

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

JAMES QUINN
c/o 519 H Street NW
Washington, DC 20001

Plaintiff,

v.

HARGROVE, INC.
d/b/a HARGROVE
One Hargrove Drive
Lanham, MD 20706

Defendant.

Civil Action No. _____

COMPLAINT

Summary

1. Plaintiff files this case to recover unpaid commissions that Defendant intentionally withheld.
2. Plaintiff worked for Defendant as a commissioned Sales Executive. In this capacity, Plaintiff was an integral part of Defendant's production of: a) the 2016 Democratic National Convention ("DNC") and b) the 2017 Inauguration of President Donald J. Trump ("Inauguration").
3. Though both the Democratic National Convention Committee and the 58th Presidential Inaugural Committee paid their bills to Defendant, Defendant did not pay Plaintiff the commissions to which he was entitled from these events.
4. Defendant simply appropriated most of the commissions from the DNC and Inauguration to itself and its executives. It did this in three ways. First, through the *ad hoc* designation of

certain large events as "house accounts—" for which only half the revenue was considered in the calculation of commissions due to Defendant's sales staff. Second, by allocating much of the revenue from the remaining half to members of its senior management team members who had little actual responsibility for executing these events. And third, *by simply not paying commissions when it did not want to.*

5. Plaintiff brings this action to recover damages for Defendant's willful failure to pay wages, in violation of the District of Columbia Wage Payment and Collection Law ("DCWPCL"), D.C. Code § 32-1301 *et seq.* and the Maryland Wage Payment and Collection Law ("MWPCCL"), Md. Code, Lab. & Empl. Art., § 3-501 *et seq.*

Jurisdiction and Venue

6. Jurisdiction is proper pursuant to 28 U.S.C. § 1332 (diversity jurisdiction).

7. Venue is proper pursuant to 28 U.S.C. § 1391(b), because a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in this district.

Parties

8. Plaintiff James Quinn is an adult resident of the District of Columbia.

9. Defendant Hargrove, Inc. is a Maryland corporate entity. Hargrove, Inc. does business as Hargrove. Hargrove, Inc.'s principal place of business is located at One Hargrove Drive, Lanham, MD 20706. Hargrove, Inc.'s resident agent for service of process is Resagent, Inc., 7 St. Paul Street, Suite 1500, Baltimore, MD 21201.

Factual Allegations

10. In March 2015, Defendant hired Plaintiff to the full-time position of "Sales Executive."

11. As a "Sales Executive," Plaintiff was responsible for producing and managing events that Hargrove was hired to produce.

12. Almost all of the events that Plaintiff produced were located in the District of Columbia.

13. Over the course of his employment, the majority of Plaintiff's actual production work was executed in the District of Columbia.

14. Though Plaintiff primarily produced events in the District of Columbia, his work was coordinated and supervised from Defendant's office in Maryland, and at all relevant times, Plaintiff was required to regularly come to Defendant's Maryland office for meetings.

15. Over the entire course of his employment, Plaintiff spent approximately 40% of his working hours in the District of Columbia, approximately 40% of his working hours at Defendant's headquarters in Maryland, and approximately 20% of his working hours in other jurisdictions.

16. Plaintiff was paid on a salary + commission basis. In addition to his regular salary, Plaintiff was paid a percentage of the contractual value of the events he was responsible for producing.

17. In its offer letter to Plaintiff, Defendant agreed to pay Plaintiff commissions of "2% of all collected gross sales with a threshold of \$500,000 in annual sales."

18. In 2016, Defendant subsequently raised Plaintiff's sales threshold to \$1,250,000.00.

19. For most events, Defendant did in fact properly allocate sales to Plaintiff for purposes of calculating commissions owed.

20. However, for two particularly large events, the DNC and Inauguration, Defendant engaged in a number of practices intended to avoid paying Plaintiff the commissions he earned.

