UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

Julie A. Su, Acting Secretary of Labor, United States Department of Labor,

Plaintiff,

v.

Dada Guru Hospitality Inc dba Quality Inn, a Michigan corporation; Prakash Patel, an individual; and Pratyush Patel, an individual, Civil Action No.: 24-cv-10540

District Judge F. Kay Behm

Magistrate Judge Anthony P. Patti

Defendants.

CONSENT JUDGMENT AND ORDER

Plaintiff, Julie A. Su, Acting Secretary of Labor, United States Department of Labor ("Acting Secretary"), has filed a complaint under the Fair Labor Standards Act of 1938 as amended (29 U.S.C. § 201 *et seq.*) ("FLSA" or "Act"), and Defendants Dada Guru Hospitality Inc. dba Quality Inn, a Michigan corporation; Prakesh Patel, an individual; and Pratyush Patel, an individual (collectively, "Defendants") have appeared, waive their Answer and any defenses which they may have, and agree to the entry of this Consent Judgment and Order ("Consent Judgment") without contest.

Defendants admit and the Court finds Defendants are engaged in related activities performed through unified operation or common control for a common business purpose and are an "enterprise" under 29 U.S.C. § 203(r) of the FLSA.

Defendants admit and the Court finds Defendants are an enterprise engaged in commerce or in the production of goods for commerce within the meaning of 29 U.S.C. § 203(1)(A) of the FLSA.

Defendants admit and the Court finds Defendants are employers as defined in 29 U.S.C. § 203(d) of the FLSA.

Upon motion of attorneys for the Acting Secretary and for cause shown, it is:

ORDERED, ADJUDGED, AND DECREED, pursuant to section 17 of the FLSA that Defendants, their officers, agents, servants, and all persons acting or claiming to act on their behalf and interest be, and they hereby are, permanently enjoined and restrained from violating the provisions of sections 6, 7, 11(c), 15(a)(2), 15(a)(3), and 15(a)(5) of the FLSA, in any of the following manners:

1. Defendants shall not, contrary to 29 U.S.C. §§ 206 and 215(a)(2), pay to any of their employees who in any workweek are engaged in commerce or in the production of goods for commerce, or employed in an enterprise engaged in commerce or in the production of goods for commerce, within the meaning of the FLSA, wages at rates less than \$7.25 an hour, or any rate subsequently made applicable by amendment to the FLSA.

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a. For purposes of Paragraph 1, prohibited actions include,
without limitation: (1) paying employees a fixed weekly salary and
requiring employees work hours that result in an hourly rate below
\$7.25 an hour; and (2) not paying employees for all hours worked.

2. Defendants shall not, contrary to 29 U.S.C. §§ 207 and 215(a)(2), employ any of their employees including, but not limited to, any of their employees working for Defendants, or at any business location owned, operated, and/or controlled by Defendants, and at any other business location at which their employees perform work, in any workweek when they are engaged in commerce or employed in an enterprise engaged in commerce, within the meaning of the FLSA, for workweeks longer than forty hours, unless said employees receive compensation for their employment in excess of forty hours at a rate equivalent to one and one-half times the regular rate at which they are employed.

a. For purposes of Paragraph 2, prohibited actions include, without limitation: (1) failing to pay additional compensation for hours over 40 in a workweek to any employee, whether they are paid on an hourly or salary basis; and paying any employee who is paid on an hourly basis only the employee's regular rate—without a half-time premium—for hours over 40 in a workweek, unless they are exempt from overtime under Section 13(a)(1) of the Act.

3. Defendants shall make, keep, and preserve adequate records of their employees and of the wages, hours, and other conditions and practices of employment maintained by them including, but not limited to, any of their employees working for Defendants, or at any business location owned, operated, and/or controlled by Defendants, and at any other business location at which their employees perform work, as prescribed by the Regulations issued pursuant to 29 U.S.C. §§ 211(c) and 215(a)(5) and found at 29 C.F.R. Part 516. Defendants shall make such records available at all reasonable times to representatives of the Plaintiff.

a. For purposes of Paragraph 3, prohibited actions include, without limitation: failing to record and maintain records of all employees daily and weekly work hours.

4. Pursuant to 29 U.S.C. § 215(a)(3), Defendants shall not discharge or take any retaliatory action against any of their current or former employees because the current or former employee engages in any of the following activities:

a. Discloses, or threatens to disclose, to a supervisor or to a public agency, any activity, policy, or practice of the Defendants or another employer, with whom there is a business relationship, that the employee reasonably believes is in violation of the FLSA, or a rule or regulation promulgated pursuant to the FLSA;

b. Provides information to, or testifies before, any public agency or entity conducting an investigation, hearing or inquiry into any alleged violation of the FLSA, or a rule or regulation promulgated pursuant to the FLSA, by the Defendants or another employer with whom there is a business relationship; or

c. Objects to, or refuses to participate in any activity, policy or practice which the employee reasonably believes is in violation of the FLSA, or a rule or regulation promulgated pursuant to the FLSA.

5. Defendants shall comply with 29 C.F.R. § 516.4 by posting the FLSA poster in both English and Spanish.

6. Defendants shall provide its current employees and all new employees (for a period of two years) with the following information, in a language in which the employee is fluent:

a. A copy of Fact Sheet #22: Hours Worked Under the Fair Labor Standards Act (FLSA)¹;

b. A link to the DOL's time keeping app,² and

c. The telephone number of the U.S. Department of Labor, Wage and Hour Division, 1-866-4-USWAGE (1-866-487-9243).

