

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF PENNSYLVANIA**

Charles Tufano, Richard Warren, and  
Dave Gunton as representatives of a  
class of similarly situated persons, and  
on behalf of the Pride Mobility  
Employee Stock Ownership Retirement  
Plan,

Plaintiffs,

v.

Pride Mobility Products Corporation  
and the Pride Mobility Products  
Corporation ESOP Committee,

Defendants.

Case No. 3:24-cv-00765-KM

(Hon. Karoline Mehalchick)

**DECLARATION OF JENNIFER K. LEE IN SUPPORT OF PLAINTIFFS’  
MOTION FOR ATTORNEYS’ FEES, COSTS &  
ADMINISTRATIVE EXPENSES, AND CLASS REPRESENTATIVE  
COMPENSATION**

I, Jennifer K. Lee, declare and state as follows:

1. I am a partner at the law firm of Engstrom Lee LLC (“Engstrom Lee”), which has been appointed Class Counsel in the above-captioned action. I submit this declaration in support of Plaintiffs’ Motion for Attorneys’ Fees, Costs & Administrative Expenses, and Class Representative Compensation.

2. I incorporate my prior declaration filed in this case, including my declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement, Dkt. 34 ("First Lee Decl."), and the exhibits attached thereto.

### **WORK OF ATTORNEYS**

3. Class Counsel has dedicated substantial time and effort to prosecuting this class action in order to achieve the outstanding Settlement of a non-reversionary sum of \$2.1 million. The recovery represents a recovery of approximately \$1,500 per Class Member on a gross basis, and more than \$1,000 on a net basis.

4. Class Counsel filed the first lawsuits challenging investment practices related to the non-stock assets of ESOPs and devised the legal theory under ERISA. At the time of the filing of this action, no Court had ruled on the merits of Plaintiffs' claims. Despite these risks, Class Counsel was prepared to see this case all the way through trial and advance all necessary litigation costs, including expert fees.

5. Prior to filing the Complaint, Class Counsel conducted an in-depth investigation of information relating to the Plan, the Plan's investment of the OIA, the investment practices of other ESOP fiduciaries, and researched and analyzed the legal claims. As a result of these investigatory efforts, Class Counsel drafted and filed a detailed 19-page complaint.

6. Defendants moved to dismiss this action in its entirety, including submission of 18 exhibits between their initial submission and their reply. Class Counsel prepared opposition briefing and exhibits necessary to substantiate the claims of the Class.

7. While that motion was pending, the Parties participated in an all-day mediation on December 3, 2024, facilitated by Judge Mark Bennett (Ret.). That mediation resulted in the settlement that the Court preliminarily approved.

8. After negotiating the settlement, Class Counsel reviewed and revised the Settlement Agreement, and drafted the Settlement Notices, Former Participant Claim Form, and proposed preliminary and final approval orders. In addition, Class Counsel drafted Plaintiffs' motion for preliminary approval of the Settlement.

9. Class Counsel also solicited bids from qualified settlement administration firms to serve as the Settlement Administrator and selected Analytics Consulting LLC after reviewing the bids. Class Counsel then worked with Analytics and Defense counsel to identify the class members and ensures the Settlement Notices were timely mailed by Analytics. In addition, Class Counsel worked with Analytics to create a settlement website and telephone line for Class Members who wished to obtain additional information about the Settlement.

### **REMAINING WORK TO BE PERFORMED**

10. Class Counsel's work on this matter remains ongoing. Prior to the Fairness Hearing, Class Counsel will draft Plaintiffs' motion for final approval of the Settlement and respond to any objections. Class Counsel also will communicate with the Independent Fiduciary that has been engaged to review the Settlement, and will provide it with all necessary information in connection with its review. Class Counsel will then attend the Fairness Hearing, and if final approval is granted, supervise the distribution of payments to eligible Class Members, which entails two rounds of distributions to ensure maximum recovery among Class Members. In addition, Class Counsel will continue to respond to questions from Class Members and take other actions necessary to support the Settlement until the conclusion of the Settlement Period. Class Counsel estimates this will require an additional 50-100 hours.

### **LODESTAR**

11. Class Counsel was able to achieve significant efficiencies given its expertise in ERISA and expended roughly 227 hours from its pre-suit investigation, through motion practice, mediation, and the settlement approval and administration process, as set forth below.

<b>Firm Member</b>	<b>Hours</b>	<b>Rate</b>	<b>Total</b>
Jennifer Lee, Partner	94.15	\$775	\$72,966.25

Carl Engstrom, Partner	58.40	\$750	\$43,800.00
Brandon McDonough, Partner	52.2	\$750	\$39,150.00
Other Partners	16.5	\$700–750	\$12,075.00
Paralegals and staff	23.60	\$258	\$6,088.00
<b>TOTAL</b>	<b>248.23</b>		<b>\$176,699.55</b>

12. In addition to the time set forth above, Class Counsel expects to incur an additional \$30,000 in fees in connection with overseeing the administration of the settlement and seeking final approval of the Settlement. Further, in an exercise of discretion, Class Counsel has written off additional work performed by an associate and law clerk on legal research.

