

STIPULATION OF SETTLEMENT AND RELEASE

This Stipulation of Settlement and Release (“**Settlement Agreement**” or “**Settlement**”) is reached by and between Defendants Bright Horizons Family Solutions Inc. (“**BHFS**”) and Bright Horizons Children’s Centers LLC (“**BHCC**”) (collectively “**Defendants**”) and Plaintiff Mara Santamaria (“**Plaintiff**”) (collectively Plaintiff and together with Defendants, the “**Parties**”) in connection with the case entitled *Mara Santamaria v. Bright Horizons Children’s Center, et al.* San Bernardino County Superior Court, Case No. CIVSB2210140 (“**Santamaria Case**”).

Plaintiff is represented by James R. Hawkins and Christina M. Lucio of James Hawkins APLC (“**Settlement Class Counsel**”). Defendants are represented by Elizabeth Staggs Wilson, Elisa Nadeau, and Matthew Lerner of Littler Mendelson P.C. (“**Defense Counsel**”).

On September 23, 2021, Plaintiff filed a Class Action Complaint in San Francisco Superior Court against BHCC (“**SF Complaint**”). The SF Complaint alleged that BHCC: (1) failed to pay wages; (2) failed to provide meal periods as required; (3) failed to provide rest periods as required; (4) failed to reimburse business expenses; (5) failed to pay timely wages (6) failed to provide accurate itemized wage statements; and (7) violated Business & Professions Code § 17200, *et seq.* On May 17, 2022, Plaintiff filed a Class Action Complaint in San Bernardino Superior Court against BHCC (“**Complaint**”). The Complaint alleged that BHCC: (1) failed to pay wages; (2) failed to provide meal periods as required; (3) failed to provide rest periods as required; (4) failed to reimburse business expenses; (5) failed to pay timely wages (6) failed to provide accurate itemized wage statements; and (7) violated Business & Professions Code § 17200, *et seq.* On August 5, 2022, Plaintiff filed a First Amended Complaint against Defendants in the San Bernardino action for: (1) failure to pay wages, including minimum wages and overtime at the correct rates and for all hours worked; (2) failure to provide meal periods as required, or premiums at the correct rate in lieu; (3) failure to provide rest periods as required, or premiums at the correct rate in lieu; (4) failure to reimburse business expenses; (5) failure to pay timely wages during employment (6) failure to timely pay wages upon separation or termination from employment; (7) failure to provide accurate and itemized wage statements; (8) violation of Business & Professions Code § 17200, *et seq.*; and (9) civil penalties under Private Attorneys General Act , Labor Code section 2698, *et seq* (“**Operative Complaint**”).

On September 22, 2021, Plaintiff submitted a letter to the Labor and Workforce Development Agency (“**LWDA**”) for the purpose of complying with Labor Code § 2699.3’s notice requirement, giving notice of Plaintiff’s allegations based upon the legal claims set forth in the SF Complaint. On August 5, 2022, Plaintiff submitted a second letter to the LWDA for the purpose of complying with Labor Code § 2699.3’s notice requirement, giving amended and supplemental notice of Plaintiff’s allegations based upon the legal claims set forth in the Operative Complaint (“**PAGA Notice**”).

On May 17, 2022, following mediation, the Parties agreed, subject to approval by the Court, to the Settlement of this case, with Plaintiff agreeing to amend the Complaint and PAGA notice to conform to the allegations made and forming the basis of the settlement agreed upon. The Operative Complaint and PAGA Notice conform to the claims made by Plaintiff during the litigation and at mediation and the basis for the agreed settlement. This Settlement Agreement memorializes the Parties’ settlement of the Santamaria Case.

Defendants have denied and continue to deny any liability or wrongdoing of any kind associated with the claims alleged in the Santamaria Case and those released as part of the Settlement Agreement. Defendants further deny that, for any purpose other than settling the Santamaria Case, the Santamaria Case is appropriate for class or representative treatment. Defendants contend that they complied with federal and California law in all respects and do not concede that any joint employment, alter ego, integrated enterprise, or similar relationship exists between or amongst them. Nothing in this Settlement Agreement shall be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of any Defendants.

Nonetheless, Defendants have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Santamaria Case. The Defendants have concluded that further proceedings in the Santamaria Case would be protracted and expensive and that it is desirable and beneficial that the Santamaria Case be fully and finally settled in the manner and upon the terms and conditions set forth in this Agreement in order to dispose of burdensome and protracted litigation, to permit the operation of Defendants' business without further expensive litigation and the distraction and diversion of its personnel with respect to matters at issue in the Santamaria Case.

