FILED
2026 Sep-11 PM 04:39
U.S. DISTRICT COURT
N.D. OF ALABAMA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
MIDDLE DIVISION

CHERYL HAYNES, and MARCELLUS GARNER, individually, on behalf of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan, and on behalf of a class of all other persons similarly situated, **Plaintiffs,** **v.** **STEPHEN C. JAMES, as trustee of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Trust,** **ALATRADE FOODS HOLDINGS, INC.,** **ALATRADE FOODS, INC.,** **DAVIS LEE,** **BETH LEE, and** **BETH LEE as trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust,** **Defendants.**	**Case No. 5:26-cv-00664-HDM** **Class Action**

PLAINTIFFS' MEMORANDUM IN SUPPORT OF UNOPPOSED MOTION FOR FINAL APPROVAL OF SETTLEMENT AND CERTIFICATION OF SETTLEMENT CLASS

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Pursuant to Federal Rule of Civil Procedure 23, Plaintiffs Cheryl Haynes and Marcellus Garner ("Plaintiffs"), individually and on behalf of a class of participants in the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan (the "ESOP" or "Plan"), request that the Court grant final approval of the class action settlement agreement between Plaintiffs and (1) AlaTrade Foods Holdings, Inc., and Alatrade Foods, Inc. (together, "AlaTrade" or the "Company"); (2) Davis Lee, Beth Lee, and Beth Lee as Trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust (together, "Selling Shareholders"); and (3) Stephen C. James acting in his capacity as the trustee of the ESOP (the "Trustee", and with AlaTrade and the Selling Shareholders, the "Defendants" and together with Plaintiffs, the "Parties").[1]

I. INTRODUCTION

Subject to the Court's approval, the Parties have settled this Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.*, ("ERISA") action (the "Class Action"). The Parties have agreed to resolve all matters in controversy between them in the Class Action for consideration totaling $4.575 million ("Gross Settlement Amount") for the benefit of the Settlement Class Members and the ESOP. The Gross Settlement Amount has two components: (1) a $3.7 million reduction in the principal amount of Refinanced (External) Company Note A (which will increase

[1] Unless otherwise defined, all capitalized terms herein shall have the same meaning as set forth in the Parties' Settlement Agreement.

the equity value of AlaTrade, and thereby increase the value of the Plan accounts of those Settlement Class Members who are current participants of the Plan) with a corresponding reduction of the same amount in the Refinanced (Internal) ESOP Note (which will reduce the ESOP's liability to the Company by $3.7 million); and (2) a cash payment by AlaTrade or its insurer totaling $875,000 ("Cash Settlement Amount"). Should the Court grant approval, every eligible Class Member will receive their portion of the Net Proceeds[2] according to a *pro rata* Plan of Allocation. The proposed settlement ("Settlement") satisfies all the criteria for final approval found in Rule 23(e)(2) and under Eleventh Circuit law and provides an excellent result for the Settlement Class.

The Court granted Plaintiffs' motion for preliminary approval and approved the Notice of Settlement to the Settlement Class on June 9, 2026 ("Preliminary Approval Order"). (Dkt. 27). The Parties have fulfilled their obligations under the Preliminary Approval Order, and Plaintiffs now ask the Court to: (1) grant final approval of the Settlement; (2) find that the Class Notice satisfies the requirements of due process and Rule 23; (3) find the Settlement to be fair, reasonable and adequate; (4) dismiss on the merits and with prejudice all claims asserted against

[2] The Net Proceeds consists of the remaining Cash Settlement Amount after the payment of any court-awarded attorneys' fees and expenses, taxes owed on the Cash Settlement Amount, settlement administration expenses, and 50% of the fee of the Independent Fiduciary retained to approve the Settlement on behalf of the ESOP.

Defendants; (5) retain jurisdiction of all matters relating to the interpretation, administration, implementation, effectuation, and enforcement of the Settlement Agreement; (6) approve the awards of Plaintiffs' Counsel's attorneys' fees in the amount of $675,000 and costs and expenses in the amount of $39,534.88 as requested in their separately filed motion for attorneys' fees and expenses; and (7) approve the settlement administration expenses necessary to effectuate the Settlement.

II. BACKGROUND

A. Plaintiffs' Complaint

Named Plaintiffs are participants in the ESOP and former employees of the ESOP's sponsor, AlaTrade. Compl. ¶¶ 16-17 (Dkt. 1). Pursuant to Eleventh Circuit administrative exhaustion requirements, Plaintiffs submitted claims to the ESOP's Plan Administrator on August 15, 2024. *Id*. ¶ 57. The Claims Fiduciary for the ESOP denied Plaintiffs' claims on February 11, 2025, and denied Plaintiffs' appeal on August 4, 2025. *Id*. ¶¶ 62, 64. Before filing the Complaint, the Parties mediated the matter on October 21, 2025, and the Parties agreed to the Settlement. The Complaint was filed on April 22, 2026, solely for the purpose of facilitating the Settlement.

The Complaint alleges the Trustee caused the ESOP to acquire 100% of AlaTrade's issued and outstanding stock on June 14, 2021, from the Selling Shareholders for $160 million ("ESOP Transaction"), an amount Plaintiffs allege

exceeded the stock's fair market value. Compl. ¶¶ 6, 8. In so doing, the Complaint alleges that the Trustee violated ERISA's prohibition on transactions between ERISA plans and plan insiders (known as "parties in interest"), 29 U.S.C. § 1106(a) (Count I), and the statute's fiduciary standards, 29 U.S.C. § 1104(a) (Count II). *See id*. ¶¶ 68-86. The Complaint also alleges that the Selling Shareholders knowingly participated in the Trustee's § 1106(a) violations (Count III). *Id*. ¶¶ 87-97. The Complaint further alleges that AlaTrade and AlaTrade Foods breached their fiduciary duties as defined in 29 U.S.C. § 1104(a) in selecting the Trustee, failing to monitor the Trustee's performance, failing to inform the Trustee of relevant information, and failing to remove the Trustee (Count IV). *Id*. ¶¶ 98-105. Finally, the Complaint alleges AlaTrade breached its fiduciary duty under 29 U.S.C. § 1104(a) by failing to select and monitor the performance of a Claims Fiduciary who would undertake a full and fair review of Plaintiffs' claims and appointed a Claims Fiduciary who refused to produce relevant information and compiled an inadequate and incomplete administrative record that did not permit a decision on the merits (Count V). *Id*. ¶¶ 106-116.

Defendants deny any wrongdoing or liability associated with the ESOP Transaction and the allegations in the Complaint and have vigorously defended themselves throughout.

B. Discovery and Motion Practice

Though the Parties mediated the matter prior to filing the Complaint, they engaged in substantial pre-litigation proceedings before initiating settlement discussions. Those proceedings included a year-long administrative claims process pursuant the Plan's claims procedures, during which Plaintiffs submitted a formal claim for benefits and an appeal challenging the ESOP Transaction. *See* Declaration of Gregory Y. Porter ("Porter Dec."), attached hereto as Exhibit 1, ¶ 6. In response to the formal claim, the Claims Fiduciary compiled an administrative record exceeding 1,000 pages of documents, which was produced to Plaintiffs. *Id*. The administrative record included core transaction documents and analyses relating to the ESOP Transaction, including the closing binder and the fairness opinion relied upon by the Trustee. *Id*. The Claims Fiduciary issued written decisions at both the claim and appeal stages denying Plaintiffs' claims. *Id*.

After denial, Plaintiffs received additional documents including material relating to the selection of the ESOP trustee, corporate resolutions approving the engagement of the trustee, the valuation report prepared for the ESOP trustee in connection with the transaction, and a summary of the negotiations between the sellers and trustee in connection with the ESOP transaction. Porter Dec. ¶ 6. The Parties utilized that information to exchange detailed mediation statements outlining

the strengths of each side's position based on the information learned through the appeal process and subsequent disclosures. *Id*. ¶ 8.

C. The Parties' Mediation and Settlement Efforts

The Parties held a full-day mediation with JAMS mediator Maxine Aaronson on October 21, 2025. Porter Dec. ¶ 8. In advance of the mediation, the Parties submitted statements to the mediator laying out their positions. *Id*. At the mediation, the Parties reached a settlement in principle. *Id*. The Parties agreed to the Settlement Agreement on April 21, 2026. *Id*.; Settlement Agmt. previously filed as Dkt. 4-1.

III. SUMMARY OF PROPOSED SETTLEMENT TERMS

A. The Settlement Class

The proposed Settlement covers all Plan participants and beneficiaries at any time from the Plan's inception until December 31, 2025 ("Class Period"). Excluded from the Class are the shareholders who sold their stock to the Plan, directly or indirectly, and their immediate families, legal representatives, successors, and assigns of any such excluded persons. Based on information provided to the Settlement Administrator, there are 1,004 Settlement Class Members. *See* Declaration of Jessie Montague ("Montague Dec."), attached hereto as Exhibit 2, ¶ 7.

B. Benefits to the Settlement Class

The Gross Settlement Amount consists of the following two forms of consideration for the benefit of the Settlement Class Members:

First, effective the latter of January 4, 2027, or sixty (60) days after entry of the Final Approval Order, the principal amount of the Refinanced (External) Company Note A dated as of June 28, 2021 ("Seller Note") in the original principal amount of $8,000,000 will be reduced by $3,700,000 ("Seller Note Reduction"). Settlement Agmt. § 10.l(ii). Because the Seller Note is debt on AlaTrade's balance sheet, and because company debt reduces its equity value, the Seller Note reduces the value of the ESOP's AlaTrade stock. Accordingly, the Seller Note Reduction will increase the value of AlaTrade stock, which will inure to the benefit of the Settlement Class Members that maintain Plan accounts by increasing the value of their stock. Simultaneous to the Seller Note Reduction, the Company and the Selling Shareholders will also cause a corresponding reduction in the promissory note the ESOP issued to AlaTrade in connection with the Transaction ("ESOP Note"), reducing the ESOP's liability to the Company by $3.7 million. *Id.*

Second, AlaTrade or its insurer have agreed to pay a total of $875,000 in cash into a fund maintained for purposes of holding settlement amounts ("Settlement Fund Account") on the following payment schedule:

- $100,000 paid within 30 days after the Court entered a Preliminary Approval Order;[3] and
- $775,000 paid 30 days after the Effective Date of the Settlement.

Settlement Agmt. §§ 10.1(i), 10.2.3.

The amount remaining in the Settlement Fund Account after the payment of any court-awarded attorneys' fees and expenses, taxes owed on the Cash Settlement Amount, settlement administration expenses, and 50% of the fee of the Independent Fiduciary retained to approve the Settlement on behalf of the ESOP (expected to be $7,500 (Porter Dec. ¶ 41)) are the "Net Proceeds." Settlement Agmt. § 12.5. Because some of the Settlement Class Members sold some or all of their AlaTrade shares during the Class Period ("Cashed-Out Class Members")—and because those cashed-out shares will not benefit from the Seller Note Reduction—a portion of the Net Proceeds will first be set aside for Cashed Out Class Members for their cashed-out shares in an amount commensurate with the benefit conferred on existing shares in the Plan by the Seller Note Reduction. Specifically, because the $3.7 million Seller Note Reduction translates to roughly $3.70 of increased value to each of the 1,000,000 shares in the Plan, *see Walsh v. Vinoskey*, 19 F.4th 672, 683-84 (4th Cir. 2021), Cashed-Out Class Members will be paid $3.70 for each of their cashed-out

[3] That initial payment was made on or around July 8, 2026. Montague Dec. ¶ 5.

shares plus their *pro rata* share of the remainder of the Net Proceeds based on their "Entitlement Percentage." Plan of Allocation ¶ 1 (Dkt. 4-2). A Class Member's Entitlement Percentage—including for Cashed-Out Class Members and those that still participate in the Plan—will be determined by adding the Class Member's vested AlaTrade shares plus any vested shares the Class Member previously cashed out, and dividing that total by the overall number of vested AlaTrade shares plus the overall number of vested shares previously cashed out. *Id*. ¶ l(b).

The Settlement Administrator shall distribute payments to Settlement Class Members pursuant to the Plan of Allocation in the following form: (1) Class Members with an active ESOP account will receive a cash allocation to their ESOP account; (2) Class Members without an active ESOP account may elect their payment (a) as a deposit into a qualified retirement account or (b) directly to that Class Member by check. Plan of Allocation ¶ 2. If any checks remain uncashed after 120 days, and the Settlement Administrator has made reasonable efforts to notify the recipients of these checks, the Settlement Administrator shall re-distribute the total amount of any uncashed checks pro-rata to the remaining Settlement Class Members that maintain an account in the Plan. *Id*. ¶ 3(a).

C. Notice and Administration

The Notice of Settlement plan approved by the Court was implemented by the Parties and Settlement Administrator, RG/2 Claims Administration, LLC ("RG/2").

