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MECKLENBURG CO., C.S.C
BY

NORTH CAROLINA

MECKLENBURG COUNTY

ROBERT WRIGHT, MARK MICHALEC, and SCOTT SHIPMAN, on behalf of a class of those similarly situated,

Plaintiffs,

v.

CITY OF CHAROLOTTE,

Defendant.

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
21 CVS 4063

ORDER ON PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS SETTLEMENT, APPOINTMENT OF CLASS ADMINISTRATOR, AND APROVAL OF CLASS NOTICE PLAN

THIS MATTER came before the Court on Plaintiffs' Motion for Preliminary Approval of Class Settlement, Appointment of Class Administrator, and Approval of Class Notice Plan (the "Motion") on January 6, 2023, Daniel R. Taylor, Jr. and E. Winslow Taylor, Taylor & Taylor, Attorneys at Law, PLLC and W. Ellis Boyle, Knott & Boyle representing the Plaintiffs and Daniel E. Peterson, Parker Poe Adams & Bernstein, Attorneys and Counselors at Law, representing the Defendant. The Court, having reviewed the Motion and the materials presented in open court and after considering the presentations of counsel, grants the Motion.

1. The Court finds, preliminarily, that there is probable cause to find the Proposed Settlement is reasonable, and it is appropriate for this class action to proceed. The Court makes this determination in light of the mediated Memorandum of Settlement executed by the parties and additional information presented. The Court finds that the proposed attorneys' fees of $600,000

and anticipated expenses of $70,000 ($25,000 to $50,000 Class Administrator fee plus $15,000 to $20,000 other expenses) should result in Class Members receiving approximately 70% of the common fund resulting in each Class Member receiving a meaningful portion of the deductions taken, which deductions were agreed to but arguably were ultra-vires.

2. The Court will review and determine the amount of attorneys' fees and costs to be awarded subsequent to the hearing on final approval of the Proposed Settlement; however, at this time, the Court does not find that $600,000 in attorneys' fees and $70,000 in costs and expenses or approximately 30% of the common fund ($670,000 / $2,173,173.03 = 31%) to be unreasonable in light of the custom and practice of fee awards in this State and in class action litigation generally, as well as the work performed and the exceptionally efficient result obtained by Class Counsel on behalf of the Class in a problematic case.

3. It also appears to the Court that the Proposed Settlement is the result of an arm's length negotiation between the parties, having engaged in three mediation sessions with retired North Carolina Judge James L. Gale. The Court finds that the Proposed Settlement will treat each Class Member equitably and equally and will ensure that each Class Member will receive an amount in proportion to their respective payroll deductions and no Class Member will receive preferential treatment from the Proposed Settlement.

4. Accordingly, the Court concludes that the Proposed Settlement falls within the range of possible approval, and there is probable cause to notify the Class of the Proposed Settlement.

5. The Court further finds that given the size of the Class, the requirement to provide notice of the Proposed Settlement, and the anticipated refund process, the Class will be best served by the appointment of a Class Administrator to manage the notice and refund process. Based on

the materials submitted to the Court, it appears in the Court's judgement that Strategic Claims Services has the necessary experience and capability to serve as Class Administrator. Therefore, the Court will appoint Strategic Claims Service to serve as Class Administrator.

6. Based on representations of counsel, the court believes that most if not all of the information required from the City of Charlotte has been provided to Plaintiffs' counsel, however, Charlotte need to provide such explanations and additional information as may be reasonably requested to insure an orderly administration of the class settlement.

7. The Court finds that it can set appropriate conditions on the Class Administrator's use and possession of such personal identifying information that will ensure that the personal identifying information will remain confidential and will not be unnecessarily disclosed.

8. The Court further finds that it is appropriate and necessary for the Class Counsel to receive an initial payment of $10,000.00 to retain the Class Administrator's services and to allow the Class Administrator to begin implementing the Notice Plan.

9. Under the Notice Plan (laid out in the Notice to Class Members attached), Class Members will have an opportunity to receive information about the Proposed Settlement and will be entitled, by following the prescribed procedures, to express their views on the Proposed Settlement.

