

E. Cambrooke received credit under the Department of Justice’s guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justice Manual § 4-4.112. Among other actions, Cambrooke timely produced materials that it identified

as most relevant to the United States' investigation, cooperated with the government's investigation, and sought to resolve this matter expeditiously.

F. The United States contends that it has certain civil claims against Cambrooke for submitting or causing the submission of false claims to the SBA arising from Cambrooke's certifications on its application for a PPP loan in 2020, and Cambrooke's receipt of funds from and forgiveness for that loan.

G. Cambrooke admits, acknowledges, and accepts responsibility for the following facts:

1. On or about May 15, 2020, Cambrooke applied for a First Draw PPP loan. An authorized representative for Cambrooke certified that "[t]he Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted" and "employs no more than the greater of 500 employees, or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. [§] 121.201 for the Applicant's industry." On a supplemental certification form that Cambrooke submitted, the same authorized representative attested that he/she "considered the SBA's affiliation rules and included the employees of its affiliates (at any level) when determining its eligibility for this program."

2. When it submitted its First Draw PPP loan application, Cambrooke, together with its affiliates (including the Japanese parent company), exceeded the applicable size standards for eligibility for the First Draw PPP loan. Cambrooke was not, therefore, eligible for the First Draw PPP loan.

3. On or about May 18, 2020, the SBA approved Cambrooke's First Draw PPP loan.

4. Cambrooke later applied for forgiveness of the First Draw PPP loan, and on May 20, 2021, the SBA forgave the loan (including interest).

H. The foregoing conduct described in Paragraph G, including subparagraphs, is hereinafter referred to as the “Covered Conduct.” The United States contends that, as a result of the Covered Conduct, Cambrooke presented or caused the presentment of false claims to the SBA.

I. The Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to the 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. Cambrooke shall pay to the United States the sum of \$1,360,819.04, of which \$907,212.69 is restitution, plus interest at a rate of five percent (5%) per annum from November 7, 2025, and continuing through the date of payment (“Settlement Amount”), no later than ten (10) days after the Effective Date of this Agreement 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 to Relator 10% of the Settlement Amount by electronic funds transfer (Relator’s Share).

3. Within thirty (30) days of the Effective Date of this agreement, Cambrooke shall pay to the Relator the sum of \$10,000 for expenses and attorneys’ fees and costs pursuant to 31

U.S.C. § 3730(d). Immediately upon execution of this Agreement, the Relator shall provide wire instructions to Cambrooke 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, the United States releases Cambrooke from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-33, the Administrative Remedies for the False Claims Act (formerly known as the Program Fraud Civil Remedies Act), 31 U.S.C. §§ 3801-3812, or the common law theories, including 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, Relator, for itself and its heirs, successors, attorneys, agents, and assigns, releases Cambrooke and its officers, agents, and employees, from any claim the Relator has on behalf to the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

6. Notwithstanding the release 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. The 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 the Relator's receipt of the Relator's Share, the 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. Conditioned upon its receipt of the payment from Cambrooke described in Paragraph 3, the Relator, for itself, and for its heirs, successors, attorneys, agents, and assigns, releases Cambrooke, and its officers, agents, and employees, from any liability to the 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. Cambrooke waives and shall not assert any defenses it 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. Cambrooke 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 Cambrooke 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. Cambrooke fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Cambrooke 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. Cambrooke 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 Cambrooke, 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) Cambrooke'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

(5) the payment Cambrooke makes to the United States and the Relator 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 Cambrooke, and Cambrooke 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, Cambrooke shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Cambrooke or any of its subsidiaries or affiliates from the United States. Cambrooke agrees that the United States, at a minimum, shall be entitled to recoup from Cambrooke 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 Cambrooke’s books and records and to disagree with any calculations submitted by Cambrooke or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Cambrooke, or the effect of any such Unallowable Costs on the amount of such payments.

13. Cambrooke agrees to cooperate fully and truthfully with the United States’ investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Cambrooke shall encourage, and agrees not to impair, the cooperation of its directors, officers,

and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Cambrooke further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

14. This Agreement is intended to be for the benefit of the Parties only.

15. Upon receipt of the payments described in Paragraph 1 and 3, above, the United States and the Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The Joint Stipulation 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. Subject to 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 and signatory to this Agreement represents that it freely and voluntarily enters into 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 Cambrooke's successors, transferees, heirs, and assigns.

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

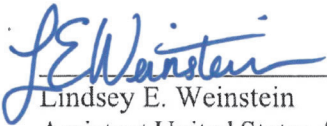
24. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

25. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date of this Agreement"). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

***DRAFT/ SUBJECT TO F.R.E. 408/ FOR SETTLEMENT DISCUSSION ONLY/
SUBJECT TO FURTHER DOJ APPROVAL***

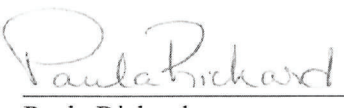
THE UNITED STATES OF AMERICA

12/23/2025
Date


By: 
Lindsey E. Weinstein
Assistant United States Attorney
United States Attorney's Office
District of Massachusetts

AJINOMOTO CAMBROOKE, INC.

12/23/25
Date

By: 
Paula Richard
Controller for
Ajinomoto Cambrooke, Inc.

12/23/25
Date

By: 
Ehren Halse
Kimberly Wade
King and Spalding
Counsel for Ajinomoto Cambrooke, Inc.

RELATOR VERITY INVESTIGATIONS, LLC.

Date

By: _____
Gregory Lynam
Authorized Corporate Officer for
Verity Investigations, LLC

Date

By: _____
Steven M. Shepard
Susman Godfrey LLP
Counsel for Verity Investigations, LLC

***DRAFT/ SUBJECT TO F.R.E. 408/ FOR SETTLEMENT DISCUSSION ONLY/
SUBJECT TO FURTHER DOJ APPROVAL***

THE UNITED STATES OF AMERICA

Date

By: _____
Lindsey E. Weinstein
Assistant United States Attorney
United States Attorney's Office
District of Massachusetts

AJINOMOTO CAMBROOKE, INC.

Date

By: _____
Paula Richard
Controller for
Ajinomoto Cambrooke, Inc.

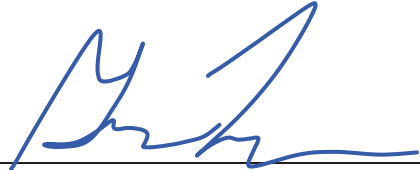
Date

By: _____
Ehren Halse
Kimberly Wade
King and Spalding
Counsel for Ajinomoto Cambrooke, Inc.

RELATOR VERITY INVESTIGATIONS, LLC.


12/19/2025

Date

By: 
Gregory Lynam
Authorized Corporate Officer for
Verity Investigations, LLC

12/19/2025

Date

By: 
Steven M. Shepard
Susman Godfrey LLP
Counsel for Verity Investigations, LLC