Accordingly, in consideration of the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth below, Plaintiff, individually and as a representative of the putative class and the State of California, and Defendants agree that the Santamaria Case is finally and fully compromised as to all non-exempt, hourly-paid employees employed by BHCC and/or BHFS and settled on the following terms and conditions:

Definitions

- a) **Defendants:** Refers to Defendants Bright Horizons Family Solutions Inc. and Bright Horizons Children's Centers LLC.
- b) **Effective Date:** of the Settlement shall mean the later of: (i) if no timely objections are filed, or are withdrawn prior to Final Approval, then sixty (60) calendar days after the date the Court enters Judgment; or (ii) if a Settlement Class Member files an objection to the Settlement, the Effective Date shall be the later of the following events: five (5) business days after the period for filing any appeal, writ, or other appellate proceeding opposing Final Approval has elapsed without any appeal, writ, or other appellate proceeding having been filed; or, if any appeal, writ, or other appellate proceeding opposing Final Approval has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the Settlement has finally and conclusively dismissed with no right to pursue further remedies or relief.
- c) **Escalator Provision:** For purposes of mediation, Defendants represented there are approximately 450,000 weeks worked by the Settlement Class Members from April 2, 2017, through May 17, 2022. In the event that the difference between the total work weeks in Defendants' final data through September 1, 2022 and 450,000 is more than 15% of 450,000, at the option of Defendants, the Defendants shall either increase the Gross Settlement Amount pro rata, with a 15% grace margin (e.g., if the numbers increase by 16%, the Gross Settlement Amount shall

increase by 1%), or elect to move the end date for the Settlement Class Period to the latest date before September 1, 2022, with a total number of work weeks that is within the 15% buffer.

d) **Final Approval Order:** means the Court's entry of a final order approving this Stipulation of Settlement, including all settlement considerations as set forth in this Settlement Agreement: (1) releasing the Released Parties from (a) the Released Claims of each of the Qualified Class Members, and (b) the Released Claims of Plaintiff; and (2) entering judgment in accordance with this Settlement Agreement.

e) **Gross Settlement Amount:** Defendants agree to pay Two Million, Five Hundred Thousand Dollars and no cents (\$2,500,000) (the "Gross Settlement Amount") to resolve the claims in the Operative Complaint. With the exception of Defendants' share of employment taxes, which shall be paid separately by Defendants, the Gross Settlement Amount will include all payments to be made to Qualified Settlement Class Members, the Labor and Workforce Development Agency ("LWDA"), the PAGA Employees, attorneys' fees and costs approved by the Court, fees to be paid to a settlement administrator, and the enhancement award to Plaintiff. In no event shall Defendants be liable for the payment of any amounts exceeding the Gross Settlement Amount with the exception of the employer's share of payroll taxes due and payable as a result of this Settlement, which shall be paid separately from the Gross Settlement Amount.

f) **Net Settlement Amount:** The Gross Settlement Amount less the Class Counsels' court-awarded attorneys' fees and costs, any court-approved enhancement award to Plaintiff, PAGA payment to the LWDA, PAGA payments to the PAGA Employees, and Settlement Administrator costs.

g) **Notice Period:** Settlement Class Members will have forty-five (45) days from the mailing or re-mailing of the class settlement notice (the "Notice Period") to mail to the Settlement Administrator their objection to the Settlement or to indicate their decision to opt out of the Class Settlement.

h) **PAGA Employees:** All persons who are Settlement Class Members who were employed at any time during the PAGA Period.

i) **PAGA Period:** The time period from April 2, 2020 through September 1, 2022 or an earlier date based on the Escalator Provision.

j) **Preliminary Approval Date:** means the date the Court enters the preliminary approval order preliminarily approving the settlement set forth in this Settlement Agreement.

k) **Released Parties:** Defendants Bright Horizons Family Solutions Inc., and Bright Horizons Children's Centers LLC, and any of their past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, and affiliates, as well as each of its or their past, present, and future officers, directors, employees, partners, members, shareholders, and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendants.

- l) **Qualified Class Member:** Any individual who is a Settlement Class Member who does not opt out within the Notice Period.
- m) **Qualified Class Member Payment:** A Qualified Class Member's share of the Net Settlement Amount.
- n) **Settlement Administrator:** ILYM Group, Inc. shall be the Settlement Administrator and will administer the payments to the Qualified Class Members and PAGA Employees and otherwise carry out the administration of this Agreement pursuant to the Court's order.
- o) **Settlement Class Counsel:** James R. Hawkins and Christina M. Lucio of James Hawkins APLC.
- p) **Settlement Class Members:** All current and former nonexempt, hourly-paid employees employed by Defendants, or either of them, in California at any time during the Settlement Class Period.
- q) **Settlement Class Period:** The time period is April 2, 2017 through September 1, 2022, or an earlier date based upon the Escalator Provision.

