

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



In the Matter of Nomadic Real Estate Investments, LLC

SETTLEMENT AGREEMENT

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondent Nomadic Real Estate Investments, LLC (“Nomadic”) (and with the District, 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. Nomadic Real Estate Investments, LLC is a District corporation that provides property management and maintenance services in the District and employs workers in the District and its surrounding metropolitan area.

II. ALLEGATIONS

3. The District alleges Nomadic violated the District’s employment, consumer protection, and civil rights laws in the following ways. First, Nomadic improperly classified some of its employees as exempt from minimum wage and overtime laws, and in so doing failed

to provide them with required overtime payments in violation of the District’s Minimum Wage Revision Act (“MWRA”), D.C. Code §§ 32-1003(c) and 32-1306(a)(2)(A). Second, Nomadic failed to keep proper records of employee’s hours worked and to provide required notices in violation of MWRA, D.C. Code §§ 32-1008(a)(1)(D) and (c). Third, Nomadic improperly conducted criminal background checks on applicants prior to making a conditional offer of housing in violation of the Fair Criminal Record Screening for Housing Act (“FCRSHA”), D.C. Code § 42-3541.02(b)(1) and the Consumer Protection Procedures Act (“CPPA”), D.C. Code § 28-3904. Fourth, Nomadic facilitated source-of-income discrimination by property owners in violation of the D.C. Human Rights Act (“DCHRA”), D.C. Code § 2-1402.21(a)-(a)(l).

4. Nomadic denies that its employment and business practices violated District law. Specifically, Nomadic denies that it is a “housing provider” under District law.

III. DEFINITIONS

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

6. “**Eligible Employee**” is a current or former Nomadic employee owed payment under this Settlement Agreement as listed in **Appendix A**.

IV. APPLICATION

7. The provisions of this Settlement Agreement shall apply to Nomadic and all persons or entities that they control or have the ability to control, including without limitation their principals, officers, directors, employees, agents, successors, assignees, affiliates, merged or acquired entities, or wholly owned subsidiaries of Nomadic.

V. INJUNCTIVE TERMS

8. Nomadic shall comply with all requirements of the Wage Payment and Collection

Law, D.C. Code § 32-1301, *et seq.* and the Minimum Wage Revision Act, D.C. Code § 32-1001, *et seq.*, including but not limited to:

- a. Properly classifying employees as exempt and nonexempt consistent with D.C. Code § 32-1004, such that all nonexempt employees shall receive earned overtime wages.
 - b. Maintaining records of the precise times worked each day and each workweek by each employee and ensuring those records are available for inspection, consistent with D.C. Code § 32-1008(a)(1)(D) and (E).
 - c. Furnishing each employee at the time of hiring, and whenever any of the information contained in the written notice changes, a notice that includes the requirements outlined in D.C. Code § 32-1008(c).
9. Nomadic shall comply with all requirements of the D.C. Fair Criminal Record Screening for Housing Act of 2016, D.C. Code § 42-3541.01, *et seq.*, including but not limited to only conducting criminal background checks after conditional approval by the property owner, consistent with D.C. Code §§ 42-3541.01(3) and 42-3541.02(b), and ensuring any criminal background checks are limited in scope as required by D.C. Code § 42-3541.02(c).
10. Nomadic shall provide annual training for current Nomadic leasing staff on how to implement the requirements of the FCRSHA and DCHRA, with all staff receiving the first such training within 120 days after the Effective Date.
11. Nomadic shall update its new-hire training and employee handbook to include education on the FCRSHA and DCHRA.
12. Within 90 days of the Effective Date, Nomadic will:
- a. Conduct a “live,” interactive walk-through of the application process for the District, including information on how a criminal background check is conducted;
 - b. Demonstrate to the District how the property owners’ selection or eligibility criteria is disclosed to potential tenants prior to Nomadic’s acceptance of an application fee;
 - c. For each property that Nomadic is currently providing marketing services to the

- owner, make available to the District each property owner's eligibility criteria;
- d. Provide the District the form an applicant would use to demonstrate inaccuracies in the criminal background check; and
 - e. Demonstrate that any and all current and future rental software applications used by Nomadic, comply with all of the requirements of the FCRSHA and the DCHRA. Notwithstanding the foregoing, Nomadic is not responsible for any third party's compliance with law.

