

RELEASE AND SETTLEMENT AGREEMENT

An Agreement entered into between the Department of Labor and Industries and Hertz Transporting Inc., The Hertz Corporation, and DTG Operations, Inc.

Section No. 1- PARTIES: The following parties enter into this Release and Settlement Agreement, freely and voluntarily:

- [1] Hertz Transporting, Inc., The Hertz Corporation, and DTG Operations, Inc. (hereinafter "Hertz/DTG"); and
- [2] The Department of Labor and Industries of the State of Washington (hereinafter the "Department").

Section No. 2- PURPOSE: The parties enter into this Agreement to resolve all pending wage complaints and citations alleging Hertz/DTG failed to pay the minimum hourly wage rate established by SeaTac Municipal Code Chapter 7.45 (the "Ordinance") for the period of January 1, 2014 through September 30, 2015. The parties enter into the attached Memorandum of Understanding to establish a process for addressing any other wage complaints alleging Hertz/DTG failed to pay the minimum hourly wage rate established by SeaTac Municipal Code Chapter 7.45 (the "Ordinance") for the period of January 1, 2014 through September 30, 2015 filed with the Department.

- 2.1 The Department investigated multiple wage complaints against Hertz/DTG alleging failure to pay the minimum hourly wage established by the Ordinance for the period between January 1, 2014 and September 30, 2015. After investigation, the Department issued citations and notices of assessment against Hertz/DTG. Hertz/DTG appealed the citations and notices of assessment. The Department requested that hearings be held before the Office of Administrative Hearings to resolve the appeals to the citations and notices of assessment.
- 2.2 This agreement includes an appeal to an Initial Order under OAH Docket No. 07-2016-LI-00193 that is currently pending before the Director of the Department and a petition for judicial review regarding appeals to citations and notices of assessment pending under King County Superior Court Cause No. 17-2-05447-0 KNT.
- 2.2 The Department's citations and notices of assessment allege Hertz/DTG violated the Wage Payment Act Title 49.48 RCW as alleged in the citations and notices of Assessment.
- 2.3 The Department and Hertz/DTG desire to settle the claims between themselves regarding the wage complaints referenced in ¶ 2.1 and 2.2 (and listed individually by wage claimant in Exhibit 1 hereto).

- 2.4 The parties have entered into this Agreement for the purpose of avoiding the inconvenience, uncertainty, and expense of litigation. Execution of this agreement by Hertz/DTG does not constitute any admission of liability, obligation, wrongdoing, or unlawful conduct by Hertz/DTG.
- 2.5 The parties freely enter into this Agreement as reflected by their signatures hereto.

Section 3- TERMS OF SETTLEMENT: In consideration of the mutual covenants of this Agreement, the parties agree as follows:

- 3.1 Hertz/DTG agrees to provide to the Department the amount of wages listed in each citation and notice of assessment and interest calculated at the rate of 1% per month from the date the wages were owed to May 1, 2017 per the attached Exhibit 1. The checks shall be made payable to the individual wage claimants less applicable taxes and withholdings on wages and provided to the Department on or within ten (10) business days of the date Hertz/DTG provides an executed copy of this agreement to the Department. Each check should be accompanied by documentation showing the withholding of any applicable taxes on wages. Hertz/DTG agrees that they may not deduct taxes from any interest owed.
- 3.2 In exchange, the Department agrees to waive any and all penalties assessed in each case, and to waive any claim for further wages, interest, fees, penalties, and damages in relation to these cases.
- 3.3 The payments must be sent to the Department of Labor and Industries, ATTN: Employment Standards, PO Box 44510, Olympia, WA 98504-4510, with the applicable citation number listed on the pay statement affixed to each check.
- 3.4 Within fourteen (14) days of receiving a check from Hertz/DTG for a wage claimant, the Department will mail the appropriate notice and release form to that wage claimant. The wage claimant shall then have thirty (30) days from the date of the Department's mailing of such notice and release form to either sign and return the release form to the Department or give notice of his or her decision not to do so. If a wage claimant expressly declines to sign the release form within this thirty-day period, the Department shall continue to hold the funds for the wage claimant pending the outcome of any timely appeal by that claimant of the applicable citation and notice of assessment, if any. If a wage claimant expressly declines to sign the release form and files a petition to intervene with the Office of Administrative Hearings (OAH) under RCW 34.05.443 in order to challenge the wages and/or interest offered to the claimant in accordance with this Agreement, the Department agrees that, in any related proceeding before the OAH, this Agreement shall not be construed as a waiver of any right of Hertz/DTG to challenge, and to introduce evidence in opposition to, the wages and interest allegedly owed to the wage claimant as specified in the applicable citation and notice of assessment and/or as otherwise alleged by the wage claimant during any

such proceeding. If a wage claimant fails to respond to the Department's mailing of the notice and release form within the thirty-day period, or has expressly declined to sign a release form within the thirty-day period and has not filed a timely appeal of the applicable citation and notice of assessment, the Department will issue a letter acknowledging that the amount received resolves the wage claimant's wage complaint, and will hold funds for the wage claimant for up to one year. After one year, the Department will transfer those funds to the Department of Revenue, Unclaimed Property.