10. The Court notes that pursuant to the Notice Plan, the Class should have at least 45 days' notice of the Proposed Settlement, which is typical in class action litigation. The 45-day period will provide sufficient time for Class Members to determine their appropriate course of action. Accordingly, the Court finds that the Notice Plan will provide the best practicable notice under the circumstances and comports with the requirements of Due Process.

11. The Court has also reviewed and approves the form and format of the Notice To Class Members.

12. Although the Court has preliminarily approved the Proposed Settlement, a final determination of the fairness and reasonableness of the Proposed Settlement will be rendered at the hearing on final approval of the Proposed Settlement, which is scheduled for April 3, 2023 at 2:00 p.m. at the Watauga County Courthouse, Courtroom No. 1, 842 W. King Street, Boone, North Carolina 28607 which day and time is subject to change to be posted on the website designated by the Class Administrator.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED as follows:

1. The Proposed Settlement is preliminarily approved.

2. Strategic Claims Services is appointed to serve as Class Administrator.

3. Defendant is ordered to provide such further assistance by way of documentation or explanation of documentation provided as may be reasonably necessary for the orderly and cost effective administration of the settlement.

4. The Class Administrator and Class Counsel shall keep all provided information confidential and such information shall only be used for the purposes of this litigation and in serving as Class Administrator. Upon the Court's entry of a final Order terminating the refund administration process, the Class Administrator shall destroy all copies of information in its possession provided by Defendants. The Class Administrator will further certify to the Court its compliance with these requirements at a later date to be determined by the Court.

5. Within ~~five business~~ fourteen(14) RGH days of the entry of this Order, Defendant shall pay or cause to be paid the sum of $10,000.00 to the trust account of Class Counsel, Taylor & Taylor, Attorneys

at Law, PLLC. Class Counsel shall, at this time, use such funds for the sole purpose of providing an advance to the Class Administrator for the retention of its services and for implementation of the Notice Plan.

6. The Notice Plan as presented in the attached "Notice to Class Members" proposed by Class Counsel and attached to this Order is hereby approved. The Class Administrator is directed to begin implementation of the Notice Plan.

7. Defendant, and its counsel, are directed to continue working cooperatively with Class Counsel and the Class Administrator for the benefit of the Class in the orderly administration of this process.

8. In addition to the deadlines and procedures specified in the Notice to Class Members, the following are provided subject to subsequent modification for good cause.

a. The Class Administrator will provide counsel for both parties copies of all Requests to Opt Out, and all Objections to the Settlement not later than fourteen (14) days prior to the hearing on final approval of the Proposed Settlement.

b. Plaintiffs shall file their motion for final approval of the Proposed Settlement not later than March 29, 2023.

c. Given that Plaintiffs hope to add $174,173 in funds under the control of the Graue Court to the common fund to be paid by Charlotte, and given that it would be inappropriate for Plaintiffs to have the Graue funds transferred to the Class Administrator until the Settlement has been finally approved by this Court and Charlotte has been ordered to transfer $1,999,000 to the Class Administrator, the Court will schedule Plaintiffs' Motion for Approval of Attorneys' fees, Approval of costs and Expenses, and Approval of the Case Administrator's fee after the Court

has ruled on Plaintiffs' Motion for Final Approval of the Settlement and the Court has been informed as to whether the Graue funds have been transferred.

13. The hearing on the final approval of the Proposed Settlement is scheduled for April 3, 2023 at 2:00 p.m. at the Watauga County Courthouse, Courtroom No. 1, 842 W. King Street, Boone, North Carolina 28607 which day and time is subject to change to be posted on the website designated by the Class Administrator.

This the 6th day of January 2023.

Honorable R. Gregory Horne
Superior Court Judge Presiding

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
21-CVS-4063

ROBERT WRIGHT, MARK MICHALEC, and SCOTT SHIPMAN, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

CITY OF CHARLOTTE,

Defendant.

NOTICE TO CLASS MEMBERS.

PLEASE READ THIS NOTICE CAREFULLY.

A COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER.

