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FINAL REPORT OF THE DISSOLUTION COMMITTEE OF THE BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION

Pursuant to KRS 272.325(2), the Burley Tobacco Growers Cooperative Association ("BTGCA"), a tobacco marketing cooperative and non-stock Kentucky corporation organized in 1922, makes this final report concerning its voluntary dissolution and the winding up and liquidation process by its duly appointed Dissolution Committee under judicial supervision of the Hon. Judge Julie M. Goodman in Fayette Circuit Court, Case No. 20-CI-0332, *Haynes Properties, LLC, et al., v. Burley Tobacco Growers Cooperative Association.*

1. Suit was filed against BTGCA for judicial dissolution and other relief by BTGCA members Haynes Properties, LLC, et al. in the Fayette Circuit Court on January 30, 2020.

2. On June 9, 2020, the duly elected Board of Directors of BTGCA overwhelmingly voted to voluntarily dissolve the Cooperative under Court supervision as part of a proposed class action settlement with the Named Plaintiffs. After motion and hearings, the class settlement was approved with modifications by the Court in its Amended Opinion and Order Approving Partial Settlement entered July 28, 2021.

3. The Fayette Circuit Court certified a class consisting of any "person who was a landowner, operator, landlord, tenant, or sharecropper growing burley tobacco in Indiana, Kentucky, Missouri, Ohio, or West Virginia during one or more of the 2015-2020 annual burley tobacco growing seasons." Ultimately, 2,603 persons and entities qualified as Settlement Class Members eligible to receive distributions from the net assets of BTGCA in dissolution. Angeion Group was appointed Settlement Administrator and it set up a settlement website to inform purported Class Members and the public of all Orders, actions and any deadlines.

4. BTGCA was represented by attorney Kevin G. Henry of Sturgill, Turner, Barker & Moloney, PLLC in the dissolution and winding up process. It continued to utilize the accounting services of Charles W. Hord, II, CPA of Breeding Henderson & Hord, PLLC, and BTGCA income tax returns were prepared and filed by Blue & Co., LLC, CPAs.

5. With Court approval, the following persons were appointed to serve as the Dissolution Committee for BTGCA: Al Pedigo, Eddie Warren, Donald Mitchell, Penny Greathouse, Scott Haynes and Mitchell Haynes. Al Pedigo and Penny Greathouse were designated by the Dissolution Committee as Co-Liquidating Officers to oversee its banking activity and sign contracts, agreements and other legal papers.

6. (a) On August 3, 2021, BTGCA sold its headquarters building and real estate at 620 South Broadway, Lexington, Kentucky to the University of Kentucky in an arms-length transaction without realtor's commission for the net sum of $2,134,058.74. BTGCA sold its only motor vehicle in 2021 and its warehouse floor sweeper in 2022 to unrelated third parties.

(b) BTGCA liquidated its entire tobacco inventory with the assistance of Burley Stabilization Corporation, a Tennessee public benefit corporation, as its sales agent by September 30, 2022 fiscal year end.

7. After sale of the 620 South Broadway office building, BTGCA entered into a short-term office lease at 771 Corporate Drive, Suite 650, Lexington, Kentucky until March 2022 when it closed its office. It liquidated its office furniture and equipment, returned all leased office equipment, and transferred all of its electronic financial records to Charles W. Hord, II, CPA and all of its other business files to Sturgill Turner law firm. Tax return files are retained by the above accountants. Other BTGCA files have been stored at Vital Records Control in Lexington, Kentucky

under control of Sturgill Turner law firm, with prepayment for storage and file destruction scheduled after December 31, 2027, taking into account applicable limitation periods.

8. All BTGCA employees were given lawful notice when their services were no longer needed, and all full-time employees signed written severance agreements and full releases of any claims. All payroll taxes and Unemployment Insurance contributions were filed and paid by BTGCA for the entire period until it no longer had any employees. Its Workers Compensation carrier KEMI was notified and declined to do a final premium audit of payroll. No claims have been filed by any former employees of BTGCA.