Specifically, on June 2, 2026, Defendants issued notices required by the Class Action Fairness Act of 2005, 28 U.S.C. §§ 1711-1715 ("CAFA"). *See* Status Report, Dkt. 26. On August 3, 2026, RG/2 caused to be mailed 1,004 Notices of Proposed Class Action Settlement to Settlement Class Members and posted the Class Notice on the website established for case documents. Montague Dec. ¶¶ 8, 12. The Class Notice was clear and straightforward, was approved by the Court on June 9, 2026 (Dkt. 27), and provided Settlement Class Members with enough information to inform them about the nature of the Class Action, the terms of the Settlement, and the procedures for entering an appearance to be heard or to object to the Settlement. Only 21 Class Notices are currently undeliverable. *Id*. ¶ 11. On August 3, 2026, RG/2 made available a website for case documents, key dates and information, and links to rollover request forms. *Id*. ¶ 12. The website address was printed on all Class Notices. *Id*. at Ex. A. RG/2 also made available and hosted a toll-free telephone number for Settlement Class Members to make inquiries regarding the Settlement. *Id*. ¶ 14. Plaintiffs' Motion for Attorneys' Fees and Expenses and this Motion will be posted on the settlement website once filed. As detailed above and articulated in the Class Notice, the Class Notice reached at least 98% of Settlement Class Members.[4]

[4] That figure is based on the number of unreturned notices. Even if mailed notices did not reach Settlement Class Members, they may have accessed the notice on the publicly-available website.

If the Court grants final approval of the Settlement, RG/2 shall also implement the Plan of Allocation, including effectuating rollover requests by Settlement Class Members and mailing checks to other Settlement Class Members. RG/2 shall also serve as Escrow Agent and shall be responsible for establishing and maintaining a Settlement Fund Account to hold the Gross Settlement Amount. RG/2's fees and expenses are expected to be approximately $20,227.00 through the end of the settlement process. Montague Dec. ¶ 17.

D. Attorneys' Fees and Expenses

Subject to Court approval, Plaintiffs' Counsel's fees, costs and expenses, and shall be paid from the Gross Settlement Amount. Settlement Agmt. § 11.1. Plaintiffs have filed, contemporaneously with this motion, a motion for an award of Attorneys' Fees of $675,000 and Expenses of $39,534.88. That amount is consistent with the terms of the Settlement Agreement which provided that Plaintiffs' Counsel would petition the Court for an award of attorneys' fees not to exceed 15% of the Gross Settlement Amount, plus litigation expenses. *Id*.

E. Review by Independent Fiduciary

The Settlement is contingent upon approval by an Independent Fiduciary in accordance with Prohibited Transaction Exemption 2003-39 promulgated by the Department of Labor. Settlement Agmt. § 5.1; *see also* 68 Fed. Reg. 75,632 (Dec. 31, 2003), as amended, 75 Fed. Reg. 33,830 (June 15, 2010) ("PTE 2003-39"). PTE

2003-39 applies to ERISA settlements that release claims brought on behalf of an ERISA plan and requires that an independent fiduciary evaluate the settlement terms and determine that they are "reasonable in light of the Plan's likelihood of full recovery, the risks and costs of litigation, and the value of claims forgone." PTE 2003-39 at 33,836. Defendants selected and retained an Independent Fiduciary, Fiduciary Counselors, Inc. (a selection Plaintiffs approved), to evaluate the reasonableness of the Settlement. The Independent Fiduciary shall notify all Counsel for the Parties of its determination in writing no later than 35 calendar days before the Fairness Hearing. Plaintiffs will file a copy of the Independent Fiduciary's determination, if it approves the Settlement, when it becomes available. The $15,000 cost of retaining the Independent Fiduciary will be split between the Company and the Qualified Settlement Fund, with each paying 50%. *See* Settlement Agmt. § 5.6.

F. Release of Claims

In exchange for the Gross Settlement Amount and satisfaction of the other conditions required of Defendants by the Settlement Agreement, Plaintiffs and the proposed Settlement Class will release the "Released Parties" from any and all "Released Claims," as those terms are defined in the Settlement Agreement. Settlement Agmt. §§ 1.29-1.31, 6.1-6.3.

IV. THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE AND SHOULD BE APPROVED

Rule 23(e) provides that class actions cannot be settled without court approval. To be approved, a settlement must be fair, reasonable, and adequate. Rule 23(e)(2); *Pettway*, 2024 WL 4683657, at *3. The 2018 Amendments to Rule 23 provide direction to courts considering whether to approve such a settlement. Rule 23(e)(2) provides that the court should consider whether:

> (A) the class representatives and counsel have adequately represented the class;
>
> (B) the proposal was negotiated at arm's length;
>
> (C) the relief provided for the class is adequate, taking into account:
>
> > (i) the costs, risks, and delay of trial and appeal;
> >
> > (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class member claims;
> >
> > (iii) the terms of any proposed award of attorney's fees, including timing of payment; and
> >
> > (iv) any agreement required to be identified under Rule 23(e)(3); and
>
> (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).

Prior to the 2018 amendments, the Eleventh Circuit traditionally evaluated class action settlements using the six factors outlined in *Bennett v. Behring Corp.* ("*Bennett* factors"):

> (1) the likelihood of success at trial; (2) the range of possible recovery; (3) the point on or below the range of possible recovery at which a settlement is fair, adequate and reasonable; (4) the complexity, expense and duration of litigation; (5) the substance and amount of opposition to the settlement; and (6) the stage of proceedings at which the settlement was achieved.

737 F.2d 982, 986 (11th Cir. 1984); *see also Ponzio v. Pinon*, 87 F.4th 487, 494 (11th Cir. 2023). The Eleventh Circuit has noted that the *Bennett* factors complement the "four core concerns set out in Rule 23(e)(2)." *Ponzio*, 87 F.4th at 495. In light of this, in addition to the Rule 23(e)(2) factors, Plaintiffs will address each of the *Bennett* factors to the extent they are applicable, many of which overlap. In evaluating these factors, there is a strong presumption favoring the settlement of class actions. *Pettway v. R. L. Zigler Co.*, 2024 WL 3656750, at *6 (N.D. Ala. Aug. 2, 2024) (citation omitted)

A. The Class is Adequately Represented and the Settlement is the Result of Good Faith, Arm's-Length Negotiation

Rule 23(e)(2)(A), requiring adequate representation by the Plaintiffs and their Counsel was addressed in part in Section V(B)(4) and V(D) of Plaintiffs' Unopposed Motion and Incorporated Memorandum of Law for Preliminary Approval of Settlement, (Dkt. 4 at 36-37, 41), as well as the concurrently filed Memorandum in

Support of Motion for Attorneys' Fees and Expense Reimbursement. In sum, both Plaintiffs and Plaintiffs' Counsel have effectively and diligently served the Settlement Class. Plaintiffs are exemplary representatives. They have been actively engaged in the litigation since its inception in May 2024, including by providing documents to counsel used to draft the Complaint and discussing the mediation with counsel. Porter Dec. ¶ 27. If Plaintiffs had not been willing to act as class representatives, there would be no settlement benefits at all for the Class. They have no known conflicts. *Id*. They assert claims on the Plan's behalf pursuant to 29 U.S.C. §§ 1109(a) and 1132(a)(2)-(3) and request no individual relief. Therefore, the adequacy requirement of Rule 23(e)(2)(A) is met.

Among the criteria for preliminary approval is that the settlement proposal be negotiated at "arm's length." Fed. R. Civ. P. 23(e)(2)(B). "Where the parties have negotiated at arm's length, the Court should find that the settlement is not the product of collusion." *Pettway*, 2024 WL 3656750, at *7 (quoting *Saccoccio v. JP Morgan Chase Bank, N.A.*, 297 F.R.D. 683, 692 (S.D. Fla. 2014)). "Moreover, the assistance of an experienced mediator in the settlement process confirms that the settlement is noncollusive." *Morgan v. Pub. Storage*, 301 F. Supp. 3d 1237, 1247 (S.D. Fla. 2016) (internal quotation omitted).

Here, the Parties engaged in substantial pre-litigation proceedings that ensured the Parties were fully informed of the strengths and weaknesses of their

respective positions before entering settlement negotiations. Porter Dec. ¶ 21. Those proceedings included a year-long administrative claims process pursuant the Plan's claims procedures, during which Plaintiffs submitted a formal claim for benefits and an appeal challenging the ESOP Transaction. *Id*. ¶ 6. In response, the Claims Fiduciary compiled an administrative record exceeding 1,000 pages of documents, which was produced to Plaintiffs. *Id*. The administrative record produced to Plaintiffs included transaction documents and analyses relating to the ESOP Transaction, including the closing binder and the fairness opinion relied upon by the Trustee. *Id*. The Claims Fiduciary issued written decisions at both the claim and appeal stages denying Plaintiffs' claims. *Id*.

Thereafter, the Parties participated in a full-day mediation with experienced JAMS mediator Maxine Aaronson on October 21, 2025. Porter Dec. ¶ 8. In advance of the mediation, the Company produced additional documents to Plaintiffs' counsel, including material relating to the selection of the ESOP trustee, corporate resolutions approving the engagement of the trustee, the valuation report prepared for the ESOP trustee in connection with the transaction, and a summary of the negotiations between the sellers and trustee in connection with the ESOP transaction. Additionally, the Parties provided the mediator with written statements outlining their views on liability and damages. *Id*. ¶ 8. At the mediation, the Parties reached a settlement in principle. *Id*. ¶ 8. The Parties agreed to the Settlement Agreement on

April 21, 2026. *Id*. Throughout the settlement discussion process, the Parties vigorously debated the merits of Plaintiffs' claims and Defendants' theories of defense. And, as discussed below, given the benefit of reviewing the business appraisal relied on by the Trustee in approving the ESOP Transaction as well as the closing binder for the ESOP Transaction, the Parties entered the negotiations with an understanding of the issues that would be presented at trial.

Because the proposed Settlement is the result of good faith, arm's-length negotiations by well-informed and experienced counsel, Rule 23(e)(2)(B) is satisfied.

B. The Complexity, Expense, and Likely Duration of Litigation

Addressing the fourth *Bennett* factor (complexity, expense, and duration of litigation), as well as Rule 23(e)(2)(C)(i) (the costs, risks, and delay of trial and an appeal), the Parties have different views about Defendants' actions, their potential liability, and the likely outcome of the litigation. Plaintiffs' core allegations regarding the ESOP Transaction rest on facts that are strongly contested by Defendants. In their mediation statement, Defendants argued that Plaintiffs' claims would fail because the Court would have to apply an "arbitrary and capricious" standard in analyzing the Claims Fiduciary's decision denying Plaintiffs' claim for benefits, and even if the case would proceed on a *de novo* standard, Defendants argued that Plaintiffs would not be able to survive a motion to dismiss because they

have not alleged an injury in fact sufficient to establish Article III standing. Defendants also pointed to evidence that countered Plaintiffs' central critiques, including that the Trustee engaged in a thorough, prudent process with the help of advisors that was documented in the administrative record. If the lawsuit were to proceed, Plaintiffs would have to overcome these and other defenses and arguments. These fact-intensive inquiries would have led to a battle of experts and conflicting evidence and testimony.

Proceeding to motions to dismiss, fact and expert discovery, summary judgment, class certification, and ultimately trial also would have taken a significant amount of time and attorney resources. Regardless of whether this case was decided at the pleading stage, summary judgment, or after a trial, there likely would have been appeals that followed, further delaying resolution and causing more expense. The proposed Settlement—which includes $875,000 in cash and a $3.7 million reduction in debt held by AlaTrade and the ESOP—is a good result for the Settlement Class given the likely duration and uncertainty associated with further litigation. *See Marcrum v. Hobby Lobby Stores, Inc.*, 2021 WL 3710133, at *4 (N.D. Ala. Aug. 20, 2021) (granting final approval and noting settlement would alleviate the need for judicial exploration of complex subjects, reduce litigation costs, and eliminate significant risk that individual claimants might recover nothing) (citation omitted).

C. The Stage of Proceedings and Amount of Discovery Completed

Regarding the sixth *Bennett* factor, though the Parties reached a Settlement in principle at an early stage of the case—after the administrative review process was complete and before a Complaint was filed with the Court—the Parties are nevertheless well informed about the facts of the case due to an early exchange of relevant documents. As discussed above, Plaintiffs received an administrative record exceeding 1,000 pages of documents, plus the business appraisal relied on by the Trustee in approving the ESOP Transaction as well as the closing binder and negotiation history for the ESOP Transaction. Porter Dec. ¶ 6. As a result of these productions, Plaintiffs' Counsel had insight at an early stage into the central issues in the case. Further assisting Plaintiffs' Counsel was a valuation expert who provided a preliminary analysis on his opinion of the fair market value of the AlaTrade stock purchased by the ESOP and damages. *Id*. ¶ 7.

"The stage of the proceedings at which a settlement is achieved is evaluated to ensure that Plaintiffs had access to sufficient information to adequately evaluate the merits of the case and weigh the benefits of settlement against further litigation." *Marcrum*, 2021 WL 3710133, at *4 (citation omitted). "[V]ast formal discovery need not be taken." *Lipuma v. Am. Express Co.*, 406 F. Supp. 2d 1298, 1324 (S.D. Fla. 2005); *see also Perez v. Asurion Corp.*, 501 F. Supp. 2d 1360, 1383 (S.D. Fla. 2007)

("[T]he Settlement was achieved early in the litigation, but not so early that Class Counsel did not have sufficient information with which to negotiate.").

Here, Plaintiffs had sufficient information to adequately evaluate the merits of the case and weigh the benefits of settlement against further litigation. The shared information allowed the Parties to fully and fairly assess the allegations and strengths and weaknesses of their respective positions at an early stage. The sixth *Bennett* factor supports approval of the Settlement.