THIS IS TO NOTIFY YOU THAT THE ABOVE-CAPTIONED ACTION HAS BEEN CERTIFIED AS A CLASS ACTION.

YOU HAVE BEEN IDENTIFIED AS A MEMBER OF A CLASS ACTION LAWSUIT AGAINST THE CITY OF CHARLOTTE.

THIS CLASS ACTION HAS BEEN SETTLED AND MAY AFFECT YOUR RIGHTS.

YOU ARE NOT BEING SUED!

YOU ARE ENTITLED TO RECEIVE BENEFITS UNDER THE PROPOSED SETTLEMENT.

A class action lawsuit was brought by Plaintiffs Robert Wright, Mark Michalec, and Scott Shipman ("Plaintiffs") against the City of Charlotte seeking money damages. The case has been assigned to the Honorable R. Gregory Horne. Judge Horne certified this matter as a class action on Friday, January 6, 2023. The parties have reached a Settlement Agreement and Judge Horne has directed that this Notice be provided to you to inform you of your rights in the proposed Settlement as a member of the Class.

You should read the entire Notice carefully because your legal rights are affected whether you act or not.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

YOU CAN DO NOTHING AND REMAIN A CLASS MEMBER AND RECEIVE BENEFITS UNDER THE SETTLEMENT.	**You can stay in this lawsuit as a Class member and receive the benefits of the Settlement.** **This Settlement offers benefits to members of the Class in the form of a monetary payment reflecting a portion of the amount of the Settlement Fund. The Settlement Fund totals approximately $2,173,173 of which $1,999,000 will be paid by Defendant City of Charlotte and $174,173 which should be received from funds previously deducted from class members pay by Defendants but have yet to be distributed and are the subject of the *Graue et al. v. Charlotte Mecklenburg Volunteer Police Pledge Fund 19-CVS-13137* (Mecklenburg County).** **Each Class Member will receive an amount of the Settlement Fund after the deduction of attorneys' fees, costs, and expenses based on a calculation to be performed by the Settlement Administrator. The calculation will be based on the best employment and payroll deductions data believed to be available, such that each Class Member should receive his or her pro-rata share of the Settlement Fund based on the deductions experienced after payment of attorneys' fees, costs of litigation, and notice and settlement administration.** **By doing nothing, you remain a Class Member and can get your share of the Settlement benefits in the form of monetary payment. But, if you remain a class member in this case, you give up any rights to sue the City of Charlotte separately for the same legal claims in this lawsuit. In other words, you can remain a member of this class action suit and receive the benefits of the Settlement of this case <u>OR</u> you can bring a suit on your own, separately, but you cannot do both.** **By doing nothing, you remain a member of the Class and will receive a check through the United States Postal Service, first class, in the amount of your share of the Settlement proceeds.**
YOU CAN ASK TO BE EXCLUDED AND NOT BE A CLASS MEMBER.	**You can get out of this lawsuit. This is called "opting-out."** **If you ask to be excluded or "opt out," you get no benefits or money from this Settlement. You keep your rights to sue the City of Charlotte on your own but have to do so <u>at your own expense</u> and you must do so promptly. If you ask to be excluded or "opt out" you will not share in any money to be awarded.** **<u>You will get no money from the Class Action if you opt out.</u> But you keep any rights to sue the City of Charlotte about the same legal claims in this lawsuit. If you choose to sue on your own, you should act soon because the statute of limitations may bar your claim.** **See page 6, item 8 for further instructions.**

