

COMMONWEALTH OF KENTUCKY
FAYETTE CIRCUIT COURT
FOURTH DIVISION
CIVIL ACTION NO. 20-CI-00332
Electronically Filed

HAYNES PROPERTIES, LLC,
MITCH AND SCOTT HAYNES DBA
ALVIN HAYNES & SONS AND
S&GF MANAGEMENT, LLC
ON BEHALF OF THEMSELVES AND ALL
OTHERS SIMILARLY SITUATED

PLAINTIFFS

v.

**BTGCA MOTION FOR ORDERS
IN AID OF DISSOLUTION**

BURLEY TOBACCO GROWERS COOPERATIVE
ASSOCIATION

DEFENDANT

** ** ** ** **

The Burley Tobacco Growers Cooperative Association in dissolution (“BTGCA”), by and through counsel for the Dissolution Committee, respectfully moves the Court for the following Orders necessary or beneficial to final dissolution of BTGCA:

1. Payments from Administrative Reserve: An Order approving payments from the Administrative Reserve held in the Sturgill Turner IOLTA escrow account with a current balance of \$8,095.75:

- a. \$2,500.00 to Blue & Co., CPAs for its preparation of BTGCA tax returns for 2023-2024 and 2024-2025 tax years ending September 30;
- b. \$3,500.00 legal fees plus \$63.54 FedEx charges to Sturgill Turner law firm for its legal services and the courier fees incurred in connection with sale of MetLife stock, spanning the period from October 2024 through June 30, 2025.

Attached and incorporated by reference is the itemized statements of legal

services provided by undersigned counsel at Sturgill Turner together with its payment of FedEx charges for the sale of MetLife stock;

- c. \$200.00 to Breeding, Henderson & Hord, CPAs for completion of all accounting entries and generation of QuickBooks reports through the end of the September 30, 2025 fiscal year;
- d. Service fees to members of the Dissolution Committee, all of whom have devoted uncompensated time and in several instances, travel time and expense, and who will devote additional time to their review and signature of the statutory Report of Dissolution that must be filed with the Kentucky Secretary of State, Agriculture Commissioner and University of Kentucky. In particular, Penny Greathouse made at least four trips from her Midway farm to Traditional Bank in Lexington or Frankfort to provide signature authorizations for transfers of funds from the fully-insured account maintained there to facilitate distributions to Settlement Class Members. Al Pedigo has reviewed and signed all tax returns and will be required to review and sign the remaining tax returns for BTGCA, and was required to travel to Lexington for banking and to stock brokerage firms in Bowling Green and Nashville from his home in Scottsville in order to obtain medallion signature guarantees on the four submittals that were required to liquidate MetLife stock held by Computershare, resulting in the collection of over \$105,000 from this last assets of BTGCA. All members of the Dissolution Committee have been parties to numerous emails and telephone conversations with counsel for the Dissolution Committee, many of which are noted on Sturgill Turner's itemized time records. Accordingly,

counsel for BTGCA moves and recommends that the Court approve the following payments:

- i. Al Pedigo - \$500.00
- ii. Penny Greathouse - \$500.00
- iii. Eddie Warren - \$180.00
- iv. Donald Mitchell - \$180.00
- v. Mitchell Haynes - \$180.00
- vi. Scott Haynes - \$180.00

BTGCA proposes that Sturgill Turner hold the remaining balance of the Administrative Reserve for use in paying the filing fee for the final statutory Report and any other required expenses, and that once dissolution is made final by Order of this Court, then Sturgill Turner be permitted to pay the remaining balance to the Kentucky IOLTA fund in accordance with class action Rule 23.05(6)(b).