¹ Available at https://www.dol.gov/agencies/whd/fact-sheets/22-flsa-hours-worked ² Available at https://www.dol.gov/agencies/whd/timesheet-app.

7. Defendants shall provide each employee on each pay date with a pay stub reflecting specific dates of the pay period, total hours worked and paid, rate of pay, gross amounts paid, and any deductions taken by Defendants. Each pay stub shall be accompanied by the employee's record of daily and weekly hours for the corresponding pay period.

8. Defendants shall treat all persons hired, engaged or utilized in conducting the business of Defendants as "employees" under the Act including those working as hotel front desk, maintenance, and hospitality workers. Defendants hereby acknowledge that persons working as s hotel front desk, maintenance, and hospitality workers are "non-exempt" workers subject to the FLSA's minimum wage, overtime, and recordkeeping requirements.

9. Defendants shall not fail to make, keep, and preserve records of their employees' wages, hours and other conditions and practices of employment maintained by them as prescribed by the regulations issued, and from time to time amended, pursuant to section 11(c) of the Act and found at 29 C.F.R. Part 516, including, but not limited to, maintaining records of all hours worked by each employee in each workday and each workweek and records of compensation paid to each employee in each workweek, whether payment is made by a payroll check, personal check, cash or a combination thereof. The records maintained by Defendants shall also include, but not be

limited to, the full name and last-known mailing address of all employees, the daily starting and stop time of each employee, and the specific method of payment made to each employee.

FURTHER, JUDGMENT IS HEREBY ENTERED, pursuant to section 16(c) of the Act, in favor of the Acting Secretary and against Defendants in the total amount of \$23,938.76, as set forth in Exhibit A.³

10. The Acting Secretary shall recover from Defendants the sum of \$11,969.38 in unpaid minimum wage and overtime compensation covering the period from December 22, 2020, to December 21, 2022, for Defendants' current and former employees whose names are listed in the attached Exhibit A, and the additional sum of \$11,969.38 in liquidated damages.

a. At the time of Defendants' execution of this Consent
Judgment, Defendants shall deliver payment in the amount of
\$23,938.76 by ACH transfer, credit card, debit card, or digital wallet at
https://www.pay.gov/public/form/start/77692637 or www.pay.gov and
searching "WHD Back Wage Payment – Midwest Region".

b. Defendants shall also furnish to the Acting Secretary the social security number and last known address for each employee named in Exhibit A.

³ Employees' names have been redacted for privacy reasons. Defendants acknowledge receiving employees' full names.

c. Upon receipt of payment from Defendants, representatives of the Acting Secretary shall distribute such amounts, less appropriate deductions for federal income withholding taxes and the employee's share of the social security (F.I.C.A.) tax, to the employees or their legal representative as their interests may appear, in accordance with the provisions of section 16(c) of the FLSA. Defendants remain responsible for the employer's share of F.I.C.A. arising from or related to the back wages distributed by the Acting Secretary.

d. Neither Defendants nor anyone on their behalf shall directly or indirectly solicit or accept the return or refusal of any sums paid under this Consent Judgment. Any such amount shall be immediately paid to the Acting Secretary for deposit as above, and Defendants shall have no further obligations with respect to such returned monies.

e. Any monies not disbursed by the Department of Labor after three years from the date of payment by Employers, because of the inability to locate the proper persons or because of their refusal to accept payment, shall be deposited into the Treasury of the United States as miscellaneous receipts, pursuant to section 16(c) of the FLSA.

f. The provisions of this Consent Judgment shall not in any way affect any legal right of any individual not named on Exhibit A,

nor shall the provisions in any way affect any legal right of any individual named on Exhibit A to file any action against Defendants for any violations alleged to have occurred outside the relevant period.

11. By entering into this Consent Judgment, Plaintiff does not waive her right to conduct future investigations of Defendants under the provisions of the FLSA and to take appropriate enforcement action, including assessment of civil money penalties pursuant to 29 U.S.C. § 216(e), with respect to any violations disclosed by such investigations.

It is FURTHER ORDERED that each party shall bear their own costs, fees and other expenses incurred by such party in connection with any stage of this proceeding, but not limited to, attorney fees which may be available under the Equal Access to Justice Act, as amended.

SO ORDERED.

Date: August 8, 2024

<u>s/F. Kay Behm</u> F. Kay Behm United States District Judge Entry of this judgment is hereby consented to:

For Defendants:

For Plaintiff:

Susan E. Walsh

Sue Walsh Hennessy & Roach, P.C. 70 W Madison St., Ste 1100 Chicago, IL 60602 Direct 312.327.0269 Office 312.346.5310 swalsh@hennessyroach.com

Authorized Signatory and Attorney for Defendants Dada Guru Hospitality Inc, Prakash Patel, and Pratyush Patel

July 1, 2024

SEEMA NANDA Solicitor of Labor

CHRISTINE Z. HERI Regional Solicitor

<u>/s/ Correll L. Kennedy</u> CORRELL L. KENNEDY U.S. Department of Labor Office of the Solicitor 230 South Dearborn Street, Rm. 844 Chicago, Illinois 60604 Telephone: 312-353-2240 Email: kennedy.correll.l@dol.gov

Attorneys for Plaintiff Julie A Su, Acting Secretary of Labor, United States Department of Labor Case 4:24-cv-10540-FKB-APP ECF No. 14, PageID.67 Filed 08/08/24 Page 11 of 11

EXHIBIT A

Employee	Back wages	Liquidated Damages
	\$6,487.63	\$6,487.63
	\$5,481.75	\$5,481.75