YOU CAN DO NOTHING AND REMAIN A CLASS MEMBER AND RECEIVE BENEFITS UNDER THE SETTLEMENT.	**You can stay in this lawsuit as a Class member and receive the benefits of the Settlement.** **This Settlement offers benefits to members of the Class in the form of a monetary payment reflecting a portion of the amount of the Settlement Fund. The Settlement Fund totals approximately $2,173,173 of which $1,999,000 will be paid by Defendant City of Charlotte and $174,173 which should be received from funds previously deducted from class members pay by Defendants but have yet to be distributed and are the subject of the *Graue et al. v. Charlotte Mecklenburg Volunteer Police Pledge Fund 19-CVS-13137* (Mecklenburg County).** **Each Class Member will receive an amount of the Settlement Fund after the deduction of attorneys' fees, costs, and expenses based on a calculation to be performed by the Settlement Administrator. The calculation will be based on the best employment and payroll deductions data believed to be available, such that each Class Member should receive his or her pro-rata share of the Settlement Fund based on the deductions experienced after payment of attorneys' fees, costs of litigation, and notice and settlement administration.** **By doing nothing, you remain a Class Member and can get your share of the Settlement benefits in the form of monetary payment. But, if you remain a class member in this case, you give up any rights to sue the City of Charlotte separately for the same legal claims in this lawsuit. In other words, you can remain a member of this class action suit and receive the benefits of the Settlement of this case <u>OR</u> you can bring a suit on your own, separately, but you cannot do both.** **By doing nothing, you remain a member of the Class and will receive a check through the United States Postal Service, first class, in the amount of your share of the Settlement proceeds.**
YOU CAN OBJECT TO THE SETTLEMENT.	**You can file a written objection to the proposed Settlement to voice your opposition to the Settlement. You cannot both exclude yourself and object to the proposed Settlement.** **See page 7, for further instructions.**

BASIC INFORMATION

1. Why did I get this notice?

The City of Charlotte records show that on or after March 16, 2011 ("Class Period") you were employed at the Charlotte-Mecklenburg Police Department, had a payroll deduction from your paycheck to

participate in the Charlotte-Mecklenburg Voluntary Police Pledge Fund ("Pledge Fund"), and did not receive a payout from the Pledge Fund upon a qualifying separating event. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you and that the parties have reached a Settlement. You have legal rights and options that you may exercise before the Court determines whether to give final approval to the Settlement. Judge R. Gregory Horne is overseeing this class action. The lawsuit is known as *Wright et al. v. The City of Charlotte* and identified as 21-CVS-4063 (Mecklenburg County).The City of Charlotte has identified you as a class member.

YOU HAVE BEEN IDENTIFIED AS A MEMBER OF THE CLASS. You will remain a member of the Class and be entitled to your share of the benefits under the Settlement unless you exclude yourself.

You are a member of the Class if:

1) If you were a Charlotte-Mecklenburg employee and had a payroll deduction taken from your paycheck to participate in the Pledge Fund on or after March 16, 2011; AND

2) You did not receive a payout from the Pledge Fund upon a qualifying separating event from the Pledge Fund.

2. What is this lawsuit about?

The Plaintiffs participated in the Pledge Fund and had $5.00 deducted from their weekly salary as needed to meet the obligations of the Pledge Fund based on the trust, confidence, and strong recommendations of employees of the City of Charlotte and based on the belief that the North Carolina General Assembly had authorized the City of Charlotte to administer the Pledge Fund.

Plaintiffs contend that the Pledge Fund was sponsored, approved, and administered by the City of Charlotte, and it was presented to newly hired Police Department employees to be (a) a good employee benefit which would return to the participant upon vesting more money than he or she had been paid into it, (b) a vehicle by which they could support more senior police officers or department employees, and (c) a vehicle by which they would be supported by subsequently enrolled participants. Plaintiffs further contend that the City of Charlotte had not been authorized by the North Carolina General Assembly to approve and administer the Pledge Fund.

Plaintiffs contend that the Pledge Fund was not sustainable and would and did ultimately fail.

The City of Charlotte has denied the essential allegations of Plaintiffs' claims and all liability, but the parties have now agreed to settle the lawsuit, and this Settlement provides you with benefits.

3. What is a class action and who is involved?

In a class action, one or more people called "Plaintiffs" (in this case, Robert Wright, Mark Michalec, and Scott Shipman) sue on behalf of other people who have similar claims. The people together are a "Class" or are "Class Members." The Plaintiffs and the Class Members are called the Class. The City of Charlotte

is called the Defendant. The Court that allowed this matter to be a Class Action will resolve the issues for everyone in the Class – except for those people who ask to be excluded from the Class by "opting out."