D. The Risks of Establishing Liability, Damages, and Likelihood of Success at Trial

The first *Bennett* factor and Rule 23(e)(2)(C)(i), account for the risks of establishing liability, establishing damages, and being successful at trial. "The likelihood of success on the merits is weighted against the amount and form of relief contained in the settlement." *Lipuma*, 406 F. Supp. 2d at 1319. "The Court, however, has neither the duty nor the right to reach any ultimate conclusions on the issues of fact or law which underlie the merits of the dispute." *In re Domestic Air Transp. Antitrust Litig.*, 148 F.R.D. 297, 315 (N.D. Ga. 1993).

Here, Plaintiffs faced significant risks. As discussed above in § IV(B), the Parties have different views about the likely outcome of the litigation and the value of AlaTrade stock at the time of the ESOP Transaction. Defendants contend that the Plan and its participants were not harmed at all. Plaintiffs, on the other hand, contend that the Plan incurred significant financial loss through its overpayment for AlaTrade

shares. That core dispute had not been resolved at the time the Parties reached the Settlement, and the uncertainty put all Parties at great risk.

Further, counsel for the Parties, having litigated similar issues extensively in the past (*see*, *e.g.*, Porter Dec. ¶¶ 10-18) were fully aware of these risks and the possible outcomes, and the Parties were able to reach a settlement that balanced those risks.

E. The Range of Reasonableness of the Settlement Fund in Light of the Best Possible Recovery and the Attendant Risks of Litigation

The second and third *Bennett* factors and Rule 23(e)(2)(C)(i)-(iv) assess the range of reasonableness of the settlement fund in light of the best possible recovery and the risks of litigation. The range of possible recovery "spans from a finding of non-liability through varying levels of injunctive relief." *Assoc. for Disabled Americans, Inc. v. Amoco Oil Co.*, 211 F.R.D. 457, 468 (S.D. Fla. 2002). Courts analyze "the range of possible damages that could be recovered at trial and then combine this assessment with plaintiffs' likelihood of prevailing at trial and other relevant factors to determine whether the settlement falls at a point in the range that is fair to the class." *In re Domestic*, 148 F.R.D. at 319. "The Court's role is not to engage in a claim-by-claim, dollar-by-dollar evaluation, but to evaluate the proposed settlement in its totality. Moreover, the existence of strong defenses to the claims presented makes the possibility of a low recovery quite reasonable." *Lipuma*, 406 F.

Supp. 2d at 1323; *see also Behrens v. Wometco Enters., Inc.*, 118 F.R.D. 534, 542 (S.D. Fla. 1988) ("A settlement can be satisfying even if it amounts to a hundredth or even a thousandth of a single percent of the potential recovery.").

In cases alleging that a trustee violated ERISA by causing an ESOP to pay too much for the stock of a privately held company, courts have held that the measure of loss is the difference between what the plan paid for the stock and what the stock was worth at the time of the transaction. *See Perez v. Bruister*, 823 F.3d 250, 270-72 (5th Cir. 2016); *Perez v. First Bankers Trust Servs., Inc.*, 2017 WL 1232527, at *81 (D.N.J. Mar. 31, 2017). As noted, Plaintiffs commissioned a preliminary damages estimate from their retained valuation expert, who estimated that, in his opinion, the ESOP overpaid by *as much as* $32.8 million. Porter Dec. ¶ 7. The $4.575 million in total consideration associated with the proposed Settlement represents 13.9% of the largest amount of estimated damages.

The recovery reflected in the Settlement Agreement is reasonable in light of the potential damages. *See*, *e.g.*, *Parsons v. Brighthouse Networks, LLC*, 2015 WL 13629647, at *3 (N.D. Ala. Feb. 5, 2015) (approving 13% and 20% recoveries, and collecting cases approving recoveries as low as 5.5%); *In re Checking Account Overdraft Litig.*, 830 F. Supp. 2d 1330, 1346 (S.D. Fla. 2011) ("[N]ine percent or higher constitutes a fair settlement even absent the risks associated with prosecuting these claims."); *In re Domestic*, 148 F.R.D. at 325 (approving a 12.7-15.3% recovery

as "fall[ing] well above the lowest point in the zone of reasonableness" where the "proposed settlement reflects an appropriate balance between the possibility of a judgment for defendants and of no recovery for the consumers"); *Behrens*, 118 F.R.D. at 543 ("A recovery at trial of three to five percent of the requested damages is fairly realistic given these uncertainties."); *see also In re Rite Aid Corp. Sec. Litig.*, 146 F. Supp. 2d 706, 715 (E.D. Pa. 2001) (noting that since 1995, class action settlements have typically "recovered between 5.5% and 6.2% of the class members' estimated losses").

While the recovery includes both cash and a reduction in AlaTrade's debt (the Seller Note Reduction), the latter directly benefits the ESOP and each share of AlaTrade stock it holds. The ESOP Transaction was financed by the ESOP's sponsor (AlaTrade), including through promissory notes (the Seller Notes) issued to the Selling Shareholders. Those Seller Notes are a component of AlaTrade's debt, and thus reduces the equity value of AlaTrade stock. As a result, the $3.7 million Seller Note Reduction increases the equity value of Ala Trade stock held by the ESOP. That is a direct benefit to the Plan and its participants, and serves to correct one of the effects of the alleged overpayment (namely, the increased debt taken on by AlaTrade). That benefit is why other courts have approved ESOP settlements that include debt reduction as a component of the recovery. *See*, *e.g.*, *Chea v. Lite Star ESOP Comm.*, 2025 WL 2938836 (E.D. Cal. Oct. 16, 2025) (preliminarily approving

settlement for $1.5 million in cash and $1 million in debt reduction); *Smith v. Greatbanc Trust Co.*, No. 1:20-CV-02350, Dkt. 163, (N.D. Ill. Aug. 23, 2023) (approving settlement including $15 million debt reduction and $2.5 million cash). Given the potential defenses and uncertainty inherent in any dispute about business valuation and the attendant risk of recovering nothing for Plan participants, the proposed Settlement represents a good result for the Settlement Class.

F. Effectiveness of Method of Distributing Relief to the Class

Rule 23(e)(2)(C)(ii) examines the effectiveness of any proposed method of distributing relief to the class, including the method of processing any class member claims. Here, per the Settlement Agreement, Defendants' Counsel provided the Settlement Administrator with the names and last known addresses of the Class Members. Settlement Agmt. § 4.2; Montague Dec. ¶ 7. Defendants' Counsel also provided the number of shares allocated to the Plan account of each member of the Settlement Class to RG/2. *Id.*; Settlement Agmt. § 4.2. RG/2 will use that information to make distributions to Class Members in accordance with the Plan of Allocation.

As discussed in greater detail above, a portion of the Net Proceeds will first be set aside for Cashed-Out Class Members for their cashed-out shares in an amount commensurate with the benefit conferred on existing shares in the Plan by the Seller Note Reduction. Cashed-Out Class Members will be paid $3.70 for each of their

cashed-out shares plus their *pro rata* share of the remainder of the Net Proceeds based on their Entitlement Percentage. A Class Member's Entitlement Percentage will be determined by adding the Class Member's vested AlaTrade shares plus any vested shares they previously cashed out, and dividing that total by the overall number of vested AlaTrade shares plus the overall number of vested shares previously cashed out. *Id*. ¶ 1(b). No claim forms are required. This method of distributing relief is both effective and efficient.

G. The Terms of the Proposed Award of Attorneys' Fees

Rule 23(e)(2)(C)(iii) looks at the terms of any proposed award of attorneys' fees, including timing of payment. Plaintiffs' Counsel spent over 380 hours litigating this case, resulting in a combined lodestar of $408,080, based on current billing rates. Porter Dec. ¶ 31. Contemporaneously with this motion, Plaintiffs filed a motion for approval of an award of attorneys' fees of $675,000 and litigation costs and expenses of $39,534.88. That request is consistent with the Settlement Agreement's provisions, and Plaintiffs' Motion for Preliminary Approval (Dkt. 3, 4) that Plaintiffs' Counsel's petition for an award of attorneys' fees would not exceed 15% of the Gross Settlement Amount. *See* Settlement Agmt. § 11.1; *see Sheet Metal Workers Loc. 19 Pension Fund v. ProAssurance Corp.*, 2024 WL 4003330, at *1 (N.D. Ala. Jan. 17, 2024) (noting that "the majority of common fund fee awards fall between 20% to 30% of the fund" and awarding 33% of the settlement amount). The

attorneys' fees and expenses shall be paid from the Gross Settlement Amount. The requested fee is within the range of approved fee awards in this jurisdiction.

The Settlement Class has been notified of the maximum amount of fees that could be requested and have had, and will have, the opportunity to object to the fee application. Montague Dec. ¶ 10. As of the date of this filing, no objections to the Settlement have been received, and Plaintiffs will update the Court in advance of the Final Fairness hearing if any objections are received. Montague Dec. ¶ 16; Porter Dec. ¶ 42.

H. The Settlement Proposal Treats Class Members Equitably

Under Rule 23(e)(2)(D), the court must consider whether the settlement proposal treats class members equitably relative to each other. As noted above in § III(B), Class Members who are current participants in the Plan will all benefit from the Seller Note Reduction, which will increase the value of AlaTrade stock. *See* Settlement Agmt. § 10.1. Because the shares already redeemed by the Cashed-Out Class Members will not benefit from the Seller Note Reduction, they will receive $3.70 per share in cash payments for each share cashed out (derived by dividing $3.7 million by all 1,000,000 AlaTrade shares held by the Plan, which is the 100% owner of AlaTrade). All Class Members (including the Cashed-Out Class Members) will then share *pro rata* in the Net Proceeds. As a result, the proposed Settlement has no obvious deficiencies such as preferential treatment to a portion of the Class.

I. The Substance and Amount of Opposition to the Settlement

"In determining whether a proposed settlement is fair, reasonable, and adequate, the reaction of the class is an important factor." *Marcrum*, 2021 WL 3710133, at *4 (citation omitted). To date there have been no objections. No government entity notified under CAFA objected or sought to participate in the settlement. This lack of opposition "points to the reasonableness of [the] proposed settlement and supports its approval." *Id*. (citation omitted).

J. Agreements Made in Connection with the Settlement

Pursuant to Rule 23(e)(3), the Parties have entered a Settlement Agreement in connection with the Settlement. Class Counsel also has an agreement with referring counsel, Major Khan.

V. THE CLASS IS APPROPRIATELY CERTIFIED FOR SETTLEMENT PURPOSES

The Court preliminarily certified the Class for settlement purposes when it granted preliminary approval and approved the issuance of the Class Notice. (Dkt. 27). For the reasons contained in the brief in support of preliminary approval (Dkt. 4 at 27-41), which have not changed, the Settlement Class meets all the requirements of Rule 23(a) and 23(b)(1).

The Settlement Class is sufficiently numerous because it encompasses over 1,000 Class Members.[5] It satisfies commonality because the alleged violations of ERISA are based on a single transaction involving a single security with common questions of law and fact including: (1) whether Defendants were fiduciaries of the Plan under ERISA; (2) whether the Selling Shareholders were parties in interest under ERISA; (3) whether the Trustee breached its fiduciary duties and caused a prohibited transaction under ERISA by permitting the Plan to purchase AlaTrade stock from the Selling Shareholders; (4) whether Davis Lee, as an officer of AlaTrade and Ala Trade's sole director who appointed the Trustee, knew or should have known about the prohibited transaction or the Trustee's breaches of fiduciary duty; and (5) the amount of losses suffered by the Plan and its participants as a result of Defendants' ERISA violations. Proof on each of these issues will be proof for the entire Class because the claims center on Defendants' fiduciary obligations to the Plan and on prohibited transactions involving the Plan, with relief inuring to the Plan. The Settlement Class satisfies typicality because Plaintiffs assert a single representative action on behalf of the Plan arising from a single transaction involving

[5] Plaintiffs' Motion for Preliminary Approval stated the class consisted of at least 2,000 members. That assumption was based on the Plan's Form 5500s and before Plaintiffs had access to Plan data. Based on information subsequently provided by the Company, the Settlement Class consists of just over 1,000 members. Joinder of over 1,000 is also "impracticable" and well over the 40 members that courts typically find adequate to meet he numerosity requirement of Fed. R. Civ. P. 23(a)(1).

the Plan's AlaTrade stock, and seek to recover, for the Plan's benefit, all of the Plan's overpayment losses and other relief on behalf of the Plan as a whole. Finally, Plaintiffs are adequate because they have been engaged in the litigation and have no conflicts with the class. The requirements of Rule 23(b)(1)(A) and (B) are met because prosecuting separate actions would create a risk of inconsistent adjudications, and an individual adjudication would apply to the Plan as a whole.

VI. CONCLUSION

For the foregoing reasons, the Settlement Agreement should be finally approved. Plaintiffs respectfully ask the Court to: (1) grant final approval of the Settlement; (2) find that the Class Notice satisfied the requirements of due process and Rule 23; (3) find the Settlement to be fair, reasonable and adequate; (4) dismiss on the merits and with prejudice all claims asserted against Defendants; (5) retain jurisdiction of all matters relating to the interpretation, administration, implementation, effectuation, and enforcement of the Settlement Agreement; (6) approve the awards of Plaintiffs' Counsel's Attorneys' Fees in the amount of $675,000 and Costs and Expenses in the amount of $39,534.88 as requested in their separately filed motion for attorneys' fees and expenses; and (7) approve the settlement administration expenses necessary to effectuate the Settlement.