9. With Court approval, a fully-insured ICS account was established at Traditional Bank (the "Partial Distribution ICS account"). From November 2021 through December 2022, payments were made into the Partial Distribution ICS account from sales of tobacco, its building and securities that totaled $30,001,154.96 (including $1.5 million for the pre-dissolution grant detailed in Section 15 below). Periodically, funds were then transferred into the Angeion qualified settlement fund account described in Section 10 below.

10. The Fayette Circuit Court appointed Katherine K. Yunker and Jason R. Hollon of McBrayer PLLC as Class Counsel. Angeion Group, LLC was appointed as Settlement Administrator. Class Counsel monitored the distribution process whereby unencumbered sums were paid and transferred from BTGCA's Traditional Bank ICS into a court-approved Qualified Settlement Fund Trust account ("QSFT") administered by Angeion Group, beginning November 18, 2022. From the QSFT, Angeion made three distributions of net assets to the 2,603 Class Members, first in the amount of $5,670 to each, second in the amount of $3,930 to each, and third in the amount of $546.00 to each. Any amounts owed by a Class Member for unpaid tobacco grading service fees (TAGs fees) to BTGCA were offset to reduce the first amounts payable to

such Class Member resulting in recoupment for the benefit of Settlement Class Members of BTGCA. The final report on distributions to the Class is summarized below:

Check Distribution	1st (Dec'21 -Sep'22)	2nd (Nov'22)	3rd (Apr'24)	TOTAL
per Member amt. ($)	5670.00	3930.00	546.00	$ 10,146.00
# of Checks				
issued / reissued	2640	2661	2627	7928
cashed	2597	2587	2551	7735
% cashed	98.37%	97.22%	97.11%	97.57%
$ Amt of Checks				
issued / reissued	14,867,706.88	10,449,809.82	1,434,342.00	$ 26,751,858.70
cashed	14,634,525.81	10,160,764.55	1,392,846.00	$ 26,188,136.36
% cashed	98.43%	97.23%	97.11%	97.89%
# Voided Checks	43	74	76	193
Class members				
# sent checks	2600	2602	2602	7804
# cashing checks	2597	2587	2551	7735
% sent, cashed	99.88%	99.42%	98.04%	99.12%

$10,146.00 total distribution per Class member were issued to the 2,603 Class members either by checks, credits to offset TAGS fee debt for some, or a combination of the two. Of the total $26,436,068.00 dissolution proceeds distributed to Class members, $26,306,529.47 (99.51%) was actually received by the Class members:

a. $26,188,136.36 in issued or reissued checks that cleared;

b. and $118,393.11 in credits offsetting TAGS fee debt owed to the Co-op.

11. All known creditors of BTGCA have been paid. All leases and contracts have been paid and performed by BTGCA and all of its lawful debts and tax obligations have been paid. Its largest written contractual obligation, a Supplemental Retirement Income contract with a former

executive was replaced with a fully paid annuity contract; with respect to that replacement, the executive gave BTGCA a signed written release of all claims and acknowledgment of accord and satisfaction. No further health insurance benefits or retirement benefits are payable to any former employee of BTGCA.

12. All federal and state income tax returns for BTGCA through the fiscal year end September 30, 2025, have been filed, and no taxes were due and owing. All legal and accounting professional fees through September 30, 2025 were approved by the Court and are paid.

13. Articles of Dissolution signed by all members of the Dissolution Committee were filed with the Kentucky Secretary of State on April 7, 2023. Newspaper publication of the dissolution was made in the Lexington Herald-Leader on October 29, 2023. No claims by any creditor have been received as of this date.

14. At various stages, the Court approved and awarded reasonable percentage legal fees to McBrayer PLLC as plaintiffs' counsel, and hourly legal fees and expense reimbursements to Class Counsel relating to the qualification of Class members, net proceeds dissolutions, and other Class-related work; these legal fees and expenses were paid and deducted from the assets held by BTGCA and later from the Partial Distribution ICS account over 2021-23 and from the QSFT.

