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The following constitutes the order of the Court.
Signed: May 20, 2020

A handwritten signature in black ink, appearing to read "Roger L. Efremsky", is written over a horizontal line.

Roger L. Efremsky
U.S. Bankruptcy Judge

6 *Proposed Attorneys for Debtors*
7 *and Debtors in Possession*

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **OAKLAND DIVISION**

12
13 In re
14 GALILEO LEARNING, LLC,
15 Debtor.¹

Case Nos. 20-40857 (RLE)
20-40858 (RLE)

Chapter 11
(Jointly Administered)

16
17 In re
18 GALILEO LEARNING FRANCHISING
19 LLC,
20 Debtor.

**ORDER GRANTING MOTION OF
DEBTOR GALILEO LEARNING, LLC
FOR ENTRY OF ORDER APPROVING
SETTLEMENT WITH CERTAIN
CUSTOMER/CREDITORS**

21
22 The above captioned Debtor having filed the Motion of Debtor Galileo Learning,
23 LLC for Entry of Order Approving Settlement with Certain Customer/Creditors (the
24 _____

25 ¹ These cases are being jointly administered, and all documents for either case should
26 be filed in lead case number 20-40857 (RLE). The last four digits of each Debtor's
27 federal tax identification number, are as follows: Galileo Learning, LLC (9453) and Galileo
Learning Franchising LLC (5638). The mailing address for the Debtors is 1021 3rd Street,
Oakland, CA 94607.

28 **ORDER GRANTING MOTION OF DEBTOR GALILEO LEARNING, LLC FOR ENTRY OF ORDER
APPROVING SETTLEMENT WITH CERTAIN CUSTOMER/CREDITORS**

1 “**Motion**”); and the Court having considered the Motion, the *Declaration of Glen E. Tripp*
2 *in Support of Debtor’s “First Day Motions,”* and the statements and arguments of counsel
3 at the hearing conducted by the Court on May 19, 2020; and the Court having jurisdiction
4 over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order Referring*
5 *Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.
6 Feb. 22, 2016), and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States
7 District Court for the Northern District of California (the “**Bankruptcy Local Rules**”); and
8 this matter being a core proceeding pursuant to 28 U.S.C. § 157; and venue of this
9 Chapter 11 Case and the Motion being proper in this District pursuant to 28 U.S.C.
10 §§ 1408 and 1409; and it appearing that notice of the Motion was good and sufficient
11 under the circumstances; and it also appearing that the relief requested in the Motion is
12 fair and reasonable and in the best interests of the Debtor, its Estate, and its
13 Customer/Creditors; and for the reasons more fully stated by the Court in open Court;
14 and good and sufficient cause appearing therefor,

15 **IT IS HEREBY ORDERED THAT:**

- 16 1. Subject to the conditions and limitations that are more fully described in this
17 Order, the Motion is granted.
- 18 2. The notice to Customers/Creditors (the “**Notice**”), substantially in the form
19 attached hereto as **Exhibit A**, is approved as to form and substance.
- 20 3. The Debtor is authorized, but not directed, to disseminate the Notice to
21 Customers/Creditors by email or, if a valid email address for a Customer/Creditor is not
22 known to the Debtor, by first class mail (which shall include a pre-addressed, postage
23 prepaid return envelope).
- 24 4. The Debtor is authorized, but not directed, to honor or satisfy any
25 prepetition claim held by a Customer/Creditor on the terms set forth in the Notice.
- 26 5. The Debtor is authorized to take any and all actions necessary to effectuate
27 the relief granted herein.

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ORDER GRANTING MOTION OF DEBTOR GALILEO LEARNING, LLC FOR ENTRY OF ORDER
APPROVING SETTLEMENT WITH CERTAIN CUSTOMER/CREDITORS

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6. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

*** END OF ORDER ***

EXHIBIT A

RE: NOTICE OF OPPORTUNITY TO RECEIVE 50%-OFF COUPONS OR 110% CREDITS

Dear 2020 Galileo Summer Camp Customer,

As you probably know, on May 6, 2020, Galileo Learning, LLC and its affiliate filed voluntary petitions in the U.S. Bankruptcy Court for the Northern District of California, commencing the chapter 11 cases captioned as *In re Galileo Learning, LLC, et al.* and bearing Case No. 20-40857. Upon our entry into chapter 11, we immediately applied to the Bankruptcy Court for authority to extend credits to you for use on a number of new online, live-instruction programs that we have developed and that can be used by you and your families right now, while “shelter in place” restrictions prevent us from offering our usual camp programs. A list of these new online programs can be accessed on the following web page:

[\[REDACTED\]](#). These credits may also be used for in-person camp offerings when we are able to run them again.

We are pleased to report that the Bankruptcy Court has authorized Galileo Learning, LLC immediately to offer the following options to customer/creditors such as you in resolution of your pending claims resulting from the COVID-compelled cancellation of this Summer’s camp programs. We know that this notice sounds very formal. We apologize in advance for this. Please understand however that this letter has been prepared by Galileo, with additional input from the putative class representatives of a pending class action lawsuit against Galileo, and that this letter has been approved for dissemination to you by the Bankruptcy Court. The putative class representatives believe that they do not have sufficient information to make a recommendation on the proposal that is set forth herein.

You have been sent this letter because you are a customer of Galileo who, prior to Galileo filing bankruptcy, either (1) prepaid some amount of money to Galileo and/or (2) received a scholarship for your child[ren] from Galileo in connection with its 2020 summer camp programs, which have now been canceled by Galileo due to the COVID-19 pandemic. As a result of such cancelation, you hold a claim (i.e., a right to payment) against Galileo (the “**Claim**”) in the amount of your prepayment and/or scholarship (the “**Claim Amount**”). It is also the putative class representative’s position that your Claim may be entitled, in part or in whole, to priority status under the applicable bankruptcy laws, which means that Galileo may be required to pay the priority portion of your Claim in full (i.e., issue you a partial or full cash refund) before Galileo is entitled to exit bankruptcy.

