

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement”) of claims brought under the Private Attorneys General Act, Labor Code § 2698 *et seq.*, is made and entered into between Plaintiffs Paula Catalina Correa Campos and Agatha Maher, acting in their capacity as private attorneys general, and Defendant, International Training & Exchange, Inc. d/b/a Aupair Care, Inc.

I. DEFINITIONS

The following terms, when used in this Settlement, will have the following meanings:

1. “Action” means the lawsuit entitled *Paula Catalina Correa Campos, et al. v. International Trainings & Exchange, Inc. d/b/a Aupair Care, Inc. Case No. CGC-21-590812, Superior Court of California County of San Francisco.*

2. “Aggrieved Employees” means all current or former au pairs who worked for Defendant in the State of California from January 22, 2020 to December 31, 2022 (the “PAGA Period”).

3. “Defendants” means International Training & Exchange, Inc. d/b/a Aupair Care, Inc.

4. “Court” means the Superior Court of California for the County of San Francisco.

5. “Effective Date” means the later date of: (i) the date the Court has entered a Final Judgment approving this Settlement and Plaintiffs’ counsels have executed and returned a Waiver of Appeal rights; or (ii) the date the time to appeal or seek permission to appeal or seek other judicial review of the Final Judgment approving the Settlement has expired with no appeal or other judicial review having been taken or sought.

6. “Individual Settlement Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein. The Settlement Administrator shall use PayPal to deliver the settlement payments to the email address provided by Defendants for each Aggrieved Employee.

7. “LWDA” means the California Labor and Workforce Development Agency.

8. “Maximum Settlement Amount” is the non-reversionary sum of \$1,150,000.00, which includes payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiffs’ attorney’s fees and costs, payment of Plaintiffs’ enhancement awards, and payment to the Settlement Administrator for administration costs.

9. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (subject to Court approval) are deducted from the Maximum Settlement Amount: (a) Plaintiffs’ attorneys’ fees of up to one-third of the Maximum Settlement Amount, or \$383,333.33; (b) Plaintiffs’ reasonable verified litigation costs in an amount not to exceed \$20,000; (c) Plaintiffs’ representative enhancement awards of \$5,000 each; and (d) reasonable third-party administration costs up to \$50,000.

10. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, et seq.

11. “PAGA Period” means the time period from January 22, 2020 to December 31, 2022.

12. “PAGA Released Claims” means all claims arising on or before December 31, 2022 for civil penalties pursuant to PAGA, that were pled or could have been pled based on the factual allegations in the operative Complaint filed in the Action, including specifically, claims for PAGA penalties arising out of or based on alleged: failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods, failure to provide compliant rest periods, failure to provide timely wages, failure to provide timely wages upon separation, failure to provide accurate itemized wage statements, failure to maintain accurate payroll records, failure to maintain records of room and board provided, and alleged illegal credits against the minimum wage, including for housing and meals.

13. “Parties” means Plaintiffs and Defendants.

14. “Plaintiffs” means Paul Correa Campos and Agatha Maher.

15. “Plaintiffs’ Counsel” means Matthew Helland, Nichols Kaster, LLP and Peter Rukin, Rukin Hyland & Riffin LLP.

16. “Settlement Administrator” means Analytics Consulting LLC.

II. OPERATIVE TERMS OF SETTLEMENT

The Parties agree as follows:

1. **Non-Admission of Liability.** Nothing in this Settlement will be construed to be an admission by Defendants of any liability or wrongdoing as to Plaintiffs, Aggrieved Employees, or any other person, and Defendants specifically disclaim any such liability or wrongdoing. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement and any related court documents or orders are not, and may not be, cited or admitted as evidence of liability.

2. **Maximum Settlement Amount.** Defendants will pay \$1,150,000.00 as the non-reversionary Maximum Settlement Amount. The Maximum Settlement Amount will be deposited with the Settlement Administrator no later than January 31, 2024.

3. **Net Settlement Amount.** The Parties agree that the following amounts should be deducted from the Maximum Settlement Amount, subject to Court approval, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

- a. **Plaintiff’s Attorney’s Fees and Costs.** Plaintiffs intend to seek an award of attorneys’ fees up to one-third of the Maximum Settlement Amount (\$383,333.33) and actual costs incurred in prosecuting this Action, up to \$20,000 as supported by declaration. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. The Settlement

Administrator will report these payments on an IRS Form 1099-MISC issued to Plaintiffs' Counsel.