15. Separately, the settlement provided for a pre-dissolution grant, intended by the former BTGCA Board of Directors to fund a new tobacco growers (all types) non-profit, which was modified by the Fayette Circuit Court in its Amended Opinion and Order Approving Partial Settlement entered July 28, 2021. Pursuant to that Order and subsequent directives by the Court, $100,000 was distributed to Burley and Dark Tobacco Producer Association, Inc., a Kentucky non-profit corporation with confirmed 501(c)(6) status on December 27, 2021, and $75,000 more to it on February 20, 2023. The remaining $1,325,000 of the intended grant was held and later disbursed

in accordance with a Court Order entered August 4, 2023. After payment of legal fees and expenses of Class Counsel and provision for defense of an appeal and further costs of distribution and administration, (a) $347,289.19 was distributed as a grant to Burley and Dark Tobacco Producer Association, Inc., and (b) $853,773.55 was disbursed through the Settlement Administrator as a Special Fund for Settlement Class Members who elected to have a per-capita share of the grant paid to them rather than go to the Burley and Dark Tobacco non-profit. The Settlement Administrator issued 1,881 checks for $452.89 per person in that distribution on October 26, 2023. All but $4,091.47 of that Special Fund (not an asset of BTGCA) was received by electing Class members.

16. Periodic status reports for each fiscal year from 2020-2024 and at other milestones were filed by the BTGCA Dissolution Committee and Class Counsel with the Fayette Circuit Court concerning liquidation/dissolution activities and the above distributions to the Settlement Class Members, along with requests for approval of professional fees.

17. On December 9, 2024, Class Counsel reported in detail to the Court and all parties and persons on the Court service list about the above successful distribution rates to Settlement Class Members (Section 10 above) and acknowledged receipt into the McBrayer law firm client escrow account of the Residual Funds from the closed Angeion QSFT account. No party or Class Member filed any objections to Class Counsel's Report. The Court and Class Counsel reviewed Angeion's final accounting, the Court approved the fees paid to Angeion for its services (just over one-half of one percent of the total distribution sum), and discharged Angeion as Settlement Agent on January 24, 2025.

18. By Order dated January 24, 2024, the Court directed that any dissolution-related Residual Funds be distributed as *cy pres* payments in equal 25% shares to the Kentucky IOLTA Fund and to the Colleges of Agriculture at Western Kentucky University, Murray State University

and Morehead State University. On October 2, 2024, the Court approved a scheduled phase-out of Angeion's services with reporting and return of any Residual Funds to an approved McBrayer escrow account for distribution under the *cy pres* Order. Angeion turned over $37,749.31 remaining Dissolution QSFT proceeds funds to the McBrayer law firm IOLTA escrow account subject to further orders of the Fayette Circuit Court.

After sale of MetLife stock that had accompanied life insurance policies owned by BTGCA, Residual Funds totaling $148,924.13 (approximately 0.5% of the total distributions to Class Members) remained. Pursuant to Order Approving *Cy Pres* Payments of Residual entered September 25, 2025, the funds were divided and distributed as final *cy pres* payments as follows:

(a) $37,231.04 to the Civil Rule 23 account maintained by the Kentucky IOLTA Fund Board of Trustees pursuant to SCR 3.83(2); and

(b) $37,231.03 each for agriculture scholarship endowments or additions in the name of Burley Tobacco Growers Cooperative at:

(i) The Hutson School of Agriculture at Murray State University;

(ii) The Department of Agriculture and Food Science at Western Kentucky University; and

(iii) The Department of Agricultural Science at Morehead State University.

19. The undersigned members of the Dissolution Committee of the BTGCA have reviewed all periodic emails from BTGCA counsel, Court Orders and reports by Class Counsel, and have approved this Report as accurate to the best of their knowledge and information, including reliance upon BTGCA's records and information from professional advisors where applicable.

20. This Report may be signed in counterparts, all of which together shall constitute the official Report.

In Witness Whereof, the members of the Dissolution Committee have signed and now present this Report to be filed and indorsed by the Secretary of State with the date and time of recording in that office and also filed with the Fayette Circuit Court, the Dean of the College of Agriculture of the University of Kentucky, and the Commissioner of Agriculture for the Commonwealth of Kentucky, effective as of the last date shown below.

SIGNATURE PAGES TO FOLLOW

Dissolution Committee Members:

Al Pedigo

COMMONWEALTH OF KENTUCKY)

COUNTY OF FAYETTE)

The foregoing Report was produced and acknowledged before me by **Al Pedigo**, as a member of the Dissolution Committee this 8th day of December, 2025.