By this letter, Galileo is presenting you with two options to potentially resolve your Claim. As noted more fully below, however, your election of either option presented by Galileo is optional and not mandatory. You may elect neither of the options and, instead, choose to retain your Claim and all of your rights with respect to your Claim and await the resolution of Galileo’s chapter 11 cases to learn how your Claim will be treated.

The proposed options, and the details of this offer, are as follows:

Option 1: 110% Credit. If you elect Option 1, you will receive a credit equal to one hundred and ten percent (110%) of your Claim Amount (the “**Credit**”), which you can apply towards (a) any “online” camp programs (the “**Online Programs**”) offered by Galileo beginning this summer, or (b) any other Galileo product or products, whether such products are the Online Programs or live-camp programs (when camps reopen). The Credit is valid for five (5) years, **until May 31, 2025**, and you may transfer the Credit

to other parties, including relatives and friends. The Online Programs offered by Galileo will include both week-long camps and one-hour to 90-minute classes, both of which will be led by Galileo instructors.

Option 2: 50% Discount Coupon. If you elect Option 2, you will receive a fifty percent (50%) off, unlimited-use "coupon" (the "**Coupon**") on any Galileo product or products, including, but not limited to, Online Programs or live camp programs (when camps reopen). The Coupon is valid for five (5) years, **until May 31, 2025**. You may use the Coupon for any child[ren] in your family, and you may use the Coupon as many times as you like and for as many Galileo products as you like within the five-year period. For example, under Option 2, you could use the 50% discount coupon to generate substantial savings over the next five years regardless of how much you spent on a Galileo camp in 2020.

Scholarship Recipients Who Elect Option 1. If you are a scholarship recipient for calendar year 2020 and you wish to elect Option 1, you will receive a credit equal to one hundred and ten percent (110%) of the full retail price of the specific product or products that you purchased, notwithstanding the fact that you were able to purchase such product or products at a discounted scholarship price. So that there is no misunderstanding, qualifying scholarship recipients are those individuals who specifically applied for and were awarded Galileo scholarships for 2020. This treatment does not extend to those individuals who received 25% discounts for 2020 based upon their status as government employees, teachers, or employees of non-profit companies.

No Price Increase for Electing Creditors through the later of six months following the reopening of live camp programs or December 31, 2021. Please note, for those of you who are electing either Option 1 or Option 2, Galileo will offer you priority registration through January 31 of each of the five years and will not increase the price of live camp programs that are similar or identical to the programs you purchased for the summer of 2020, until the later of six months following the reopening of live camp programs or December 31, 2021.

Deadline for Electing Option 1 or Option 2. If you wish to avail yourself of either Option 1 or Option 2, you must elect such option ***within thirty (30) calendar days*** of receipt of this letter. If you do not affirmatively elect to choose one of the two options outlined above within the specified time period, you will be deemed to have elected neither option (see below for further discussion).

When You Can Begin Using Your Credit or Coupon. If you elect either Option 1 or Option 2, you may begin using the credit or coupon within five (5) business days after Galileo receives notice of your election.

How to Make Your Election. The election can be made on the Google form, for which you may use the following link: [\[REDACTED\]](#). If, for some reason, you have not received this letter by email, but have instead received it through the United States mail service, you may make your election on the enclosed form and mail it back (within 30 days of receipt) to Galileo in the enclosed self-addressed, stamped envelope.

Election is Utterly Voluntary. Your decision to elect either Option 1 or Option 2, or to elect neither option at all, is *utterly voluntary*. You are not required to elect either option.

Exhibit A

Consequences of Electing Option 1 or Option 2. If you elect either Option 1 or Option 2, your rights will be limited to the rights outlined above. In that event, you will not be entitled to receive anything else from Galileo on account of your Claim, and Galileo, under its anticipated chapter 11 plan of reorganization, will reaffirm its promise to honor the rights you have acquired by electing Option 1 or Option 2, as applicable.

Consequences of Not Electing Option 1 and Option 2. If you make no election (i.e., you do not elect either Option 1 or Option 2), you will retain your Claim and all of your rights with respect to your Claim against Galileo. Options 1 and 2 will still be available at the conclusion of the chapter 11 proceedings, as alternative treatments you may elect under Galileo's plan of reorganization. Even if you decide to retain your Claim and your Claim may be entitled to priority status, there is no guarantee that you will receive payment of your Claim in full (i.e., a full cash refund) from Galileo in connection with its plan of reorganization. At this time, it is too early to predict, with a high degree of accuracy, **what and how much** you will ultimately receive on account of your Claim. It is also too early to predict, with a high degree of accuracy, **when** Galileo will exit bankruptcy. Galileo's chapter 11 cases may be concluded in three or four months, or may take much longer. Additionally, when the cases are resolved, you may receive more or less than the value of Option 1 or Option 2.

Not Legal Advice. This letter is not intended to provide you with any legal advice. If you feel you need such advice, you should consult a lawyer of your own choosing.

Needless to say, Galileo urges you to elect one of the two listed options. We pride ourselves on the exceptional reputation we have built during the past 18 years, and look forward to living up to that reputation now and in the future. We are eager to serve you in a safe and healthy environment and to assist you in developing your young innovators. We want to thank you for your patience while we are going through this difficult process.

Best Regards,