Terms

1. Settlement Class

For purposes of this Settlement Agreement only, the Parties stipulate to the certification of one "**Settlement Class**" consisting of: all current and former nonexempt, hourly-paid employees of Defendants, or either of them, employed in California at any time from April 2, 2017, through the end of the Settlement Class Period.

The Parties agree that certification for the purpose of settlement is not an admission that class certification is proper under Section 382 of the California Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

The Parties are not certifying any PAGA claims. In support of this Settlement Agreement, Plaintiff will request that the Court certify, for settlement purposes only, all non-PAGA claims that have been asserted as to the Settlement Class Members, to which Defendants do not oppose or object.

2. Release

Upon the Effective Date and Defendants' depositing of the Gross Settlement Amount, the claims released by the Qualified Class Members and PAGA Employees will include all claims pleaded in the Operative Complaint in the Santamaria Case, all claims under the Fair Labor

Standards Act (“FLSA”) related to the claims in the Santamaria Case, any PAGA letters and amended PAGA letters sent to the LWDA by Plaintiff during or prior to the Santamaria Case, and all claims which could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Santamaria Case, against the Released Parties, for work performed during the Settlement Class Period, including the following:

- a. The claims set forth in the Santamaria Case, specifically, (1) failure to pay and/or accurately calculate minimum, regular, overtime, and double time wages (Violation of Labor Code §§ 510, 1194, 1194.2, 1197, 1197.1, 1198, 1199); (2) failure to provide meal periods or properly pay premiums in lieu thereof (Violation of Labor Code §§ 512, 226.7, and the applicable Wage Order); (3) failure to provide rest periods or properly pay premiums in lieu thereof (Violation of Labor Code § 226.7 and the applicable Wage Order); (4) failure to reimburse and indemnify expenses (Violation of Labor Code §§ 2800, 2802); (5) failure to timely pay wages during and upon termination of employment (Violation of Labor Code §§ 201-204); (6) failure to furnish and/or keep timely and accurate wage statements and employment records (Violation of Labor Code §§ 226, 1174, 1174.5, 1175); (7) violation of California’s Unfair Competition Law (Violation of Business & Professions Code § 17200 et seq.) in connection with claims asserted in the Santamaria Case; and (8) Violation of the California Private Attorneys General Act of 2004 (Labor Code § 2698, et seq.) in connection with claims asserted in the Santamaria Case;
- b. Any claims predicated on the same or similar facts and/or claims alleged in the Operative Complaint and/or any PAGA letter or amended PAGA letter sent to the LWDA by Plaintiff during the pendency or prior to the Santamaria Case and incorporated therein, as well as any claims that could have been pled which arise from the facts alleged in the Santamaria Case concerning the Plaintiff or the Settlement Class, including any claims for unpaid wages (including minimum, regular, vacation and overtime wages), untimely wage payments both during and at the end of employment, non-compliant meal periods, non-compliant rest periods, failure or properly pay meal period premiums in lieu of a meal period, failure to properly pay rest period premiums in lieu of a rest period, non-compliant wage statements, failure to reimburse and indemnify business expenses, failure to correctly calculate the regular rate of pay, and claims for interest, penalties (including but not limited to waiting time penalties), or premiums in connection therewith, as well as any claims under the California Labor Code and California Industrial Welfare Commission Wage Orders that were alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the Santamaria Case;
- c. Any claims for injunctive relief, declaratory relief, restitution, fraudulent business practices, or punitive damages alleged, or which could have been alleged, under the facts, allegations and/or claims pleaded in the Santamaria Case; and
- d. In addition, the cashing of the settlement check by the Settlement Class Member shall be deemed to be an opt-in for purposes of releasing the Released Parties from

any claims predicated under the FLSA that arose in the State of California and could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Santamaria Case. The Settlement Administrator shall include a legend on the settlement check stating, "To the extent required by law, by cashing this check, I am opting into the settlement in Mara Santamaria v. Bright Horizons Children's Centers LLC, et al. San Bernardino County Superior Court, Case No. CIVSB2210140, under FLSA, 29 U.S.C. § 216(b), and releasing the Released Claims described in the Settlement Agreement."