DATED: September 11, 2026 Respectfully submitted

/s/ David L. Selby

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CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of September, 2026, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system. Accordingly, the foregoing is available for viewing and downloading from the ECF System.

/s/ David L. Selby
David L. Selby

FILED
2026 Sep-11 PM 04:39
U.S. DISTRICT COURT
N.D. OF ALABAMA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
MIDDLE DIVISION

CHERYL HAYNES, and MARCELLUS GARNER, individually, on behalf of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan, and on behalf of a class of all other persons similarly situated, **Plaintiffs,** **v.** **STEPHEN C. JAMES, as trustee of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Trust, ALATRADE FOODS HOLDINGS, INC., ALATRADE FOODS, INC., DAVIS LEE, BETH LEE, and BETH LEE as trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust,** **Defendants.**	**Case No. 5:26-cv-00664-HDM** **Class Action**

DECLARATION OF GREGORY Y. PORTER IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF SETTLEMENT AND CERTIFICATION OF SETTLEMENT CLASS AND PLAINTIFFS' MOTION FOR ATTORNEYS' FEES, LITIGATION EXPENSE AND COST REIMBURSEMENT, AND SETTLEMENT ADMINISTRATION EXPENSES

I, Gregory Y. Porter, declare as follows:

1. I make this declaration in support of Plaintiffs' Motion for Final Approval of Settlement and Certification of Settlement Class and Plaintiffs' Motion

for Attorneys' Fees, Litigation Expense and Cost Reimbursement, and Settlement Administration Expenses.

2. I am a member in good standing of the Bar of the Commonwealth of Virginia, the Bar of New York State, and the Bar of the District of Columbia. I am admitted to practice before this Court *pro hac vice*, and am a partner at Bailey & Glasser, LLP, which is counsel for Plaintiffs in this matter.

3. All the facts stated herein are true and correct within my personal knowledge, and if called as a witness, I could and would testify competently to the facts stated herein.

4. I am more than 18 years of age, am capable of making this declaration, and have personal knowledge of the following.

5. I, along with other Bailey & Glasser attorneys, have been actively involved in all stages of this lawsuit to date, including but not limited to completing and exhausting the administrative review requirements, investigating and preparing the Complaint, reviewing documents provided by Defendants, engaging an expert in private company valuations who prepared a preliminary analysis for this case, and participating in a mediation process and negotiating the settlement that came out of it.

6. Though the parties reached a settlement in principle at a relatively early stage of the case (prior to the filing of the Complaint), the parties still engaged in

informal discovery that required Bailey & Glasser attorneys to review a number of core documents in the case, including the business appraisal relied on by the Trustee in approving the ESOP Transaction as well as the closing binder for the ESOP Transaction. Plaintiffs submitted a formal claim for benefits and an appeal challenging the ESOP Transaction. In response to the formal claim, the Claims Fiduciary compiled an administrative record exceeding 1,000 pages of documents, which was produced to Plaintiffs. The administrative record included core transaction documents and analyses relating to the ESOP Transaction, including the closing binder and the fairness opinion relied upon by the Trustee. The Claims Fiduciary issued written decisions at both the claim and appeal stage denying Plaintiffs' claims. The claims exhaustion process lasted 12 months. After denial, Plaintiffs received additional documents including material relating to the selection of the ESOP trustee, corporate resolutions approving the engagement of the trustee, the valuation report prepared for the ESOP trustee in connection with the transaction, and a summary of the negotiations between the sellers and trustee in connection with the ESOP transaction.

7. Class Counsel also retained a valuation expert who provided a preliminary analysis to Class Counsel on his opinion of the fair market value of the AlaTrade stock purchase by the ESOP, estimating that the ESOP overpaid by approximately $32.8 million.

8. The Parties held a full-day mediation with JAMS mediator Maxine Aaronson on October 21, 2025. In advance of the mediation, the Parties submitted statements to the mediator laying out their positions using information obtained during the claims exhaustion process. At the mediation, the Parties reached a settlement in principle. The Parties executed the Settlement Agreement on April 21, 2026.

9. Subsequent to the mediation, attorneys at Bailey & Glasser have: negotiated with Defendants the terms of Settlement and drafted the papers associated with Plaintiffs' unopposed motion and incorporated memorandum of law for preliminary approval of settlement; prepared the class notice and other documents to obtain preliminary approval of the settlement; invited bids for settlement administrator and retained RG/2 following review of its experience handling class action settlements, including ERISA settlements; worked with RG/2 to create a settlement website for Class Members who wished to obtain additional information about the Settlement; and prepared the present motions and supporting papers.

10. I have worked on ERISA class actions since 1998. I have served as lead or co-lead counsel for plaintiffs in many important ERISA cases, as described below.

11. I have direct experience in lawsuits under ERISA challenging ERISA violations and Employee Stock Ownership Plan (ESOP) transactions. *See Randall v. GreatBanc Trust Co*., 22-cv-02354 (D. Minn.) ($84 million settlement); *Coleman*

v. Brozen et al., No. 3:20-1358 (N.D. Tex. 2025) ($12.75 million settlement allocated to Class); *Bonds v. Heeter*, No. 2:23-cv-12045 (E.D. Mich.) ($1.8 million settlement); *Lysengen v. Argent Tr. Co.*, No. 1:20-01177 (C.D. Ill. 2025) ($4 million settlement); *Placht v. Argent Trust Company*, No. 21-cv-5783 (N.D. Ill. 2025) ($5.9 million settlement); *Henry v. Wilmington Trust, N.A. et al.*, No. 19-1925 (D. Del. 2025) ($8 million settlement); *Brundle v. Wilmington Trust N.A.*, 241 F. Supp. 3d 610 (E.D. Va. 2017) ($29.7 million trial judgment); *Allen v. GreatBanc Trust Co.*, 835 F.3d 670 (7th Cir. 2016) (reversing trial court ruling on motion to dismiss in an ESOP class action; lawsuit settled for $2.3 million); *Jessop v. Larsen*, No. 14-cv-00916 (D. Utah) ($19.8 million settlement secured for ESOP plan participants in 2017); *Swain v. Wilmington Trust, N.A.*, No. 17-071 (D. Del.) ($5 million settlement); *Casey v. Reliance Trust Co.*, 18-cv-00424 (E.D. Tex.) ($6.25 million settlement for ESOP plan participants); *Choate v. Wilmington Trust, N.A.*, 17-cv-250 (D. Del.) ($19.5 million settlement); *Blackwell v. Bankers Trust Co. of South Dakota*, No. 18-cv-141 (S.D. Miss.) ($5 million settlement); *Fink v. Wilmington Trust, N.A.*, No. 19-cv-1193 (D. Del.) ($5.5 million settlement); *Godfrey v. GreatBanc Trust Co.*, No. 18-cv-7918 (N.D. Ill.) ($16.5 million settlement); *Ahrendsen v. Prudent Fiduciary Services*, 21-cv-2157 (N.D. Ill.) ($8.7 million settlement); and *Nistra v. Reliance Trust Co.*, No. 16 C 4773 (N.D. Ill.) ($13.36 million settlement). In December of 2016, I led a team of lawyers in an ERISA case

that resulted in a $30 million judgment. *Brundle*, 241 F. Supp. 3d 610. The Fourth Circuit affirmed the judgment in all respects. *See Brundle v. Wilmington Trust, N.A.*, 919 F.3d 763 (4th Cir. 2019). I argued the appeal for Plaintiffs-Appellees. Bailey & Glasser currently represents plaintiffs in several other ESOP lawsuits.

12. I have been recognized by Chambers and Partners as being in the top band, "Band 1" for ERISA Litigation: Mainly Plaintiffs. Including myself, only six attorneys achieved that distinction, the highest available. Chambers rankings are based on factors including technical legal ability, professional conduct, client service, diligence, and commitment.

13. Beyond ESOP cases specifically, I have direct experience in lawsuits under ERISA involving complex financial products and services, and fiduciary decision making about investments, including the following: *Diebold v. Northern Trust*, No. 09-1934 (N.D. Ill.) ($34 million cash settlement in 2015); *Anderson v. Principal Life Ins. Co.*, No. 15-0119 (S.D. Iowa) ($3 million cash and $8.5 million in prospective relief in 2015); *Glass Dimensions, Inc. v. State Street Bank & Trust Co.*, No. 10-10588 (D. Mass.) ($10 million cash settlement in 2014); *In re CMS Energy ERISA Litig.*, No. 02-CV-72834 (E.D. Mich.) ($28 million recovered); *Sherrill v. Federal-Mogul Corp. Retirement Programs Committee*, No. 04-CV-72949 (E.D. Mich.) ($14 million recovered); *Bilewicz v. FMR LLC*, No. 13-10636 (D. Mass.) ($12 million cash and substantial prospective relief in 2014); *Figas v.*

Wells Fargo, No. 08-04546 (D. Minn.) ($17.5 million settlement in 2011). All of the cases listed above were about retirement plan fiduciaries making imprudent investment decisions. The *Northern Trust* and *Glass Dimensions* cases involved complex securities lending transactions involving hundreds of retirement plans. In those cases, I was the chief architect of the complaints, led the expert discovery for the plaintiffs, and successfully argued several key motions.

14. I also have represented defendants in complex ERISA cases. I was part of the defense trial team in an ERISA class action against Prudential Life Insurance Company, which resulted in a verdict for the defendants. *See Dupree v. The Prudential Ins. Co. of Am.*, 2007 WL2263892 (S.D. Fla. Aug. 7, 2007). In addition, I represented defendants in several of the earliest cases involving imprudent investments in employer stock, including *Koch v. Dwyer*, No. 98-5519 (S.D.N.Y.); *Tittle v. Enron*, No. 01-3913 (S.D. Tex.); and *Rankin v. Rots*, No. 02-CV-71045 (E.D. Mich.).

15. Ryan T. Jenny is a partner at Bailey & Glasser who joined the firm in 2015 after more than fifteen years representing ERISA defendants while at large corporate firms in the District of Columbia and New York. Mr. Jenny has represented clients in many fiduciary duty actions involving employee benefit plan investments in employer stock, such as *Brundle v. Wilmington Trust N.A.*, 241 F. Supp. 3d 610 (E.D. Va. 2017) ($29.7 million trial judgment); *Allen v. GreatBanc*

Trust Co., 835 F.3d 670 (7th Cir. 2016) (reversing trial court ruling on motion to dismiss in an ESOP class action; lawsuit settled for $2.3 million); *Swain v. Wilmington Trust, N.A.*, No. 17-071 (D. Del.) ($5 million settlement); *Casey v. Reliance Trust Co.*, 18-cv-00424 (E.D. Tex.) ($6.25 million settlement for ESOP plan participants); *Choate v. Wilmington Trust, N.A.*, 17-cv-250 (D. Del.) ($19.5 million settlement); *Blackwell v. Bankers Trust Co. of South Dakota*, No. 18-cv-141 (S.D. Miss.) ($5 million settlement); *Fink v. Wilmington Trust, N.A.*, No. 19-cv-1193 (D. Del.) ($5.5 million settlement); *Nistra v. Reliance Trust Co.*, No. 16 C 4773 (N.D. Ill.) ($13.36 million settlement); *Godfrey v. GreatBanc Trust Co.*, 18-cv-7918 (N.D. Ill.) ($16.5 million settlement); *Ahrendsen v. Prudent Fiduciary Services*, 21-cv-2157 (N.D. Ill.) ($8.7 million settlement); *Crowley v. Corning, Inc.*, 02- CV-6172 (W.D.N.Y.); *Coleman v. Brozen et al.*, No. 3:20-1358 (N.D. Tex. 2025) ($12.75 million settlement allocated to Class); *Bonds v. Heeter*, No. 2:23-cv-12045 (E.D. Mich.) ($1.8 million settlement); *Lysengen v. Argent Tr. Co.*, No. 1:20-01177 (C.D. Ill. 2025) ($4 million settlement); *Placht v. Argent Trust Company*, No. 21-cv-5783 (N.D. Ill. 2025) ($5.9 million settlement); *Henry v. Wilmington Trust, N.A. et al.*, No. 19-1925 (D. Del. 2025) ($8 million settlement); *Holtzscher v. Dynegy, Inc.*, No. H-05-3293 (S.D. Tex.); *Crocker v. KV Pharm. Co.*, No. 09-cv-198 (E.D. Mo.); *In re BP p.l.c. ERISA Litig.*, MDL No. 10-md-2185 (S.D. Tex.); and *Knight v. Lavine*, 12-CV-611 (E.D. Va.), as well as in actions involving various other ERISA fee, funding

and fiduciary issues, such as *Alexander-Jones v. Wal-Mart Stores, Inc.*, No. C 10-03005 (N.D. Cal.); *In re Honda of Am. Mfg.*, No. 08-cv-1059 (S.D. Ohio); and *Sara Lee Corp. v. American Bakers Ass'n Ret. Plan*, No. 06-cv-00819 (D.D.C.). Mr. Jenny is a member of the firm's ERISA team and works on all of our ESOP cases.

