

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
DEPARTMENT OF THE TRIAL COURT
CIVIL ACTION NO. 26-2799 A

In re J.S.C. Transportation Services, Inc.

ASSURANCE OF DISCONTINUANCE PURSUANT TO G. L. c. 93A § 5 & c. 93 § 9

Pursuant to Massachusetts General Laws chapters 93, § 9 and 93A, § 5, J.S.C. Transportation Services, Inc. ("JSC") hereby offers this Assurance of Discontinuance ("Assurance") in lieu of litigation, and the Commonwealth of Massachusetts, by and through the Office of Attorney General Andrea Joy Campbell ("AGO"), (collectively, the "Parties") hereby agrees to accept it on the terms and conditions contained herein.

I. Introduction

1. JSC is a Massachusetts corporation with a principal place of business at 880 Main Street, 3rd Floor, Waltham, MA 02451. In Massachusetts, JSC offers, through its subsidiaries, including Y.C.N. Transportation, Inc. and MassTran Corp., student transportation services, including special education transportation services, to school districts.

2. Pursuant to G. L. c. 93, § 6; G. L. c. 93A, § 6; and G. L. c. 12 § 5C, the AGO conducted an investigation into JSC's compliance with G. L. c. 93, § 4; G. L. c. 93A, § 2; and G. L. c. 12, § 5B in its provision of student transportation services in the Commonwealth.

3. Based on the investigation, the AGO alleges that JSC violated G. L. c. 93, § 4; G. L. c. 93A, § 2; and G. L. c. 12, § 5B by agreeing with Beacon Mobility Corp. (together with its subsidiaries, "Beacon") to allocate contracts starting in 2022 for the transportation of special education students in Lynn, Saugus, and Dedham, by falsely certifying noncollusion, and by entering into and requesting payment under contracts that incorporated those false certifications.

4. In lieu of litigation, the AGO agrees to accept this Assurance on the terms and conditions contained herein, pursuant to the Massachusetts Antitrust Act, G. L. c. 93, § 9 and the Massachusetts Consumer Protection Act, G. L. c. 93A, § 5.

5. In an effort to avoid the uncertainty of litigation and to resolve this investigation, JSC agrees to enter into and be bound by the terms of this Assurance. JSC's agreement to this Assurance does not constitute an admission of the AGO's allegations.

II. Definitions

The following definitions shall apply wherever the defined terms are used within this Assurance:

6. "Covered Conduct" means those acts or practices alleged in Paragraphs 10–26, below.

7. "Effective Date" means the date that this Assurance is filed in Suffolk Superior Court.

8. "In-District" means the transportation of special education students to a school within the same municipality in which they live.

9. "Out-of-District" means the transportation of special education students to a school outside of the municipality in which they live.

III. AGO's Allegations

A. The Saugus Contract

10. A JSC subsidiary has held the contract for the In-District and Out of District transportation of special education students in the Town of Saugus since at least 2020.

11. In May 2022, Saugus was exploring its competitive options for In-District and Out-of-District transportation of special education students in Saugus, for a contract term of July 1, 2022, through June 20, 2025. By May 10, 2022, Saugus had publicly announced that it would request bids for the contract. Both JSC and Beacon—along with its subsidiaries, a competitor of

JSC for the provision of student transportation services in Massachusetts—were considering whether to bid on the contract.

12. On May 18, 2022, Saugus held a mandatory, in-person pre-bid meeting. JSC employees and Beacon employees were the only potential bidders in attendance. On May 19, 2022, a JSC employee emailed JSC Employee 1 and others regarding the pre-bid meeting. The employee wrote, "So you are all updated, [JSC Employee 1] & I attended the mandatory meeting yesterday & the only other attendee was NRT so we are the only 2 companies that are allowed to Bid."

13. On May 25, 2022, an employee of Saugus emailed a Vice President at Beacon (Beacon Employee 1), JSC Employee 1, and others a revised invitation to bid, noting that all bids were due by June 9, 2022. Saugus included a Certificate of Non-Collusion with the bid specifications and required that a signed Certificate of Non-Collusion be included with any bid.