- e. This release also includes such claims whether known or unknown, whether anticipated or unanticipated, including such claims that Settlement Class Members did not know or suspect to exist in their favor that accrued during the Settlement Class Period. This provision is limited to those claims set forth in subparagraphs (a)-(d) hereinabove.
- f. The claims set forth in subparagraphs herein and immediately above shall be collectively referred to as the "**Released Claims.**"

In addition to the Released Claims, in consideration for the enhancement payment being paid to Plaintiff, Plaintiff, upon the Effective Date and Defendants' depositing of the Gross Settlement Amount, hereby fully and finally releases and discharges the Released Parties from all known and unknown claims she has or may have against the Released Parties, of every nature and description whatsoever, up to the date of the Court's final approval of the Settlement Agreement, in addition to the Settlement Class Members' Released Claims described in the preceding paragraph. This general release of claims includes any and all known or unknown contract, tort, statutory, common law, constitutional, discrimination, public policy, retaliation, wrongful discharge and other claims of any type whatsoever, to the fullest extent such claims are releasable by law, arising out of Plaintiff's employment with Defendants, the termination of her employment and her other dealings with the Defendants and the Released Parties (collectively "**Class Representative's Released Claims**"). As to the Class Representative's Released Claims, the Plaintiff, understanding the significance of this waiver, waives all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

3. Gross Settlement Amount

The Gross Settlement Amount is to be deposited with the Settlement Administrator in accordance with this Settlement Agreement.

In no event shall Defendants be liable for the payment of any amounts exceeding \$2,500,000 with the exception of the employer's share of payroll taxes due and payable as a result of the Settlement, which shall be paid separately from the Gross Settlement Amount.

Once Defendants deposited the Gross Settlement Amount, they will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled to all protections afforded to Defendants under this Agreement, and shall have no further obligations under the terms of the Agreement regardless of what occurs with respect to those sums. Additionally, no Released Party shall have any further obligation or liability to the Plaintiff or Qualified Class Members or PAGA Employees under this Agreement.

4. Attorneys' Fees and Expenses, Plaintiff's Enhancement and Settlement Administrator Expenses

Settlement Class Counsel may petition the Court for attorneys' fees not to exceed 1/3 of the Gross Settlement Amount – i.e., \$833,333.33 (Eight Hundred Thirty-Three Thousand, Three Hundred Thirty-Three Dollars and Thirty-Three Cents) – and reasonable costs not to exceed \$20,000.00 (Twenty Thousand Dollars), subject to approval by the Court. Attorneys' fees paid pursuant to this Settlement Agreement shall be inclusive of all fees in this matter. Defendants agree not to object to Settlement Class Counsel's fees up to \$833,333.33 (Eight Hundred Thirty-Three Thousand, Three Hundred Thirty-Three Dollars and Thirty-Three Cents) of the Gross Settlement Amount.

Settlement Class Counsel shall also be entitled to recover their reasonable costs/expenses as approved by the Court, which shall also be paid from the Gross Settlement Amount. Any reduction by the Court of Settlement Class Counsel's claimed attorneys' fees and/or reasonable costs/expenses shall not be sufficient grounds to void the Settlement Agreement.

Settlement Class Counsel may also petition the Court for an enhancement award for Plaintiff to be paid from the Gross Settlement Amount. Subject to the Court's approval, the amount of the enhancement award will not exceed \$10,000.00 (Ten Thousand Dollars and No Cents) for Plaintiff. Defendants agree not to object to an enhancement award up to the amount in this paragraph to Plaintiff, which is to be deducted from the Gross Settlement Amount.

Settlement Class Counsel may also petition the Court for an administration expenses payment for the Settlement Administrator to reimburse its reasonable fees and expenses. Subject to the Court's approval, the amount of the administration expenses payment will not exceed \$52,000.00 (Fifty-Two Thousand Dollars) to be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this Settlement Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Settlement Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Qualified Class Members.

5. PAGA Allocation from Gross Settlement Amount

The “**PAGA Allocation**” from the Gross Settlement Amount will be \$100,000 (One Hundred Thousand Dollars and Zero Cents), 75% of which (\$75,000.00 (Seventy Five Thousand Dollars and Zero Cents)) will be distributed to the LWDA as a PAGA payment, with the remaining 25% of which (\$25,000.00 (Twenty Five Thousand Dollars and Zero Cents)) to be distributed to the PAGA Employees on a pro rata basis based upon each PAGA Employee’s total pay periods worked during the PAGA Period divided by the total number of pay periods worked by all PAGA Employees during the PAGA Period. Upon the Effective Date and Defendants’ depositing of the Gross Settlement Amount, all PAGA Employees shall be deemed to have released their claims under PAGA in their entirety and may not opt out of or object to the PAGA release. All PAGA payment distributions to PAGA Employees shall be treated as non-wages for tax purposes.