16. Patrick Muench is a partner with Bailey & Glasser LLP who has specialized in complex litigation since 2009. Mr. Muench has served as counsel on ERISA cases involving breach of fiduciary claims, including *Brundle v. Wilmington Trust N.A.*, 241 F. Supp. 3d 610 (E.D. Va. 2017) ($29.7 million trial judgment); *Allen v. GreatBanc Trust Co.*, 835 F.3d 670 (7th Cir. 2016) (reversing trial court ruling on motion to dismiss in an ESOP class action; lawsuit settled for $2.3 million); *Swain v. Wilmington Trust, N.A.*, No. 17-071 (D. Del.) ($5 million settlement); *Casey v. Reliance Trust Co.*, 18-cv-00424 (E.D. Tex.) ($6.25 million settlement for ESOP plan participants); *Choate v. Wilmington Trust, N.A.*, 17-cv-250 (D. Del.) ($19.5 million settlement); *Blackwell v. Bankers Trust Co. of South Dakota*, No. 18-cv-141 (S.D. Miss.) ($5 million settlement); *Fink v. Wilmington Trust, N.A.*, No. 19-cv-1193 (D. Del.) ($5.5 million settlement); *Nistra v. Reliance Trust Co.*, No. 16 C 4773 (N.D. Ill.) ($13.36 million settlement); *Godfrey v. GreatBanc Trust Co.*, 18-cv-7918 (N.D. Ill.) ($16.5 million settlement); *Ahrendsen v. Prudent Fiduciary Services*, 21-cv-2157 (N.D. Ill.) ($8.7 million settlement); *Coleman v. Brozen et al.*, No. 3:20-1358 (N.D. Tex. 2025) ($12.75 million settlement allocated to Class); *Bonds v.*

Heeter, No. 2:23-cv-12045 (E.D. Mich.) ($1.8 million settlement); *Lysengen v. Argent Tr. Co.*, No. 1:20-01177 (C.D. Ill. 2025) ($4 million settlement); *Placht v. Argent Trust Company*, No. 21-cv-5783 (N.D. Ill. 2025) ($5.9 million settlement); *Henry v. Wilmington Trust, N.A. et al.*, No. 19-1925 (D. Del. 2025) ($8 million settlement).

17. Laura Babiak is an associate with Bailey & Glasser LLP who has represented clients in ERISA matters since joining the firm in 2020. As a member of the firm's ERISA team, Ms. Babiak has served as counsel and worked on all of the firm's ERISA cases.

18. Bailey & Glasser currently represents plaintiffs in several other ESOP lawsuits.

19. Plaintiffs' Counsel believes that the Settlement between the parties is fair and reasonable and in the best interests of the Participants and Settlement Class. Plaintiffs' Counsel's reasons for this belief are set forth in the Memorandums of Law in Support of the Preliminary Approval and Final Approval. In particular, the total Settlement Amount of $4.575 million represents 13.9% of the $32.8 million overpayment estimated by Plaintiffs' valuation expert in a preliminary analysis of the ESOP Transaction. Before subtracting the expenses, fees, and costs listed above, and without factoring in the Cashed-Out Class Members, each of the 1,004 Class Members will receive approximately $872 on average. That amount does not include

the benefits from the $3.7 million reduction in the Seller Note which will increase the value of AlaTrade stock and benefit the active Class Members.

20. In light of the inherent uncertainty, and potential for delay, a settlement of $4,575,000 is a good result for the Class and is greater than recoveries in other ERISA cases. This exceeds the gross average recoveries collected in other ERISA class actions as detailed below.

Case	**Recovery**	**Class Member Average Gross Recovery**
Bilewicz v. FMR Co., Nos. 13-cv-10636 and 14-cv-10035 (D. Mass.)	$12,000,000	$129.73
Dennard v. Transamerica Corp., No. 15-cv-30 (N.D. Iowa)	$3,800,000	$148.55
Figas v. Wells Fargo, No. 08-cv-4546 (D. Minn.)	$17,500,000	$75.99
Gordan v. Mass. Mutual Life Ins., No. 13-cv-30184 (D. Mass.)	$30,900,000	$965.63
Kanawi v. Bechtel Corp., No. 06-cv-5566 (N.D. Cal.)	$18,500,000	$432.92
Krueger v. Ameriprise Fin, No. 11-cv-2781 (D. Minn.)	$27,500,000	$591.91
Leber v. Citigroup 401(k) Plan Inv. Comm., No. 07-cv-9329 (S.D.N.Y.)	$6,900,000	$27.34
Main v. American Airlines, Inc., 16-cv-473 (N.D. Tex.)	$22,000,000	$212.65
Moreno v. Deutsche Bank Am. Holding Corp., No. 15-cv-9936 (S.D.N.Y.)	$14,000,000	$388.02
Nolte v. Cigna Corp., No. 07-cv-2046 (C.D. Ill.)	$35,000,000	$172.87

Case	Recovery	Class Member Average Gross Recovery
Richards-Donald v. Teachers Ins. and Annuity Ass'n of Am., No. 15-cv-8040 (S.D.N.Y.)	$5,000,000	$189.09
Sims v. BB&T Corp ., No. 15-cv-732 (M.D.N.C.)	$24,000,000	$330.43
Urakhchin v. Allianz Asset Mgmt. of Am., LP , No. 15-cv-1614 (C.D. Cal.)	$12,000,000	$2,065.40
Will v. General Dynamics Corp., No. 06-cv-698 (S.D. Ill.)	$15,150,000	$96.62
Velazquez v. Massachusetts Fin. Services Co., No. 17-cv-11249 (D. Mass)	$6,875,000	$2,291.67
Price v. Eaton Vance Corp., 18-cv-12098 (D. Mass)	$3,450,000	$1,326.92
Pease v. Jackson Nat'l Life Ins. Co., No. 17-cv-284 (W.D. Mich.)	$4,500,000	$392.88
Schapker v. Waddell & Reed Fin. Inc., No. 17-cv-2365 (D. Kan.)	$4,875,000	$1,064.41

21. Before commencing mediation and the ensuing settlement negotiations, Plaintiffs' Counsel conducted an investigation and had sufficient information about the nature and extent of the challenged practices, and the merits of the legal claims and factual allegations. The documents Plaintiffs obtained prior to mediation included transaction documents containing the terms of the ESOP Transaction and the business appraisal relied on by the Trustee in approving the ESOP Transaction. As noted, Plaintiffs' Counsel has worked with a valuation expert to obtain a

preliminary assessment of the fair market value of the AlaTrade stock purchased by the ESOP in the ESOP Transaction. Thus, the parties are very knowledgeable about the facts, legal issues, and strengths and weaknesses of their respective cases.

22. The named Plaintiffs, Cheryl Haynes and Marcellus Garner, entered into engagement agreements with Bailey & Glasser in which Plaintiffs agreed to up to a one-third contingency fee, and to reimbursement of expenses in the event that the action was successfully resolved. A contingency fee of one-third is the typical market rate to provide ERISA class action representation. Clients of Bailey & Glasser in other ERISA class action cases sign similar engagement agreements in which they agree for Bailey & Glasser attorneys to advance the costs of the litigation and receive one-third of any monetary recovery and/or judgments.

23. In my experience, the market for experienced and competent lawyers willing to pursue complex ERISA class action litigation is a national one and the rate of one-third of total monetary recovery, plus expenses, is the market rate that Courts have to be reasonable in many other complex ERISA breach of fiduciary duty actions, as stated in Plaintiffs' Memorandum in Support of Motion for Attorneys' Fees, Litigation Expenses and Cost Reimbursement and Settlement Administration Expenses.

24. Bailey & Glasser's depth of experience with ESOP and ERISA claims and class action litigation allowed counsel to pursue the case and negotiate a

settlement that capitalized on the claims' strengths while taking into account the risks of continued litigation.

25. Bailey & Glasser has always been confident in their chances of success in this matter. However, based upon my 25 years of experience in litigating ERISA matters including breach of fiduciary and prohibited transaction matters, ERISA breach of fiduciary class actions involve tremendous risk, require finding and obtaining opinions from expensive, unconflicted, consulting and testifying experts in finance, valuation, fiduciary practices, and related fields, and are extremely hard fought and well defended.

26. Only a small number of plaintiffs' firms have the necessary expertise and are willing to take the risk and devote the resources to litigate complex ERISA fiduciary breach cases. Within this small market of firms, in my experience there is even a smaller amount of law firms that would have the expertise and resources to bring a case such as this one, given the novel and complex allegations and the resources necessary to litigate the case. Bailey & Glasser makes long-term and expensive commitments to cases such as this one in order to ensure its clients receive a full recovery for their claims.

27. The Named Plaintiffs have been actively involved and engaged in the litigation since its inception in May 2024, including by providing documents to

counsel used to draft the Complaint and discussing the mediation with counsel. The Named Plaintiffs have no know conflicts with the Class.

28. As discussed above, because of these stakes and the complexity of the allegations in this Class Action, Bailey & Glasser dedicated substantial resources to this litigation, including approximately 380 hours of attorney time and the retention of a sophisticated expert. It is my opinion that Bailey & Glasser's zealous dedication and the resources it applied to this matter were assessed by Defendants in deciding to settle this matter prior to trial, and/or potential appeals.

29. Attorneys and paralegals at Bailey & Glasser have collectively expended 380 hours litigating this case since its inception. Any individual that billed less than 5 hours was excluded from these totals. The total requested fee of $675,000 represents one-third of the Gross Settlement Amount. The total lodestar as of this date for Bailey & Glasser is $408,080. Thus, the requested fee represents a multiplier of 1.65 lodestar.

30. The below summary of time and expenses was taken from computer-based timekeeping programs, in which Bailey & Glasser maintained their fees and expense records.

31. Bailey & Glasser's fee summaries demonstrate the amount of time spent on this litigation and how Plaintiffs' Counsel's lodestar was calculated.[1] Bailey

[1] Bailey & Glasser also anticipates contributing additional time and effort to this

& Glasser brings similar ERISA and ESOP lawsuits on a nationwide basis; it has litigated in courts within every numbered Circuit. Given the market where Bailey & Glasser litigated the case, and the skills and experience required to litigate, Bailey & Glasser is using the following rates in determining the lodestar:[2]

Name	Position	Hours	Current Hourly Rate	Lodestar
Gregory Porter	Partner	29.3	$1,430	$41,899
Ryan Jenny	Partner	176.5	$1,250	$220,625
Patrick Muench	Partner	56.5	$1,200	$67,800
Laura Babiak	Associate	89.6	$700	$62,720.00
Matt Ford	Associate	7.3	$800	$5,840
David Clinnin	Paralegal	20.9	$440	$9,196.00
Total		**380.1**		**$ 408,080.00**

32. These rates were the customary billing rates for the professionals' level of skill required in complex class actions of this type.

33. Courts have recognized the significant experience that Plaintiffs' Counsel have in complex ERISA class action litigation and approved their customary rates in other cases as being consistent with that national market.

34. As noted above, Bailey & Glasser expected to contribute additional time and resources relating to Plaintiff's motion for final approval, the Fairness

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case, including continuing to oversee settlement administration.

[2] Per *Awwad v. Anthony Vince Nail Spa, Inc.*, 2022 WL 1589295, at *2 (N.D. Ala. Mar. 18, 2022); *Norman v. Hous. Auth. of City of Montgomery*, 836 F.2d 1292, 1302 (11th Cir. 1988), and other decisions in this Circuit, Plaintiffs' Counsel is applying current rates.

Hearing, and subsequent Settlement administration and oversight. Based on my experience supporting and supervising similar settlements, I expect that Bailey & Glasser will expend an additional 30 to 80 hours of professional time after the date of this Declaration.

35. All of the work of Bailey & Glasser has been undertaken on a contingent basis. To date, Bailey & Glasser has not been compensated for any of this work.

36. Because of our experience litigating similar ERISA cases, Bailey & Glasser was able to efficiently and effectively litigate this action. In my professional opinion and based on my personal knowledge of the work that was performed and the requirements of this case and similar cases, all of the time expended on this action by Bailey & Glasser was reasonable and necessary.

37. While a lodestar cross check is not necessary under Eleventh Circuit jurisprudence, a lodestar multiplier of 1,65 is reasonable and, indeed, below reasonable lodestar values for litigation of this type.

38. Bailey & Glasser has incurred $39,534.88 in litigation expenses, the bulk of those expenses were fees for Plaintiffs' expert. All of the expenses were necessary and appropriate for the prosecution of this action, and all are of the type that are customarily incurred in litigation and routinely charged to clients billed by the hour. In Bailey & Glasser's experience, an expert was necessary to prosecute a

complex ESOP lawsuit and provide a preliminary analysis for settlement discussions.

39. The next largest categories of expenses were for the mediator fees, and then court fees and research expenses.

40. In total, expenses by Bailey & Glasser fell into the following categories:

Item	Amount
Expert	$32,362.50
Mediator	$5,750.00
Court Fees	$705.00
Research	$643.06
Shipping/Mailing	$74.32
Total	$39,534.88

41. The Independent Fiduciary's fees and expenses are expected to be approximately $15,000 through the end of the settlement process.

42. The Class Notice that was approved by the Court disclosed the terms of the Settlement and also contained a section on Attorneys' Fees, Costs, and Expenses. Dkt. 4-6. To date, none of the Class Members have objected to the Settlement terms or the proposed fees, or expenses. If any objections are received before the deadline, Class Counsel will address those in a supplemental filing.