- b. Plaintiffs' Enhancement Awards. Defendants will not oppose Plaintiffs' request for enhancement awards in the amount of \$5,000.00 each for their service to the State of California and the Aggrieved Employees. In the event the Court approves payments of less than the requested amounts, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report these payments on IRS Forms 1099-MISC issued to Plaintiffs.
- c. Administration Costs. Defendants will not oppose the Settlement Administrator's costs in the amount up to \$50,000 for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report this payment on an IRS Form 1099-MISC issued to the Settlement Administrator.

4. Allocation of Net Settlement Amount. The Net Settlement Amount will be distributed 75% to the LWDA and 25% to the Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees will be allocated to the Aggrieved Employees as follows: Individual Settlement Payments will be calculated based on the proportionate number of pay periods worked by each Aggrieved Employee during the PAGA Period, by multiplying the 25% portion of the Net Settlement Amount by a fraction, the numerator of which is each Aggrieved Employee's total pay periods worked during the PAGA Period, and the denominator of which is the total aggregate number of pay periods worked by all Aggrieved Employees during the PAGA Period.

5. PAGA Released Claims. In consideration for the payments awarded pursuant to the terms of this Settlement, Plaintiffs, in their capacity as private attorneys general, acting on behalf of themselves, the State of California, and the Aggrieved Employees, agree that upon the Effective Date, Plaintiffs, the State of California, the LWDA, and the Aggrieved Employees will fully and finally release Defendants and all of their parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, and attorneys, and any entities or partnerships with which they are affiliated, past or present from any and all liability for the PAGA Released Claims.

6. Judgment. As part of the Motion to approve the Settlement, Plaintiffs will submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement and which retains jurisdiction of the Court over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement pursuant to Cal. Code Civ. Proc. § 664.6. This Settlement is expressly conditioned upon the Court entering an order as set forth herein.

III. ADMINISTRATION OF SETTLEMENT

1. Settlement Administrator. The Parties agree to use Analytics Consulting LLC to handle the administration of this Settlement.

2. Provision of Information for Aggrieved Employees. Within thirty (30) calendar days after the Effective Date, Defendants will provide the Settlement Administrator with

information for the Aggrieved Employees. Defendants will, in good faith, compile from their records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and will include each Aggrieved Employee's full name, last known mailing address, last known email address, last known telephone number, number of applicable pay periods during the PAGA Period, and Social Security numbers or tax identification numbers. Because Social Security or tax identification numbers are included in the list, the Settlement Administrator will maintain the list securely and in confidence, and access will be limited to those with a need to use the list as part of the administration of the Settlement.

Within ten (10) business days of receiving the Aggrieved Employees' information from Defendants, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual Settlement Payments to each Aggrieved Employee and the data used to calculate said payments. Within fourteen (14) business days of receiving the anonymized spreadsheet the Parties will either approve of or explain the basis for any objections to the calculations. The Settlement Administrator must have approval from all counsel for the Parties before emailing the Individual Settlement Payments.

3. Explanatory Letter and Individual Settlement Payments.

Within fourteen (14) calendar days of Defendants' deposit of the Maximum Settlement Amount and after receiving approval from all counsel for the Parties pursuant to Paragraph III.2, the Settlement Administrator will email the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English. The Settlement Administrator will also at the same time communicate with Aggrieved Employees by email regarding the process for securing their Individual Settlement Payments via PayPal, ACH, or other approved electronic funds transfer platform. The Settlement Administrator shall make its best efforts to secure within 30 days confirmation from the Aggrieved Employees as to their preferred method of electronic fund delivery, and shall thereafter effectuate delivery of the Individual Settlement Payments according to such elections. Any Aggrieved Employees who have not made an affirmative election within 30 days shall receive their Individual Settlement Payments via PayPal.

Each Individual Settlement Payment will be deemed 100% penalties and reported using an IRS Form 1099-MISC as required by law. If the amount of undistributed funds remaining with the Settlement Administrator after 180 days would allow for a second distribution of at least \$50 per Aggrieved Employee to the Aggrieved Employees who elected to receive and did negotiate the first payment, a second distribution to those Aggrieved Employees shall be made. Any funds that are not paid to the Aggrieved Employees within two hundred forty (240) days of the first distribution shall be transferred to Legal Aid at Work, a 501(c)(3) non-profit organization (EIN: 94-2783401) dedicated to providing legal services to the indigent, pursuant to California Code of Civil Procedure § 384.

