

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



In the Matter of Chipotle Mexican Grill, Inc.

**SETTLEMENT AGREEMENT**

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Chipotle Services, LLC (“the Company”) (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. The Company is a Delaware corporation with its corporate headquarters at 61 Newport Center Drive, Suite 1400, Newport Beach, CA. The Company, through its affiliates, owns and operates restaurants throughout the United States, including in the District of Columbia.

**II. COVERED CONDUCT**

3. The District alleges that from April 1, 2020 through the present, the Company has violated the District’s child labor laws, including D.C. Code § 32-202, by permitting minors to work after 10:00 p.m., permitting minors to work more than 8 hours in one day, permitting minors to work more than 48 hours in a week, and permitting minors to work more than 6 consecutive

days in a week. The Company's conduct with respect to the District's child labor laws is hereafter referred to as the "Covered Conduct."

4. The District also investigated the Company's compliance with the District's Accrued Sick and Safe Leave Act. The District makes no findings with respect to any requirements under that Act.

5. The Company denies the District's allegations regarding violations of any child labor laws. Nothing contained in this Settlement Agreement is or may be construed to be an admission by the Company of any violation of law or regulation, any other matter of fact or law, or any liability or wrongdoing.

### **III. DEFINITIONS**

6. "**District Chipotles**" means restaurants operated by the Company within the District of Columbia.

7. "**Effective Date**" shall be the last date upon which any party executes the Settlement Agreement.

8. "**Minor**" means any person under eighteen years of age.

### **IV. INJUNCTIVE TERMS**

9. The Company agrees to implement policies and procedures to ensure prospective compliance with the District's child labor laws, D.C. Code § 32-201, *et seq.*, as follows:

10. **Compliance Policies and Procedures.** Chipotle shall implement formal policies and procedures that ensure that District Chipotles comply with the District's child labor laws, D.C. Code § 32-201, *et seq.* These policies shall include, at a minimum, prohibiting minors to work after 10:00 p.m., prohibiting minors to work more than 8 hours in one day, prohibiting minors to

work more than 48 hours in a week, and prohibiting minors to work more than 6 consecutive days in a week.

11. **Training.** The Company shall provide all Apprentices and General Managers of District Chipotles with training on complying with the District's child labor laws, D.C. Code § 32--201, *et seq.*, within six months of their hire or promotion to Apprentice/General Manager and will maintain records of the completion of such training. The Company shall provide all District minor employees with a copy of its District-specific child labor policy. Chipotle shall instruct General Managers to personally review the policy with all newly hired minors to ensure they fully understand the District's child labor laws and Chipotle's policy.

**V. PAYMENT TERMS**

12. **Payment to the District.** The Company shall pay **\$322,400.00** to the District as a penalty for violating D.C. Code § 32-202, within forty-five (45) days of the Effective Date.

13. All payments to the District shall be made by wire payment or check made payable to "D.C. Treasurer" and delivered to the Office of Attorney General for the District of Columbia consistent with instructions to be provided by the Office.

**VI. RELEASE**

14. The Parties have agreed to the terms of this Settlement Agreement to resolve the District's allegations against the Company concerning the Covered Conduct described in paragraph 3 of this Settlement Agreement. In exchange for the performance of the Company's obligations under this Settlement Agreement, and upon payment of all amounts due under this Agreement, the District hereby releases the Company from any and all civil claims that the Attorney General could have asserted under the District's child labor laws, D.C. Code § 32--201, *et seq.*, arising out of the Covered Conduct through the Effective Date.

## **VII. ADDITIONAL TERMS**

15. 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.

16. All funds paid to the District pursuant to this Agreement 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.

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

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. 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*

Betsy Bulat  
Martenson, Hasbrouck & Simon LLP  
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Atlanta, GA 30319  
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Ashley Coleman  
Chipotle Assistant General Counsel – Litigation & Employment  
Ashley.Coleman@chipotle.com

*Counsel for the Company*

20. 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.

21. 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.

22. Nothing in this Settlement Agreement shall be construed as relieving the Company 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.

23. The Company 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.

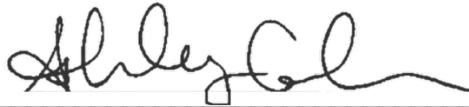
BRIAN L. SCHWALB  
Attorney General for the District of Columbia

/s/ James Graham Lake

Date: 8/22/2023

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

*Counsel for the District of Columbia*



Date: 8/22/2023

Ashley Coleman  
Assistant General Counsel – Litigation & Employment

*Company Signatory*