

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION**

Martha Walther, Trent Kumfer, Jayme Lea,
Megan Kelsey, Dave Lowe, Carol Whisler, and
Michele Porter, as representatives of a class of
similarly situated persons, and on behalf of the
80/20, Inc. Employee Stock Ownership Plan,

Plaintiffs,

v.

John Wood and Brian Eagle,

Defendants.

1:23-cv-00294-GSL-ALT

**DECLARATION OF MELISSA A. CARRINGTON IN SUPPORT OF PLAINTIFFS’
MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

I, Melissa A. Carrington, declare and state as follows:

1. I am a partner at the law firm of Engstrom Lee LLC and counsel for Plaintiffs Martha Walther, Trent Kumfer, Jayme Lea, Megan Kelsey, Dave Lowe, Carol Whisler, and Michele Porter (collectively, “Plaintiffs”) in the above-captioned action. I submit this declaration in support of Plaintiffs’ Unopposed Motion for Preliminary Approval of Class Action Settlement.

SETTLEMENT TERMS AND CASE PROCEEDINGS

2. Attached hereto as **Exhibit 1** is a true and correct copy of the proposed Class Action Settlement Agreement (“Settlement” or “SA”). The Settlement resolves Plaintiffs’ class action claims against Defendants John Wood, Brian Eagle, Patrick Buesching, Patrice Mauk, Rodney Strack, MPE Partners II, L.P., MPE Partners III, L.P., and Pareto Efficient Solutions, LLC (“Defendants”) regarding the management and termination of the 80/20, Inc. Employee Stock Ownership Plan (the “Plan” or “ESOP”).

3. The Settlement Agreement calls for certification of the following Settlement Class: all Participants who were issued a Termination Distribution, and their Beneficiaries or Alternate Payees of record, excluding Defendants. SA § 1.41. A “Termination Distribution” is defined as “all distributions from the Plan that were issued to Participants or their Beneficiaries or Alternate Payee after the termination of the Plan.” SA § 1.31. Thus, each person with a stake in the Plan when it was terminated will participate in the Settlement.

4. Based on the information produced by Defendants in discovery, there are 328 Settlement Class Members.

5. Under the terms of the proposed Settlement, a Gross Settlement Amount of \$7,000,000 will be paid to resolve the claims that were asserted in the Action. *Id.* § 1.20.

6. Plaintiffs’ counsel will seek reimbursement of costs and expenses they have advanced on behalf of the Class, which presently total approximately \$35,000, and which Plaintiffs anticipate will not increase significantly by the time their work on this matter is concluded. *Id.* § 1.3.

7. After accounting for any Attorneys’ Fees and Costs and Administrative Expenses approved by the Court, the Net Settlement Amount will be distributed to eligible Settlement Class Members in accordance with the Plan of Allocation in the Settlement. *Id.* §§ 1.23, 1.29, 5.1.

8. Under the Plan of Allocation, each Settlement Class Member will receive their *pro rata* share of the Net Settlement Amount based on the amount of their Termination Distributions relative to other Settlement Class Members. *Id.* §§ 1.31, 1.43, 5.1. This means that if a Settlement Class Member received 0.3% of the amount distributed to Settlement Class Members when the Plan was terminated, the Settlement Class Member will receive 0.3% of the Net Settlement Amount.

9. Settlement Class Members will have the option of receiving their Settlement distribution through a rollover to a qualified retirement account. *Id.* § 5.4.1. Alternatively, Settlement Class Members may receive their distribution by electronic funds transfer or check. *Id.* § 5.4.3. If they do nothing, Settlement Class Members will receive their distribution by check. *Id.* Under no circumstances will any monies revert to Defendants. *Id.* §§ 5.5.1-5.5.2. The Settlement Agreement provides that the Settlement Administrator, if initially unsuccessful, will make multiple attempts to deliver the Settlement Credit Amount to Settlement Class Members. *Id.* § 5.5.1. Any remaining funds will be distributed to the State of Indiana, Office of the Attorney General, Unclaimed Property Division. *Id.* § 5.5.2.