I declare, pursuant to 28 U.S.C. § 1746 and under penalty of perjury, that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed in Washington, D.C., this 11th day of September, 2026.

/s/ Gregory Y. Porter

Gregory Y. Porter

FILED
2026 Sep-11 PM 04:39
U.S. DISTRICT COURT
N.D. OF ALABAMA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
MIDDLE DIVISION

CHERYL HAYNES, and MARCELLUS GARNER, individually, on behalf of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan, and on behalf of a class of all other persons similarly situated, **Plaintiffs,** **v.** **STEPHEN C. JAMES, as trustee of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Trust, ALATRADE FOODS HOLDINGS, INC., ALATRADE FOODS, INC., DAVIS LEE, BETH LEE, and BETH LEE as trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust,** **Defendants.**	**Case No. 5:26-cv-00664- HDM** **Class Action**

DECLARATION OF JESSIE MONTAGUE

I, Jessie T. Montage, declare as follows:

1. I am a Senior Project Manager for RG/2 Claims Administration LLC ("RG/2 Claims"), whose address is 30 South 17th Street, Philadelphia, PA 19103. RG/2 Claims is the independent third-party Settlement Administrator appointed by the Court to handle the settlement administration activities in the above-referenced

matter, including, but not limited to, assisting in the development and administration of the notice plan, as set forth in detail in this declaration, and administering the claims process set forth in detail in the Settlement Agreement. This Declaration is based upon my personal knowledge and upon information provided to me by Class Counsel, Defendants' Counsel, my associates, and RG/2 Claims staff members.

2. I am over twenty-one years of age and I am authorized to make this declaration on behalf of RG/2 Claims and myself. I have been actively involved and responsible for handling the administration of the settlement of the above-referenced matter.

3. RG/2 Claims is a full-service class action settlement administrator offering notice, claims processing, allocation, distribution, tax reporting, and class action settlement consulting services. RG/2 Claims' experience includes the provision of notice and administration services for settlements arising from antitrust, data security breach, consumer, civil rights, employment, negligent disclosure, and securities fraud allegations. Since 2000, RG/2 Claims has administered and distributed in excess of $2 billion in class action settlement proceeds.

4. RG/2 Claims was selected by Counsel for Plaintiffs to provide settlement administration services in *Haynes, et al. v. James et al.*, (the "Settlement"). In this capacity, RG/2 Claims was retained to, among other tasks (a) mail the Class Notice to Settlement Class Members; (b) establish and maintain a

Settlement Website and toll-free phone number; (c) respond to questions from Settlement Class Members; (d) establish and maintain a Qualified Settlement Fund (e) receive rollover election forms; (f) calculate proceeds to the Settlement Class Members using the Plan of Allocation; (g) distribute Net Proceeds to the Settlement Class Members according to the Plan of Allocation; and (h) other tasks as directed by Plaintiffs' Counsel or the Court.

5. On or about June 16, 2026, RG/2 Claims RG/2 Claims established the interest-bearing Qualified Settlement Fund account with Huntington Bank an FDIC-Insured bank backed by the full faith and credit of the U.S. Government. On July 8, 2026, $100,000 was paid into the Settlement Fund account.

NOTIFICATION TO THE CLASS

6. On or about July 27, 2026, RG/2 finalized the Court-approved Notice of Proposed Class Action Settlement (hereafter "Class Notice").

7. On or about June 29, 2026, RG/2 was provided a list containing each Settlement Class Member's full names, last known mailing addresses, Social Security numbers, date of birth, and shares allocated from 2021 until 2025 (collectively, "Class List"). The Class List contained data for 1,004 unique individuals.

8. On August 3, 2026, RG/2 caused to be served by First Class U.S. Mail the Class Notice to the 1,004 Settlement Class Members in the Class List. Attached hereto as Exhibit A is a true and correct copy of the Class Notice.

9. Prior to mailing the Class Notice, and in order to provide the best notice practicable and locate the most recent addresses for Settlement Class Members, RG/2 Claims processed the list of 1,004 Settlement Class Members names and addresses through the United States Postal Service's ("USPS") National Change of Address database ("NCOA") and updated the data with corrected information.

10. The Class Notice advised Settlement Class Members of their right to submit an Election Form, object to the Settlement, or do nothing, and the implications of each such action. The Class Notice advised Settlement Class Members of applicable deadlines and other events, including the Final Approval Hearing, and how Settlement Class Members could obtain additional information. The Class Notice also notified the Settlement Class of the maximum amount of fees that Class Counsel could request and that they would have the opportunity to object to the fee request.

11. As of September 9, 2026, 75 Class Notices have been returned by USPS. For the mailings returned with or without a forwarding address, RG/2 Claims performed extensive skip-trace procedures and was able to locate updated addresses for 54 Settlement Class Members. Of the 75 returned Class Notices, 54 Class Notices

were re-mailed to either a newfound address or with forwarding addresses provided by USPS, and 21 Class Notices are currently undeliverable.

WEBSITE, EMAIL ADDRESS, AND TELEPHONE HELPLINE

12. On or about August 3, 2026, RG/2 Claims made available the Settlement Website https://www.alatradeesopsettlement.com, that includes important dates and deadlines. The website includes the following:

a) The "Homepage" contains a summary of the Settlement and advises the Settlement Class Members of their rights under the Settlement. A copy of the Homepage is attached hereto as Exhibit B.

b) The "Court Documents" page contains pdf copies of the Complaint, Settlement Agreement and Release, Motion for Preliminary Approval, Memorandum in Support of Motion for Preliminary Approval, and the Order Granting Preliminary Approval. The Motions for Final Approval and requesting attorneys' fees and expenses will be added to the website when they are filed.

c) The "Notice and Form" page contains pdf copies of the Class Notice and Rollover Election Form. Attached hereto as Exhibit C is a true and correct copy of the Rollover Election Form.

d) The "Contact Us" page contains the contact information of the Settlement Administrator and Class Counsel.

13. An email address is included in the Class Notice for the purpose of allowing Class Members to reach RG/2 to make inquiries regarding the Settlement. The email address to be included in the Class Notice is info@rg2claims.com.

14. RG/2 Claims made available and hosted a toll-free telephone number that is included in the Class Notice for the purpose of allowing the Class Members to call RG/2 Claims and to make inquiries regarding the Settlement. Callers will have the option to speak with a live call center representative during normal business hours or to leave a message and receive a return call during non-business hours. The toll-free telephone number, 1-866-742-4955, is included in the Class Notice.

OBJECTIONS

15. The deadline for Settlement Class Members to submit an objection to the proposed Settlement is October 7, 2026.

16. As of the date of this Declaration, RG/2 has not received or been advised of any objections to the proposed Settlement from Settlement Class Members.

ADMINISTRATION COSTS

17. RG/2 Claims estimates the total costs for services in connection with the administration of this Settlement, including fees incurred and anticipated future costs for completion of the administration, are $20,227.

I declare under penalty of perjury under the law that the foregoing is true and correct. Executed this 10th day of September 2026, in Philadelphia, Pennsylvania.

Jessie Montague

Jessie T. Montague

Exhibit A

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Haynes et al. v. James et al.
Case No. 5:26-cv-00664-HDM (N.D. Ala.)

[FirstName] [LastName] or [Business Name]
[Address]
[City], [State], [Zip]

This is a notice of a proposed class action settlement.

If you were a participant in the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan any time from the Plan's inception to December 31, 2025, this class action lawsuit may affect your rights.

A federal court authorized this notice. This is not a solicitation from a lawyer.
You are not being sued. You do not need to submit a claim form.

- A federal lawsuit alleges that the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan ("the Plan") sponsored by AlaTrade Foods Holdings, Inc. and AlaTrade Foods, Inc. (together "AlaTrade"), was harmed by breaches of fiduciary duty and prohibited transactions in violation of the Employee Retirement Income Security Act ("ERISA"). Plaintiffs filed this lawsuit against (1) AlaTrade; (2) Davis Lee, Beth Lee, and Beth Lee as Trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust (together, "Selling Shareholders"); and (3) Stephen C. James acting in his capacity as the trustee of the ESOP (the "Trustee"), (with AlaTrade and the Selling Shareholders, the "Defendants"), in the U.S. District Court for the Northern District of Alabama (the "Lawsuit"). The Lawsuit claims that Defendants violated ERISA in connection with the Plan's acquisition of AlaTrade stock in June 2021 for $160 million (the "ESOP Transaction"). Specifically, Plaintiffs allege that the Trustee violated two provisions of ERISA—29 U.S.C. § 1104 and 29 U.S.C. § 1106—when he, among other things, approved the Plan's purchase of AlaTrade stock at a price that Plaintiffs allege exceeded fair market value. Plaintiffs allege that all of the remaining Defendants (AlaTrade shareholders who sold their stock to the ESOP) had knowledge of, and benefitted from, these alleged violations of ERISA, and that Davis Lee—as an officer (CEO) of AlaTrade and AlaTrade's sole director violated his own duties under 29 U.S.C. §§ 1104 and 1105. Defendants deny all allegations of wrongdoing, fault, liability, or damage to the Plaintiffs and the Class, and deny they engaged in any wrongdoing or violation of law or breach of fiduciary duties.

- A Settlement has been reached that applies to all claims in this Lawsuit. Nothing in the Settlement is an admission or concession on Defendants part of any fault or liability whatsoever, nor is it an admission on Plaintiffs' part that their claims lacked merit.

- This is a Class Action Settlement. The Class is defined as:

> All participants and beneficiaries of the AlaTrade Food Holdings, Inc. Employee Stock Ownership Plan at any time from its inception until December 31, 2025. Excluded from the Class are the shareholders who sold their stock to the Plan, directly or indirectly, and their immediate families, legal representatives, successors, and assigns of any such excluded persons.

- The Settlement Agreement consists of two forms of relief: (1) cash payments totaling $875,000, and (2) a $3.7 million reduction in the balance of loans to AlaTrade made by certain of the Defendants in connection with the ESOP Transaction, which will increase the value of AlaTrade stock held by Class Members who maintain Plan accounts. The $875,000 in cash will be paid into a Settlement Fund to be allocated to eligible Class Members after all Court-approved deductions, Settlement Administration Expenses (such as distributing this Notice), Class Counsel's attorneys' fees and costs, and other expenses. The Net Proceeds from the Settlement Fund will then be paid to the Class under the Plan of Allocation. The terms of the Settlement are in the Settlement Agreement dated April 21, 2026 (the "Settlement Agreement"), which is available on the Settlement website at www.AlaTradeESOPSettlement.com. The terms are summarized below. This Notice is a summary. In the event of any inconsistency, the Settlement Agreement, and any order of the Court, controls.

- Your rights and the choices available to you—and the applicable deadlines to act—are explained in this notice.

- The Court has yet to decide whether to approve the Settlement. Payments under the Settlement will be made only if the Court finally approves the Settlement, and that final approval is upheld in the event of any appeal.

- A Fairness Hearing will take place on October 28, 2026 at 10:00 A.M. before the Honorable Judge Harold D. Mooty, III, United States District Court for the Northern District of Alabama, located at 660 Gallatin Street, SW, Huntsville, AL 35801, to determine whether to grant final approval of the Settlement and approve (i) the requested attorneys' fees and expenses, and (ii) administrative fees, costs, and expenses. If the Fairness Hearing is rescheduled, or if it is held by video conference or telephone, a notice will be posted on the settlement website at www.AlaTradeESOPSettlement.com.

- Objections to the Settlement, or to (i) the requested attorneys' fees and expenses, or (ii) administrative fees, costs, and expenses, must be filed with the Court and submitted to the Settlement Administrator by U.S. Mail or email by October 7, 2026. More information about the objection process is in Section 9 of this notice.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
Our records indicate you are a Class Member. **If so, you do not need to do anything to receive your share of the Settlement.**	If you have an Active Plan Account, meaning your Plan Account has a positive balance, you will receive your share of the Net Proceeds as a direct deposit into your Plan Account. If you have withdrawn the balance from your Plan Account, you have the option to either (1) receive your share of the Net Proceeds, if any, via check sent by mail or (2) elect a rollover to a qualified plan or individual retirement account (IRA). If you do not elect a rollover by the deadline, you will receive a check.
You can object to the Settlement no later than October 7, 2026.	If you want to object to any part of the Settlement, or to (i) the requested attorneys' fees and expenses, or (ii) administrative fees, costs, and expenses, you must submit your objection and any supporting documents to the Court and Settlement Administrator (identified in Section 9) by **October 7, 2026**.
You can attend a hearing on October 28, 2026 to discuss the fairness of the Settlement.	You may also attend the Fairness Hearing on **October 28, 2026**. If you wish to attend and speak at the hearing, you must provide the Court and Settlement Administrator with notice of your intent to appear by **October 7, 2026.** Please note that you may not be permitted to make an objection to the Settlement if you do not comply with the requirements for making objections.

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BASIC INFORMATION

1. Why did I get this notice?

You are receiving this notice because the Plan's records show you were a participant or beneficiary of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan from the Plan's inception until December 31, 2025 ("Class Period"). Therefore, you are a member of the Settlement Class. This class action lawsuit is known as ***Haynes et al. v. James et al.*, No. 5:26-cv-00664-HDM (N.D. Ala.).** The Honorable Judge Harold D. Mooty, III of the United States District Court for the Northern District of Alabama presides over this case. This notice provides information about the lawsuit, how it may affect you, and your legal rights and options.

