

Plan of Allocation

The Plan of Allocation is the way in which the monies from the Sponsors will be distributed. Ultimately, the Plan of Allocation will be decided by the Court, but Plaintiffs have requested approval for the Plan of Allocation from the settlement. The Notice of Proposed Settlement describes the Plan of Allocation in Question 10.

The Settlement describes the Plan of Allocation in more technical terms, which are reproduced below.

As used in this Plan of Allocation, the following terms shall have the following meanings:

- a. "Claim Form" shall mean a Court-approved form sent with the Notice that allows Settlement Class Members to request monetary participation in the settlement.
- b. "Claiming Class Member" shall mean any Settlement Class Member that submits a valid Claim Form.
- c. "Participation Bonuses" shall mean \$5,000 for each Plaintiff, \$1,000 for each Settlement Class Member who was deposed, and \$100 for each Settlement Class Member who opted-in to a class certified in the Second Amended Order Granting Motion for Conditional Collective Action Certification (ECF No. 569). In the event that a Settlement Class Member qualifies for multiple Participation Bonuses, that Settlement Class Member shall be entitled to the largest of the Participation Bonuses for which they qualify.
- d. "Primary Claim" shall mean a Claim for the period November 13, 2010, through the end of the class period belonging to a Claiming Class Member.
- e. "State Claim Class A" shall mean a Claim for the period prior to November 13, 2010, and for an au pair placement that occurred in Illinois, Michigan, New York, New Jersey, or Pennsylvania, belonging to a Claiming Class Member.
- f. "State Claim Class B" shall mean a Claim for the period prior to November 13, 2010, and for an au pair placement that occurred in any state other than those included in State Claim Class A, belonging to a Claiming Class Member.
- g. "Total Claim" shall mean the amount that a Claiming Class Member would receive pursuant to the Plan of Allocation prior to any weighting or pro rata distribution. Plaintiffs shall seek Court approval for the formula used to calculate a Claiming Class Member's Total Claim, which formula Plaintiffs have shared with Defendants and with respect to which Defendants have agreed to take no position. By agreeing to take no position with respect to the use of the formula for the purposes of this settlement only, Defendants do not thereby agree that the formula is generally appropriate for calculating au pair compensation.
- h. "Training Claim" shall mean a Claim belonging to a Claiming Class Member who is also a member of the Training Classes. For Claiming Class Members who are members of a Training Class and also a member of another class or sub-class included in the Settlement Class, a Training Claim shall refer only to those claims they have as a result of their membership in a Training Class.
- i. "Void Date" shall mean a date established by the Claims Administrator as of which any check issued but not cashed shall be void. The Void Date shall be not earlier than 180 days after the issue date of the check.

Monies from the QSF will be distributed first to pay costs, fees, or expenses chargeable to the QSF pursuant to this Agreement.

Monies from the QSF will be distributed second to pay Participation Bonuses.

Monies from the QSF will be distributed third to Settlement Class Members according to the following principles:

- a. The Claims Administrator will be responsible for calculating the Total Claim for each Claiming Class Member.
- b. The Claims Administrator will weight the Total Claim for each Claiming Class Member as 100% for Primary Claims, 80% for Training Claims, 40% for State Claims Class A, and 20% for State Claims Class B. Based on this weighting, the Class Administrator will distribute funds to Claiming Class Members on a pro-rata basis.
- c. To the extent that any funds remain in the QSF after the Void Date (from un-cashed checks or otherwise), such remaining funds shall be paid to an appropriate non-profit that is agreed upon by the Parties as a cy pres recipient.

As part of their motion for preliminary approval of the Settlement, the Plaintiffs provided the Court with a step-by-step breakdown of the full calculation that will be used in the Plan of Allocation (after payment of costs, expenses, fees, and participation awards). That breakdown is reproduced below.

Step	Description	Formula
A	Calculate federal wage per Plaintiffs' theory of the case for placements after November 13, 2010.	$(40\text{hrs} * \text{federal minimum}) + (5\text{hrs} * \text{federal minimum} * 1.5)$
B	Calculate state wage per Plaintiffs' theory of the case for placements after November 13, 2010.	$(40\text{hrs} * \text{state minimum}) + (5\text{hrs} * \text{state minimum} * 1.5)$
C	Take the difference between the federal and the state minimum wages, if the state minimum is larger.	B-A
D	Weight the state claim at 40% relative to the federal and calculate the weekly claim.	$A + 40\%C$
E	Calculate weekly damages.	D – weekly stipend
F	Calculate Primary Claim.	E * weeks spent as an au pair
G	Calculate Training Claim.	80% of D
H	Calculate weekly damages for placements prior to November 13, 2010.	Repeat steps A-E.
I	Calculate State Claim Class A (claims within a state limitations period).	40% of (H * weeks spent as an au pair)
J	Calculate State Claims Class B (claims not within a state limitations period).	20% of (H * weeks spent as an au pair)
K	Calculate total claimed by Settlement class.	F + G + I + J for all participating class members.
L	Calculate pro rata share.	K / funds available for disbursement to class members
M	Calculate individual payments.	L * [F, G, I, or J, as appropriate]