10. Prior to filing the Complaint in this Action, Class Counsel conducted a thorough investigation of the claims that were asserted and the factual basis for those claims. As a result of these investigatory efforts, they were able to file a detailed Complaint on July 14, 2023, Dkt. 1, which Plaintiffs twice amended, Dkts. 47, 63.

11. In their operative Second Amended Complaint (“SAC”), Plaintiffs allege that the Plan’s fiduciaries, Defendants John Wood, Brian Eagle, Patrick Buesching, Patrice Mauk, and Rodney Strack (together, Buesching, Mauk, and Strack are the “Officer Defendants”), breached their duty of care to the Plan under ERISA by failing to acquire 80/20, Inc. (“80/20 or the “Company”) stock from founder Don Wood’s estate and committing the Plan to join the estate in a third-party sale on unfavorable terms to the Plan. Plaintiffs further allege that Defendants MPE Partners II, L.P., MPE Partners III, L.P., and Pareto Efficient Solutions, LLC (together, the “MPE Defendants”), knowingly participated in the other Defendants’ violations of ERISA through their purchase of the Company from the estate and the Plan. Dkt. 63.

12. Defendants moved to dismiss the claims in the SAC or sought judgment on the pleadings. Dkts. 65, 68, 130, 152. While the initial motions to dismiss were pending, Plaintiffs aggressively pursued discovery from Defendants and served 14 third-party subpoenas for documents. Plaintiffs also successfully moved to compel discovery responses from Defendants. Dkt. 104. As a result of their efforts, Plaintiffs obtained more than 40,000 documents totaling more than 300,000 pages. Plaintiffs then marshalled that evidence and a preliminary expert opinion to support of their motion for class certification. Dkts. 109, 121.

13. Before Plaintiffs' motion for class certification was fully briefed, the Court granted in part and denied in part Eagle's motion to dismiss and granted in full the motions to dismiss filed by the Officer and MPE Defendants. Dkt. 125. The parties then sought a stay of discovery and other deadlines to pursue further motions practice and briefing related to the scope of the case following the Court's order, which the Court granted. Dkts. 137, 143. After hearing the second round of motions related to the pleadings and scope of the case, the Court denied motions for judgment on the pleadings by Defendants Wood and Eagle, allowing Plaintiffs' claim for breach of fiduciary duty, 29 U.S.C. § 1104(a), to proceed against Eagle and Plaintiffs' breach of fiduciary duty and prohibited transaction claims, 29 U.S.C. §§ 1104(a), 1106, to proceed against Wood. Dkt. 167. Shortly after the Court's order, the parties agreed to mediate and submitted a proposed schedule to complete the case if the mediation failed. Dkt. 171.

14. On December 2, 2025, the parties conducted an in-person mediation with the Honorable John A. Jarvey, a retired U.S. District Judge who served for 35 years on the federal bench and has led an active mediation practice since his retirement in 2022. A true and correct copy of the biography of Judge Jarvey is attached as **Exhibit 2**.

15. Although the parties were unable to reach a settlement in person, Judge Jarvey continued to facilitate negotiations remotely over the following two weeks, and, through his efforts, the parties succeeded in reaching a settlement in principle on December 15, 2025.

16. This case settled following the completion of extensive written discovery, a preliminary report from Plaintiffs' expert, and motion practice that yielded multiple orders providing the Court's view of the merits. Thus, all parties, who were represented ably by counsel with significant class action experience, entered the mediation with a clear understanding of the strengths and risks of their claims and defenses, and the parties also exchanged robust mediation statements setting forth their positions.

17. The Settlement provides immediate and certain recovery of \$7 million. In the opinion of Class Counsel, this settlement is fair, adequate, and reasonable, considering the factors in Rule 23 and long-standing Seventh Circuit guidance, as discussed in Plaintiffs' accompanying brief.

18. During the mediation process, Defendants vigorously contested the merits of Plaintiffs' claims. Most significantly, Defendants aggressively disputed whether Plaintiffs could prove breach and causation, arguing that Plaintiffs could not prove that Don Wood's estate would have voluntarily sold its 80/20 stock to the ESOP or been legally compelled to do so.

