

Exhibit A

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
PADUCAH DIVISION
CASE NO. 5:21-cv-00068-BJB

DANIEL MCNALLY,
Individually and on behalf of
all other similarly situated

PLAINTIFF

vs. **DECLARATION OF PAUL J. SCARLATO IN SUPPORT OF
PLAINTIFFS' MOTION FOR AN AWARD OF ATTORNEYS'
FEES, REIMBURSEMENT OF CASE EXPENSES AND A
SERVICE AWARD**

THE KINGDOM TRUST COMPANY

DEFENDANT

Paul J. Scarlato, pursuant to 28 U.S.C. § 1746, declare as follows under penalty of perjury:

1. I submit this Declaration in support of Plaintiffs' Motion for an Award of Attorneys' Fees, Reimbursement of Case Expenses and a Service Award.

2. Paul J. Scarlato is a Partner of Goldman Scarlato & Penny, P.C, and a founding Member of its successor firm in this Action, Rosca Scarlato LLC ("Rosca Scarlato" or "RS"). RS is one of the two firms serving as Class Counsel for Plaintiffs, and Mr. Scarlato is one of the attorneys personally involved in this action ("Action") and responsible for its prosecution. Mr. Scarlato has personal knowledge of the fact set forth in the within Declaration. If called as a witness, Mr. Scarlato could and would testify competently.

BACKGROUND FACTS

The William Jordan Fund Scheme

3. This case arises out of an alleged Ponzi scheme perpetrated by William Jordan, formally an SEC-registered investment adviser, who solicited clients to invest in a series of funds

that supposedly invested in real estate, private equity, or other securities (the “William Jordan Fund Scheme” or “Scheme”). Jordan sold securities as part of the Scheme, and made material representations of fact to induce those sales. He also manipulated figures to pay himself outsized fees, often using investor funds rather than profits to pay those fees. Jordan’s investment funds were referred to as the “WJA Funds,” and individual funds are referred to as “Fund” herein.

4. Jordan represented to his investors that each Fund was separate, and each Fund’s assets would be segregated from the others. He also told investors that he would utilize a third-party custodian to safeguard client monies and avoid any possible “Bernie Madoff” situations.

5. Defendant The Kingdom Trust Company (“Kingdom Trust” or “Defendant”) was the custodian for the WJA Funds starting in late December 2015. Kingdom Trust eventually custodied each WJA Fund’s assets.

6. Plaintiff’s Complaint (the “Complaint”) filed in the within matter alleged that Kingdom Trust aided and abetted the William Jordan Fund Scheme, and, in violation of its obligations under its agreements with WJA Funds, and in dereliction of its duties and obligations as a trust company, allowed Jordan to commingle the WJA Funds’ assets and facilitated the transactions that allowed the Scheme to flourish. Complaint, Dkt. 1-1, ¶ 1. The Complaint also alleged that Kingdom Trust violated the Kentucky Securities Act and committed its own fraud by sending statements to William Jordan Fund Scheme investors that contained false values. *Id.*

7. The Complaint alleged Kingdom Trust’s conduct allowed Jordan to perpetrate his fraud, and he could not have run his Scheme without its direct involvement. Complaint, ¶ 12.

8. By May 15, 2018, the Scheme had collapsed, and the United States Securities and Exchange Commission (“SEC”) filed a civil enforcement action against Jordan.

The SEC Action

9. The SEC’s civil enforcement action, captioned *Securities and Exchange Commission v. William M. Jordan*, was filed in the Central District of California and assigned case number 8:18-cv-000852-DOC-MRW (“SEC Action”).

10. The SEC alleged that, between 2011 and 2016, Jordan raised more than \$71 million from his clients for sixteen investment funds to be used for certain disclosed purposes. SEC Action, Dkt. 1, ¶ 4. Yet, in fact, Jordan comingled investor money; concealed the WJA Funds’ performance; engaged in pervasive, conflicted and undisclosed inter-fund transfers; overpaid himself and his entities; and, concealed his prior securities disciplinary history. *Id.*

11. The SEC Action described how, during its investigation, Jordan transferred control of his companies to a chief restructuring officer, and those entities filed for Chapter 11 bankruptcy protection in May 2017. SEC Action, Dkt. 1, ¶¶ 7-8.