2. What is this lawsuit about?

This lawsuit is about whether Defendants breached duties as fiduciaries to the Plan and whether prohibited transactions occurred in violation of ERISA in connection with the ESOP Transaction. Plaintiffs allege that the ESOP's Trustee violated ERISA by, among other things, approving the Plan's purchase of AlaTrade stock at a price that Plaintiffs alleged exceeded fair market value. Plaintiffs allege that all of the remaining Defendants had knowledge of, and benefitted from, these alleged violations of ERISA, and that Davis Lee—as an officer (CEO) of AlaTrade and AlaTrade's sole director—also violated ERISA. You can read Plaintiffs' Complaint at:

www.AlaTradeESOPSettlement.com Defendants deny that they violated any law or duty owed to the Plan or its participants or that the Plan or its participants experienced any losses as a result of their actions.

3. What is a class action and who is involved?

In a class action relating to a retirement plan such as this, one or more people called "Class Representatives" (in this case, Cheryl Haynes and Marcellus Garner, participants in the Plan) sue on behalf of the Plan and other people who have similar claims. These people are collectively called a "class" or "class members." The individuals who sue—and all class members like them—are called the "plaintiffs." The persons and entities they sue are called the "defendants." One case resolves the issues in the lawsuit for all the class members and the Plan.

THIS SETTLEMENT

4. Why is there a settlement?

The Court has not reached a final decision on Plaintiffs' claims. Instead, the Class Representatives and Defendants have agreed to the Settlement. The Settlement is the product of extensive negotiations between the Class Representatives, Defendants, and their counsel, including a mediation facilitated by a neutral third-party. The parties considered the uncertainty, risks, and costs of litigation and concluded that it is desirable to settle on the terms and conditions set forth in the Settlement. The Class Representatives and Class Counsel believe that the Settlement is best for the Class. Nothing in the Settlement is an admission or concession by Defendants of any fault or liability whatsoever. They have entered into the Settlement to avoid the uncertainty, expense, and burden of additional litigation.

5. What does the Settlement provide?

The Settlement Agreement consists of two forms of monetary relief: (1) cash payments totaling $875,000, and (2) a $3.7 million reduction in the balance of loans to AlaTrade made by certain of the Defendants, which will increase the value of AlaTrade stock held by Class Members who maintain Plan accounts. This $4.575 million recovery is referred to as the "Gross Settlement Amount" and is described in more detail below:

Cash Payments. Under the Settlement, AlaTrade or its insurer have agreed to make cash payments totaling $875,000 to an account maintained solely for purposes of the Settlement. ("Cash Payments"). The Cash

Payments, plus any accrued interest, are referred to as the "Gross Settlement Fund." The portion of the Gross Settlement Fund distributable to Class Members is the "Net Proceeds." The Net Proceeds is the Gross Settlement Fund minus deductions for (a) taxes owed on the Cash Payments; (b) Administrative Expenses, which include amounts required to administer the Settlement account, issue notice of the Settlement and communicate with Class Members, and make payments to the Class Members; (c) 50% of the fee of the Independent Fiduciary retained to opine on whether the Settlement is in the best interests of the Plan and its participants; and (d) Class Counsel's Court-approved attorneys' fees and expenses. The Net Proceeds will be distributed to Class Members in accordance with the Plan of Allocation approved by the Court, which is set forth as an exhibit to the Settlement Agreement and available on the website established by the Settlement Administrator as indicated below.

Seller Note Reduction. In addition to the Cash Payments, the Settlement also requires certain of the Defendants who hold promissory notes issued by AlaTrade in connection with the ESOP Transaction to reduce the balance of those notes by a total of $3.7 million ("Seller Note Reduction"). Because these promissory notes are a component of AlaTrade's debt, and because a company's debt reduces the equity value of its stock, these promissory notes serve to lower the value of AlaTrade stock. Accordingly, the $3.7 million Seller Note Reduction will reduce AlaTrade's debt and thereby increase the value of its stock. The Seller Note Reduction will benefit all Class Members who hold AlaTrade stock in their Plan accounts by increasing the value of that stock.

All Class Members will fully release Defendants and other related entities from the Released Claims, as defined in the Settlement Agreement. The Released Claims include any claims against any of the Defendants and their related entities with respect to the Plan that were asserted in the lawsuit against Defendants or that could have been asserted against them. In addition, the Released Claims also include certain other claims as set forth in the Settlement Agreement.

This is *only a summary* of terms of the Settlement, not a binding description of the award or releases. The full language of the Settlement Agreement is available at www. AlaTradeESOPSettlement.com.

6. How much money will I receive from the Settlement?

A Class Member's share of the Net Proceeds will be based on (1) the number of vested shares of AlaTrade stock allocated to their ESOP account as of December 31, 2025, plus the number of vested shares of AlaTrade stock for which the Class Member previously received a distribution, divided by (2) the sum total of all vested shares of AlaTrade stock of all Class Members as of December 31, 2025 plus the sum total of all vested shares redeemed by AlaTrade prior to that date. That ratio shall constitute the Class Member's "Entitlement Percentage." The Settlement Class Member's settlement allocation shall be calculated by multiplying the total value of the Net Proceeds by his or her Entitlement Percentage. Because Class Members who have separated from AlaTrade and already cashed out their vested AlaTrade shares will not benefit from the Seller Note Reduction (discussed below)—which, by decreasing AlaTrade's debt, will increase the value of all existing AlaTrade shares—these Class Members will receive an additional payment for their cashed-out shares commensurate with the approximate increase in AlaTrade's stock price from the Seller Note Reduction.

For Participants who have already left the Plan, if the dollar amount of the Settlement payment to a Former Participant as calculated by the Settlement Administrator is less than $10.00, then that Former Participant will not receive a distribution, and their share shall be reallocated among the other Class Members. The Full Plan of Allocation can be found at www. AlaTradeESOPSettlement.com**.**

7. How can I receive my distribution from the Settlement?

According to our records, <u>you are a Class Member</u>. If your Plan Account still has money in it, your distribution will be paid directly into your Plan Account. If your Plan Account has been terminated or no longer has money in it (a "Former Participant"), you have the option to receive your distribution by Check or as a distribution into a qualified retirement account, such as an IRA, by completing and submitting the Rollover Election Form available at **www. AlaTradeESOPSettlement.com by October 28, 2026. If you do not elect a rollover by the deadline, you will receive a check**

YOUR RIGHTS AND OPTIONS

8. Can I get out of the Settlement?

In the event the Court enters a final order approving the Settlement, you will be automatically included if you are a Class Member. This Settlement will resolve the legal claims in the lawsuit for all Class Members against Defendants. You do not have the option to exclude yourself from the Settlement if the Court approves it.

9. How do I tell the Court if I don't approve of the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. To object, you must send your objection to the Clerk, U.S. District Court for the Northern District of Alabama, 660 Gallatin Street, SW, Huntsville, AL 35801, and to the Parties at the following addresses:

<u>To Class Counsel</u>:

Gregory Y. Porter
Bailey & Glasser, LLP
1055 Thomas Jefferson Street, NW
Suite 540
Washington, DC 20007

<u>To Defendants' Counsel</u>:

Andrew Salek-Raham
Groom Law Group, Chartered
1701 Pennsylvania Avenue, NW
Washington, D.C. 20006

<u>To Settlement Administrator:</u>

RG/2 Claims Administration LLC
P.O. Box 59479
Philadelphia, PA 19102-9479

For an objection to be considered by the Court, it must be postmarked or sent via email, as applicable, by **October 7, 2026**. Objections filed after that date will not be considered. To be valid, the objection must set forth, in clear and concise terms: (a) the case name and number (*Haynes et al. v. James et al.*, Case No. 5:26-cv-00664-HDM); (b) the name, address, and telephone number of the objector objecting and, if represented by counsel, of his or her counsel; (c) the complete basis for objection; (d) a statement of whether the objector

intends to appear at the Fairness Hearing, either with or without counsel; (e) a statement of whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (f) copies of all supporting documents.

10. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on **October 28, 2026** at **10:00 A.M.** before the Honorable Judge Harold D. Mooty, III, United States District Court for the Northern District of Alabama, located at 660 Gallatin Street, SW, Huntsville, AL 35801, to determine whether to grant final approval of the Settlement and approve (i) the requested attorneys' fees and expenses and (ii) administrative fees, costs, and expenses. If the Fairness Hearing is rescheduled, or if it is held by video conference or telephone, a notice will be posted on the Settlement Website at www.AlaTradeESOPSettlement.com.

11. Do I have to attend the Fairness Hearing?

No, but you are welcome to come at your own expense. You may also make an appearance through an attorney. If you send an objection, you do not have to come to the Court to talk about it. If you send your written objection on time (described in Section 9), the Court will consider it.

12. May I speak at the Fairness Hearing?

Yes. If you wish to attend and speak at the hearing, you must comply with the requirements for making an objection (described in Section 9) to the Settlement and identify in your objection that you intend to appear and wish to speak at the Fairness Hearing.

13. What happens if I do nothing at all?

If you are a Class Member as described on page 1, you do not have to do anything. Your distribution will be paid either directly into your Plan account (Current Participants) or by check or rollover into a qualified retirement account (Former Participants).

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the law firm of Bailey & Glasser LLP as Class Counsel for the purposes of this Settlement, which means that they represent all of the Class Members in connection with this Settlement. They are experienced in handling class action lawsuits. More information about this law firm, its practices, and its lawyers' experience is available at www.baileyglasser.com.

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel are working on your behalf. You can hire your own lawyer to appear in court for you, if you want, but you will have to pay that lawyer yourself.

16. How will the lawyers be paid?

Class Counsel will ask the Court to award attorneys' fees and expenses for their work in the case. The amount of any fees requested will not exceed 15% of the Gross Settlement Amount. Any such payments approved by the Court will be deducted from the Gross Settlement Fund. A formal application for (i) attorneys' fees and expenses and (ii) administrative fees, costs, and expenses will be filed with the Court no later than 45 days before the Fairness Hearing and will be posted on the settlement website.

GETTING MORE INFORMATION

17. Are more details available?

For more information, visit the website www.AlaTradeESOPSettlement.com where you can find the Complaint and other filings related to this Settlement and the Lawsuit. You may also contact the Settlement Administrator at 1-866-742-4955 or by email at info@rg2claims.com, Class Counsel by emailing gporter@baileyglasser.com, or writing to Class Counsel as follows:

BAILEY & GLASSER, LLP
Attn: Gregory Y. Porter
1055 Thomas Jefferson Street NW Suite 540
Washington, D.C. 20007

DO NOT CONTACT THE COURT OR DEFENDANTS' COUNSEL FOR INFORMATION

Exhibit B

Haynes et al. v. James et al.

United States District Court for the Norther District of Alabama

Case No. 5:26-cv-00664- HDM

If you were a participant in the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan any time from the Plan's inception to December 31, 2025, a class action lawsuit may affect your rights.

WHAT IS THIS LAWSUIT ABOUT?

A federal lawsuit alleges that the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan ("the Plan") sponsored by AlaTrade Foods Holdings, Inc. and AlaTrade Foods, Inc. (together "AlaTrade"), was harmed by breaches of fiduciary duty and prohibited transactions in violation of the Employee Retirement Income Security Act ("ERISA"). Plaintiffs filed this lawsuit against (1) AlaTrade; (2) Davis Lee, Beth Lee, and Beth Lee as Trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust (together, "Selling Shareholders"); and (3) Stephen C. James acting in his capacity as the trustee of the ESOP (the "Trustee"), (with AlaTrade and the Selling Shareholders, the "Defendants"), in the U.S. District Court for the Northern District of Alabama (the "Lawsuit"). The Lawsuit claims that Defendants violated ERISA in connection with the Plan's acquisition of AlaTrade stock in June 2021 for $160 million (the "ESOP Transaction"). Specifically, Plaintiffs allege that the Trustee violated two provisions of ERISA—29 U.S.C. § 1104 and 29 U.S.C. § 1106—when he, among other things, approved the Plan's purchase of AlaTrade stock at a price that Plaintiffs allege exceeded fair market value. Plaintiffs allege that all of the remaining Defendants (AlaTrade shareholders who sold their stock to the ESOP) had knowledge of, and benefitted from, these alleged violations of ERISA, and that Davis Lee—as an officer (CEO) of AlaTrade and AlaTrade's sole director violated his own duties under 29 U.S.C. §§ 1104 and 1105. Defendants deny all allegations of

wrongdoing, fault, liability, or damage to the Plaintiffs and the Class, and deny they engaged in any wrongdoing or violation of law or breach of fiduciary duties,

A Settlement has been reached that applies to all claims in this Lawsuit. Nothing in the Settlement is an admission or concession on Defendants part of any fault or liability whatsoever, nor is it an admission on Plaintiffs' part that their claims lacked merit.

WHO'S INCLUDED?

All participants and beneficiaries of the AlaTrade Food Holdings, Inc. Employee Stock Ownership Plan at any time from its inception until December 31, 2025. Excluded from the Class are the shareholders who sold their stock to the Plan, directly or indirectly, and their immediate families, legal representatives, successors, and assigns of any such excluded persons.

WHAT DOES THE SETTLEMENT PROVIDE?

