

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



In the Matter of Urban Adventures
Companies, Inc. d/b/a VIDA Fitness

SETTLEMENT AGREEMENT

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondent Urban Adventures Companies, Inc., through VIDA Fitness, (“UAC” or 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. UAC is a lifestyle company made up of several affiliated businesses, including VIDA Fitness (“VIDA”). Its administrative office is located at 1612 U Street, NW Washington, DC 20009.

II. COVERED CONDUCT

3. The District alleges that from June 1, 2020 through the present, the Company failed to compensate VIDA’s personal trainers (“Trainers”) for all hours worked, specifically its Trainers

were not compensated for attending mandated bimonthly team meeting (“Bimonthly Meetings”) and mandated monthly meetings with management (“PTM Meetings”), and Trainers were not fully compensated for all time spent preparing for training sessions, in violation of the District’s Minimum Wage Revision Act (“MWRA”), D.C. Code § 32-1001, *et seq.*, and Wage Payment and Collection Law (“WPCL”), D.C. Code § 32-1301, *et seq.*

4. The District further alleges that from June 1, 2020 through the present, the Company used a compensation scheme that it described as a “commission,” whereby its Trainers were paid a percentage of the amount the Company charged its customers for each training session the employee worked. The District alleges that because workers’ pay was tied directly to their hours worked, the Company’s purported “commission” scheme was not a bona fide commission, and it therefore violated the MWRA and WPCL by failing to pay its Trainers for every hour worked. The District’s allegations in Paragraphs 3-4 are hereinafter referred to as the “Covered Conduct.”

5. UAC denies the District’s allegations. Nothing contained in this Settlement Agreement may be construed to be an admission by the UAC of any wrongdoing.

III. DEFINITIONS

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

7. “**Eligible Employee**” is any current or former Trainers who worked for VIDA from June 1, 2020 through the Effective Date.

IV. INJUNCTIVE TERMS

8. The Company agrees to pay its Trainers as non-exempt employees and will compensate its Trainers at least the District’s relevant minimum wage for each hour worked.

9. The Company agrees that it will compensate its Trainers at a rate of 1.5 times their regular rate for any work beyond 40 hours in a week, inclusive of the aggregate amount of session time plus any clocked-in time for meetings.

10. The Company agrees that its Trainers will clock in and clock out for mandatory team meetings, receiving at least the District's relevant minimum wage for that meeting time apart from any other earnings.

11. The Company agrees to pay the Trainers for all time spent at mandatory work-related individual and/or team meetings with at least the District's relevant minimum wage.

12. The Company agrees to inform its Trainers at the time of hiring that session preparation is to occur at the beginning of each training session and that session preparation outside of the session is not permitted. If a Trainer believes that session preparation activity outside of the training session is warranted, the Trainer should first notify a manager and gain prior written approval. To the extent a Trainer performs work outside of the training session, and with prior written approval, the Company agrees to compensate the Trainer for this work.

V. PAYMENT TERMS

13. **Payments to Eligible Employees.** The Company will pay \$325,000 to an account with a third-party claims administrator within 60 days of the Effective Date. This amount will be distributed to Eligible Employees as set forth below:

- a. *Claims Administrator.* Within thirty (30) business days after the Effective Date, the Company shall retain a third-party claims administrator (the "Administrator") to administer a claims procedure to distribute payments to Eligible Employees. The Company shall pay for all expenses related to the Administrator and claims procedure.
- b. *Eligible Employee List.* Within thirty (30) business days of the Effective Date, the Company shall provide the Administrator and the District with the Eligible Employee List. The Eligible Employee List will be in an electronic format, preferably Excel, that includes 1) the names of all Trainers from June 1, 2020 to the Effective Date, 2) their last known addresses, 3) their last known phone numbers,

- 4) their last known email addresses, 5) the number of Bimonthly Meetings and PTM Meetings attended by each Trainer for each month from June 1, 2020 to the Effective Date (to the extent possible based on the information available to VIDA), and 6) the number of each 30-minute and 55-minute training sessions completed by Trainers for each month from June 1, 2020 to the Effective Date.
- c. *Claims Notice.* The Administrator shall send the Notice, Claim Form, and Release, attached hereto as Appendix A, to Eligible Employees via first class mail. If this method is unsuccessful, the Administrator will perform a skip trace and will reissue the notice if an updated address is found.
 - d. *Claims Period.* To be eligible for payment, all claims must be postmarked or received (by mail or electronically) within 60 days of the date that the Claims Administrator sent the notice to the Eligible Employee.
 - e. *Claims Procedure.* To file a claim, Eligible Employees must complete and submit (by mail or electronically) the Notice, Claim Form, and Release. The Administrator shall permit Eligible Employees to submit claims electronically. The Administrator will also provide phone support to the Eligible Employees for the duration of the claims process.
 - f. *Claim Payment Amount for Meeting Time.* The Total Claim Payment Amount for Meeting Time is \$123,357.39. For calculation purposes, each Bimonthly meeting and PTM Meeting will be allocated 30 minutes.
 - i. Based on the Eligible Employee List, the amount of wages owed will be determined by (1) multiplying the number of hours each Trainer spent at meetings each month by the District's minimum wage for the applicable period, and then (2) multiplying the total amount of wages by three to determine the amount due to each Eligible Employee ("Claim Payment Amount").
 - ii. If the aggregate total of all Claim Payment Amounts exceeds \$123,357.39, Eligible Employees will receive a pro-rata share of the total \$123,357.39 in proportion to the amount due to them as their ultimate Claim Payment Amount.
 - g. *Claim Payment Amount for Prep Time.* The Total Claim Payment Amount for Meeting Time is \$201,642.61. For calculation purposes, each 30-minute session will be counted as half (.5) a session and 55-minute session as one (1) session. Based on the Eligible Employee List, the total number of training sessions completed from June 1, 2020 through the Effective Dates will be divided into the \$201,642.61 claim pool (the "Per Session Amount"). The disbursement to each Eligible Employee will be determined by multiplying the Per Session Amount by the number of sessions each Trainer completed.
 - h. *Payment Timing.* The Administrator shall issue payments of all Claim Payment Amounts by check or electronic funds transfer within 21 days of the close of the