- 3.5 This Agreement does not alter any rights or obligations as provided by RCW 49.48.082-.086 (the Wage Payment Act) or any other applicable law. Any wage claimant may timely exercise any right to withdraw a wage complaint as provided by RCW 49.48.085. Pursuant to the provisions of RCW 49.48.082-.086, the Department acknowledges that any final and binding determination of compliance or payment of wages subject to this Agreement will bar the employee from initiating or pursuing any court action or other judicial or administrative proceeding based on the specific wage payment requirements addressed by the Department.
- 3.6 Prior to releasing a settlement check to a wage claimant, the Department shall receive a signed release form from that wage claimant in the form attached hereto as Exhibit 2. Upon receipt of a signed release form, the Department shall promptly provide a copy of the form to Hertz/DTG.
- 3.7 The consideration recited is the sole consideration for this Agreement. The parties understand that the consideration recited settles the claims of the Department against Hertz/DTG for Hertz/DTG's alleged failure to pay wages as reflected in the wage complaint citations referenced in ¶ 2.1 and 2.2 (and listed individually by wage claimant in Exhibit 1). The parties acknowledge there may be (1) other claims by wage claimants not related to the Ordinance or alleged failure to pay agreed wages and (2) other employees who have similar claims. However, those claims are not settled or covered by this Agreement.
- 3.8 For the consideration recited, after all the terms of this agreement have been complied with, the Department releases Hertz/DTG and its directors, shareholders, officers, agents, representatives, and employees, and their successors and assignees, from the claims referenced in ¶ 2.1 and 2.2 (and listed individually by wage claimant in Exhibit 1).
- 3.9 The parties hereby agree that this executed Agreement resolves any controversy between the Parties before the Office of Administrative Hearings relating to any wage claim listed in Exhibit 1 and constitutes a joint request for dismissal and case closure of any and all such proceedings at the Office of Administrative Hearings.

- 3.10 The Department will file a request for case closure to the Office of Administrative Hearings for all appeals relating to any wage claim listed in Exhibit 1 after payment for such claims is received from Hertz/DTG by the Department. The parties further agree to stipulate to appropriate stays and/or continuances or any proceedings related to the wage claims listed in Exhibit 1 after execution of this Agreement pending delivery of such payments by Hertz/DTG to the Department pursuant to ¶ 3.1.
- 3.11 The parties hereby agree that this executed Agreement resolves any controversy between the Parties before the Director under the docket number listed in ¶ 2.2 (Docket No. 07-2016-LI-00193) and before King County Superior Court under Cause No. 17-2-05447-0 KNT. The parties will enter an agreed joint order before the Director in Docket No. 07-2016-LI-00193, which pays wages and interest per Exhibit 1, and waives all penalties. The parties will enter a stipulated dismissal without costs or fees in No. 17-2-05447-0 KNT, which pays wages and interest per Exhibit 1, and waives all penalties.

Section No. 4 – MISCELLANEOUS:

- 4.1 This Agreement has been completely read, fully understood, and voluntarily accepted after complete consideration of all facts and respective legal rights. This is a fully integrated Agreement. Any term or condition not incorporated in the Agreement is void. This Agreement constitutes the final written expression of all of the terms of settlement and is a complete and exclusive statement of those terms. No other agreements, in writing or oral, bind the parties. Any modification or addition to this Agreement must be agreed upon by the parties in writing.
- 4.2 This Agreement is made and entered into in the State of Washington and shall be interpreted, enforced, and governed under the laws of this State. The language of the Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.
- 4.3 All parties have been given sufficient time and opportunity to consult with legal counsel if desired.
- 4.4 The parties each present they have the full power and actual authority to enter into this Agreement and to carry out all of the actions required of them by this Agreement. Anyone executing this Agreement in a representative capacity warrants that they have full power and authority to bind their respective departments, agencies, corporations, partnerships, and/or entities.
- 4.5 Failure to comply with any term of this Agreement, constitutes a breach of this Agreement. The parties agree that either party can sue for breach of this Agreement in King County Superior Court. In that event, the parties will still bear their own costs.

4.6 For purposes of this Agreement, signatures by facsimile and PDF documents are acceptable.


4.7 The date of execution shall be the date of the last signature.

ON BEHALF OF EMPLOYERS:

Hertz Transporting, Inc.

The Hertz Corporation

DTG Operations, Inc.

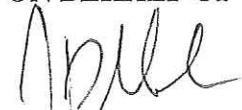


(Signature / Print Name)

Exp, General Counsel on this 22 day of August, 2017.

(Print Title)

ON BEHALF OF THE DEPARTMENT OF LABOR AND INDUSTRIES:



on this 18th day of August, 2017.

James Mills, Assistant Attorney General

cc: David Johnson, Employment Standards Program Manager
Harly Farey, Industrial Relations Agent
Ruth Castro, Industrial Relations Agent
Amy Chaney, Industrial Relations Specialist