12. The bankruptcy proceedings were lodged in the United States Bankruptcy Court for the Central District of California under the master file, case number 8:17-bk-11996.

13. On June 7, 2018, the court issued a judgment in the SEC Action, permanently barring Jordan from violations of the Securities Act, the Exchange Act, and the Investment Advisers Act. The court further ordered that Jordan disgorge ill-gotten gains, and prejudgment interest thereon, as well as a civil penalty, with the particular sums to be determined later. SEC Action, Dkt. 13.

14. There were no further substantive motions or rulings in the SEC Action, and the disgorgement and civil penalties were never articulated.

THE SETTLEMENT IS A RESULT OF SIX-YEARS OF HARD-FOUGHT LITIGATION

15. Plaintiff initiated his claims against Kingdom Trust on April 29, 2020, in a putative class action captioned *Daniel McNally v. The Kingdom Trust Company*, in the Central District of

California, and was assigned case number 8:20-cv-00830-DOC-MRW (the “Original Case”). The Original Case was assigned to the same judge who oversaw the SEC Action, the Honorable David O. Carter.

16. The detailed complaint in the original case was the product of a months-long investigation by Class Counsel into the voluminous records in the Jordan bankruptcy, the SEC Action and through a search of other public documents. As a result of that investigation, Class Counsel was able to develop a sufficient factual predicate to assert claims against Kingdom Trust for violations of the California Corporation Code § 25504.1 (California’s Blue Sky Act), for aiding and abetting fraud, aiding and abetting breach of fiduciary duty, civil conspiracy, negligence, breach of fiduciary duty, fraud, and negligent misrepresentation. Original Case, Dkt. 1.

The Parties Engaged in Substantial Motion Practice

17. In response to the original complaint, Defendant filed a 23-page motion to dismiss arguing, among other things, that an exclusive and mandatory forum selection clause in the contracts between the Jordan Funds and the Defendant required Plaintiffs’ claims to be filed in Kentucky State Court. Alternatively, Defendant challenged the claims on the merits arguing that Plaintiff’s claims for negligence, breach of fiduciary duty, and civil conspiracy should be dismissed for lack of duty, that Plaintiff’s aiding and abetting claims should be dismissed for failure to plead actual knowledge, the claims for violation of the California Blue Sky Law should be dismissed for failure to allege intent, and that the fraud and negligent misrepresentation claims should be dismissed for additional reasons. *Id.* Original Case, Dkt. 39.

18. Plaintiff opposed Defendant’s motion in a 24-page brief that was the product of thorough legal research, refuting Defendant’s arguments that the forum selection clause applied to Plaintiff’s claims, explaining that as a result of their investigation of the facts, Plaintiff sufficiently

pled actual knowledge (an admittedly high hurdle), and that plaintiff's other claims were adequately alleged. Thereafter, Defendant filed a Reply, and the parties submitted a Rule 26(f) report to the court. Original Case, Dkt. 50.

19. On November 30, 2020, the California District Court granted Defendant's motion to dismiss and held that the case was required to be filed in the county courts of Calloway County pursuant to the form selection clause. Original Case, Dkt. 63.

20. On May 13, 2021, Plaintiffs filed a new complaint against Defendant in the Commonwealth of Kentucky Calloway County Circuit Court. The complaint contained additional allegations about Jordan's scheme and Defendant's alleged role in the scheme based on Class Counsel's continuing investigation, and contained claims for violations of the Securities Act of Kentucky, in addition to claims for aiding and abetting fraud, aiding and abetting breach of fiduciary duty, civil conspiracy, breach of fiduciary duty, fraud and negligent misrepresentations and omissions, and was assigned case number 21-CI-00147 (the "Kentucky State Case").

