

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

<p>DISTRICT OF COLUMBIA <i>ex rel.</i> ULLAMCO LLC,</p> <p style="text-align:center">Plaintiff,</p> <p style="text-align:center">v.</p> <p>TOSKR, INC.,</p> <p style="text-align:center">Defendant.</p>	<p>Case No.: _____ Judge Shana F. Matini</p>
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CONSENT ORDER

Relator Ullamco LLC (“Relator”) filed its *qui tam* complaint bringing claims in the name of the District of Columbia (“the District”) under the District’s False Claims Act (“FCA”), D.C. Code § 2-381.01, *et seq.*, against Defendant Toskr, Inc. (“Defendant”) (collectively with the District, the “Parties”). By and through its Office of the Attorney General (“OAG”), the District intervened in this matter as to Defendant Toskr and has filed its complaint in intervention (the “Complaint”). To avoid the time, expense, and uncertainty of litigation, the Parties have stipulated to the entry of this Consent Order (“Consent Order”) to resolve all matters in dispute in the above-captioned action (“Action”) between them.

THE PARTIES

1. Plaintiff the District of Columbia, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by and through its chief legal officer, the Attorney General 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. D.C. Code § 1-301.81(a)(1).

2. Relator Ullamco, LLC is a Wyoming limited liability company registered to conduct business in the District of Columbia.

3. Defendant Toskr, Inc. is a Delaware corporation with its principal place of business at 9450 SW Gemini Drive, PMB 79340, Beaverton, Oregon 97008.

COVERED CONDUCT

4. Relator's *qui tam* complaint alleges that Defendant Toskr, Inc. knowingly avoided its obligation to collect and remit sales and use taxes to the District in violation of the FCA. The District alleges that between January 1, 2016 and May 31, 2026, Defendant violated the District's tax laws by failing to collect and remit sales and use taxes on its gross receipts from the sale, use, storage, or consumption of data processing or information services (including the sale of access to Defendant's peer-to-peer texting and call services software platforms to customers within the District of Columbia). The District asserts that Defendant's conduct violated the District's tax laws and the District's FCA. *See* D.C. Code § 2-381.01, *et seq.*; D.C. Code § 47-101, *et seq.* For purposes of this Consent Order, the allegations described in this paragraph and in the Complaint shall be the "Covered Conduct."

5. Defendant denies that it has violated the District's tax laws, the District's FCA, or any common law claims that could be asserted based on the allegations in the Complaint. Nothing contained in this Consent Order is or may be construed to be an admission by Defendant of any of the allegations encompassed by the Covered Conduct, any violation of law or regulation, any other matter of fact or law, or any liability or wrongdoing.

6. The Parties wish to avoid the time, expense, and inconvenience of any further litigation, and to resolve any and all disputes and potential legal claims based on the Covered Conduct.

INJUNCTION

7. No later than May 31, 2026, Defendant shall register (or update its registration) with the District's Office of Tax and Revenue including but not limited to registering for a sales and use tax account. Defendant shall begin remitting sales and use taxes on all gross receipts subject to District sales and use taxes, including but not limited to from the sale, use, storage, or consumption of data processing or information services (including the sale of access to Defendant's peer-to-peer texting and call services software platforms to customers within the District of Columbia) for all periods beginning after May 31, 2026.

MONETARY TERMS

8. **Settlement Amount.** To resolve this litigation, Defendant shall pay to the District a total of one million dollars and zero cents (\$1,000,000.00) (the "Settlement Amount").

9. **Timing of Payments.** Defendant shall pay the Settlement Amount over 24 months as structured below, plus simple interest of six percent per annum, which shall begin to accrue on the date this Consent Order is entered. Payments shall be made according to the following structure:

- a. Defendant shall make an initial principal payment of \$300,000 on May 31, 2026;
- b. Defendant shall make a further principal payment of \$220,000 by February 28, 2027;

- c. Defendant will pay the remaining principal in 24 consecutive monthly installments of \$20,000 each, beginning on May 31, 2026, with the final principal payment due on April 30, 2028. Defendant will also pay accrued interest with each monthly principal installment.
- d. Defendant may voluntarily prepay outstanding principal at any time, in full or in part, without penalty. Any partial prepayments will reduce Defendant's future principal installments dollar for dollar in direct order of maturity.

10. Defendant shall make all payments described above by electronic funds transfer pursuant to the written instructions provided by the Office of the Attorney General for the District of Columbia, which may include an instruction to transfer a share of each payment amount directly to an escrow account designated by Relator Ullamco, LLC. The manner of all payments under this Consent Order shall be the subject of a separate agreement between Defendant and the District, the terms of which are incorporated by reference into this paragraph.

11. The payment by the District of Columbia to Relator of a share of the Settlement Amount under D.C. Code § 2-381.03(f)(1)(A) shall be the subject of a separate agreement between Relator and the District or a separate order of this Court. This Consent Order is not contingent upon the execution of any agreement between Relator and the District of Columbia regarding Relator's share.

12. The payment by Defendant to Relator of any expenses, fees, and costs under D.C. Code § 2-381.03(f)(1)(C) shall be the subject of either a separate agreement between Relator and Defendant or a separate order of this Court. This Consent Order is not contingent upon the

simultaneous execution of any agreement between Relator and the Defendant, or the simultaneous entry of any separate order of this Court, regarding payment of Relator's expenses, fees, and/or costs.