4. Why is this lawsuit a class action?

The Court decided that this lawsuit can be a class action because it meets the requirements of Rule 23 of the North Carolina Rule of Civil Procedure, which governs class action lawsuits in North Carolina state court.

Specifically, the Court found that over a thousand individuals employed by the Charlotte-Mecklenburg Police Department were affected by common legal and factual issues. The Court further found that the common legal and factual issues were more important than the issues that affect only individuals. Finally, the Court found that the class action will be more efficient than having many individual lawsuits because of the common issues.

5. What Does the Proposed Settlement Provide?

The proposed Settlement provides for a monetary payment in the amount of one million and nine hundred ninety-nine thousand dollars ($1,999,000) to be contributed by the City of Charlotte which when augmented by one hundred seventy-four thousand, one hundred seventy-three dollars ($174,173) creates a Settlement Fund in the amount of two million one hundred seventy-three thousand one hundred seventy three dollars ($2,173,173).

If the Settlement is approved and if one hundred seventy-four thousand, one hundred seventy-three dollars ($174,173) is received from the *Graue et al. v. Charlotte-Mecklenburg Volunteer Pledge Fund*, two million one hundred seventy-three thousand one hundred seventy three dollars ($2,173,173), net of attorney's fees and expenses, will be distributed to the Class Members pro-rata based on the deductions experienced. If this proposed Settlement is approved by the Court, you will receive a check for your share of the monetary payment.

6. Has the Court decided who is right?

The Court has not decided whether the Plaintiffs or the Defendant is correct. By preliminarily approving the Settlement and ordering the issuance of this Notice, the Court is not suggesting that the Plaintiffs would win or lose this case if it were not settled. The Court will only decide whether to approve the proposed Settlement and whether it is fair and reasonable.

YOUR RIGHTS AND OPTIONS

You have to decide **NOW** whether to stay in the Class or ask to be excluded by opting out.

7. What happens if I do nothing?

You do not have to do anything now if you want to remain a Class Member and receive your share of the proposed Settlement Fund. By doing nothing, you remain a Class Member. By being a Class Member, you will be legally bound by the Final Judgment the Court makes in this case and will give up your right to sue the City of Charlotte for damages or other relief resulting from the claims at issue in this lawsuit.

8. What if I do not want to be a Class Member?

If you want to be excluded from the Class, you will have to send an "**Exclusion Request**" in the form of a letter sent by the United States Postal Service, clearly stating that you want to be excluded from *Wright v. City of Charlotte*. Be sure to include your name and address and sign the letter. The words "**Wright v. City of Charlotte Exclusion**" must be included in the address on the envelope as shown below. You must mail your Exclusion Request so that it is received no later than March 7, 2023 to:

Wright v. City of Charlotte Exclusion
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

The Court decided that Daniel R. Taylor, Jr. and E. Winslow Taylor of Taylor & Taylor, Attorneys at Law, PLLC and W. Ellis Boyle of Knott & Boyle, PLLC are the lawyers appointed to represent you and all Class Members. The lawyers are called Class Counsel. They are experienced in handling similar cases. They can be contacted at the following address:

Daniel R. Taylor, Jr.
E. Winslow Taylor
Taylor & Taylor Attorneys at Law PLLC
1080 W. Fourth Street
Winston-Salem, NC 27101

W. Ellis Boyle
Knott & Boyle, PLLC
P.O. Box 33216
Raleigh, NC 27636

You can also contact your lawyers at ellis@knottboyle.com

10. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want to have your own attorney, you have the right to do so. You will have to pay that lawyer.

11. How will the lawyers be paid?

Since the lawsuit started on March 16, 2021, Class Counsel have devoted substantial resources and expenditures in pursuing claims on behalf of the Class purely on a contingent fee basis. Class Counsel have received no fees or other compensation for their services or reimbursement to date. Class Counsel will ask the Court for an award of fees and expenses out of the Settlement. You will not have to pay these fees and expenses. The engagement agreement provides that Class Counsel recover 33.3% of all moneys recovered which in this instance is approximately $723,610. As part of the proposed Settlement, Class Counsel will ask the Court to approve an amount of attorneys' fees of $600,000 of the Settlement Fund (which is thirty percent (30%) of the funds contributed by the City of Charlotte or twenty-seven point six percent (27.6%) of two million one hundred seventy-three thousand one hundred seventy three ($2,173,173) to be received from Charlotte and the Graue case) and reimbursement of expenses not to exceed $75,000 dollars.