VI. PAYMENT TERMS

13. Nomadic shall make payments totaling **\$131,061.18** to Eligible Employees.

Nomadic shall be responsible for distribution of these payments and will manage the distribution as follows:

- a. *Creation of Claims Ledger.* Within 21 days after the Effective Date of this Settlement Agreement, Nomadic will prepare and submit to the District a ledger (the "Claims Ledger") in Excel spreadsheet format that identifies each Eligible Employee's (a) name; (b) available contact information, including phone, email, and address; and (c) amount owed (the "Claim Payment") according to **Appendix A**.
- b. *Reasonable efforts to identify Eligible Employee contact information.* Nomadic shall use an Eligible Employee's last-known contact information to create the Claims Ledger. If an Eligible Employee's last-known contact information is unknown, Nomadic shall retain a vendor to conduct a skip trace search to locate last-known contact information.
- c. *Calculation of Claim Payment.* Each Claim Payment shall consist of the payment amounts set forth for each Eligible Employee in **Appendix A**.
- d. *Reasonable efforts to contact Eligible Employees and distribute Claim Payments.* Nomadic shall begin making attempts to contact each Eligible Employee by phone, mail, or email regarding distribution of their Claim Payment on a rolling basis within 30 days after the Effective Date of this Settlement Agreement. Nomadic must make multiple attempts to contact all Eligible Employees by phone, mail, and email within 90 days after the Effective Date of this Settlement Agreement.
- e. *Distribution of Claim Payments.* Within 365 days after the Effective Date, Nomadic will distribute Claim Payments to Eligible Employees on a rolling basis via check. Nomadic will record the recipients, dates, and amounts of all Claim Payments distributed in the Claims Ledger. In addition, Nomadic will distribute the following documents alongside the Claim Payments.

- i. *Notice Form.* Nomadic will provide the Notice Form, attached as **Appendix B**, to Eligible Employees. The Notice Form will include information for Eligible Employees summarizing this settlement, and the reason Eligible Employees are receiving a Claim Payment.
 - ii. *Receipt & Release Form.* Nomadic will also provide the Receipt & Release Form, attached as **Appendix C**, to Eligible Employees. The Receipt & Release Form shall allow the Eligible Employee to document receipt of the Claim Payment and release Nomadic from liability in a manner consistent with the release in this Settlement Agreement.
- f. *Recordkeeping.* Nomadic will keep and maintain records of all Claim Payments, Notice Forms, and Receipt & Release Forms distributed to Eligible Employees for at least three (3) years after the Effective Date of this Settlement. The District shall have the right to inspect such records, and Nomadic shall furnish such records to the District upon request.
- g. *Reporting.* Within 365 days after the Effective Date of this Settlement, Nomadic shall provide a report to the District documenting (a) disbursements made to Eligible Employees; (b) for all Eligible Employees to whom no payment was made, all efforts made to contact Eligible Employees; and (c) the amount of the undistributed payments to Eligible Employees (“Undistributed Funds”).
- h. *Payment of Undistributed Funds to the District.* Within 90 days after providing the report required by paragraph g above, Nomadic 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.

14. Nomadic shall also pay **\$24,938.82** to the District as a civil penalty, within 455 days of the Effective Date of this Settlement Agreement. The District will provide Nomadic with payment instructions.

VII. RELEASE

15. The District releases Nomadic, its members, officers, directors, employees, agents, and assigns from all claims, asserted or unasserted, that predate the execution of this agreement that are related to the allegations in Section II.3, above, and that the Attorney General

asserted or could have asserted under Title 32 of the D.C. Code; the D.C. Fair Criminal Record Screening for Housing Act of 2016, D.C. Code § 42-3541.01, *et seq.*, and the Consumer Protection Procedures Act (“CPPA”), D.C. Code § 28-3904; the D.C. Human Rights Act, D.C. Code § 2-1401.01, *et seq.*; or any related District of Columbia law.

VIII. ADDITIONAL TERMS

16. 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.

17. Nomadic shall not cause or knowingly permit third parties acting on its behalf, to engage in practices from which Nomadic is prohibited by this Settlement Agreement. Notwithstanding the foregoing, Nomadic is not responsible for any third party’s compliance with law.

18. 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.

19. In entering into this Settlement Agreement, the parties are neither extinguishing any rights otherwise available to Nomadic’s employees or former employees, nor creating any right not otherwise available under the laws of the District of Columbia.

20. 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, 10th Floor
Washington, D.C. 20001
Graham.Lake@dc.gov

Counsel for the District of Columbia

Benjamin Rieling, Member
Nomadic Real Estate Investments, LLC
727 15th Street, NW, Suite 200
Washington, D.C. 20005
brieling@nomadicrealestate.com

For Nomadic

21. 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.

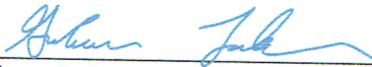
22. If any clause, provision or section of this Settlement Agreement shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Settlement Agreement and this Settlement Agreement shall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

23. Nothing in this Settlement Agreement shall be construed as relieving Nomadic 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.

24. Nomadic shall deliver 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.

25. Nomadic shall not participate, directly or indirectly, in any activity or 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 or for any other purpose that would otherwise circumvent any part of this Settlement Agreement or the spirit or purposes of this Settlement Agreement.

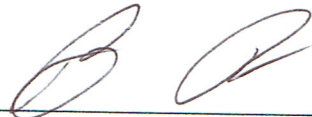
KARL A. RACINE
Attorney General for the District of Columbia



Date: 9/7/2022

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

Counsel for the District of Columbia



Date: 9/16/22

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For Nomadic Real Estate Investments, LLC