GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

In the Matter of The Hill Preschool

SETTLEMENT AGREEMENT

The Attorney General for the District of Columbia, on behalf of the District of Columbia ("District"), and The Hill Preschool ("Respondent") (collectively, the "Parties") hereby enter into this Settlement Agreement ("Agreement"), and agree as follows:

I. THE PARTIES

1. The District of Columbia, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the seat of the government of the United States. D.C. Code § 1-102. The Attorney General for the District of Columbia is the chief legal officer for the District of Columbia. Pursuant to D.C. Code § 32-1306, the Attorney General for the District of Columbia is authorized to bring civil actions seeking back wages, liquidated damages, civil penalties, costs, attorneys' fees, and equitable relief for, among other things, violations of the District's Wage Payment and Collection Law ("WPCL"), D.C. Code § 32-1301, *et seq.*, Ban on Non-compete Agreements ("BNA"), D.C. Code § 32-581.01, *et seq.*, antitrust law, D.C. Code § 28–4502, *et seq.*, and common law.

2. The Hill Preschool ("Respondent") is a District non-profit that provides early childhood education for children ages two through five at 337 North Carolina Ave SE, Washington, DC 20003.

II. COVERED CONDUCT

3. The District alleges that from 2022 through the present, Respondent subjected its employee teachers to liquidated damages provisions that required teachers to repay costs, including bonuses earned, staff development costs, training costs, and more, if they resigned prior to the end of their contract term. The District alleges that these were unlawful liquidated damages provisions in violation of District antitrust law, D.C. Code § 28–4502, *et seq.*, the District's Ban on Non-compete Agreements ("BNA"), D.C. Code § 32-581.01, *et seq.*, and District common law. The District further alleges that Respondent enforced these provisions in the form of wage deductions from teachers' final paychecks, in violation of the Wage Payment and Collection Law ("WPCL"), D.C. Code § 32–1301, *et seq.*

4. Respondent denies the allegations and related legal conclusions.

III. DEFINITIONS

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

6. "**Eligible Employee**" is an employee who performed work for Respondent in the District of Columbia and signed a liquidated damages provision.

IV. PAYMENT TERMS

7. In exchange for the releases detailed below in Section VI of this Agreement, Respondent agrees to pay, in the manner set forth below, a total of fifteen thousand nine hundred sixty-two dollars and fifty cents ($15,962.50) (the "Total Settlement Amount"). The Total Settlement Amount consists of (a) a "Worker Share" equaling eleven thousand seven hundred twelve dollars and fifty cents ($11,712.50) to be paid to Eligible Employees, and (b) a "Penalty Share" equaling four thousand two hundred fifty dollars ($4,250) to be paid to the District. The Total Settlement Amount shall be paid out in the following manner:

a. **Worker Share.** Respondent shall pay the Worker Share as follows:

i. *Calculating Amounts Owed.* Within thirty (30) days after the Effective Date, Respondent shall calculate amounts owed to Eligible Employees in a spreadsheet ("Claims Ledger') using the following method: (A) each employee that was subjected to an unlawful wage deduction as described in the Covered Conduct will be eligible for damages equal to the amount of the deduction, plus liquidated damages equal to one and a half (1.5) times the amount of the deduction; and (B) the remaining Worker Share will be divided equally between all Eligible Employees. Respondent will submit that Claims Ledger for District review and approval.

ii. *Reasonable Efforts to Contact Eligible Individuals and Distribute Claim Payments.* Within one hundred eighty (180) days after the Effective Date, Respondent shall distribute payments to Eligible Employees, consistent with the amounts listed in the approved Claims Ledger, along with a notice ("Notice"). The Notice shall include an easily understood explanation, in layperson's terms, of this Settlement Agreement and the Eligible Employee's ability to claim a portion of the Worker Share. Where possible, Respondent shall transmit payments directly to Eligible Employees through direct deposit; otherwise, the Respondent shall make multiple attempts to contact each Eligible Employee by their last-known phone, mailing address, and/or email in order to provide Notice and transmit payments.

iii. *Records and Reporting.* Respondent shall record the dates and methods (*i.e.*, direct deposit or cashed check) on which payments were distributed to Eligible Employees. Within one hundred ninety (190) days of the Effective Date, Respondent shall provide the District with a final report that shows all payments distributed to Eligible Employees and all payments remaining uncashed or unclaimed by Eligible Employees (the total of which is referred to as the "Undistributed Funds").

iv. *Payment of Undistributed Funds to the District.* Within fourteen (14) days after providing the records required by subparagraph 7(a)(iii), Respondent shall make a payment to the District in the amount of the Undistributed Funds.