If you choose to be represented by your own attorney, you will have to pay for that yourself. If the Court grants Class Counsel's request, the fees, and expenses would be deducted from the monetary relief obtained for the Class.

12. Dismissal with Prejudice and Release of Claims

If the Court approves the proposed Settlement, it will enter a judgment that will dismiss the litigation with prejudice as to all claims against Defendant. Defendant will also receive a release and discharge of all claims, demands, actions, suits and/or causes of action that were brought or could have been brought, known or unknown, arising out of or related to any of the facts alleged in the Class Action complaint, whether based on federal or state law, relating to deductions for the Pledge Fund provided during the period on or after March 16, 2011 with no payouts upon a separating event from the Pledge Fund.

13. How do I object to the Settlement?

If you want to object to the proposed Settlement, you must submit your objection in writing, stating that you object to the Settlement of *Wright, et al. v. City of Charlotte*. Your written objection must include your name, address, and the specific reasons you object to the proposed Settlement. You must also submit copies of any documents you wish to support your objection. You must sign your written objection and then submit it via U.S. Mail to the Settlement Administrator at the following address, received no later than March 7, **2023**:

Wright v. City of Charlotte
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

If you submit a written objection in accordance with the above requirements, then you have the right to appear and be heard on your objection at the Fairness Hearing, which is discussed in detail below. You may appear personally or through your attorney at the Fairness Hearing and you may present any evidence or argument that is proper and relevant to your written objection. You will only be permitted to be heard on those matters set forth in your written objection if you state in your objection that you wish to appear at the Fairness Hearing.

If you do not submit an objection in accordance with the above requirements, you will not be treated as having filed a valid objection to the proposed Settlement and will not have the right to appear and be heard at the Fairness Hearing.

If you hire an attorney for the purpose of objecting to any aspect of the proposed Settlement, the attorney must file an entry of appearance with the Clerk of Court, Mecklenburg County, North Carolina no later than March 7, **2023** and send a copy of such entry of appearance to the above address by U.S. Mail postmarked no later than March 7, **2023**.

You cannot file an objection if you exclude yourself from the Class by opting-out.

14. The Court's Fairness Hearing

The Court has tentatively set a fairness hearing on April 3, **2023** at **2:00 p.m.** at the Watauga County Courthouse, Courtroom No. 1, Boone, North Carolina 28607 . However, the hearing may be rescheduled for the week of April 3, 2023, depending on the needs of the Court. If the fairness hearing is rescheduled, the Class Administrator will be advised, and the revised fairness hearing date will be posted on the website

At the hearing, the Court will decide whether to approve the proposed Settlement and approve the request for attorney's fees and reimbursement of expenses. If objections have been timely received, the Court will consider them at this time. You may attend the Fairness Hearing and if you submitted an objection in accordance with the above requirements, then you have the right to be heard on your objection. You are not required to attend the Fairness Hearing.

ADDITIONAL INFORMATION

You may also write to the Settlement Administrator at the following address:

Wright v. City of Charlotte
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

A website was created for this Settlement containing all the important documents for the Settlement. If you wish to view these documents, or if you would like to update your address, please visit www.strategicclaims.net/CityofCharlotte/
Please do not contact the City of Charlotte or the Charlotte-Mecklenburg Police Department with questions about the Settlement or the amount of money you may receive.

Contact Class Counsel at Ellis @knottboyle.com.
Remember **DO NOT CONTACT THE COURT**. Personnel there are not able to provide you with information about this case.

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Wright v. City of Charlotte
c/o Strategic Claims Services
600 N Jackson Street – Suite 205
Media, PA 19063

IMPORTANT LEGAL NOTICE – PLEASE FORWARD