Claims Period. Claimants shall have at least 60 days to deposit any Claim Payment Amounts issued by check, and any payments by check shall state prominently any deadline to deposit the payment.

- i. *Records and Reporting.* The Administrator shall record the dates and methods (*i.e.*, direct deposit or cashed check) by which payments were distributed to Eligible Employees. Within 60 days of the close of the Claims Period, the Administrator shall provide the District with a final report that shows all payments distributed to Eligible Employees and all payments remaining unclaimed by Eligible Employees (the total of which is referred to as the “Undistributed Funds”).
- j. *Payment of Undistributed Funds to the District.* Within 30 days after providing the records required by paragraph (i) above, the Administrator 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 by the District 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. **Payment to the District.** The Company shall pay \$100,000 to the District, as agreed-upon compensation to the District, within 120 days of the Effective Date.

15. 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

16. The Parties have agreed to the terms of this Settlement Agreement to resolve the District’s allegations against the Company concerning the Covered Conduct. 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 claims that the Attorney General could have asserted under the MWRA or WPCL for claims arising out of the Covered Conduct.

VII. ADDITIONAL TERMS

17. 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.

18. 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.

19. 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.

20. This Settlement Agreement represents the full and complete terms of the settlement entered into 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.

21. 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

Paul DeCamp
Epstein Becker Green, P.C.
1227 25th St. NW, Ste. 700
Washington, D.C. 20037
pdecamp@ebglaw.com

Counsel for Urban Adventures Companies, Inc.

22. 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.

23. 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.

24. 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.

25. The Company shall provide training regarding the injunctive terms 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.

26. 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, 10th Floor
Washington, D.C. 20001

Date: 11/14/2024

Counsel for the District of Columbia

Aaron Moore

Date: 11/14/2024

Urban Adventures Companies, Inc. Signatory

Appendix A

Notice, Claim Form, and Release

1. THIS NOTICE IS TO INFORM YOU THAT YOU ARE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT BETWEEN THE OFFICE OF ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA AND URBAN ADVENTURES COMPANIES, INC. D/B/A VIDA FITNESS AS DESCRIBED BELOW, IN THE SUM OF [SETTLEMENT SHARE]. TO RECEIVE YOUR SHARE OF THE SETTLEMENT, YOU MUST RETURN THIS FORM BY NO LATER THAN [INSERT DATE].
2. Pursuant to the Settlement Agreement between the District of Columbia and Urban Adventures Companies, Inc. dated [Effective Date], I am eligible to receive a payment in the amount of [Insert Amount].
3. I am submitting this claim form and release in order to submit a claim for payment under the Settlement Agreement.
4. In consideration for my eligibility for payment under the Settlement Agreement, I _____ (“Releasor”) hereby AGREE NOT TO SUE and RELEASE, WAIVE, and FOREVER DISCHARGE Urban Adventures Companies, Inc., its directors, agents, employees, or successors (hereinafter referred to as “Releasees”) from any and all liability, claims, demands, actions, or causes of action whatsoever arising out of any loss or damages sustained by me related to Urban Adventures Companies, Inc.’s failure to pay wages for all hours worked related to the attendance of work-related meeting and off-the-clock session preparation work between June 1, 2020 and [Effective Date.]
5. I agree that this Release is given with the express intention of terminating any right to sue related to the above, regardless of WHETHER ANY DAMAGES WERE CAUSED BY THE NEGLIGENCE OF RELEASEES, and with the intention of binding the Releasor’s spouse, heirs, executors, administrators, legal representatives, and assigns.
6. I hereby further agree that this Release shall be construed in accordance with the laws of the District of Columbia.
7. Any portion of this document deemed unlawful or unenforceable is severable and shall be stricken without any effect on the enforceability of the remaining provisions.

I ACKNOWLEDGE AND REPRESENT THAT I have read the foregoing General Waiver and Release, understand it and sign it voluntarily as my own free act and deed; no oral representations, statements, or inducements, apart from the foregoing written agreement, have been made; I am at least eighteen (18) years of age and fully competent; and I execute this Release for full, adequate and complete consideration fully intending to be bound by same.

Printed Name of Employee: _____

I have signed this Claim Form and Release From Liability on _____,
2024.

EMPLOYEE SIGNATURE: _____

To submit this Claim Form and Release, please mail or email the completed claim form to
[Claims Administrator].