



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Jacob K. Javits Federal Building
26 Federal Plaza, 37th Floor
New York, New York 10278*

July 8, 2024

Michael A. Comber, Esq.
S. Wesley Gorman, Esq.
Comber Miller LLC
300 Koppers Building
436 Seventh Avenue
Pittsburgh, PA 15219

Re: CBM SAS, CBM NA, and CBM US

Dear Counsel:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York (“this Office”) will not criminally prosecute CBM SAS, and their wholly owned subsidiaries CBM NA and CBM US (together, “CBM”), for any crimes (except for criminal tax violations, as to which this Office cannot and does not make any agreement) related to a scheme to defraud CBM’s U.S. transit-authority customers by making false and misleading statements about the sources of contracted-for bus parts during the period from in or about 2010 through in or about April 2021. This conduct is described more fully in the Statement of Facts attached hereto as Exhibit A and incorporated herein by reference.

Moreover, if CBM fully complies with the understandings specified in this agreement, no information provided by or on behalf of CBM (or any other information directly or indirectly derived therefrom) will be used against CBM in any criminal tax prosecution. This Agreement does not provide any protection against prosecution for any crimes except as set forth above, and applies only to CBM and not to any other entities or individuals. CBM expressly understands that the protections provided to CBM by this agreement shall not apply to any successor entities, whether the successor’s interest arises through a merger or plan of reorganization, unless and until such successor formally adopts and executes this Agreement. The protections arising from this Agreement will not apply to any purchasers of all or substantially all of the assets of CBM, unless such purchaser enters into a written agreement, on terms acceptable to this Office, agreeing in substance to undertake all obligations set forth in the Continuing Obligation to Cooperate paragraphs. Unless otherwise specified below, CBM’s obligations pursuant to this agreement shall continue for a period of two years from the date this Agreement is executed (the “NPA Period”).

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Continuing Obligation to Cooperate

CBM acknowledges and understands that the cooperation it has provided to date in connection with a criminal investigation by this Office, and its pledge of continuing cooperation, are important and material factors underlying this Office's decision to enter this Agreement. It is understood that CBM shall cooperate fully with this Office in any and all matters relating to the conduct described in this Agreement and the Statement of Facts until the date upon which all restitution claims made by victims arising out of such conduct are concluded (even if such process extends beyond the NPA Period). At the request of this Office, CBM shall also cooperate fully with other United States law enforcement and regulatory authorities and agencies in any and all matters relating to the conduct described in this Agreement and the Statement of Facts. CBM's cooperation pursuant to this Paragraph is subject to applicable US laws and regulations, as well as valid claims of attorney-client privilege or attorney work product doctrine.

It is further understood that CBM shall commit no crimes whatsoever under U.S. federal or state law. Moreover, any assistance CBM may provide to federal criminal investigators shall be pursuant to the specific instructions and control of this Office and designated investigators. CBM also agrees that it shall immediately self-report to this Office any violations of U.S. federal or state law by CBM, or by any individual or entity employed by or affiliated with CBM, stemming from any conduct relating to CBM's management or operations.

Acceptance of Responsibility

It is understood that CBM accepts and acknowledges as true the facts set forth in the Statement of Facts attached as Exhibit A.

Forfeiture, Restitution, Fine and Remedial Obligations

CBM agrees to transfer \$463,243.41 to the United States (the "Stipulated Forfeiture Amount") by July 31, 2024. CBM further agrees that the Stipulated Forfeiture Amount represents a substitute *res* for proceeds CBM obtained as a result of the conduct covered by this agreement and described in the Statement of Facts, and is subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 982(a)(2) and 981(a)(1)(C). CBM consents to the administrative or civil forfeiture of the Stipulated Forfeiture amount, and agrees that CBM will not file a claim or a petition for remission or mitigation or otherwise contest the administrative or civil forfeiture of the Stipulated Forfeiture Amount, and will not assist anyone else in doing so. CBM also waives all rights to service or notice of any administrative or civil forfeiture proceeding with respect to the Stipulated Forfeiture Amount. CBM agrees to sign any additional documents necessary to complete forfeiture of the Stipulated Forfeiture Amount, and further agrees to take any and all steps as requested by the United States to pass clear title to the Stipulated Forfeiture Amount to the United States and to testify truthfully and to cooperate in any administrative forfeiture proceeding relating to the Stipulated Forfeiture Amount. CBM agrees to receive notice of documents in the following manner:

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Email to all of the following four individuals—

- Nicolas Duluard, Chief Financial Officer and Chief Compliance Officer, n.duluard@cbmcompany.com;
- Thomas Kempf, CBM NA Director, t.kempf@cbmcompany.com;
- Jean-Louis Medus, Counsel to CBM SAS, jmedus@adwiseavocats.com; and
- S. Wesley Gorman, Counsel to CBM US, wgorman@combermilller.com.

It is further understood that the forfeiture of the Stipulated Forfeiture Amount shall not be treated as satisfaction of any fine, restitution, or any other penalty that may be imposed upon CBM in addition to forfeiture. The forfeiture amount shall be wired to the United States Marshals Service consistent with wiring instructions to be provided by this Office to CBM and deposited in the Seized Asset Depository Fund.