The Settlement Agreement consists of two forms of relief: (1) cash payments totaling $875,000, and (2) a $3.7 million reduction in the balance of loans to AlaTrade made by certain of the Defendants in connection with the ESOP Transaction, which will increase the value of AlaTrade stock held by Class Members who maintain Plan accounts. The $875,000 in cash will be paid into a Settlement Fund to be allocated to eligible Class Members after all Court-approved deductions, Settlement Administration Expenses (such as distributing this Notice), Class Counsel's attorneys' fees and costs, and other expenses. The Net Proceeds from the Settlement Fund will then be paid to the Class under the Plan of Allocation. The terms of the Settlement are in the Settlement Agreement, which is available here. (pdf/Settlement_Agreement.pdf)

IF YOU ARE A CLASS MEMBER, YOU HAVE THE FOLLOWING OPTIONS:

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
If you are a Class Member, you do not need to do anything to receive your share of the Settlement.	If you have an Active Plan Account, meaning your Plan Account has a positive balance, you will receive your share of the Net Proceeds as a direct deposit into your Plan Account. If you have withdrawn the balance from your Plan Account, you have the option to either (1) receive your share of the Net Proceeds, if any, via check sent by mail or (2) elect a rollover to a qualified plan or individual retirement account (IRA) by October 28, 2026. If you do not elect a rollover by the deadline, you will receive a check.
You can object to the Settlement no later than October 7, 2026.	If you want to object to any part of the Settlement, or to (i) the requested attorneys' fees and expenses, or (ii) administrative fees, costs, and expenses, you must submit your objection and any supporting documents to the Court and Settlement Administrator by **October 7, 2026.**
You can attend a hearing on October 28, 2026 to discuss the fairness of the Settlement.	You may also attend the Fairness Hearing on **October 28, 2026.** If you wish to attend and speak at the hearing, you must provide the Court and Settlement Administrator with notice of your intent to appear by **October 7, 2026.** Please note that you may not be permitted to make an objection to the Settlement if you do not comply with the requirements for making objections.

Your rights and the choices available to you—and the applicable deadlines to act—are explained in the Notice of Proposed Class Action Settlement (pdf/AlaTrade_Class_Notice.pdf)

The Court has yet to decide whether to approve the Settlement. Payments under the Settlement will be made only if the Court finally approves the Settlement, and that final approval is upheld in the event of any appeal.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

A Fairness Hearing will take place on October 28, 2026 at 10:00 A.M. before the Honorable Judge Harold D. Mooty, III, United States District Court for the Northern District of Alabama, located at 660 Gallatin Street, SW, Huntsville, AL 35801, to determine whether to grant final approval of the Settlement and approve (i) the requested attorneys' fees and expenses, and (ii) administrative fees, costs, and expenses. If the Fairness Hearing is rescheduled, or if it is held by video conference or telephone, please check this website for updates.

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Exhibit C

ROLLOVER ELECTION FORM ***Haynes et al. v. James et al.*** **Case No. 5:26-cv-00664-HNJ (N.D. Ala.)**	
I. CONTACT INFORMATION	
First Name	
Last Name	
Street Address	
City	
State	
Zip code	
Email address	
II. ACCOUNT INFORMATION	
Account Type	
Account Name	
Account Number	
ACH Routing	
Bank Name	
III. CERTIFICATION	
By creating a signature below using a mouse or other means, you declare under penalty of perjury under the laws of the United States of America that you are the person listed above and that your electronic signature is the legal equivalent of your manual/handwritten signature for this document and you agree to receive your Settlement distribution as a payment into the qualified retirement account listed above.	
Signature	
IV. SUBMITTING THE FORM	
Complete and return this Rollover Election Form to the Settlement Administrator on or before October 28, 2026. You can submit the form by mail to RG/2 Claims Administration, P.O. Box 59479, Philadelphia, PA 19102-9479 or by email to info@rg2claims.com.	

FILED
2026 Sep-11 PM 04:39
U.S. DISTRICT COURT
N.D. OF ALABAMA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
MIDDLE DIVISION

CHERYL HAYNES, and MARCELLUS GARNER, individually, on behalf of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Plan, and on behalf of a class of all other persons similarly situated, **Plaintiffs,** **v.** **STEPHEN C. JAMES, as trustee of the AlaTrade Foods Holdings, Inc. Employee Stock Ownership Trust, ALATRADE FOODS HOLDINGS, INC., ALATRADE FOODS, INC., DAVIS LEE, BETH LEE, and BETH LEE as trustee of the Davis Lee 2017 Irrevocable Trustee Family Trust,** **Defendants.**	**Case No. 5:26-cv-00664-HDM** **Class Action**

[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

Plaintiffs Cheryl Haynes and Marcellus Garner ("Plaintiffs" or "Class Representatives") submitted a Motion for Final Approval of the Settlement ("Final Approval Motion") set forth in the Settlement Agreement agreed to on April 21, 2026 (the "Settlement Agreement"). Plaintiffs' Counsel also has submitted to the

Court their Motion for an Order Awarding Attorneys' Fees, Litigation Expense and Cost Reimbursement and Settlement Administration Expenses ("Fees and Expenses Motion").

On June 9, 2026, this Court granted preliminary approval to the proposed class action settlement set forth in the Settlement Agreement. (Dkt. 27). The Court also certified a Settlement Class, approved the procedure for giving Class Notice to the members of the Settlement Class, and set a Final Approval Hearing to take place on October 28, 2026. The Court finds that due and adequate notice was given to the Settlement Class as required in the Court's Order.

The Court has reviewed the papers filed in support of the Final Approval Motion, including the Settlement Agreement and exhibits thereto, the Fees and Expenses Motion, memoranda and arguments submitted on behalf of the Class, and supporting affidavits.

On October 28, 2026 this Court held a duly noticed Final Approval Hearing to consider: (1) whether the terms and conditions of the Settlement Agreement are fair, reasonable and adequate; (2) whether a judgment should be entered dismissing the Class Members' Released Claims on the merits and with prejudice; and (3) whether and in what amount to award attorneys' fees and expenses to Plaintiffs' Counsel.

Based on the papers filed with the Court and the presentations made to the Court by the Parties and by other interested persons at the Final Approval Hearing, it appears to the Court that the Settlement Agreement is fair, adequate, and reasonable, and in the best interests of the Settlement Class.

IT IS HEREBY ORDERED that:

1. **Settlement.** Plaintiffs, on behalf of themselves and all members of the Settlement Class, and Defendants, have negotiated a potential settlement to this action to avoid the expense, uncertainties, and burden of protracted litigation, and to resolve the Released Claims (as defined in the Settlement Agreement) against Defendants and the other Released Parties (as defined in the Settlement Agreement).

2. **Definitions.** This Order incorporates by reference the definitions in the Settlement Agreement, and all capitalized terms used, but not defined herein, shall have the same meanings as in the Settlement Agreement.

3. **Jurisdiction.** This Court has jurisdiction over the subject matter of this action and over all parties to this action, including all Class Members, and venue in this Court is proper.

4. **Class.** For settlement purposes only, the Court hereby certifies a non opt-out Rule 23 Settlement Class under Fed. R. Civ. P. 23(a), 23(b)(1), and 23(g), defined as follows:

> "All participants and beneficiaries of the AlaTrade Food Holdings, Inc. Employee Stock Ownership Plan at any time from its inception until December 31, 2025. Excluded from the Class are the shareholders who sold their stock to the Plan, directly or indirectly, and their immediate families, legal representatives, successors, and assigns of any such excluded persons."

Solely for settlement purposes, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are so numerous that their joinder in the Action is impracticable; (b) there are questions of law and fact common to the members of the Settlement Class; (c) Plaintiffs' claims are typical of the claims of the Settlement Class; and (d) Plaintiffs and Class Counsel have fairly and adequately represented and protected the interests of the Settlement Class. The Court further finds that, solely for settlement purposes, the requirements of Rule 23(b)(1) have been met. Prosecution of separate actions by individual members of the Settlement Class would create a risk of inconsistent or varying adjudications as to individual Settlement Class Members that would establish incompatible standards of conduct for the parties opposing the claims. And adjudications with respect to individual Class Members would, as a practical matter, be dispositive of the interests of the other members not parties to the individual

adjudications or would substantially impair or impede their ability to protect their interests.

5. **Designation of Class Representatives and Class Counsel.** The Court confirms the prior appointments of Plaintiffs Cheryl Haynes and Marcellus Garner as Class Representatives, and the law firm of Bailey & Glasser LLP as Class Counsel.

6. **Settlement Approval.** Pursuant to Rule 23(e), this Court hereby approves the Settlement and finds that it is, in all respects, fair, reasonable and adequate to the Parties. The Court further finds that the Settlement is the result of good faith arm's-length negotiations between experienced counsel representing the interests of the Parties. Accordingly, the Settlement is hereby finally approved in all respects, there is no just reason for delay, and the Parties are hereby directed to perform its terms.

7. **Dismissal with Prejudice.** Final Judgment is hereby entered with respect to the Released Claims of all Class Members, and the Released Claims are hereby dismissed in their entirety with prejudice and without costs, and the case shall be closed.

8. **Releases.** The releases as set forth in section 6 of the Settlement Agreement are expressly incorporated herein in all respects and made effective by operation of this Judgment. The Court hereby approves the release provisions as

contained and incorporated in section 6 of the Settlement Agreement, including but not limited to the definitions of Released Claims and Released Parties. The Class Members and the Plan shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims against the Released Parties.

9. **Approval of Class Notice.** The form and means of disseminating the Class Notice as provided for in the Order Preliminarily Approving Settlement and Providing for Notice constituted the best notice practicable under the circumstances, including individual notice to all Class Members who could be identified through reasonable effort. Said Notice fully satisfied the requirements of Rule 23 and complied with all laws, including, but not limited to, the Due Process Clause of the United States Constitution.

10. **Attorneys' Fees and Expenses.** Plaintiffs and Plaintiffs' Counsel have moved for an award of attorneys' fees in the amount of $675,000.00, and costs and expenses of $39,534.88. The Court has considered this application separately from this Judgment. The Court finds that an award of $675,000.00 in attorneys' fees, and $39,534.88 in costs and expenses is fair and reasonable, and the Court approves of Plaintiffs' Counsel's attorneys' fees, costs and expenses in these amounts to be paid from the Cash Settlement Amount.

11. **Termination of Settlement**. In the event the Settlement is terminated as set forth in the Settlement Agreement, including if the Court does not grant final approval to the Settlement Agreement or for any reason the Parties fail to obtain a Final Approval Order and Final Judgment as contemplated in the Settlement Agreement, then the following shall apply.

- All orders and findings entered in connection with the Settlement Agreement shall become null and void and have no force and effect;
- The action shall for all purposes revert to its status as of the day immediately before the execution of this Settlement Agreement, and the fact of and terms of the Settlement and any preliminary agreements or term sheets shall not be admissible in any proceeding, and the Parties shall request a scheduling conference with the Court. Nothing herein shall extend any applicable limitations period as to any Party if the Settlement is not approved or is otherwise terminated. In addition, any information or materials provided during the Settlement negotiation shall, absent agreement of the Parties, not be admissible or otherwise used in any proceeding unless and until later obtained during the course of the litigation, as to which the Parties reserve all rights; and

- The certification of the Settlement Class pursuant to this Order shall be vacated automatically, and the action shall proceed as though the Settlement Class had never been certified pursuant to the Settlement Agreement and such findings had never been made.

12. **Use of Order.** Neither this Order, the fact that a settlement was reached and filed, the Settlement Agreement, nor any related negotiations, statements, or proceedings shall be construed as, offered as, admitted as, received as, used as, or deemed to be an admission or concession of liability or wrongdoing whatsoever or breach of any duty on the part of Defendants. This Order is not a finding of the validity or invalidity of any of the claims asserted or defenses raised in this action. In no event shall this Order, the fact that a settlement was reached, the Settlement Agreement, or any of its provisions or any negotiations, statements, or proceedings relating to it in any way be used, offered, admitted, or referred to in this action, in any other action, or in any judicial, administrative, regulatory, arbitration, or other proceeding, by any person or entity, except by the Parties and only the Parties in a proceeding to enforce the Settlement Agreement.

13. **No Merits Determination.** By entering this Order, the Court does not make any determination as to the merits of this case. Nothing in this Order shall be construed as a finding (1) that any Defendant was a fiduciary under ERISA or (2) of

any wrongdoing by any Defendant under ERISA or any other statute, regulation, case law, common law doctrine, or other legal authority.

14. **Injunction**. The Settlement Class Members and their heirs, executors, administrators, successors and assigns, as well as the Plan, are barred and enjoined from instituting or prosecuting any of the Released Claims against any of the Released Parties.

15. **Implementation of the Agreement.** The Parties are hereby authorized to implement the terms of the Agreement.

16. **Reasonable Extensions.** Without further order of this Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Agreement.

17. **CAFA Notice.** Defendants have provided notification to all appropriate federal and state officials regarding the Settlement as required by 28 U.S.C. § 1715.

18. **Entry of Final Judgment.** There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is hereby directed.

19. **Action Closed.** The Clerk of the Court is hereby directed to close the Action.

IT IS SO ORDERED.

Dated: _____ _____

THE HONORABLE HAROLD D. MOOTY, III
UNITED STATES DISTRICT COURT JUDGE