
THE OFFICE OF THE ATTORNEY
GENERAL FOR THE DISTRICT OF
COLUMBIA
441 4th Street, N.W.
Washington, D.C. 20001,

Proponent,

v.

ROCK SPRING CONTRACTING, LLC
3925 Plyers Mill Road
1st Floor
Kensington, MD 20895

Respondent.

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into between the District of Columbia (“District”), acting through the Office of the Attorney General for the District of Columbia (“OAG”), and Rock Spring Contracting, LLC (“Respondent”). The District and Respondent are referred to collectively as the “Parties.”

PREAMBLE

A. WHEREAS, the District is a municipal corporation empowered to sue and be sued, created by an Act of Congress and is the local government for the territory constituting the seat of government of the United States. D.C. Code § 1-102. The District is represented by and through its chief legal officer, the Attorney General for the District of Columbia. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by and against the District and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1).

B. WHEREAS, Respondent is a company that provides drywall services in the construction industry and at all relevant times has conducted business on various construction sites in Washington, D.C.

C. WHEREAS, in December 2017, OAG opened an investigation of Respondent and its subcontractors regarding potential violations of the District's Wage Payment and Collection Law, D.C. Code §§ 32-1301, *et seq.*, Workplace Fraud Act, D.C. Code §§ 32-1331, *et seq.*, Minimum Wage Revision Act (the "Minimum Wage Act"), D.C. Code §§ 32-1001, *et seq.*; and Sick and Safe Leave Act (the "SSLA"), D.C. Code §§ 32-531.01, *et seq.* OAG alleges that Respondent, from January 1, 2015 through December 31, 2017, failed to pay drywall workers overtime, failed to provide drywall workers with paid sick leave, and improperly misclassified drywall workers as independent contractors. The Agreement resolves OAG's claims arising out of these allegations, which are hereinafter referred to as the "Covered Conduct."

D. WHEREAS, the Parties have decided to reach a settlement agreement to resolve any dispute arising out of the Covered Conduct.

E. WHEREAS, this Agreement is neither an admission by Respondent of the District's allegations, nor a concession whatsoever by the District that any dispute was not well founded.

F. WHEREAS, in order to avoid the delay, uncertainty, inconvenience, and expense of any protracted dispute, the Parties have reached a full and final settlement agreement as set forth below:

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

1. Permanent and Binding Resolution. This Agreement is a permanent and binding accord and resolution of the rights and obligations of the Parties with respect to all matters that are the subject of this Agreement.

2. Payment. Respondent agrees to the financial terms as outlined below:

- a) Respondent agrees to pay the sum of Two Hundred Eighty-One Thousand Eight Hundred Fifty-One Dollars and Twenty Cents (\$281,851.20) (the "Settlement Amount") to settle this matter.
- b) Respondent further agrees to pay the Settlement Amount in the following manner:
 - i. Within thirty (30) days after this Agreement is fully executed, Respondent shall make one (1) payment to the District in the amount of Fifty-Six Thousand Eight Hundred Fifty-One Dollars and Twenty Cents (\$56,851.20) (the "Restitution Amount") payable to "D.C. Treasurer." This Restitution Amount may be used for any lawful purposes, including, but not limited to, providing restitution to current and former workers who performed work for Respondent and/or be placed in, or applied to, the District's restitution fund or litigation support fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorney General for the District of Columbia. Respondent agrees to cooperate with the District in obtaining any modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.
 - ii. Within thirty (30) days after this Agreement is fully executed, Respondent will make (1) payment to the District in the amount of Two Hundred Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00) (the "Penalty Amount") payable to "D.C. Treasurer."
 - iii. Payments made by Respondent pursuant to this paragraph shall be in the form of certified or cashier's check and mailed to Cullen Hamilton, *Paralegal Specialist, Office of the Attorney General for the District of Columbia, Suite 630 South, 441 Fourth Street, N.W., Washington, D.C. 20001.*
- c) In the event the District does not receive Respondent's required payments within thirty (30) days of the due date, the District shall notify Teresa Teare, Counsel for Respondent. Respondent shall have thirty (30) days from the date of the District's notice to pay the outstanding amount.

3. Compliance. Respondent shall institute policies and procedures sufficient to ensure prospective compliance with the Workplace Fraud Act, the Wage Payment and Collection Law, the Minimum Wage Act, and the SSLA (the “District wage laws”). These policies and procedures shall include measures reasonably designed to ensure Respondent and its subcontractors will comply with the District wage laws. Within sixty (60) days after this Agreement is fully executed, Respondent shall submit to the District documents sufficient to show that such policies and procedures have been implemented to ensure compliance with the District wage laws, these documents shall include, but not be limited to, Respondent’s written policies with respect to employment, payroll, and engagement of subcontractors; template agreements with Respondent’s subcontractors; and other documentation that demonstrates reasonable measures implemented by Respondent to ensure compliance with the District wage laws.

4. Release by the District. Conditioned upon receipt of the Settlement Amount detailed above, the District shall immediately, and without any further action required, be deemed to have released Respondent and its affiliates, subsidiaries, parents, members, predecessors, successors and assigns, and each of their respective officers, directors, trustees, employees, agents, attorneys, representatives, insurers, employee benefit plans, fiduciaries, and administrators (past, present and future) (individually and collectively referred to as “Released Parties”) from any and all actions or causes of action, suits, claims, charges, or complaints, which the District ever had, now has, or may have, against any of the Released Parties for anything arising out of the Covered Conduct that has occurred up to and including the date of this Agreement, whether known, unknown, or suspected, asserted or unasserted, including, but not limited to, any and all claims that could be civilly brought under the Wage Payment and Collection Law, Workplace Fraud Act, Minimum Wage Act, and SSLA.

5. Release by Respondent. Upon execution of this Agreement, Respondent shall immediately, and without any further action required, be deemed to have released the District from any and all actions, disputes, claims and demands of every kind and nature, without limitation and including any known or unknown claims, at law, in equity, or administrative, which it may have had, now has, or may have arising out of the Covered Conduct.

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

7. Respondent represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

8. Provided that both Parties execute a copy of this Agreement, the agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. This Agreement is governed by the laws of the District of Columbia. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between the Parties under this Agreement shall be the Superior Court of the District of Columbia.

10. This Agreement constitutes the complete agreement between the Parties with regard to the Covered Conduct. This Agreement may not be amended except by written consent of the Parties. But if any provision of this Agreement is determined by the Superior Court of the District of Columbia to be unlawful, then the District may, at its option, choose to sever such provision or declare the entire Agreement null and void.

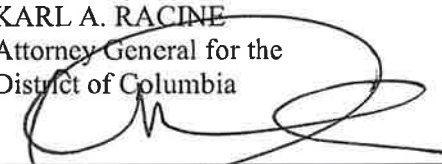
11. This Agreement shall be binding upon the Parties, their successors, transferees and heirs. Respondent shall not assign the obligation under this Agreement.

12. This Agreement shall become effective once it is signed by the Parties.

13. If Respondent fails to pay the Settlement Amount as required, then Respondent consents to an entry of judgment in the amount of the remainder of the monies owed, plus attorney's fees and court costs.

THE DISTRICT OF COLUMBIA

Date: 12/13/19

By: 
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Attorney General for the
District of Columbia
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Attorneys for the District of Columbia

ROCK SPRING CONTRACTING, LLC

Date: 12/13/19

By: 
Name (Print): Nicholas DeSarno
Title: Principal
ROCK SPRING CONTRACTING, LLC