

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Attorney General**



In the Matter of Knightsbridge Restaurant  
Group

**SETTLEMENT AGREEMENT**

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondent Knightsbridge Restaurant Group (“Respondent”) (together, the “Parties”), hereby enter into this Settlement Agreement, and agree as follows:

**I. THE PARTIES**

1. The Attorney General for the District of Columbia is the chief legal officer 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.

2. Respondent is a District of Columbia corporation that operates multiple restaurants in the District and maintains its headquarters at 631 D Street NW, Suite 157, Washington, D.C. 20004.

**II. ALLEGATIONS**

3. The District alleges that from 2019-2021, Respondent charged employees a fee of \$0.38 per shift to use a tip-administration app called GratShare (the “GratShare Fee”).

Respondent integrated GratShare with its restaurants’ point-of-sale systems, which allowed for

tip collection and distribution to be automated between restaurants, consumers, and employees. Employees paid the GratShare Fee directly to the restaurant that employed them. Respondent's use of the GratShare Fee at the following restaurants is herein referred to as the "Covered Conduct": Annabelle (2132 Florida Ave. NW, Washington, D.C. 20008), Bindaas (3309 Connecticut Ave. NW, Washington, D.C. 20008 and 2000 Pennsylvania Ave. NW, Washington, D.C. 20006), Bombay Club (815 Connecticut Ave. NW, Washington, D.C. 20006), Modena (1199 H St. NW, Washington, D.C. 20005), Oval Room (800 Connecticut Ave. NW, Washington, D.C. 20006), Rasika (633 D St. NW, Washington, D.C. 20004), and Sababa (3311 Connecticut Ave. NW, Washington, D.C. 20008).

4. The District alleges that Respondent violated the District of Columbia Wage Payment and Collection Law's ("WPCL") requirement that employers "pay all wages earned" to employees. *See* D.C. Code § 32-1302. Specifically, the District alleges that Respondent should have borne the cost of the GratShare Fee as a business expense because GratShare's tip-distribution services are primarily for the benefit of Respondent. As a result, Respondent violated the WPCL where employees paid the GratShare Fee, which amounted to an unlawful deduction from wages earned.

5. Respondent denies that its use of the GratShare Fee constituted a violation of the WPCL. Respondent states that employees that want to use GratShare's software voluntarily enter into a contractual agreement directly with GratShare. Respondent views the Gratshare software as a benefit to its employees. Respondent voluntarily discontinued charging employees the GratShare Fee on or about December 15, 2021. Respondent's agreement to enter into this Settlement Agreement does not constitute, and shall not be construed as, an admission of liability.

### **III. DEFINITIONS**

6. “**Effective Date**” shall be the last date upon which any party executes the Settlement Agreement.

7. “**Eligible Employee**” is an employee eligible to receive a payment pursuant to this Settlement Agreement.

### **IV. INJUNCTIVE TERMS**

8. Respondent agrees to not charge employees the GratShare Fee or any fee associated with tip-administration services.

### **V. PAYMENT TERMS**

9. **Payments to Eligible Employees.** Knightsbridge shall make payments totaling \$63,775.73 to Eligible Employees. Knightsbridge shall be responsible for distribution of these payments and will manage the distribution as follows:

- a. *Creation of Claims Ledger.* Within forty-five (45) days after the Effective Date, Knightsbridge will prepare and submit to the District a Claims Ledger in Excel spreadsheet format that identifies each Eligible Employee’s (i) name; (ii) contact information; (iii) gross amount owed, calculated as 150% of the total amount of GratShare Fees paid by the Eligible Employee; and (iv) net amount to be paid after deducting any applicable federal, state, or local withholding taxes.
- b. *Distribution of Payments and Notice Form.* Within ninety (90) days after the Effective Date, Respondent shall distribute payments to Eligible Employees consistent with the Claims Ledger by direct deposit or check, either by hand-delivery or first-class mail to the Eligible Employee’s last-known address. Respondent shall also distribute to Eligible Employees a Notice Form, to be drafted and agreed upon by the Parties, that provides a summary of this Settlement Agreement.
- c. *Records and Reporting.* Respondent shall record in the Claims Ledger the dates and methods (i.e., direct deposit or cashed check) on which payments were distributed to Eligible Claimants. Within 180 days of the Effective Date, Respondent shall provide the District with a final Claims Ledger that shows all payments distributed to Eligible Employees and all payments remaining uncashed by Eligible Employees (the total of which is referred to as the “Undistributed Funds”).

- d. *Payment of Undistributed Funds to the District.* Within 30 days after providing the records required by paragraph (d) above, Respondent shall make a payment to the District in the amount of the Undistributed Funds. Payments made to the District pursuant to this term may be used for any lawful purpose, including, but not limited to: deposit to the District's litigation support fund or restitution fund; defrayal of the costs of the inquiry leading hereto; defrayal of the costs of administration or distribution; or for other uses permitted by District law, at the sole discretion of the Attorney General for the District of Columbia.

10. **Payment to the District.** Respondent shall also pay **\$5,000** to the District as a civil penalty, within sixty (60) days of the Effective Date.

## **VI. RELEASE**

11. The Parties have agreed to the terms of this Settlement Agreement to resolve the District's allegations against Respondent concerning the Covered Conduct. In exchange for the performance of Respondent's obligations under this Settlement Agreement, the District hereby releases Respondent from any and all claims that the Attorney General could have asserted under the WPCL on behalf of any Eligible Employee for actions arising out of the Covered Conduct.

## **VII. ADDITIONAL TERMS**

12. This Settlement Agreement shall be considered effective and fully executed on the Effective Date. This Settlement Agreement may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature. Copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

13. Respondent shall not knowingly permit third parties authorized by Respondent to act on its behalf to engage in practices that would be violative of this Settlement Agreement.

14. This Settlement Agreement represents the full and complete terms of the settlement entered by the Parties. In any action undertaken by the Parties, neither prior versions of this Settlement Agreement nor prior versions of any of its terms may be introduced for any

purpose whatsoever.

15. All notices sent pursuant to this Settlement Agreement shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

Graham Lake  
Chief, Workers' Rights and Antifraud Section  
Office of the Attorney General  
400 6th St., NW, 10<sup>th</sup> Floor  
Washington, D.C. 20001  
Graham.Lake@dc.gov

*Counsel for the District of Columbia*

Nat Calamis  
Carr Maloney P.C.  
2000 Pennsylvania Avenue, N.W., Suite 8001  
Washington, D.C. 20006  
nat.calamis@carrmaloney.com

*Counsel for Respondent*

16. Any failure by any party to this Settlement Agreement to insist upon the strict performance by any other party of any of the provisions of this Settlement Agreement shall not be deemed a waiver of any of the provisions of this Settlement Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Settlement Agreement.

17. If any clause, provision or section of this Settlement Agreement shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

18. Nothing in this Settlement Agreement shall be construed as relieving Respondent

of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of this Settlement Agreement be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

19. Respondent shall provide a copy of this Settlement Agreement to each of its current and future principals, officers, directors, and managers having decision-making authority with respect to the subject matter of this Settlement Agreement.

20. Respondent shall not form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part that are prohibited in this Settlement Agreement.

KARL A. RACINE  
Attorney General for the District of Columbia

James Graham Lake  
Graham Lake  
Chief, Workers' Rights and Antifraud Section  
Office of the Attorney General  
400 6th St., NW, 10<sup>th</sup> Floor  
Washington, D.C. 20001

Date: 10/13/2022

*Counsel for the District of Columbia*

Name: ASHOK BAJAJ

Date: 10/12/22

Title: PRESIDENT

*Respondent Signatory*

A. Bajaj