19. To the knowledge of Class Counsel, this case is the first of its kind to allege that an ESOP fiduciary breached his duties under ERISA by failing to purchase company stock.

20. Additionally, Plaintiffs faced significant challenges with respect to recovering damages. Class Counsel believe that Defendants would have had the burden to prove that the large gains realized by the company in recent years (see Dkt. 121, ¶ 20) would not have been realized by the Plan. However, Class Counsel also anticipate that Defendants would have

vigorously resisted Plaintiffs' efforts to shift the burden to them. Moreover, even if the burden were shifted to Defendants, the likelihood that Defendants would be able to meet that burden weighed heavily on Plaintiffs and Class Counsel in connection with mediation. Plaintiffs advanced their more objective damages model of \$22 million during the mediation (*see* Dkt. 121, ¶ 18), and it is the opinion of Class Counsel that the recovery of \$7 million, which is approximately 32% of that amount, is commensurate with the risk of obtaining lower recovery—or no recovery.

21. The Settlement also yields a substantial benefit on a per Class Member basis. If estimated attorneys' fees, litigation expenses, services awards, and administrative expenses are approved in full, the average net recovery per Class Member is projected to be \$13,923.¹

22. If this case were to proceed, it is anticipated that the Parties would have taken numerous fact depositions and retained several experts to opine regarding prudent Plan management and the value of the Company under alternative scenarios. This would have been costly to Defendants and the Settlement Class.

PROFESSIONAL AND FIRM BACKGROUND

23. I received my law degree from the University of Illinois College of Law in 2011 and my B.A. from Northwestern University in 2008. I have been actively engaged in the practice of law since 2011, focusing on complex civil litigation. I joined Engstrom Lee in September 2025 from the Department of Justice, where I was a trial attorney at the Civil Rights Division in Washington, D.C.

¹ This assumes: \$2,333,333.33 awarded as Attorneys' Fees; \$35,000 awarded as Class Representative Service Awards (\$5,000 x 7); \$35,000 Attorneys' Expenses; and \$30,000 for other Administrative Expenses. These estimates would result in a Net Settlement Amount of \$4,566,667. Divided by 328 Class Members, the average net recovery per Class Member is estimated to be \$13,923.

24. Engstrom Lee is a boutique ERISA and employment class action firm. In 2022, four of the firm's current partners, Carl Engstrom, Jennifer Lee, Brandon McDonough, and Mark Thomson, separated from Nichols Kaster PLLP, to found Engstrom Lee. Prior to separating from Nichols Kaster, they were attorneys in that firm's ERISA class action group, which had recovered more than \$300 million for its clients since Engstrom founded the practice in 2015.

25. Engstrom Lee has the requisite skills and experience necessary to serve as class counsel. The partners of Engstrom Lee have been appointed class counsel in numerous ERISA cases against plan sponsors including McKinsey & Co., Allianz Asset Management of America, American Century, BB&T, Putnam Investments, LLC, Deutsche Bank, American Airlines, Allina Health System, Lowe's Co., Fidelity, and Fujitsu Tech, among others. Collectively, Engstrom Lee's partners have litigated numerous ERISA class actions, settling many while taking others to trial. None of Plaintiffs' counsel has ever been disciplined or sanctioned, and we have comported ourselves ethically in this case. A complete firm biography listing representative matters of Plaintiffs' counsel is attached as **Exhibit 3**.

NAMED PLAINTIFFS

26. Plaintiffs Martha Walther, Trent Kumfer, Jayme Lea, Megan Kelsey, Dave Lowe, Carol Whisler, and Michele Porter have actively engaged with these proceedings, having reviewed filings, asked questions, responded to written discovery, assisted with preparation for mediation, participated telephonically in mediation, decided whether to settle the case, and reviewed the settlement agreement. Plaintiffs were prepared to represent the class through discovery and at trial.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 6, 2026

/s/Melissa A. Carrington
Melissa A. Carrington