4. Undeliverable Emails. The Settlement Administrator will exercise its best judgment to determine the current email address for each Aggrieved Employee. For any emails returned as non-deliverable the Settlement Administrator will promptly attempt to determine the correct email address using a Skip-Trace or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will perform a re-emailing to any updated email address.

Defendants fully discharge their obligations to those Aggrieved Employees to whom they will pay an Individual Settlement Payment through the Settlement Administrator's electronic payment, regardless of whether such electronic payments are actually received and/or accessed by Aggrieved Employees. Aggrieved Employees will not have any right to opt-out or object to this Settlement.

5. **Payment of Remainder.** Within twenty-one (21) calendar days of Defendants' deposit of the Maximum Settlement Amount, and after receiving approval from all counsel for the Parties pursuant to Paragraph III.2, the Settlement Administrator will issue the following payments: (1) the 75% share of the Net Settlement Fund to the LWDA; (2) the 25% share of the Net Settlement Fund to Aggrieved Employees; (3) Court-approved attorneys' fees and costs to Plaintiffs' Counsel; (4) Court-approved enhancement awards to Plaintiffs; and (5) Court-approved administration costs to the Settlement Administrator.

6. **Accounting.** The Settlement Administrator will provide an accounting declaration under oath to the Parties of the amounts paid from the Settlement as soon as practicable after the check cashing deadline described in Paragraph III.3.

7. **Tax Consequences.** Individual Settlement Payments made under this Settlement will be attributed 100% as penalties and reported via IRS Form 1099-MISC issued to each Aggrieved Employee. Neither Plaintiffs nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement.

IV. **MISCELLANEOUS PROVISIONS**

1. **Non-Publicity.** The Parties agree that no Party will issue any press release nor other public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the Settlement. The Parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about this case.

2. **Successors.** This Settlement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Governing Law.** This Settlement will be construed under and governed by the laws of the State of California, without regard to choice of law principles. All questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement will be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it will be brought in the State of California, County of San Francisco.

4. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement has been made to them and acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Action.

5. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason,

then this Settlement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

6. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction per California Code of Civil Procedure § 664.6 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) settlement administration matters; and (iii) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement.

7. **Amendment or Modification.** This Settlement may be amended or modified only by a written instrument, signed by the Parties or their successors-in-interest or counsel for the Parties.

8. **Authorization to Enter into Settlement.** Counsel for the Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If they are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

9. **Execution and Counterparts.** This Settlement is subject only to the execution of the Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

10. **Severability.** If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

11. **Waiver.** No waiver of any condition or covenant contained in this Settlement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

12. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, this Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

13. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

14. **Cooperation and Execution of Necessary Documents.** The Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to seek the Court's approval of this Agreement are timely filed.

15. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties to this Settlement each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

03/14/2023
Dated: _____

PAULA CATALINA CORREA CAMPOS



Paula Catalina Correa Campos, Plaintiff

03/10/2023
Dated: _____

AGATHA KATHERINE RAMOS MAHER



Agatha Katherine Ramos Maher, Plaintiff

Dated: _____

**INTERNATIONAL TRAINING &
EXCHANGE, INC. D/B/A AUPAIR CARE,
INC.**

By:
Its:

13. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

14. **Cooperation and Execution of Necessary Documents.** The Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to seek the Court's approval of this Agreement are timely filed.

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IN WITNESS THEREOF, the Parties to this Settlement each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

PAULA CATALINA CORREA CAMPOS

03/14/2023
Dated: _____



Paula Catalina Correa Campos, Plaintiff

AGATHA KATHERINE RAMOS MAHER

03/10/2023
Dated: _____



Agatha Katherine Ramos Maher, Plaintiff

**INTERNATIONAL TRAINING &
EXCHANGE, INC. D/B/A AUPAIR CARE,
INC.**

Dated: 3/23/2023



By:
Its: Sarah McNamee
Sr. Vice President

APPROVED AS TO FORM ONLY:

NICHOLS KASTER, LLP

03/15/2023
Date: _____

By: Matthew Helland
Matthew Helland
Attorneys for Plaintiffs

RUKIN HYLAND & RIGGIN, LLP

03/15/2021
Date: _____

By: Peter Rukin
Peter S. Rukin
Attorneys for Plaintiffs

Date: _____

GORDON REES SCULLY MANSUKHANI, LLP

By: _____
Mollie M. Burks
Linsdey M. Romano
Sat Sang S. Khalsa
Attorneys for International Training &
Exchange, Inc. d/b/a Aupair Care, Inc.