21. With respect to the DNC:

a. Defendant was hired by the Democratic National Convention Committee to provide approximately \$14.8 million in services in conjunction with the production of the DNC;

b. Plaintiff was the only dedicated Sales Executive on the DNC contract for at least 4.5 months — after which he shared responsibilities with one other sales executive.

c. Plaintiff was responsible for approximately half of the total man-hours Defendant's sales staff devoted to the production of the DNC, and he should have received approximately half of the commissions for this event;

d. After the event was over, and after Defendant was paid, Defendant decided to allocate to Plaintiff only \$500,000.00 of the \$14.8 million contract for purposes of calculating Plaintiff's commission. In other words, Defendant unilaterally decided that Plaintiff should only be entitled to 2% of 3.4% of the contract, or \$10,000.00 of the \$14.8 million that Defendant received;

e. Defendant explained that because the DNC event was such a big contract, Defendant was, for purposes of calculating commissions owed, allocating half of the commissions to itself;

f. Defendant further explained that it was, for purposes of calculating commissions owed, allocating commissions for much of the remaining half of the contract to various members of its senior management team;

g. After Plaintiff complained about these practices to his supervisor, Defendant's supervisor admitted that "there seems to be a discrepancy between the DNCC allocation and the proper accounting";

h. Defendant then arbitrarily allocated an additional \$500,000.00 of the DNC contract to Plaintiff for purposes of calculating his commission. In other words, after Plaintiff complained about Defendant's attempt to deprive him of his commissions, Defendant paid him an additional \$10,000.00 ($2\% \times \$500,000.00$).

i. Defendant still owes Plaintiff approximately \$128,000.00 for his work on the DNC, or 2% on the difference between: a) the amount of the contract actually allocated to Plaintiff (\$1,000,000.00), and b) the approximate percentage of the contract that should have been allocated to Plaintiff (50% of \$14,800,000.00, or \$7,400,000.00).

22. With respect to the Inauguration:

a. Defendant was hired by the 58th Presidential Inaugural Committee to provide approximately \$7.4 million in services in conjunction with the production of the Inaugural Parade and the staging of the National Mall¹;

b. Plaintiff was the only Sales Executive on this Inauguration contract;

c. After Inauguration was over and Defendant had been paid, Plaintiff tendered his letter of resignation. Defendant then decided not to pay Plaintiff *any* commission for his work on the Inauguration;

d. Again: Defendant unilaterally decided to allocate, for purposes of calculating commissions, only \$1 million of the contract to Plaintiff;

f. Again: Defendant rationalized this by allocating half of the commissions to itself and allocating much of the remaining half to various members of its senior management team;

g. Defendant's supervisor then reasoned that because this \$1 million allocation was less than Plaintiff's new \$1.25 million sales threshold, Plaintiff was entitled to nothing;

h. After Plaintiff complained about these practices to his supervisor, Defendant agreed to pay a \$10,000.00 "special recognition payout," reasoning that "another way to look at it is that \$10K for 8 weeks of work...was actually fair";

¹ Though Defendant was also hired to produce other aspects of the Inauguration, this Complaint is only concerned with the contract for the production of the Inaugural Parade and the staging of the National Mall.

i. Defendant still owes Plaintiff approximately \$123,000.00 for his work on the Inauguration, or 2% on the difference between: a) Plaintiff's sales threshold, and b) the amount of the contract that should have been allocated to Plaintiff (\$7,400,000.00).

23. For his work on the DNC and Inauguration, Defendant owes Plaintiff a total of approximately **\$251,000.00**.

24. Plaintiff's last day of work for Defendant was February 10, 2017. This was also his last regular payday.

25. At all relevant times, Defendant had the power to hire and fire Plaintiff.

26. At all relevant times, Defendant had the power to control Plaintiff's work schedule.

27. At all relevant times, Defendant had the power to supervise and control Plaintiff's work.

28. At all relevant times, Defendant had the power to set Plaintiff's rate and manner of pay.

29. At all relevant times, Defendant was aware that it was legally required to timely pay Plaintiff all wages legally due to Plaintiff.

