GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

In the Matter of Mardone Inc. and Cuzco Facilities Services LLC

SETTLEMENT AGREEMENT

The Attorney General for the District of Columbia, on behalf of the District of Columbia ("District"), and Respondents Mardone Inc. d/b/a J&B Cleaning Services and Cuzco Facilities Services LLC ("Respondents") (together 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. Mardone Inc. d/b/a J&B Cleaning Services is a Virginia corporation with headquarters at 9401 Lee Highway, Suite 300, Fairfax, Virginia 22031 that performs janitorial work at several locations in the District. Cuzco Facilities Services LLC is a Virginia limited liability company with headquarters at 3057 Nutley Street, Suite 123, Fairfax, VA 22031 that performs janitorial work at several locations in the District.

II. COVERED CONDUCT

3. The District investigated Respondents' compliance with the overtime pay requirements 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*., including payment for overtime for hours worked over 40 hours in a workweek, from January 1, 2021 through the present.

4. The District alleges that from January 1, 2021 through the present, Respondents failed to aggregate hours for employees who worked for both J&B and Cuzco in the same workweek, and as a result, sometimes failed to pay overtime at a rate of 1.5 times an employee's regular rate of pay for hours worked over 40 in a workweek. The District alleges that Respondents therefore violated the MWRA and WPCL. The District's allegations in Paragraphs 3-4 are hereinafter referred to as the "Covered Conduct."

5. Respondents deny the District's allegations. Nothing contained in this Settlement Agreement is or may be construed to be an admission by Respondents 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 Employee"** is an employee eligible to receive a payment pursuant to this Settlement Agreement, as listed in Appendix A.

IV. INJUNCTIVE TERMS

8. **Compliance with District Law.** Respondents agree to comply with the MWRA and WPCL.

9. **Training and Notice.** Respondents shall provide all managers with training within six months of their hire or promotion to a management position explaining that employees are entitled to payment at 1.5 times their base rate of pay for each hour they work over 40 hours in a week, D.C. Code § 32-1003(c). Respondents shall provide all non-management employees with a notice, printed in both English and Spanish, explaining that non-exempt employees are entitled to payment at 1.5 times their regular rate of pay for each hour they work over 40 hours in a work week. *See* D.C. Code § 32-1003(c). Respondents shall maintain records of the completion of training and the distribution of notices described in this paragraph.

10. **Reporting.** Within 13 months of the Effective Date, Respondents shall each submit a Report to the District that identifies all employees who performed work in the District of Columbia during that year for either of Respondents during the 12 months following the Effective Date. This report shall include a summary of all hours worked and overtime paid for each employee of Respondents who worked in the District of Columbia during the 12 month period following the Effective Date, a signed certification from a corporate representative attesting to compliance with the MWRA and the WPCL, and the training and notice requirement described in Paragraph 9 of this Agreement.

V. PAYMENT TERMS

11. **Payments to Eligible Employees.** Respondents shall make payments totaling **$215,000.00** to Eligible Employees. Respondents shall be responsible for distribution of these payments and will manage the distribution as follows:

a. *Claims Administrator*. Within fifteen (15) days of 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.* Prior to the Effective Date, the District shall provide Respondents with Appendix A, in excel format, updated to include the amounts to be classified as Base Damages and Liquidated Damages as well as the total amounts to be paid to each individual identified in current Appendix A. Within twenty (20) business days of the Effective Date, the Company shall provide the Administrator the Eligible Employee List. The Eligible Employee List will be in an electronic format, preferably Excel, that includes the names, last known addresses, social security numbers, last known phone numbers, and last known email addresses during the Settlement Period, of each respective Eligible Employee listed in Appendix A.

c. *Claims Notice*. The Administrator shall send the Claim Form and Notice identified in Appendix B to Eligible Employees via first class mail, text message, and email, and, if mail or email methods are deemed to be undeliverable, will perform a skip trace and resend, within one (1) day of receipt, any Notice and Claim Form returned without a forwarding address, or resend to those with a new forwarding address.

d. *Claims Period*. To be eligible for payment, all claims must be postmarked or received (by mail or electronically) within 90 days of the date that the Claims Administrator provided notice to the Eligible Employee.

e. *Claims Procedure*. To file a claim, Eligible Employees must complete and submit (by mail or electronically) the Claim Form and Release attached hereto as Appendix B. The Administrator shall permit Eligible Employees to submit claims electronically.

f. *Claim Payment Amounts and Tax Treatment*. Claim Payment Amounts will be determined based on the amounts listed in Appendix A. Each Eligible Employee who submits a claim within the Claims Period shall be paid the Total Payment Due amount listed in Appendix A. For tax purposes, Base Damages amounts shall be treated as wage income subject to required withholdings and deductions and reported on IRS Form W-2, and Liquidated Damages amounts shall be treated as nonwage income and shall not be subject to withholdings or deductions and shall be reported on an IRS Form 1099.

g. *Payment Timing*. The Administrator shall issue payments of all Claim Payment Amounts by check or electronic funds transfer within 14 days of the close of the Claims Period. Claimants shall have at least 90 days to deposit any Claim Payment Amounts issued by check, and any payments by check shall state prominently any deadline to deposit the payment.

h. *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 180 days of the Effective Date, 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").

i. *Payment of Undistributed Funds to the District*. Within 30 days after providing the records required by paragraph (h) above, the Administrator shall make a payment to the District in the amount of the Undistributed Funds.

12. **Payment to the District.** In addition to the payments described in Paragraph 11, Respondents shall also pay **$75,000.00** to the District as a civil penalty, within 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 Respondents' obligations under this Settlement Agreement, and upon payment of all amounts due under this Agreement, the District hereby releases Respondents, as well as their owners, managers, and affiliates and related entities, from any and all civil claims that the Attorney General could have asserted under the WPCL and MWRA for claims arising out of the Covered Conduct 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 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. Upon execution of this Settlement Agreement, Respondents shall provide the District with their Taxpayer Identification Numbers (TINs).

17. **Expedited Enforcement Proceeding in the Event of Default.** If Respondents fail to make any of the payments in full by its deadline as specified in Paragraphs 11 and 12, the District must provide notice and an opportunity to cure within seven days. If any failure to make payments is not cured, the District may, in its discretion, commence a summary enforcement proceeding in D.C. Superior Court. In such event, Respondents consents to entry of judgment for the District in the proceeding for the full amount that remains unpaid under this Agreement, plus interest calculated pursuant to D.C. Code § 28–3302(a). In the event the District institutes such a proceeding, Respondents agree that they will consent to accept email service of pleadings and papers at the representative's email address specified in Paragraph 20. The parties understand that this is not an exclusive remedy in the event of the Respondents' defaulting on any obligation in this Agreement.

18. Respondents shall not knowingly permit third parties authorized by Respondents to act on their behalf to engage in practices that would be violative of this Settlement Agreement.

19. 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.

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

Marty Heller
Fisher & Phillips, LLP
1230 Peachtree St. NE
Atlanta, Georgia 30309
mheller@fisherphillips.com

Counsel for Mardone Inc. and Cuzco Facilities Services LLC

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 Respondents 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. Respondents 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

_____ Date: 7/2/25
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

FOR RESPONDENTS

_____ Date: 7/2/2025

Mardone Inc. Signatory

_____ Date: 7/2/2025

Cuzco Facilities Services LLC Signatory