

## 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”), WP Deli LLC (“WP Deli”), and Robert Montuoro (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. WP Deli, d/b/a Bone Appetit, is a limited liability company organized under the laws of Colorado. Robert Montuoro, the majority owner and chief executive officer of WP Deli, is domiciled in Stratton, Vermont.

B. The Paycheck Protection Program (“PPP”) was established pursuant to the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The CARES Act, which was enacted in March 2020, was designed to provide emergency financial assistance to millions of Americans suffering economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for employee payroll and certain other expenses, through the PPP.

C. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application signed by an authorized representative of the business. The loan application required the business—through its authorized representative—to acknowledge the program rules and make certain affirmative certifications regarding its eligibility to obtain the PPP loan. PPP loan applications were processed by participating lenders, which received processing fees from SBA. Following the

approvals of loan applications, the participating lenders funded the loan, which were 100% guaranteed by the SBA.

D. In order to receive PPP loan forgiveness, a qualifying business was required to submit a loan forgiveness application, certifying that the business had complied with all PPP rules, including rules related to eligible uses of PPP loan proceeds.

E. The United States contends that it has certain civil claims against WP Deli and Robert Montuoro under the False Claims Act, 31 U.S.C. § 3729, *et seq.*, due to their engagement in the following conduct (the “Covered Conduct”):

- i. On May 1, 2020, WP Deli, through Robert Montuoro, submitted an application for a PPP loan of \$40,915.00 to “Lender 1”. In that application, Robert Montuoro, as the business’s authorized representative, certified that the funds would be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments pursuant to the PPP rules. Robert Montuoro, on behalf of WP Deli, certified his understanding that knowing use of the funds for unauthorized purposes could lead to legal liability and charges of fraud.
- ii. The SBA approved WP Deli’s PPP loan application, and on April 30, 2020, WP Deli executed a promissory note with “Lender 1”. The promissory note stated that the loan was 100% guaranteed by the SBA under the PPP and that the amount of the loan could be forgiven in accordance with the CARES Act. Robert Montuoro signed the promissory note on behalf of WP Deli, and \$40,915.00 was deposited in

WP Deli's account.

- iii. Despite the requirement that the PPP loan be used for payroll and other enumerated business expenses, in June 2020, Robert Montuoro wrote a cashier check from the WP Deli account to use a portion of the PPP funds to cover his own improper, personal expenses that were unrelated to the business. No reimbursement of the PPP funds was made to the WP Deli account.
- iv. On March 17, 2021, WP Deli, through Robert Montuoro, submitted a PPP loan forgiveness application form. Acting as WP Deli's authorized representative, Robert Montuoro falsely certified that all of the requirements of the PPP Rules had been met, including the rules related to eligible uses of PPP loan proceeds.
- v. The SBA then approved the application for loan forgiveness and provided "Lender 1" \$41,291.64 in loan forgiveness funds to cover all outstanding principal and interest on WP Deli's loan. The SBA also reimbursed "Lender 1" \$2,045.75 for the lender fee associated with the loan.

F. WP Deli and Robert Montuoro do not dispute the facts regarding the Covered Conduct insofar as they are described above in Paragraph E.

G. WP Deli and Robert Montuoro 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. Specifically, Robert Montuoro cooperated with the United States' investigation of the Covered Conduct by promptly disclosing relevant conduct to the United States and accepting responsibility for his

actions.

H. 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 Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. WP Deli and Robert Montuoro shall pay to the United States \$102,000.00 (the "Settlement Amount"), of which \$43,337.39 is restitution. WP Deli and Robert Montuoro agree that they are jointly and severally liable for the Settlement Amount, which shall be paid by electronic funds transfer pursuant to written instructions to be provided by the office of the United States Attorney for the District of Vermont. Interest on the Settlement Amount shall accrue at a rate of 5% per annum from the Effective Date of this Settlement Agreement per Paragraph 19 below through the date of final payment. Payment shall be made no later than 30 days after the Effective Date of the Settlement Amount.

2. In the event that WP Deli and Robert Montuoro fail to complete the payment set forth in Paragraph 1 by the date upon which it is due, WP Deli and Robert Montuoro shall be in Default of their payment obligations ("Default"). Upon Default, the United States shall provide WP Deli and Robert Montuoro, through their legal counsel or other representative previously designated by WP Deli and Robert Montuoro, by electronic mail a written Notice of Default, and WP Deli and Robert Montuoro shall have an opportunity to cure such default within 10 business days from the date the Notice of Default is sent by the United States. In the absence of an agreement with the United States to a modified payment schedule, the difference between the amount paid by WP Deli and Robert Montuoro under Paragraph 1 and \$102,000 shall become

immediately due and payable, and interest on such amount shall accrue at the rate of 10 percent per annum, compounded daily from the date of Default.