CBM further agrees to make full restitution to the victims affected by the conduct described in this Agreement and as set forth in the Statement of Facts, pursuant to 18 U.S.C. §§ 3663, 3663A, and 3664. CBM specifically agrees to pay each victim for (i) the replacement costs of bus parts involved in any false or fraudulent transactions, (ii) the time and effort for the victim to identify and replace those parts, (iii) any concomitant administrative costs associated with the victim's internal investigation of the affected transactions, and (iv) any other loss suffered by any victim as a result of its purchase, use, or replacement of any parts involved in such transactions. CBM agrees to hold in escrow for the NPA Period a sum of money equal to \$2,000,000 to account for any victim restitution claims made directly to CBM. Following the NPA Period, any unclaimed funds up to \$438,859.52 shall be paid to the Crime Victims Fund pursuant to 18 U.S.C. § 3664(g)(2).

As a result of the conduct described in this Agreement and as set forth in the Statement of Facts, CBM agrees to a monetary penalty in the amount of \$1,500,000 (the "Monetary Penalty" or "Penalty") to this Office. The Monetary Penalty is based upon the amount of money CBM made from the offense conduct, and reflects a discount of 50% off the bottom of the U.S. Sentencing Guidelines fine range to account for CBM's significant and early cooperation.

It is further understood that CBM shall continue its ongoing efforts to implement and maintain an adequate compliance program designed to prevent and detect violations of U.S. federal and state laws throughout its operations (the "CBM Business"), including those of its affiliates, agents and majority owned or controlled joint ventures, and those of its contractors and subcontractors, in each case, to the extent utilized by CBM in the conduct of the CBM Business. In addition, during the NPA Period, CBM shall make all reasonable efforts to retain the individual currently functioning as the Compliance and Certification Officer, or retain a similarly credentialed individual, who will have the responsibility for overseeing CBM's compliance obligations.

Additional Obligations

CBM agrees that, in the event this Office determines, in its sole discretion, that CBM has violated any provision of this Agreement or has failed to completely perform or fulfill each of CBM's obligations under this Agreement, an extension or extensions of the NPA Period may be imposed by this Office, in its sole discretion, for up to a total additional time period of one year,

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without prejudice to this Office's right to proceed as provided in the breach provisions of this Agreement below. Any extension of the Agreement extends all terms of this Agreement for an equivalent period.

It is understood that, should any CBM entity commit any crimes under U.S. federal or state law subsequent to the date of signing of this Agreement, or should it be determined that CBM has given false, incomplete, or misleading testimony or information, or should any CBM entity otherwise violate any provision of this Agreement, (1) that CBM entity shall thereafter be subject to prosecution for any such federal criminal violation of which this Office has knowledge, including perjury and obstruction of justice; and (2) any CBM entity that could be prosecuted for the conduct giving rise to this Agreement, including the conduct described in the Statement of Facts, shall be subject to prosecution. As to any matter arising under (2), all statutes of limitations applicable to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled from the date hereof until the aforementioned period of cooperation has expired. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any such prosecution that is not time-barred on the date that this Agreement is signed, to the extent set forth above.

It is understood that if it is determined that CBM has committed any crime under U.S. federal or state law after signing this Agreement or has given false, incomplete, or misleading testimony or information, or has otherwise violated any provision of this Agreement: (a) all statements made by CBM to this Office, or other designated law enforcement agents, and any testimony given by any then current officer, agent or employee of CBM before a grand jury or other tribunal; whether prior to or subsequent to the signing of this agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against CBM; and (b) CBM shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

It is further understood that this Agreement does not bind any federal, state, or local prosecuting or regulatory authority other than this Office. This Office will, however, bring the cooperation and remedial actions of CBM to the attention of other prosecuting offices or regulatory authorities, if requested by CBM.

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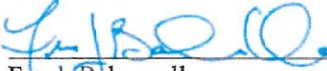
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This Agreement supersedes any prior understandings, promises, or conditions between this Office and CBM. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

DAMIAN WILLIAMS
United States Attorney

By:



Frank Balsamello
Assistant United States Attorney
(212) 637-2325

APPROVED:



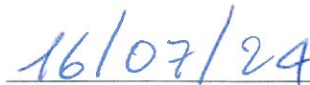
Daniel M. Gitner
Chief, Criminal Division

AGREED AND CONSENTED TO:

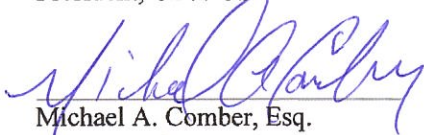
CBM US



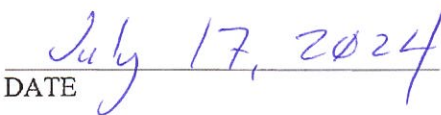
Andrea Chiocchetti
President, CBM US



DATE



Michael A. Comber, Esq.
S. Wesley Gorman, Esq.
Comber Miller LLC
Attorneys for CBM US

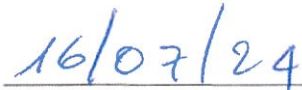


DATE

CBM SAS and CBM NA



Andrea Chiocchetti
Chief Executive Officer,
CBM SAS and CBM NA



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