14. On May 25, 2022, Beacon Employee 1 suggested in an internal email that Beacon not bid on the Saugus special education contract, citing a lack of capacity to take on all the work and also noting that she did not want to bid against JSC. "And we would be bidding against JSC, and I really don't want to take their work. They were very good not taking [another contract] stuff from us. And I know she wont come to Lynn next year. I say we do not bid Saugus. Please let me know what you two think." Another Beacon employee responded, "I agree with [Beacon Employee 1] that I would not want to start a bidding war with JSC. Furthermore, I will not be able to provide service for another 20 vehicles"

15. Later that day, Beacon Employee 1 received a phone call from JSC Employee 1, which lasted 35 minutes.

16. Beacon did not bid on the contract. JSC was the only bidder and won the contract. JSC's bid included the required Certificate of Non-Collusion, which was then incorporated into its contract with Saugus.

B. The Lynn Contract

17. A Beacon subsidiary has held the In-District contract for transporting special education students in City of Lynn since at least 2015.

18. On May 16, 2022, Lynn released an invitation for bids for the In-District transportation of special education students, for a contract term of August 25, 2022, through August 24, 2025, and a bid due date of June 1, 2022. Lynn included a Certificate of Non-Collusion with the bid specifications and required that a signed Certificate of Non-Collusion be included with any bid.

19. As noted in Paragraph 14, on May 25, 2022, Beacon Employee 1 wrote in an internal email, "I really don't want to take [JSC's] work" and stated "I know [JSC Employee 1] won't come to Lynn next year." As noted in Paragraph 15, later that day, JSC Employee 1 called Beacon Employee 1, and they spoke on the phone for 35 minutes.

20. Beacon was the only bidder in Lynn for the In-District special education contract starting in August 2022, and Beacon won the contract. Beacon's bid included the required Certificate of Non-Collusion, which was then incorporated into its contract with Saugus, and under which Beacon invoiced Saugus for payment over the three-year term.

C. The Dedham Contract

21. JSC, through a subsidiary, held the In-District contract for transporting special education students in Dedham for the 2021-2022 school year.

22. On May 26, 2022, JSC contacted Dedham about the possibility of extending the contract for another year. On May 27, 2022, a JSC employee—at the direction of JSC Employee

1—provided a proposal for extending the contract, which included a large price increase for Dedham.

23. On June 15, 2022, Beacon Employee 1 received a call from JSC Employee 1, which lasted 39 minutes.

24. On June 17, 2022, Dedham, seeking the benefits of competition, contacted a Beacon subsidiary to ask if that company would be able to take over the In-District transportation of special education students, in light of the large proposed price increase from JSC. A Beacon employee relayed that message to other Beacon employees, including Beacon Employee 1.

25. Beacon Employee 1 responded that she had recently spoken to JSC Employee 1, who suggested that the two companies not underbid each other. Beacon Employee 1 wrote, "I knew JSC was doing that. Like us, they need to get their rates up as well and now all the business managers are freaking out. I talked to [JSC Employee 1] yesterday. She was hoping we do not underbid her stuff and she won't to us."

26. Beacon did not follow up with Dedham concerning the In-District transportation contract, and the JSC subsidiary retained the contract.

27. The AGO alleges that JSC's acts and practices identified in Paragraphs 10–26 constitute an agreement not to compete in violation of G. L. c. 93, § 4, and are unfair or deceptive practices in violation of G. L. c. 93A, § 2, and that JSC made false records, a false contract, and false claims for payment in violation of G. L. c. 12, §§ 5B (a) (8) and (2).

28. JSC knew or should have known that these acts were unreasonable restraints of trade, unfair or deceptive practices, and false claims, in violation of G. L. c. 93, § 4; c. 93A, § 2; and c. 12, §§ 5B (a) (8) and (2).