6. Preliminary Approval

Within thirty (30) days of the execution of this Settlement Agreement and after providing the moving papers and attachments to Defense Counsel with two (2) business days for review and comment, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing James Hawkins and Christina Lucio of James Hawkins APLC, as Settlement Class Counsel;
- C. Appointing Plaintiff Mara Santamaria as the Class Representative for the Settlement Class Members;
- D. Approving ILYM Group, Inc. as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Class Notice and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

7. Notice to Settlement Class Members

Notice to the Settlement Class Members will be provided as follows:

- A. Defendants agree to provide the Settlement Administrator, within 45 calendar days of the Preliminary Approval Date the following information: (1) the full name, last known address, and full social security number of all Settlement Class Members; and (2) the information necessary to determine the estimated settlement allocation to each Settlement Class Member, including without limitation, the total number of work weeks in which each Settlement Class Member worked any regular hours in

the Settlement Class Period and the total number of pay periods in which each PAGA Employee worked any regular hours during the PAGA Period. Within 5 calendar days from receipt of this information, the Settlement Administrator shall calculate the total number of work weeks worked by all Settlement Class Members and report that number to Settlement Class Counsel and Defense Counsel for purposes of determining whether the Escalator Provision has been triggered.

- B. Within 14 calendar days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Settlement Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members; (ii) update the addresses of any Settlement Class Member for whom an updated address was found through the NCOA search; and (iii) mail the Notice Packet (comprised of the Class Notice, Notice of Settlement Award, and Request for Exclusion Form) to each Settlement Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as undelivered within the Notice Period shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member promptly, and in any event within three (3) business days of obtaining the updated address. Settlement Class Members to whom Notice Packets are re-sent after having been returned as undeliverable to the Settlement Administrator shall have 45 days from the date of re-mailing to mail a Request for Exclusion, objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline. It shall be conclusively presumed that each Settlement Class Member whose Notice Packet is not returned to the Settlement Administrator as undeliverable within 30 calendar days after the mailing date has received the Notice Packet.
- D. Requests for Exclusion. Any Settlement Class Member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion to the Settlement Administrator within the **Notice Period**.
 - i. The Request for Exclusion must be in writing and must: (1) explicitly and unambiguously state the following statement or similar statement: “I wish to exclude myself from the settlement reached in the matters of *Mara Santamaria v. Bright Horizons Children’s Centers LLC, et al.* I understand by excluding myself, I will not receive any money from the settlement reached in this matter.”; (2) contain the name, address, and the last four digits of the Social Security number or employee identification number of the person requesting exclusion; (3) be signed by the Settlement Class Member; and (4) be postmarked within the Notice Period and returned to

the Settlement Administrator at the specified address stated in the Notice Packet. A Request for Exclusion form will be included in the Notice Packet. The Request for Exclusion will not be valid if it is not timely submitted. The Settlement Administrator shall send all Requests for Exclusion to Defense Counsel and Settlement Class Counsel not later than two (2) business days after receipt of said Request for Exclusion. A Settlement Class Member who fails to comply with the opt-out procedure set forth in the Class Settlement Notice within the Notice Period, shall not be excluded and shall instead be bound by all provisions of the Settlement Agreement and all orders issued pursuant thereto. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any potential Settlement Class Member who validly requests to be excluded from the Settlement will not be a Qualified Class Member, will not be entitled to any recovery under this Settlement Agreement (except to the extent the PAGA Settlement is approved and the Settlement Class Member is entitled to receive a share of the PAGA Allocation), and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon.

- ii. At no time will the Parties or their counsel directly or indirectly seek to solicit or otherwise encourage any Settlement Class Member to object to the Settlement or opt out of the Settlement Class or encourage any Settlement Class Member to appeal from the final judgment.

- E. Objections. Any Settlement Class Member who does not submit a valid and timely Request for Exclusion (i.e., a Qualified Class Member) may object to the proposed Settlement Agreement. The Class Notice will provide that Settlement Class Members who wish to object to the Settlement may serve on the Settlement Administrator, not later than 45 calendar days after the date the Settlement Administrator initially mails the Notice Packet to the Class Members (“Objection Deadline”), a written Objection and any supporting papers objecting to the Settlement. The Notice of Objection must be signed by the Settlement Class Member and state: (a) the full name, address, telephone number, and last four digits of the social security number or employee identification number of the Settlement Class Member; (b) the basis for the objection; (c) list identifying witness(es) the Settlement Class Member may call to testify at the Final Approval hearing; (d) provide true and correct copies of any exhibit(s) the Settlement Class Member intends to offer at the Final Approval hearing; and (e) whether the Settlement Class Member is represented by counsel and contact information of the counsel. A Settlement Class Member who does not serve an objection in the manner and by the deadline specified in the Class Notice or does not make an oral objection at the time of the Final Approval Hearing, will be deemed to have waived all right to make any objections to the Settlement, whether by appeal or otherwise. The Settlement Administrator shall send all written objections to Defense Counsel and Settlement Class Counsel not later than two (2) business days after receipt of said

objections. Any Settlement Class Member who submits a Request for Exclusion shall have no right to object to the Settlement.

