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NEWS FOR IMMEDIATE RELEASE

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AG Kaul Announces Agreement Reached to Pay Employees' Wages in H&H Receivership

MADISON, Wis. – Wisconsin Attorney General Josh Kaul announces that the Wisconsin Department of Justice (DOJ) entered into an agreement that will require H&H Group Holdings, Inc and its affiliates (H&H) to pay \$3,000 to each of the 94 former employees owed wages after abruptly stopping paying wages last January.

“Workers who put in the hours and do their job shouldn’t go unpaid because their employer was irresponsible,” said AG Kaul. “With this stipulation, 94 former H&H Group Holdings, Inc. employees are finally being paid wages they are owed.”

On January 17, 2020, H&H Group Holdings Inc., and several related companies filed a petition in Dane County Circuit Court for the appointment of a receiver pursuant to Chapter 128 of the Wisconsin Statutes.

After the court appointed a receiver, DOJ filed a claim against H&H in the amount of \$1,635,537.29 for unpaid wages and benefits owed to 94 former employees pursuant to Wisconsin’s wage claim act, Wisconsin Statutes Chapter 109. To further support its claim, DOJ also filed a lien against the personal property of H&H pursuant to Wis. Stat. § 109.09(2)(b) and argued that the lien was superior to all other liens, claims, and interests, except for commercial lending institutions. With respect to commercial lending institutions, DOJ’s lien was entitled to priority for up to \$3,000 for each employee under Wis. Stat. § 109.09(2)(c)2.

The receiver sold H&H’s assets and now must distribute the funds according to the priority of the secured claims, including DOJ’s lien, and Wis. Stat. § 128.17. Thanks

to DOJ's priority lien, all 94 employees will receive \$3,000 in unpaid wages before other creditors receive any payment.

DOJ, the receiver, and other parties, entered into an agreement on Friday, October 9, 2020 that will secure a \$3,000 payment for each employee for a total of \$282,000. Unfortunately, there is not enough money in the estate to pay any additional owed wages. The agreement is subject to court approval.

Assistant Attorney General Michael Morris represented the State of Wisconsin in the matter.