IV. Assurances and Undertakings

A. Behavioral Relief

29. **Injunctive Relief.** JSC shall not engage in (i) a violation of the federal or state antitrust laws, (ii) unfair or deceptive trade practices, (iii) any agreement with a competitor to allocate contracts, fix prices, rig bids, share competitively sensitive information related to student transportation contracts in Massachusetts, or otherwise interfere with the process of procurement of student transportation contracts. JSC shall take reasonable steps to ensure that its principals, officers, directors, and employees, whenever acting on JSC's behalf or in the scope of employment or agency for JSC, comply with the terms of this Assurance. In the context of due diligence in connection with a contemplated merger or acquisition, the sharing of competitively sensitive information through clean teams, which do not include any JSC employees with authority over or responsibilities related to the pricing or negotiation of student transportation contracts, will not constitute a violation of this Assurance.

30. **Compliance Program.** JSC shall identify a Compliance Officer, who will be responsible for managing and enforcing JSC's antitrust obligations, and shall provide to the Attorney General his or her name, business address, telephone number, and email address. Within forty-five days of any vacancy in the Compliance Officer position, JSC shall appoint a replacement and shall identify to the Attorney General the Compliance Officer's name, business address, telephone number, and email address. The Compliance Officer will be responsible, until the expiration of this Assurance, for supervising JSC's continued antitrust-compliance efforts, along with JSC's performance of the following in the Commonwealth of Massachusetts:

- a. Maintaining an antitrust compliance program for JSC's Massachusetts employees and directors who have responsibility for or involvement in negotiating or bidding for any contract with a value higher than \$15,000 with the Commonwealth or any

of its agencies or municipalities; the program will include training on the antitrust and consumer protection laws of the Commonwealth of Massachusetts and the United States, for at least one hour annually, consisting at least in part of a live presentation delivered by an attorney with relevant experience in the application and enforcement of United States and Massachusetts antitrust laws; all such training will be approved by an attorney with relevant experience in the application and enforcement of United States and Massachusetts antitrust laws. The program will also include annual auditing of contracts entered or renewed, including through bids, with such auditing conducted or overseen by the Compliance Officer. In the event JSC enters or renews five or fewer contracts in a particular year, the requirement for annual auditing must include all contracts. In the event JSC enters or renews more than five contracts in a particular year, the requirement for annual auditing must include a random sample of at least five contracts. "Auditing" shall include, at a minimum, (i) review of the instant contract and bid documents, (ii) review of email and other communications related to the contract negotiations and decision to bid, and (iii) interviews with the individuals responsible for contract negotiations and the decision to bid.

- b. Within 60 days of the Effective Date of this agreement and on an annual basis thereafter for the duration of this Assurance, obtaining, and thereafter maintaining, from all of JSC's Massachusetts employees who have responsibility for or involvement in negotiating or bidding on any contract with a value higher than \$15,000 with the Commonwealth or any of its agencies or municipalities, a

certification that each such person has received the required hour of annual antitrust training described in this Paragraph.

- c. Communicating semi-annually to all Massachusetts JSC employees with a company email address, and annually to all Massachusetts JSC employees without a company email address, that they may (and are expected to) disclose to the Compliance Officer, without reprisal, information concerning any potential violation of any antitrust laws, including any United States or Massachusetts antitrust laws.
- d. Within seven business days of discovering or receiving information concerning an actual or potential violation of this Assurance by JSC in Massachusetts, in consultation with in-house or outside counsel, (i) evaluating the credibility of the information, (ii) complying with JSC's internal policies and procedures concerning such information and the terms of this Assurance; and (iii) for information deemed credible or when otherwise required by JSC's internal policies and procedures, taking reasonable action to terminate or modify JSC's conduct in Massachusetts to assure compliance with this Assurance. Within fourteen days of determining that any such information is credible, the Compliance Officer will provide to the Attorney General a written description of an actual or potential violation of this Assurance by JSC in Massachusetts and the related corrective actions taken and/or being taken.
- e. Submitting a written report to the Attorney General on an annual basis, on or before each anniversary of the entry of this Assurance, setting forth how JSC has complied and is complying with this Assurance.

