

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



In the Matter of District Dogs, Inc.

SETTLEMENT AGREEMENT

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“the District”), and Respondent District Dogs, Inc. (“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. The Attorney General is also charged with enforcing violations of the District of Columbia Wage Payment & Collection Law (“WPCL”), D.C. Code § 32-1301, *et seq.*, Minimum Wage Revision Act (“MWRA”), D.C. Code § 32-1001, *et seq.*, Sick & Safe Leave Act (“SSLA”), D.C. Code § 32-531.01, *et seq.*, and Human Rights Act (“HRA”), D.C. Code § 32-2-1401.01, *et seq.*

2. Respondent is a company that provides pet care services with four locations in the District. The Company maintains its headquarters at 1221 Van Street, SE, Suite 110, Washington, D.C. 20003.

II. FACTS & RECITALS

3. In September 2022, the District commenced an investigation of Respondent regarding alleged violations of the WPCL, MWRA, SSLA, and HRA, summarized as follows and hereinafter referred to as the “Covered Conduct.”

- a. Allegations that Respondent failed to distribute tips earned by employees in violation of the WPCL;
- b. Allegations that Respondent failed to compensate employees for time worked during break times in violation of the WPCL and MWRA;
- c. Allegations that Respondent failed to provide employees with appropriate levels of paid-sick leave accrual in violation of the SSLA; and
- d. Allegations that Respondent engaged in workplace discrimination in violation of the HRA.

4. Respondent denies each of the allegations summarized in the preceding paragraph.

Respondent’s agreement to enter into this Settlement Agreement does not constitute, and shall not be construed as, an admission of liability.

III. DEFINITIONS

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

6. “Eligible Employee” means any employee for whom Respondent allegedly failed to distribute tips earned in violation of the WPCL between January 1, 2020 and December 31, 2022.

IV. PAYMENT TERMS

7. **Payments to Eligible Employees.** Respondent shall make a payment of \$90,159.75 to Eligible Employees (the “Worker Share”), less any federal, state, or local withholding taxes. Amounts owed to Eligible Employees are itemized in Appendix A and are calculated on a *pro rata* basis and based upon hours worked by Eligible Employees. Respondent

shall be responsible for payment distribution and will manage the distribution as follows:

- a. *Distribution of Notice and Release of Claims Form.* Within 14 days after the Effective Date, the Company shall distribute to all Eligible Employees a Notice and Release of Claims Form (the “Notice/Release Form”) attached as Appendix B. The Company shall make at least two (2) attempts to contact all Eligible Employees by phone, text, or email and provide them with the Notice/Release Form. The Notice/Release Form provides Eligible Employees with a summary of this settlement and provides Eligible Employees an opportunity to opt in or opt out to receiving a payment under this Settlement Agreement in exchange for agreeing to release the Company from claims the Eligible Employee may have arising out of the WPCL. Eligible Employees shall have 14 days from the date of receiving the Notice/Release Form to opt in or out of receiving a payment under this Settlement Agreement. The last day upon which an Eligible Employee is permitted to submit the Notice/Release Form is hereinafter referred to as the “Claims Deadline.”
- b. *Distribution of payments.* Within 30 days after the Claims Deadline, the Company will distribute payments by check or direct deposit to each Eligible Employee who has executed a Notice/Release Form.
- c. *Records and Reporting.* The Company shall maintain a “Claims Ledger” that documents (a) Eligible Employee contact information and contact attempts made by the Company, (b) whether Eligible Employees have opted in or opted out to receive payments, and (c) payments made to and cashed by Eligible Employees. Within 60 days after the Claims Deadline, the Company will produce the Claims Ledger to the District and copies of executed Notice/Release Forms.
- d. *Eligible Employees Who Opt-Out of the Notice/Release Form.* For all Eligible Employees who affirmatively opt out of receiving payments, the Company’s obligation to pay the Worker Share shall be reduced by the Eligible Employee’s amount due as set out in Appendix A (such amounts shall also not be considered “Undistributed Funds” as defined in Paragraph 7(e)). The Company shall provide the District with records documenting Eligible Employees’ decision to opt out of receiving payments within 60 days of the Claims Deadline.
- e. *Undistributed Funds.* The term “Undistributed Funds” refers to any amounts either (i) due to Eligible Employees who do not opt in or out to receiving a payment or (ii) are not cashed by an Eligible Employee within 180 days of the date of payment. Respondent shall notify the District of the amount of Undistributed Funds by December 15, 2023. Respondent shall then make a payment to the District in the amount of the Undistributed Funds by December 31, 2023. 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; 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. 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.

8. **Payments to the District.** Respondent shall pay a civil penalty of \$30,000 to the District within 30 days of the Effective Date. Payments shall be made out to "D.C. Treasurer" and mailed to D.C. Office of the Attorney General, Attn: Conny Tello, Staff Assistant, 400 6th Street NW, 10th Floor, Washington, D.C. 20001.

V. **INJUNCTIVE TERMS**

9. **Tip-Distribution Compliance with MWRA and WPCL.** Respondent shall implement and maintain tip-distribution policies necessary to effectuate compliance with the MWRA and WPCL and either ensure employees receive all tips earned or maintain a legally compliant tip-sharing policy, which must be disclosed to employees. Respondent shall provide the District with copies of such policies within 30 days of the Effective Date.

10. **SSLA Compliance.** Respondent shall maintain policies and practices sufficient to ensure that its employees accrued paid sick leave at a rate in compliance with the SSLA. Respondent shall provide the District with copies of such policies within 30 days of the Effective Date.

11. **Recordkeeping of Break Times.** Respondent shall not maintain any policy or practice that automatically deducts employee hours worked related to any break, rest, or meal period after the Effective Date.

12. **Annual Anti-Discrimination Training.** Respondent shall provide annual anti-discrimination training for its employees for a period of three (3) years. Any such training shall include references for employees to seek the assistance of the following District agencies:

- a. *District of Columbia Office of Human Rights (OHR).* OHR is a District agency that adjudicates various forms of discrimination complaints. OHR is located at 4th Street NW, Suite 570N, Washington, D.C. 20001. Instructions for filing a discrimination complaint with OHR are provided on the agency's website at:

<https://ohr.dc.gov/service/file-discrimination-complaint>.

- b. *District of Columbia Office of the Attorney General (OAG)*. OAG is a District agency that enforces numerous District employment laws, such as those dealing with workplace discrimination and wages. OAG is located at 400 6th Street NW, Washington, D.C. 20001. Individuals can contact OAG with employment-related complaints at OAGCivilRights@dc.gov or workers@dc.gov, or by phone at 202-727-3400.

VI. RELEASE

13. 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 the Respondent's obligations under this Settlement Agreement, the District hereby releases the Company from any and all civil claims that the Attorney General could have asserted under the WPCL, MWRA, SSLA, and HRA for actions arising out of the Covered Conduct.

VII. ADDITIONAL TERMS

14. 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.

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

16. 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.

17. 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

Susan Stobbart Shapiro, Esq.
Council, Baradel, Kosmerl, & Nolan, P.A.
125 West Street, Fourth Floor
Annapolis, MD 21401
Shapiro@CouncilBaradel.com

Counsel for Respondent

18. 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.

19. 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.

20. 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.

21. 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.

For the District of Columbia:


BRIAN L. SCHWALB
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, 10th Floor
Washington, D.C. 20001

Date: 5/17/23

Counsel for the District of Columbia

For Respondent:

Signed: 
Name: Jacob Hensley
Title: CEO

Date: 5-16-23