RELEASE

13. This Consent Order finally disposes of all claims by the District based on the Covered Conduct, including but not limited to claims that could be brought by the District's Office of Tax and Revenue. Upon the District's receipt of all amounts due under this Consent Order, the District fully and finally releases Defendant from all claims and liabilities that the District asserted, could have asserted, or may assert in the future under the District's False Claims Act, D.C. Code § 2-381.01, et seq., or Chapters 20 and 22 of the District of Columbia Tax Code, D.C. Code § 47-2001, et seq. and § 47-2201, et seq., based on the Covered Conduct, as well as any common-law claims (including any claims of common law- fraud or unjust enrichment) that the District could have asserted, or may assert in the future, based on the Covered Conduct (including any claims that the District can assert, could assert, or could have asserted through the Office of the Chief Financial Officer, the Office of Tax and Revenue, or other District of Columbia agencies). Provided, that the following claims of the District are specifically reserved and are not released: (a) any criminal liability; (b) any liability to the District (or its agencies) for any acts or omissions other than the Covered Conduct; (c) any liability to the District (or its agencies) related to the sales and use taxes on the Defendant's gross receipts from the sale, use, storage, or consumption of data processing or information services (including the sale of access to Defendant's peer-to-peer texting and call services software platforms) after May 31, 2026; (d) any liability to the District for any

taxes except District sales and use taxes; or (e) any liability based upon obligations created by this Consent Order.

14. The Attorney General, as the chief legal officer for the District of Columbia, binds the District and releases these claims on behalf of the District.

GENERAL PROVISIONS

15. This Consent Order represents the full and complete terms of the settlement entered by the Parties, except to the extent of any agreement made pursuant to Paragraph 10. In any action undertaken by the Parties, neither prior versions of this Consent Order nor prior versions of any of its terms that were not entered by the Court in this Consent Order may be introduced for any purpose whatsoever.

16. This Court retains jurisdiction of this Consent Order and the Parties for the purpose of enforcing this Consent Order and for the purpose of addressing the amount of any Relator's share pursuant to D.C. Code § 2-381.03(f)(1)(A) or any award of expenses, fees, and costs pursuant to D.C. Code § 2-381.03(f)(1)(C). The Parties may agree in writing, through their counsel, to an extension of any time period in this Consent Order without a court order.

17. This Consent Order 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.

18. All notices and correspondence sent pursuant to this Consent Order 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:

For the Plaintiff District of Columbia:

Graham Lake
Chief, Workers' Rights and Antifraud Section
Office of the Attorney General
400 6th Street NW, 9th Floor
Washington, DC 20001
Graham.Lake@dc.gov

For Defendant Toskr, Inc.:

Hunter Bruton
Michael Anderson
Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, LLP
150 Fayetteville Street, Suite 2800
Raleigh, North Carolina 27601

19. Any failure by any party to this Consent Order to insist upon the strict performance by any other party of any of the provisions of this Consent Order shall not be deemed a waiver of any of the provisions of this Consent Order, 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 Consent Order.

20. In the event that this Consent Order is not entered by the Court on or before May 31, 2026, the Parties will meet and confer and attempt in good faith to agree on a supplemental schedule of injunctive deadlines and payment dates that hew as closely as practicable to the proposed deadlines set forth herein. If the Parties are unable to agree to a supplemental schedule, they agree to present their positions to the Court within 10 business days of reaching impasse, and the Court shall decide on the supplemental schedule.

21. If any clause, provision, or section of this Consent Order 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 Consent Order and this Consent Order shall

be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

22. All funds paid to the Office of the Attorney General pursuant to this Consent Order 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 and litigation leading hereto; defrayal of the costs of administration or distribution; payment pursuant to D.C. Code § 2-381.03(f)(1)(A); or for other uses permitted by District law, at the sole discretion of the Attorney General for the District of Columbia.

23. Defendant shall ensure that all current and future personnel having final decision-making authority with respect to the subject matter of this Consent Order are informed of the requirements set forth in this Consent Order.

24. The Parties hereby stipulate to the dismissal, with prejudice, of this Action, such dismissal to be effective upon the entry of this Consent Order by the Court. The Superior Court for the District of Columbia shall retain jurisdiction for the purpose of enforcing this Consent Order.

25. Each Party and its signatory to this Consent Order represents that it freely and voluntarily enters into this Consent Order without any degree of duress or compulsion.

26. Other than as stated herein, each Party shall bear its own legal and other costs incurred in connection with claims set forth in the Complaint, including the preparation and performance of this Consent Order.

27. For purposes of construing this Consent Order, this Consent Order shall be deemed to have been drafted by all Parties to this Consent Order and shall not, therefore, be construed against any party for that reason in any subsequent dispute.

28. The undersigned represent and warrant that they are fully authorized to execute this Consent Order on behalf of the persons and entities indicated below.

29. This Consent Order is binding on Defendant's successors, transferees, heirs, and assigns.

CONSENTED TO FOR PLAINTIFF DISTRICT OF COLUMBIA

BRIAN L. SCHWALB
Attorney General for the District of Columbia

COTY MONTAG
Deputy Attorney General
Public Advocacy Division

James Graham Lake
JAMES GRAHAM LAKE
Chief, Workers' Rights and Antifraud Section

Date: 5/28/2026

CONSENTED TO FOR DEFENDANT TOSKR, INC.

Paul Klenk
PAUL KLENK
Chief Executive Officer
Toskr, Inc.

Date: 5/27/2026

C. Anderson
H. HUNTER BRUTON
C. MICHAEL ANDERSON
Counsel for Defendant Toskr, Inc.

Date: 5/28/26

IT IS SO ORDERED, ADJUDGED, AND DECREED.

Date

Judge Shana F. Matini
Superior Court of the District of Columbia