- F. Notice of Settlement Award/Disputes. Each Notice Packet mailed to Settlement Class Members shall contain a Notice of Settlement Award, which shall disclose the amount of the Settlement Class Member's estimated Individual Settlement Payment, as well as all of the information that was used from Defendants' records in order to calculate the Individual Settlement Payment. Settlement Class Members will have the opportunity, should they disagree with the information stated in their Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the end of the Notice Period. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. If the Parties cannot come to a consensus, outstanding disputes will be determined by the Settlement Administrator. The personnel records, including payroll records, of Defendants shall be considered by the Settlement Administrator and the Parties as the presumptive best evidence of the wages earned during the class period.
- G. The Settlement Administrator shall give Settlement Class Counsel and Defense Counsel a weekly update on the number of opt-out requests and/or objections it receives that week. Further, within 10 calendar days after the end of the Notice Period, the Settlement Administrator will provide Defense Counsel with a report by name and last four digits of Social Security Number listing the amount of all Individual Settlement Payments to be made to the Class Members. In addition, the Settlement Administrator shall provide Settlement Class Counsel and Defense Counsel with a list by name of all Settlement Class Members who timely opted out or objected. The name of the Settlement Class Members who timely opted out shall be included in the Settlement Administrator's declaration that will be filed with the court at the time of the hearing on the Motion for Final Approval. Within that same time period, the Settlement Administrator will provide to Settlement Class Counsel a report stating the total number of Qualified Class Members and the total number of Settlement Class Members who timely opted out or objected. The Settlement Administrator shall also promptly provide the Parties with information and/or a declaration upon request, including a declaration at or before the Final Approval Hearing confirming that the Notice Packets were mailed to all Settlement Class Members as required by this Agreement, as well as any additional information Settlement Class Counsel and Defense Counsel both deem appropriate to provide to the Court.
- H. A Qualified Class Member must cash his or her Qualified Class Member Payment check within 180 calendar days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Qualified Class Member at his or her correct address. If any Qualified Class Member's check is not cashed within 90 days of its initial issuance to the Qualified Class Member, the Settlement Administrator will send the Qualified Class Member a postcard, dated 90 days from the initial mailing,

informing him or her that, unless the check is cashed within 90 days of the date of this postcard, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If the check remains uncashed by the expiration of the 90-day period after this interim notice, the Settlement Administrator will keep an accounting of such funds, including the identification of the Qualified Class Member. The Settlement Administrator will then disburse said funds to Next Door Solutions, San Jose - <https://www.nextdoorsolutions.org/>, as cy pres. In such event, the Qualified Class Member will nevertheless remain bound by the Settlement and the releases contained herein.

8. Final Approval Order and Judgment.

Within thirty (30) days after the end of the Notice Period, and after providing the moving papers and attachments to Defense Counsel with two (2) business days for review and comment, Plaintiff shall apply to the Court for entry of a Final Approval Order and Judgment:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving the PAGA Allocation and the amount and manner of payments to the PAGA Employees and the LWDA for their share of PAGA penalties as set forth in this Agreement;
- C. Approving Plaintiff's and Settlement Class Counsel's application for attorneys' fees and costs, the Class Representative Enhancement Payment, and Settlement Administrator costs;
- D. Requiring the Parties to carry out the provisions of this Agreement;
- E. Fully and finally releasing and discharging the Released Parties as to all Qualified Class Members, forever barring the assertion of the released claims as to all such Qualified Class Members as set forth in this Agreement; and
- F. Entering judgment in accordance with the release in Paragraph 2 of this Settlement Agreement, and pursuant to California Rule of Court 3.769. Pursuant to Rule 3.769(h), the Final Approval Order and Judgment shall also provide for the retention of the Court's jurisdiction over the parties to interpret and enforce the terms of the Judgment.

9. Allocation of the Settlement Amounts and Distribution of Payments

The Gross Settlement Amount shall be deposited with the Settlement Administrator within 15 calendar days after the Effective Date. Within 21 calendar days of Defendants funding the Gross Settlement Amount, the Settlement Administrator shall distribute the payments as set forth herein and ordered by the Court.

- A. The Settlement Administrator shall tender payment as follows:

- i. The attorneys' fees approved by the Court and set forth in the Final Approval Order and Judgment to be tendered to Settlement Class Counsel.
- ii. The costs and expenses approved by the Court and set forth in the Final Approval Order and Judgment to be tendered to Settlement Class Counsel.
- iii. The enhancement award approved by the Court and set forth in the Final Approval Order and Judgment to be tendered to Plaintiff.
- iv. The LWDA's share of the PAGA Allocation to be tendered to the LWDA.
- v. The PAGA Employees' share of the PAGA Allocation to be tendered to the PAGA Employees.
- vi. The Settlement Administrator's costs as approved by the Court to be tendered to the Settlement Administrator.
- vii. The Net Settlement Amount, as further described herein.