30. Defendant's actions reflect a deliberate attempt to avoid paying a departing employee the commissions that he worked hard to earn.

COUNT I

FAILURE TO PAY WAGES UNDER THE DCWPCL

31. Plaintiff incorporates the foregoing paragraphs as if fully restated herein.

32. Defendant was an "employer" of Plaintiff within the meaning of the DCWPCL. D.C. Code § 32-1301(1).

33. The DCWPCL requires employers to pay an employee who is discharged no later than the working day following the discharge. D.C. Code § 32-1303(1).

34. The DCWPCL requires employers to pay an employee who quits or resigns all wages due upon the next regular payday, or within 7 days from the date of quitting or resigning, whichever is earlier. D.C. Code § 32-1303(2).

35. For purposes of the DCWPCL, “wages” include, among other things, commissions. D.C. Code § 32-1301(3).

36. Defendant violated the DCWPCL by knowingly failing to timely pay Plaintiff all wages due, including commissions.

37. Defendant’s violations of the DCWPCL were willful.

38. For Defendant’s violations of the DCWPCL, Defendant is liable to Plaintiff for unpaid wages, an amount equal to three times the amount of unpaid wages as liquidated damages, reasonable attorney’s fees and expenses, interest, court costs, and any other relief deemed appropriate by the Court.

COUNT II

FAILURE TO PAY WAGES UNDER THE MWPCCL

39. Plaintiff incorporates the foregoing paragraphs as if set forth in their entirety herein.

40. Defendant was an “employer” of Plaintiff within the meaning of the MWPCCL. Md. Code, Lab. & Empl. Art. § 3-501(b).

41. The MWPCCL requires employers to pay an employee whose employment terminates all wages due on or before the day on which the employee would have been paid the wages if the employment had not been terminated. Md. Code, Lab. & Empl. Art. § 3-505(a).

42. The MWPCCL requires employers to timely pay an employee on regular paydays. Md. Code, Lab. & Empl. Art. § 3-502.

43. For purposes of the MWPCCL, “wages” include, among other things, commissions. Md. Code, Lab. & Empl. Art. § 3-501(c)(2).

44. Defendant violated the MWPCCL by knowingly failing to timely pay to Plaintiff all wages due, including commissions.

45. Defendant's violations MWPCCL were willful.

46. For Defendant's violations of the MWPCCL, Defendant is liable to Plaintiff for three times the amount of unpaid wages, reasonable attorney's fees and expenses, interest, court costs, and any other relief deemed appropriate by the Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment against Defendant, on all counts, in the current total amount of \$1,012,520.00, and grant the following relief:

- a. Award Plaintiff \$1,004,000.00, consisting of the following overlapping elements:
 - i. unpaid regular wages, plus three times the amount of unpaid wages as liquidated damages, pursuant to the DCWPCL, D.C. Code §§ 32-1303(4) and 32-1308;
 - ii. three times the amount of unpaid regular wages, pursuant to the MWPCCL, Md. Code, Lab. & Empl. Art., 3-507.2;
- b. Award Plaintiff pre-judgment and post-judgment interest as permitted by law.
- c. Award Plaintiff attorney's fees and expenses computed pursuant to the matrix approved in *Salazar v. District of Columbia*, 123 F. Supp. 2d 8 (D.D.C. 2000), and updated to account for the current market hourly rates for attorney's services, pursuant to the DCWPCL, D.C. Code § 32-1308(b)(1) (as of this date, approximately \$8,120.00);
- d. Award Plaintiff court costs (currently, \$400.00); and
- e. Award any additional relief the Court deems just.

Date: March 21, 2017

Respectfully submitted,

/s/ Justin Zelikovitz, Esq.
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Counsel for Plaintiff

JURY DEMAND

Pursuant to Fed. R. Civ. P. 38, Plaintiff hereby demands a trial by jury on all issues so triable.

/s/ Justin Zelikovitz, Esq.