2. Recommendation of Dissolution Committee concerning \$104,000 held in McBrayer IOLTA escrow account: Class Counsel has already been holding separately the approximate sum of \$37,000 withheld from the “Pay-Me” group of Class Members whom Class Counsel defended successfully in the Graddy & Associates appeal to the Kentucky Court of Appeals, which fund is now available to pay any attorney fees the Court awards to Class Counsel for their work in that appeal. Accordingly, the \$104,000 transferred to McBrayer’s escrow account from MetLife stock sale proceeds is available to either fund a fourth distribution to Settlement Class Members, fund scholarship contributions for Agriculture students at Murray State University, Western Kentucky University and Morehead University, and 25% to the Kentucky IOLTA fund, as the Court previously indicated could be paid from “residual funds,” or some combination of the two. Given the fact that Angeion is no longer available to handle a fourth

distribution, Class Counsel would need to engage a local accounting firm to open a bank account, obtain the most current list of names and addresses of Settlement Class Members, issue and mail the checks and provide an accounting and turnover of any uncashed checks to Class Counsel (McBrayer's escrow account). Class Counsel would incur more legal fees to oversee a fourth distribution. Thus, we estimate that the amount of a fourth distribution would be in the range of \$28-\$32 per Settlement Class Member, net of professional fees, expenses (and postage charges are rising soon. Class Counsel advises us that they most likely would have to do a fourth distribution in November-December of this year. This would leave less than \$2,000 per state university and the IOLTA fund for *cy pres* payments, which the Dissolution Committee considers to be insignificant. During the history of BTGCA after the large distribution of most of its net assets to former and present members of the Cooperative in 2007-08, on several occasions the Board of Directors of the Cooperative approved and made contributions for Agriculture scholarships to children of farm families, in addition to several grants for research to state universities, typically in the range of \$20,000-\$50,000 (although certainly not every year). Since Settlement Class Members have already received distributions of \$10,146 each, the Dissolution Committee recommends that the entire \$104,000 be treated as *cy pres* payments, which would allow \$26,000 contributions to each state university's scholarship fund for Agriculture-related majors and a \$26,000 payment to Kentucky IOLTA fund. Contributions in that amount would be enough to fund an immediate new \$1,000/year scholarship at the state universities, and would be a meaningful contribution to the IOLTA fund. No accounting or administrative expense or further legal fees would be incurred to make these *cy pres* payments. Accordingly, this is the recommendation of the Dissolution Committee, recognizing that ultimately it is the Court's decision to make.

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WHEREFORE, the Dissolution Committee of BTGCA prays the Court to enter Orders as requested above, and any other Orders that will expedite completion of the dissolution for all practical purposes by its September 30, 2025 fiscal year end.

NOTICE

The foregoing Motion shall come on for hearing on **Friday, July 25, 2025**, at the hour of **10:00 a.m.**, or as soon thereafter as may be heard. Parties wishing to participate via Zoom may use this link:

<https://us02web.zoom.us/j/5816111332#success>

Zoom Meeting ID: 581 6111 332

Zoom Passcode: 313612

Call in number: 1-253-215-8782

Respectfully Submitted,

/s/ Kevin G. Henry

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and

/s/ Robert E. Maclin III

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Counsel for Named Plaintiffs Haynes Properties, LLC, Mitch and Scott Haynes dba Alvin Haynes & Sons and S&GF Management, LLC and BTGCA Dissolution Committee Members Penny Greathouse, Mitch Haynes and Scott Haynes

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on **July 17, 2025**, upon counsel via the e-filing system and electronic mail and upon unrepresented persons via first class U.S. Mail, postage prepaid, as shown on the attached Service List.

/s/ Kevin G. Henry

*Counsel for Defendant, Burley Tobacco
Growers Cooperative Association and BTGCA
Dissolution Committee Members, Al Pedigo,
Donald Mitchell and Eddie Warren*

949D61A9-3E10-48D8-BD9D-2459FAC0978D : 000006 of 000007

MOT : 000006 of 000007

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Service List
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949D61A9-3E10-48D8-BD9D-2459FAC0978D : 000007 of 000007

MOT : 000007 of 000007