B. Payment of the Net Settlement Amount. The Net Settlement Amount will be distributed to all Qualified Class Members who, by definition, have not opted out, as follows:

- i. Qualified Class Members will receive a pro rata share of the Net Settlement Amount. To calculate each Qualified Class Member's share of the Net Settlement Amount, the Net Settlement Amount shall be multiplied by a fraction, the numerator of which is the number of work weeks the Qualified Class Member worked any regular hours as a non-exempt, hourly paid employee in California during the Settlement Class Period, and the denominator of which is the total of all weeks in which the Qualified Class Members worked any regular hours during the Settlement Class Period. The resulting number shall be the Qualified Class Member's Payment.
- ii. Thirty-Three and One-Third percent (33.33%) of the Net Settlement Amount distributed to each Qualified Class Member will be considered wages and will be reported as such to each Qualified Class Member on an IRS Form W-2.
- iii. Sixty-Six and Two-Thirds percent (66.67%) of the Net Settlement Amount distributed to each Qualified Class Member will be considered penalties and interest and will be reported as such to each Qualified Class Member on an IRS Form 1099 misc., if applicable.
- iv. The foregoing tax allocation shall not apply to any enhancement award paid to Plaintiff as Plaintiff will receive an IRS Form 1099 misc. for the total sum of the enhancement payment.

v. The PAGA payment distributed to each PAGA Employee will be treated entirely as civil penalties and will be reported as such to each PAGA Employee on an IRS Form 1099 misc., if applicable.

vi. Qualified Class Members and PAGA Employees shall be responsible for the proper payment of the employee's taxes on all payments and any tax withholding and deductions shall be deducted from any payments hereunder as required by law and paid from the Net Settlement Amount.

There will be no claims process and no reversion. The Settlement Administrator's failure to distribute the Gross Settlement Amount within 21 calendar days shall *not* be grounds for termination of this Agreement.

10. Confidentiality

Plaintiff and Settlement Class Counsel will not make any public disclosure of the Settlement until the filing of the motion for preliminary approval of the Settlement and motion for approval of the PAGA settlement, except that Plaintiff and Settlement Class Counsel may disclose the Settlement to the LWDA prior to the filing of the motion for approval of the PAGA settlement. Plaintiff and Settlement Class Counsel represent that they have not made any such disclosure. Settlement Class Counsel will take all steps necessary to ensure that Plaintiff is aware of, and will encourage her to adhere to, the restriction against any public disclosure of the Settlement until after the motion for preliminary approval of the class settlement and motion for approval of the PAGA settlement are approved by the Court. Thereafter, Plaintiff and Settlement Class Counsel agree not to publicize the terms of this Settlement with the media, including but not limited to, any newspaper, journal, magazine, website and/or online reporter of settlements or on any website.

11. Voiding Agreement

Defendants' Right to Terminate. If five percent (5%) or more Settlement Class Members timely opt out of the class settlement, Defendants shall have the sole and absolute discretion to rescind/void the Settlement Agreement within ten (10) days after receiving from the Settlement Administrator the final list of opt-outs. Defendants agree to meet and confer in good faith with Settlement Class Counsel before rescinding or voiding the Settlement Agreement. In the event that Defendants elect to rescind/void the Settlement Agreement, Defendants shall provide written notice of such rescission to Settlement Class Counsel. Such rescission shall have the same effect as a termination of the Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force or effect. If Defendants elect to terminate the agreement based on this provision, Defendants will be responsible for paying all of the Settlement Administration costs as of the date they terminate the agreement.

Parties' Right to Terminate. Plaintiff or Defendants may terminate this settlement if after submitting the Settlement for approval to the Court, any Court declines to enter the Preliminary Approval order, the final approval order, or judgment in substantially the form submitted by the

Parties, or if the Settlement as agreed does not become final because of appellate court action. The terminating Party shall give to the other party (through its/her counsel) written notice of its/her decision to terminate no later than fourteen (14) calendar days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.
- b. In the event the Settlement Agreement is terminated, Defendants shall have no obligation to make any payments to any party, Class Member, PAGA Employee, or attorney, except to the extent that the Settlement Administrator has incurred costs, in which case the Party electing to terminate the Settlement Agreement shall pay all costs incurred by the Settlement Administrator through the date of termination.
- c. The preliminary approval order, final approval order, and judgment, if entered at the time of termination, shall be vacated.
- d. The stipulation of settlement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the settlement.
- e. Except as otherwise discoverable, neither this Settlement Agreement nor any ancillary documents, actions, statements, or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Santamaria Case, or any other action for any purpose whatsoever.