STEPHANIE H. PENISTON
NOTARY PUBLIC
STATE AT LARGE KENTUCKY
COMM. # KYNP82080
MY COMMISSION EXPIRES NOVEMBER 2, 2027

Notary Public, State at Large
My Commission Expires: 11.2.2027
KY Notary ID No.: KYNP82080

Eddie Warren

COMMONWEALTH OF KENTUCKY)

COUNTY OF _____)

The foregoing Report was produced and acknowledged before me by **Eddie Warren**, as a member of the Dissolution Committee this ___ day of _____, 2025.

Notary Public
My Commission Expires: _____
KY Notary ID No.: _____

Dissolution Committee Members:

_____

Al Pedigo

COMMONWEALTH OF KENTUCKY)

COUNTY OF _____)

The foregoing Report was produced and acknowledged before me by **Al Pedigo**, as a member of the Dissolution Committee this ___ day of _____, 2025.

_____

Notary Public
My Commission Expires: _____
KY Notary ID No.: _____

Eddie Warren

Eddie Warren

COMMONWEALTH OF KENTUCKY)

COUNTY OF Madison)

The foregoing Report was produced and acknowledged before me by **Eddie Warren**, as a member of the Dissolution Committee this 19 day of Nov, 2025.

Renee Ann Hynes

Notary Public
My Commission Expires: 3-24-27
KY Notary ID No.: KYNP69529

Donald Mitchell

COMMONWEALTH OF KENTUCKY)

COUNTY OF Franklin)

The foregoing Report was produced and acknowledged before me by **Donald Mitchell**, as a member of the Dissolution Committee this 12 day of November, 2025.

OFFICIAL SEAL
TROY LEE REDMON
NOTARY PUBLIC - KENTUCKY
STATE-AT-LARGE
My Comm. Expires Mar. 22, 2027
ID # KYNP 69267

Notary Public
My Commission Expires: March 22, 2027
KY Notary ID No.: KYNP69267

Penny Greathouse

COMMONWEALTH OF KENTUCKY)

COUNTY OF _____)

The foregoing Report was produced and acknowledged before me by **Penny Greathouse**, as a member of the Dissolution Committee this ___ day of _____

Notary Public
My Commission Expires: _____
KY Notary ID No.: _____

Donald Mitchell

COMMONWEALTH OF KENTUCKY)

COUNTY OF _____)

The foregoing Report was produced and acknowledged before me by **Donald Mitchell**, as a member of the Dissolution Committee this ___ day of _____, 2025.

Notary Public
My Commission Expires: _____
KY Notary ID No.: _____

Penny Greathouse

COMMONWEALTH OF KENTUCKY)

COUNTY OF SCOTT)

The foregoing Report was produced and acknowledged before me by **Penny Greathouse**, as a member of the Dissolution Committee this 29 day of OCTOBER, 2025.

Notary Public
My Commission Expires: 6/15/28
KY Notary ID No.: KYNP8841

The foregoing Report was produced and acknowledged before me by **Penny Greathouse**, as a member of the Dissolution Committee this ___ day of _____, 2025.

Notary Public
My Commission Expires:

KY Notary ID No.:

Scott Haynes

COMMONWEALTH OF KENTUCKY)

COUNTY OF Fayette)

The foregoing Report was produced and acknowledged before me by **Scott Haynes**, as a member of the Dissolution Committee this 24 day of October, 2025.

Notary Public Judy Allen
My Commission Expires:

KY Notary ID No.: 48995

JUDY ALLEN
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
COMMISSION # KYNP48995
MY COMMISSION EXPIRES 05/18/2026

Mitchell Haynes

COMMONWEALTH OF KENTUCKY)

COUNTY OF Fayette)

The foregoing Report was produced and acknowledged before me by **Mitchell Haynes**, as a member of the Dissolution Committee this 24 day of October, 2025.

JUDY ALLEN
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
COMMISSION # KYNP48995
MY COMMISSION EXPIRES 05/18/2026

Notary Public Judy Allen
My Commission Expires:

KY Notary ID No.: 48995

Prepared By:

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