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DISTRICT OF COLUMBIA  
400 6th Street NW, 10th Floor  
Washington, DC 20001

Proponent,

Capitol Drywall, Inc.  
7871 Beechcraft Ave, Suite 100  
Gaithersburg, MD 20879

Respondent.

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**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 Capitol Drywall, Inc. (“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 the 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(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 January 2020, the District began an investigation of alleged violations by Respondent of the District of Columbia Workplace Fraud Act, D.C. Code § 32-1331.01, *et seq.* OAG investigated whether Respondent, from 2017 to the present, improperly misclassified drywall workers as independent contractors. The Agreement resolves OAG's investigation, (the "Covered Conduct").

D. WHEREAS, the Parties have resolved the Covered Conduct as provided below in lieu of further investigation and litigation.

E. WHEREAS, this Agreement does not constitute an admission by Respondent of the District's allegations.

F. WHEREAS, the Parties have reached a full and final settlement agreement as set forth below:

### **TERMS AND CONDITIONS**

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

1. Payment. Respondent agrees to the financial terms as outlined below:
  - a. Respondent agrees to pay the sum of Two Hundred Thousand Dollars (\$200,000.00) (the "Settlement Amount") to settle this matter.
  - b. Respondent further agrees to pay the Settlement Amount in the following manner:
    - i. Within fourteen (14) days after this Agreement is fully executed, Respondent shall make one (1) payment to the District for the full Settlement Amount payable to "D.C. Treasurer."
    - ii. 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, 400 6<sup>th</sup> Street NW 10<sup>th</sup> Floor, Washington, D.C. 20001.*

2. Compliance. Within 60 days of the date of this Agreement, Respondent shall formalize policies and procedures sufficient to ensure compliance with the Workplace Fraud Act in a written format. These policies and procedures shall include measures reasonably designed to ensure both Respondent and its subcontractors comply with the District's Workplace Fraud Act., Respondent shall submit to the District documents sufficient to show that such policies and procedures have been implemented including, but not limited to, Respondent's written policies with respect to employment, payroll, and engagement of subcontractors; template agreements with Respondent's subcontractors (already provided); and any other reasonable documentation that demonstrates reasonable measures implemented by Respondent to ensure compliance with the District's Workplace Fraud Act.

3. Release by the District. Conditioned upon receipt of the Settlement Amount detailed in Paragraph 2 above, and the policy compliance documents outlined in Paragraph 3 above that have not already been provided to the District, the District releases Respondent from any and all actions or causes of action, which the District ever had, now has, or may have, against Respondent arising out of the Covered Conduct, including, but not limited to, any and all claims that could be civilly brought under the District's Workplace Fraud Act.

4. 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.

5. 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.


6. 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.

7. 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**

KARL A. RACINE  
Attorney General for the  
District of Columbia

Date: 9/28/20

By:   
KATHLEEN KONOPKA  
Deputy Attorney General  
Public Advocacy Division

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*Attorneys for the District of Columbia*

**CAPITOL DRYWALL, INC**

Date: 9/28/20

By: 

Name (Print): Karl Celtnieks

Title: owner  
CAPITOL DRYWALL, INC.