3. In the event the Default is not cured, WP Deli and Robert Montuoro agree not to contest any collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States. At its sole option, in the event of uncured Default as defined above, the United States alternatively may rescind this Agreement as to WP Deli and Robert Montuoro and bring any civil and/or administrative claim, action, or proceeding against WP Deli and Robert Montuoro for the claims that would otherwise be covered by the releases provided herein. If the United States opts to rescind this Agreement in the event of uncured Default as defined above, WP Deli and Robert Montuoro agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that are (a) filed by the United States against WP Deli and Robert Montuoro, within 180 days of written notification to WP Deli and Robert Montuoro that this Agreement has been rescinded, and (B) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of the Settlement.

4. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, plus any interest due under Paragraph 1, the United States releases WP Deli and Robert Montuoro 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; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. 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;
- f. Except as set forth in Paragraph 2, any liability of individuals;

6. WP Deli and Robert Montuoro waive and shall not assert any defenses they 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.

7. WP Deli and Robert Montuoro 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 WP Deli and Robert Montuoro 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 and the United States' investigation and prosecution thereof.

8. 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 WP Deli, Robert Montuoro, and WP Deli's 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) WP Deli's and Robert Montuoro's 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 WP Deli and Robert Montuoro 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: If applicable, Unallowable Costs will be separately determined and accounted for by WP Deli and Robert Montuoro, and they 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: If applicable, within 90 days of the Effective Date of this Agreement, WP Deli and Robert Montuoro shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by WP Deli and Robert Montuoro, or any of WP Deli's subsidiaries or affiliates from the United States. WP Deli and Robert Montuoro agree that the United States, at a minimum, shall be entitled to recoup from WP Deli and Robert Montuoro 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 WP Deli's and Robert Montuoro's books and records and to disagree with any calculations submitted by WP Deli and Robert Montuoro or any of WP Deli's subsidiaries or affiliates, regarding any Unallowable Costs included in payments previously sought by WP Deli and Robert Montuoro, or the effect of any such Unallowable Costs on the amount of such payments.

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

10. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

11. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

12. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of Vermont.

13. 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.

14. This Agreement constitutes the complete agreement between the Parties.

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

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

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

17. This Agreement is binding on WP Deli's and Robert Montuoro's successors, transferees, heirs, and assigns.

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

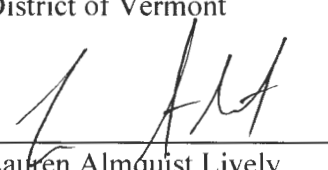
19. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles or PDF versions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

MICHAEL P. DRESCHER  
First Assistant United States Attorney  
District of Vermont

DATED: 12/10/25

BY:

  
\_\_\_\_\_  
Lauren Almquist Lively  
Assistant United States Attorney

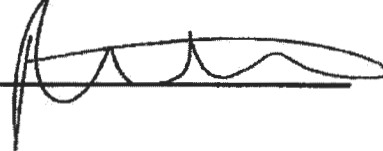
WP DELI, LLC

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

BY: \_\_\_\_\_

Tristram J. Coffin  
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199 Main St., P.O. Box 190  
Burlington, VT 05402  
(802) 863-2375  
tcoffin@drm.com

DATED: 9/25/25

BY: 

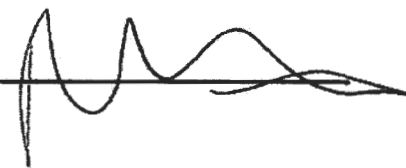
ROBERT MONTUORO

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

BY: \_\_\_\_\_

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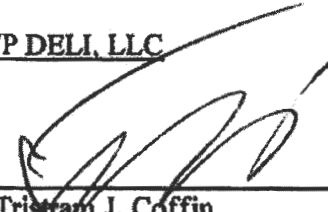
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Confidential Settlement Communication Under Federal Rule of Evidence 408

WP DELI, LLC

DATED: 10/1/25

BY: \_\_\_\_\_

  
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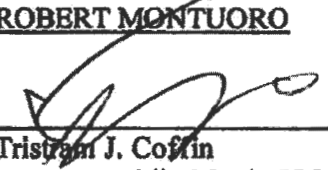
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BY: \_\_\_\_\_

ROBERT MONTUORO

DATED: 10/1/25

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