

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



In the Matter of Fetch Package, Inc.

**SETTLEMENT AGREEMENT**

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondent Fetch Package, Inc. (“Fetch” or “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. Fetch is a Delaware corporation that has its headquarters at 1705 Guadalupe Street, Suite 300, Austin, TX 78701. Fetch partners with apartment buildings to outsource all package receipt and delivery to residents, including within the District of Columbia. All resident packages are sent to a Fetch warehouse and Fetch delivers directly to the door at a time scheduled by residents.

## II. COVERED CONDUCT

3. The District investigated the Company's compliance with the Sick and Safe Leave Act ("SSLA"), D.C. Code § 32-531.01, *et seq.*, and the Minimum Wage Revision Act ("MWRA"), D.C. Code § 32-1001, *et seq.*, from January 1, 2021 through the present.

4. The District alleges that from January 1, 2021 through the present, Fetch misclassified certain of its delivery partners as independent contractors and failed to provide these delivery drivers with sick leave benefits owed under the SSLA and split shift compensation owed under the MWRA.

5. The Company denies the District's allegations. 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. "**Effective Date**" shall be the date this Settlement Agreement is fully executed by all parties.

7. "**Eligible Individual**" is a delivery partner listed in Appendix A to this Settlement Agreement.

## IV. INJUNCTIVE TERMS

8. **Compliance with District Law.** The Company agrees to comply with the MWRA and SSLA, including by classifying workers who regularly spend more than 50% of their working time in the District of Columbia as W-2 employees rather than as independent contractors. The Company will monitor its compliance with this paragraph on a monthly basis.

9. **Reporting.** The Company shall submit an Annual Report to the District one year following the Effective Date that identifies all workers who performed work for the Company in

the District of Columbia during the preceding year and, for each worker identified, states how much time each worker spent each month delivering to buildings within the District of Columbia and whether Fetch classified the worker as an independent contractor or a W-2 employee for that month. The Company shall submit this report to the District pursuant to Paragraph 17 of this Agreement no later than thirteen calendar months after the Effective Date.

10. **Corrective Action.** If the Company becomes aware, through an audit or other source, that it is in violation of the SSLA and MWRA, the Company shall take action to correct any confirmed violations within fourteen (14) business days to ensure it comes into compliance, and the Company shall pay restitution, if any, to any affected worker to remedy the violation.

**V. PAYMENT TERMS**

11. **Payments to Eligible Individuals.** The Company shall make payments totaling **\$100,371.60** directly to Eligible Individuals as set forth in Appendix A via either direct deposit or check, as the Company deems appropriate in its sole discretion. The Company shall pay the Base Damages amount subject to all applicable withholding taxes. The Company shall be responsible for distribution of these payments 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 send electronically or provide in hard copy form to all Eligible Individuals a Notice and Release of Claims Form (the "Notice/Release Form") attached as Appendix B. For any Eligible Individual for which the Company does not have evidence that the Eligible Individual received the electronic communication or received the hard copy distribution of the Notice/Release Form, the Company shall make at least two (2) attempts to contact those Eligible Individual by phone, text, or email and provide them with the Notice/Release Form within 14 days after the Effective Date. The Notice/Release Form provides Eligible Individuals with a summary of this settlement and provides Eligible Individuals an opportunity to opt in or opt out of receiving a payment under this Settlement Agreement in exchange for agreeing to release the Company and all Company Released Parties (as defined below) from claims the Eligible Individual may have arising out of the SSLA and MWRA. Eligible Individuals 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

Individual 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 Individual who has executed a Notice/Release Form.
- c. *Records and Reporting.* The Company shall maintain a “Claims Ledger” that documents (a) Eligible Individual contact information and contact attempts made by the Company, (b) whether Eligible Individuals have opted in or opted out of receiving payments, and (c) payments made to and cashed by Eligible Individuals. 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 Individuals Who Opt-Out of the Notice/Release Form.* For all Eligible Individuals who affirmatively opt out of receiving payments, the Company’s obligation to pay the amount listed in Paragraph 11 of this Agreement shall be reduced by the Eligible Individual’s amount due as set out in Appendix A (such amounts shall also not be considered “Undistributed Funds” as defined in Paragraph 11(e)). The Company shall provide the District with records documenting Eligible Individuals’ decisions 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 Individuals who do not opt in or out to receiving a payment or (ii) are not cashed by an Eligible Individual within 90 days of the date of payment. The Company shall notify the District of the amount of Undistributed Funds by no later than 150 days after the Claims Deadline. The Company shall then make a payment to the District in the amount of the Undistributed Funds without any tax withholdings by no later than 150 days after the Claims Deadline.

12. **Payment to the District.** In addition to the payments described in Paragraph 11, the Company shall also pay **\$50,185.80** to the District as a civil penalty within forty-five (45) days of the Effective Date.

13. All payments to the District shall be made by cashier’s check made payable to “D.C. Treasurer” and delivered to Mina Kasama, Office of Attorney General for the District of Columbia, 400 6th Street NW, 10th Floor, Washington, DC 20001, unless another method of payment is specified by the District.

**VI. RELEASE**

14. 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 and forever discharges the Company from any and all civil claims that the District could have asserted under the SSLA and MWRA relating to the Covered Conduct (see Section II of this Settlement Agreement) through the Effective Date of this Settlement Agreement.

**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, DocuSign, 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. 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.

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, 10<sup>th</sup> Floor  
Washington, D.C. 20001  
Graham.Lake@dc.gov

*Counsel for the District of Columbia*

Nicholas S. Bahnsen  
Kostelanetz LLP  
601 New Jersey Avenue, NW, Suite 260  
Washington, D.C. 20001  
nbahnsen@kostelanetz.com

*Counsel for Fetch*

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. 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.

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

22. 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

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: 4/18/24

*Counsel for the District of Columbia*

  
Felch Signatory

Date: 4-17-2024

Michael Patton  
CEO  
Felch Package Inc  
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*

*Felch Signatory*