12. Non-Admission of Liability

Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. In entering into this Agreement, Defendants do not admit, and specifically deny, that they have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract, violated, or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to the Plaintiff or any Settlement Class Member or PAGA Employee. Defendants do not concede certification is proper for a litigation class; and the Court has not evaluated manageability of any PAGA claim. Defendants deny all liability for the claims alleged in the Santamaria Case and that any Settlement Class Member or PAGA Employee is owed any damages or penalties or is entitled to any relief arising from the alleged claims. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce

this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code section 1152.

13. Warranties and Representations

Each of the Parties to this Agreement and or their agent covenants and warrants that (a) they have full power and authority to enter into and consummate all transactions contemplated by this Agreement and have duly authorized the execution, delivery and performance of this Agreement; (b) the person executing this Agreement has the full right, power and authority to enter into this Agreement on behalf of the party for whom he/she has executed this Agreement, and the full right, power and authority to execute any and all necessary instruments in connection herewith, and to fully bind such party to the terms and obligations of this Agreement; and (c) they acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel. Further, the Plaintiff and Settlement Class Counsel warrant and represent that there are no liens on the Agreement, and that Defendants may distribute funds to the Qualified Class Members, PAGA Employees, Settlement Class Counsel, and the Plaintiff as provided by this Agreement.

14. Waiver and Amendment

The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. Enforcement Action

In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. Notices to Counsel

All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendants: Elizabeth Staggs Wilson
estaggs-wilson@littler.com
633 West Fifth Street, 63rd Floor
Los Angeles, CA 90071

Elisa R. Nadeau

ENadeau@littler.com
Matthew D. Lerner
MLerner@littler.com
50 W San Fernando St 7th Floor
San Jose, CA 95113

if to Plaintiff: James Hawkins
james@jameshawkinsaplc.com
Christina Lucio
Christina@Jameshawkinsaplc.com
James Hawkins APLC
9880 Research Dr., Suite 200
Irvine, California 92618

17. Binding Agreement

This Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs, and legal representatives.

18. Ongoing Cooperation

The Parties shall support the Settlement, execute all documents, and take such steps as are reasonably necessary to effectuate the Settlement and the terms of this Agreement. The execution of documents must take place prior to the Preliminary Approval Hearing. Further, Settlement Class Counsel agrees to provide preliminary and final approval papers to Defense Counsel for review at least two (2) business days before they are due to be filed.

19. Governing Law

This Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California.

20. Severability

The Parties to this Agreement agree, covenant, and represent that each and every provision of this Agreement shall be deemed to be contractual, and that they shall not be treated as mere recitals at any time or for any purpose. Therefore, the Parties further agree, covenant, and represent that each and every provision of this Agreement shall be considered severable, except for the release provisions of Paragraph 2 of this Agreement. If a court of competent jurisdiction finds the release provisions of Paragraph 2 of this Agreement to be unenforceable or invalid as against a Qualified Class Member, then this Agreement shall become voidable by Defendants, at Defendants' election, and the payments made pursuant to this Agreement to that Qualified Class Member shall be returned to Defendants by that Qualified Class Member as to whom the release provisions have been found unenforceable or invalid. If a court of competent jurisdiction finds any provision, other than the release provisions of Paragraph 2, or part thereof to be invalid or

unenforceable for any reason, that provision, or part thereof, shall be severed from the Agreement, and all of the remaining provisions of this Agreement shall remain in full force and effect.

21. Entire Agreement

This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

22. Counterparts

This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

23. Singular and Plural

Words used in this Agreement in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular herein shall apply to such words when used in the plural where the context so permits and vice versa.

24. Captions

The captions and headings in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

25. Mutual Preparation of Agreement

The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement shall not be construed more strictly against one party than another 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 arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

Dated: October , 2022

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: 
Name: John G. Casagrande
Title: General Counsel

Dated: October 25, 2022

BRIGHT HORIZONS CHILDREN'S CENTERS
LLC

By: 
Name: John G. Casagrande
Title: General Counsel

Dated: October , 2022

MARA SANTAMARIA
By: 
Mara L Santamaria (Oct 31, 2022 15:49 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

Dated: October 31, 2022



James Hawkins
Christina Lucio
Counsel for Plaintiff Mara Santamaria, and the
Settlement Class Members

Dated: October 26, 2022



Elizabeth Staggs Wilson
Elisa R. Nadeau
Matthew D. Lerner
Counsel for Defendants
Bright Horizons Family Solutions Inc. and
Bright Horizons Children's Centers LLC

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