31. Notice of Acquisitions. For a period of five years after the Effective Date of this Assurance, JSC agrees that it shall provide notice to the AGO, as set forth in Paragraph 39, of any proposed acquisition by JSC of any ownership interest that (i) entails the right to appoint one or more voting members of the entity's board of directors or (ii) constitutes an ownership stake of greater than 25% in any entity that provides student transportation services in Massachusetts, with such notice provided at least 30 days prior to closing of any such transaction. For all other acquisitions of an interest in any entity that provides student transportation services in Massachusetts, JSC shall provide notice to the AGO as set forth in Paragraph 39, with such notice provided within seven days of the closing of any such transaction. JSC shall cooperate reasonably with the AGO in any investigation of such transaction and shall respond promptly to any reasonable requests for information or documents made by the Attorney General pursuant to such investigation.

32. Cooperation. For a period of five years after the Effective Date of this Assurance:

- a. JSC shall cooperate fully with the AGO in the implementation of this Assurance and shall respond promptly to any reasonable requests for information or documents made by the Attorney General to ensure compliance with this Assurance.
- b. JSC shall promptly notify the AGO if it learns of any violation or potential violation of this Assurance, as dictated in Paragraph 30(d). JSC shall fully cooperate with the AGO with any associated investigation.
- c. JSC shall promptly notify the AGO if it learns of any efforts by a competitor to enter into or enforce any agreement to allocate contracts, fix prices, rig bids, share competitively sensitive information related to student transportation contracts in

Massachusetts, or otherwise interfere with the process of procurement of student transportation contracts. JSC shall fully cooperate with the AGO in any associated investigation. In the context of due diligence in connection with a contemplated merger or acquisition, JSC need not notify the AGO of the sharing of competitively sensitive information through clean teams, which do not include any JSC employees with authority over or responsibilities related to the pricing or negotiation of student transportation contracts.

33. As used in Paragraph 32, Cooperation shall include, but is not limited to, (a) voluntarily, and promptly, producing, to the extent permitted by law or regulation, all information, documents, or other tangible evidence reasonably requested by the AGO; (b) promptly providing the AGO an oral proffer describing all facts that are known or subsequently learned by JSC reasonably related to the AGO's investigation; (c) working, if requested by the AGO, to ensure that JSC's current officers, directors, employees, or agents attend, on reasonable notice, any proceeding (including but not limited to meetings, interviews, hearings, depositions, grand jury proceedings, or trials) and answer completely, candidly, and truthfully any and all inquiries relating to the subject matter of the AGO's investigation.

B. Monetary Payment

34. JSC shall pay \$440,000.00 to the AGO by checks or wire transfers payable to the "Commonwealth of Massachusetts," delivered to the AGO as set forth in Paragraph 39, in accordance with the following terms: (a) JSC shall pay \$140,000.000 on or before thirty days from the Effective Date of this Assurance; (b) JSC shall pay \$150,000.00 on or before one year from the Effective Date of this Assurance; and (c) JSC shall pay \$150,000.00 on or before two years from the Effective Date of this Assurance. In the event of a breach of any payment

obligation in this Paragraph, the full Settlement Amount shall immediately become due and payable.

35. At her sole discretion, the Attorney General may use or distribute the payment described in Paragraph 34 in any amount, allocation or apportionment and for any purpose permitted by law, including but not limited to: (a) payments to the Town of Dedham, City of Lynn, and Town of Saugus; (b) payments to the General Fund of the Commonwealth of Massachusetts; (c) to reimburse the Attorney General for investigation costs and attorneys' fees; (d) payments to the Local Consumer Aid Fund established pursuant to G.L. c. 12, § 11G; or (e) for programs or initiatives in furtherance of the protection of the people of the Commonwealth.

36. For avoidance of doubt, JSC shall have no right to direct, nor any responsibility as to the use or application of funds by the Attorney General.

V. Release

37. Contingent on compliance with all the obligations set forth in Paragraphs 29-34, the AGO fully and finally releases JSC, its past or present direct or indirect subsidiaries, agents, representatives, affiliates, parent corporation, owners, successors, employees, officers, directors and/or assigns from civil liability arising from the Covered Conduct occurring prior to the Effective Date. The Town of Dedham, City of Lynn, and Town of Saugus will release JSC as provided in separate agreements.