13. Class Counsel are highly skilled and experienced ERISA class action attorneys who are admitted to practice in courts nationwide. Because of the complexities and special expertise demanded of ERISA class actions, the few attorneys who have the requisite skill to bring successful ERISA class actions generally litigate in U.S. District Courts all over the country. These cases often require extensive research and pre-suit investigative work involving a thorough understanding of finance and ERISA regulations, federal common law, and trust law. This is especially true of cases that are novel and develop new legal theories. Because of these factors, ERISA class action lawyers often charge—and are paid—substantial fees.

14. In addition, Class Counsel does take individual representation on a contingent basis and routinely negotiates a 40% contingency fee. Indeed, Class Counsel and Class Representatives agreed to a one-third fee (Subject to the approval of the Court) at the time Counsel was retained.

### **WORK OF CLASS REPRESENTATIVES**

15. It has been my honor to represent Mr. Tufano, Mr. Warren, and Mr. Gunton in this matter. Throughout the course of this action, the Class Representatives have worked diligently and conscientiously to advance the interests of the Class. Among other things, they (1) aided Class Counsel in their investigation and provided pertinent documents, (2) reviewed the allegations in the Complaint, (3) communicated with Class Counsel during the course of the action and stayed informed about the case, (4) provided input during early negotiations and were available throughout the mediation, and (5) discussed the settlement with Class Counsel and reviewed the Settlement Agreement.

16. Based on the time and assistance that Mr. Tufano, Mr. Warren, and Mr. Gunton provided in service of the Class and their initiative in pursuing this action, I believe that the requested service award is reasonable and appropriate. The requested award of \$5,000 is below that sought and approved in other ERISA class actions.

**COSTS ADVANCED BY ATTORNEYS**

17. In connection with the action, Plaintiffs' attorneys advanced a significant amount of costs for the benefit of Plaintiffs and the Class. Because counsel handled this action on a contingency basis, counsel have not yet received reimbursement for any of these costs.

18. As of the date of this Declaration, Class Counsel has incurred \$11,552.69 in costs in connection with this action. These costs are broken down by category below:

<b>Category</b>	<b>Costs Incurred to Date</b>
Mediation Services	\$4,029.55
Legal Research	\$5,374.02
Process Service	\$624.30
Filing Fees	\$1,524.82
<b>TOTAL</b>	<b>\$11,552.69</b>

19. In my professional experience, all of these costs were reasonable and necessary for the successful prosecution of this action. Special care was taken to minimize costs, particularly mediation services, by using an experienced mediator who charges an hourly rate and conducts remote mediations that avoided the need for travel.

**WORK OF THE SETTLEMENT ADMINISTRATOR**

20. On and prior to March 10, 2025, the appointed Settlement Administrator, Analytics, printed and mailed settlement notices and rollover forms to all 1,350 Class Members, established the settlement website and telephone support line as provided by the Settlement.

21. Analytics has since collected rollover forms, monitored returned mail, and researched additional means to contact the few Class Members whose notices were returned undeliverable if required. This work continues, and Analytics' complete work will be detailed in Plaintiffs' forthcoming motion for final approval.

22. If the Settlement receives final approval, Analytics will review and process rollover forms, calculate payments to Class Members pursuant to the Plan of Allocation, and facilitate distribution of payments to Class Members.

23. For these services, Analytics will charge \$14,528.00. Analytics was selected following a competitive bidding process and their settlement administration expenses amount to 0.69% of the Gross Settlement Amount. In my professional experience, this rate is reasonable and less than other bids received from other settlement administrators.

24. Finally, although the deadline for objections is still weeks away, since Class notices were mailed, neither Analytics nor Class Counsel has received an



objection to the Settlement or to the attorneys' fees, costs, and expenses, and class representative compensation requested by Plaintiffs. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

**WORK OF INDEPENDENT FIDUCIARY**

25. As required by the Settlement and DOL regulations, an independent fiduciary must review and approve the Settlement on behalf of the Plan.

Defendants have selected and the Court has appointed Fiduciary Counselors to review the Settlement. For their review, analysis, report, and appearance at the final fairness hearing (if required), Fiduciary Counselors will charge an amount not to exceed \$20,000, the exact amount which will depend on any expenses incurred associated with the forthcoming final fairness hearing and will be reported in Plaintiffs' forthcoming motion for final approval.

Dated: April 26, 2025

/s/Jennifer K. Lee  
Jennifer K. Lee

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on April 26, 2025, the foregoing was electronically filed using the CM/ECF system, causing a Notice of Electronic Filing to be transmitted to all counsel of record.

/s/Jennifer K. Lee  
Jennifer K. Lee