b. **Penalty Share.** Respondent shall pay the Penalty Share as follows:

i. Within one hundred eighty (180) days after the Effective Date, Respondent shall make a payment to the District in the amount of the Penalty Share. Respondent may transit the Penalty Share in up to three installment payments at any time prior to one hundred eighty (180) days after the Effective Date.

ii. Payments made pursuant to the Penalty Share, and any Undistributed Funds, may be used 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. Respondent agrees to cooperate with the District in obtaining any reasonable modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.

c. **Delivery.** Payments of the Penalty Share or any Undistributed Funds made by Respondent pursuant to this paragraph shall be in the form of a check made payable to the "D.C. Treasurer" and mailed with tracking information requested, sent by overnight courier with tracking information requested, or hand delivered to Mina Kasama, Staff Assistant, Public Advocacy Division, Office of the Attorney General for the District of Columbia, 400 Sixth Street, N.W., 10th Floor, Washington, D.C. 20001.

V. INJUNCTIVE TERMS

8. **Rescinding Liquidated Damages Provisions.** Respondent agrees to not enforce any alleged existing liquidated damages provisions between it and employees, and Respondent agrees to consider any such alleged liquidated damages provisions to be null, void, and unenforceable. Within sixty (60) days of the Effective Date, Respondent will provide notice to employees that any such liquidated damages provisions are null, void, and unenforceable. Respondent agrees that for five (5) years following the Effective Date, Respondent will not present any employee with a contract containing any liquidated damages provision or enter any contract containing any liquidated damages provision with any employee.

9. **Certification.** Respondent shall submit an Annual Certification to the District for the three (3) year period following the Effective Date that includes a signed certification from a corporate representative attesting: (1) that Respondent has not presented any employee with a contract containing any liquidated damages provision; (2) has not entered any contract with any employee containing any liquidated damages provision; and (3) has complied with the WPCL.

10. **Corrective Action.** If Respondent becomes aware, through an audit or other source, that it is in violation of District law, Respondent shall make reasonable efforts within fourteen (14) days to ensure it comes into compliance and pays any applicable restitution to any affected worker to remedy the violation.

VI. RELEASE

11. Upon payment by Respondent of the Total Settlement Amount, the District releases Respondent from any and all civil claims, causes of actions, and liabilities that the Attorney General could have brought against Respondent concerning the Covered Conduct. The foregoing release shall not affect the District's right to take appropriate action against Respondent to enforce the payment terms and injunctive terms set out in Sections IV and V of this Settlement Agreement, nor shall it, or anything in this Agreement, affect the District's right to bring any enforcement for any conduct that post-dates the Effective Date. Respondent may condition any Eligible Employee's compensation pursuant to Section 7.a.i upon their execution of a waiver of any private cause of action concerning the Covered Conduct.

VII. TEMPORARY FORBEARANCE

12. From the Effective Date of this Settlement Agreement until such time as Respondent has fully satisfied its obligations under Sections IV and V of this Settlement Agreement, the District agrees not to initiate, prosecute, or maintain any action or administrative complaint against Respondent based on any claims concerning the Covered Conduct.

VIII. ADDITIONAL TERMS

13. 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.

14. Upon execution of this Settlement Agreement, Respondent shall provide the District with its Taxpayer Identification Number ("TIN").

15. **Expedited Enforcement Proceeding in the Event of Default**. If Respondent fails to make any of the payments in full by its deadline as specified in Paragraph 7, the District must provide notice and an opportunity to cure within seven (7) 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, Respondent 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, Respondent agrees that it 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 Respondent's defaulting on any obligation in this Agreement.

16. Respondent shall not knowingly cause third parties authorized by Respondent to act on its behalf to engage in practices that would violate this Settlement Agreement.

17. 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.

18. All notices and reports sent pursuant to this Settlement Agreement shall be provided to the following addresses via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

James Graham Lake
Chief, Workers' Rights and Antifraud Section

Office of the Attorney General
400 6th Street, N.W., 10th Floor
Washington, D.C. 20001
Graham.Lake@dc.gov

Counsel for the District of Columbia

David G. Ross
Garris Horn LLP
1775 I St., NW, Suite 1150
Washington, DC 20006
dross@garrishorn.com

Counsel for Respondent

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 Respondent 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. 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.

22. This Settlement Agreement, its interpretation and any enforcement of its provisions shall be governed by the laws of the District of Columbia.

BRIAN L. SCHWALB

Attorney General for the District of Columbia

James Graham Lake Date: 8/5/2025

James 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

The Hill Preschool

Date: 8/5/2025

By: Nilakshini Mack