38. Further, nothing in this Assurance shall be deemed to preclude the AGO's review of conduct that occurs after the Effective Date, or any claims that may be brought by the AGO to enforce JSC's compliance with the Assurance.

VI. Notice

39. Any notice that is made or required under the terms of this Assurance shall be provided via electronic mail and first-class mail to the following addresses.

For the Commonwealth:

Massachusetts Attorney General's Office
Antitrust Division
ATTN: Antitrust Division Chief
One Ashburton Place, 20th Floor
Boston, MA 02108
Antitrust@mass.gov
Anthony.Mariano@mass.gov

For J.S.C. Transportation Services, Inc.:

J.S.C. Transportation Services, Inc.
c/o Edward John Steren
Epstein Becker & Green, P.C.
1227 25th Street NW, Suite 700
Washington, DC 20037
ESteren@ebglaw.com

VII. General Provisions

40. This Assurance shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, and Superior Court for Suffolk County shall retain jurisdiction over this Assurance.

41. This Assurance shall be effective as of the Effective Date.

42. Unless otherwise stated, the term of this Assurance shall be five years from the Effective Date.

43. If the AGO believes JSC is not in compliance with terms of the Assurance, prior to seeking judicial intervention, the AGO shall notify JSC of its concerns. The AGO will provide ten days for JSC to respond after such notification, and the AGO and JSC shall meet and confer within two weeks of such notification.

44. This Assurance contains the complete agreement between the Parties. No promises, representations, or warranties other than those set forth in this Assurance have been

made by either party. This Assurance supersedes all prior communications, discussions, or understandings, if any, of the Parties, whether written or oral.

45. The provisions of this Assurance are severable. If any provision herein is found to be legally insufficient, invalid, void, or unenforceable, the remaining provisions shall continue in full force and effect and shall in no way be affected, impaired, or invalidated.

46. This Assurance shall be binding on JSC's successors, subsidiaries, transferees, assigns, and all other persons who have authority to control or who in fact control and direct JSC's business in the Commonwealth of Massachusetts.

47. JSC and the AGO participated in the drafting of this assurance.

48. JSC waives all rights to appeal or to otherwise challenge or contest the validity of this Assurance.

49. Except as to the Notice provision, this Assurance may only be amended or supplemented by a written document signed by all parties or by court order.

50. This Assurance, as well as any amendments thereto, may be signed in multiple counterparts, each of which will be considered an original and all of which, when considered together, will constitute a whole.

51. Nothing in this Assurance shall relieve JSC of any obligations to comply with all applicable federal and state laws, rules, and regulations.

52. This Assurance does not constitute an approval by the AGO of JSC's acts or practices, and JSC shall make no representation to the contrary.

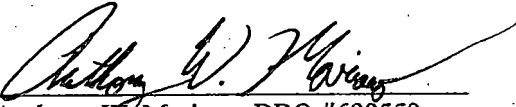
53. JSC shall not cause, encourage, or knowingly permit third parties acting as JSC's agent, on JSC's behalf or for its benefit, or otherwise under JSC's control or direction, to engage in practices from which JSC is prohibited by this Assurance.

54. JSC and its signatories have consulted with counsel in connection with their decision to enter into this Assurance.

55. Signatories for JSC represent and warrant that they have the full legal power, capacity, and authority to bind JSC.

56. By signing below, JSC agrees to comply with all the terms of this Assurance.

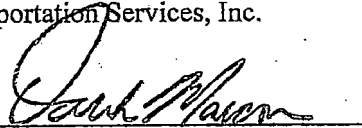
COMMONWEALTH OF MASSACHUSETTS
ANDREA JOY CAMPBELL, ATTORNEY GENERAL

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Dated: 9/15/26

J.S.C. Transportation Services, Inc.

By: 

Derek Marcou
President
J.S.C. Transportation Services, Inc.
880 Main Street, 3rd Floor
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(781) 693-7901

Dated: 9/15/2026