Superior Court of California County of San Francisco

Paula Catalina Correa Campos, et al. v. International Trainings & Exchange, Inc. d/b/a AuPairCare, Inc.,

Case No. CGC-21-590812

NOTICE OF PAGA SETTLEMENT

On (DATE), the San Francisco County Superior Court (the “Court”) approved the Settlement Agreement (“Settlement”) in the above-captioned lawsuit entitled *Campos et. al. v. International Trainings & Exchange, Inc. d/b/a AuPairCare, Inc.*, Case No. CGC-21-590812 (the “Lawsuit”) filed by two former participants in Defendant’s au pair program (Plaintiffs”), acting as private attorney generals on behalf of the State of California Labor and Workforce Development Agency. Plaintiffs brought a claim for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”) alleging that they and other au pairs were not paid as required by California law.

You are receiving this Notice because you are one of the au pairs who participated in AuPair Care, Inc.’s program and resided with a Host Family in California during the PAGA Period, defined as January 22, 2020 to December 31, 2022.

AuPairCare Inc. denies all of Plaintiffs’ allegations, and the Court did not make any decision on the merits of Plaintiffs’ claims. However, in order to avoid the time, expense and uncertainty of additional litigation, the parties have agreed to a settlement of the lawsuit. The Court has not made a determination about Plaintiffs’ claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiffs’ claims. Defendants maintain that Plaintiffs’ allegations are without merit and enter into this Settlement with no admission of liability, and solely for the purposes of compromising and settling the lawsuit to avoid the cost and operational burden of continued litigation.

By operation of the Settlement’s terms, you fully and finally release Defendants and all of its parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, and attorneys, and any entities or partnerships with which they are affiliated, past or present, from any and all liability for claims for civil penalties pursuant to PAGA, that were pled or could have been pled based on the factual allegations in the Complaint filed in the Action. Upon entry of the Order approving the Settlement, you will be forever barred from pursuing claims for penalties under PAGA that are the subject of this settlement and that arose between January 22, 2020 to December 31, 2022. No other claims are released.

How was my settlement amount determined?

This Notice was sent to inform you that you are entitled to a settlement payment in the amount of [\$XXXX]. Your settlement payment was calculated based on the number of pay periods you worked from January 22, 2020 to December 31, 2022.

Each Aggrieved Employee is receiving a share of the Net Settlement Amount based on the proportionate number of pay periods worked during the PAGA Period, by multiplying the Aggrieved Employees' 25% share of the Net Settlement Amount by a fraction, the numerator of which is each Aggrieved Employee's total pay periods worked during the PAGA Period, and the denominator of which is the total aggregate number of pay periods worked by all Aggrieved Employees during the PAGA Period.

According to AuPairCare's records, you were an au pair placed with a California host family [THIS EMPLOYEE'S PAY PERIODS] during the PAGA Period. The total number of pay periods worked by all Aggrieved Employees during the PAGA Period is [TOTAL PAY PERIODS]. Therefore, your Individual Settlement Payment has been calculated at \$[AMOUNT PAID TO THIS EMPLOYEE].

How do I receive my payment?

The Settlement Administrator will make the payment electronically via a PayPal transfer to this email address. **If you would like to receive your payment to a different email address, or via ACH transfer to a United States financial institution, please: [settlement administrator to complete instructions].**

If you have not provided alternate payment instructions within 30 days of receipt of this letter you shall receive your settlement payment via PayPal at this email address. You will have 180 days from receipt of the PayPal email to claim your funds.

Want More Information?

For more information, please contact the Settlement Administrator at:

Analytics Consulting LLC
P.O. Box 2004
Chanhassen, MN 55317-2004
Email: [XXX]
Telephone Number: [XXX]
Toll-Free Telephone Number: [XXX]