

**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.)

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 <u>Class Member</u>. 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, you are a Class Member. 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:

To Class Counsel:

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

To Defendants’ Counsel:

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

To Settlement Administrator:

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