21. On June 9, 2021, Defendant removed the Kentucky State Case to this Court. Dkt. 1.

22. Plaintiffs moved to remand the Action and Defendant opposed the motion. Plaintiffs filed a reply brief and Defendant sought and received permission to file a sur-reply. Dkts. 15, 21, 25, 26. The court ultimately denied the motion on October 5, 2021. Dkt. 27.

23. The Kentucky State Case complaint became the operative Complaint for the within matter. Dkt. 1, Ex. A.

The Instant Action Has Been Hard-Fought

24. Defendant moved to dismiss the instant Action for failure to state a claim on June 17, 2021, attacking the legal sufficiency of each of the claims and asserting that the claims should

be dismissed for failure to join an indispensable party. Plaintiffs filed a 25-page opposition brief refuting each of Defendant's arguments on November 1, 2021. Dkt. 30.

25. On January 25, 2022, the Court issued a 33-page Memorandum Opinion and Order sustaining Plaintiffs' claims for violations of the Kentucky Securities Act, aiding and abetting breach of fiduciary duty, aiding and abetting fraud, fraud and negligent misrepresentations all survived the motion to dismiss. Dkt. 32.

26. After the Court's January 25, 2022, Order, there were a significant number of pleadings and briefs filed related to Defendant's attempts to add a number of third-party defendants to the Action. Plaintiffs opposed those requests, but ultimately those requests were granted. In addition, during the course of discovery, as a result of Class Counsels' investigation, Plaintiffs discovered that the Defendant seemingly wound up as an entity, ending its charter as a South Dakota trust company, and re-forming as a Nevada shell company. Plaintiffs sought to amend the complaint to both add Mr. Brager as an additional plaintiff, and to add other entities as successors in interest to Defendant as defendants in the Action. Defendant opposed the request to add successors in interest, and that motion was pending when the Settlement was reached.

The Settlement is the Product of Substantial Discovery

29. Class Counsel had to spend substantial time conducting discovery in order to achieve the Settlement. The parties served and responded to each other's discovery requests, and Defendant produced thousands of documents in response thereto in multiple productions. Class Counsel necessarily reviewed and analyzed those documents to prepare for depositions, however, the manner in which the documents were produced made that review time-consuming and difficult. Specifically, Defendant produced its business records in non-Bates stamped, non-searchable PDF

format meaning the documents could not be reviewed using search terms absent the use of specialized software.

30. Class Counsel also needed to expend substantial effort and time preparing for and taking the depositions. More specifically, Class Counsel took depositions of four of Defendant's representatives, including its former President, an operations specialist who handled the Jordan Fund transfers, and Defendant's former General Counsel and Chief Operations Officer. Similarly, Class Counsel spent substantial effort gathering and reviewing their own clients' documents, preparing the clients, and defending the two Class Representatives' depositions.

31. Although Plaintiff McNally was, in fact, an investor in the WJA Funds, he was unable to locate periodic statements from Defendant. Therefore, Plaintiff identified Proposed Additional Plaintiff Daniel Brager, who was also a WJA Fund investor. Mr. Brager was able to locate and produce periodic statements sent to him from Defendant.

32. Both Messrs. Brager and McNally were deposed by Defendant's counsel.

33. Class Counsel spent substantial effort gathering and reviewing their own clients' documents, preparing the clients, and defending the two Class Representatives' depositions.

The Settlement Negotiations Were Long and Protracted

34. The parties had ongoing settlement discussions through the course of 2022 through 2024, however the negotiations were not fruitful. The parties then agreed to participate in an in-person mediation in Denver, Colorado to be held on April 3, 2025, with the assistance of Judge William Meyer (ret.), a former Denver, Colorado District Court Judge with the Judicial Arbitrator Group ("JAG"). In order to put their case in the best posture, Class Counsel prepared a comprehensive 28-page mediation statement, explaining the Plaintiffs' theory of the case, Counsels' assessment of the strengths and weaknesses, and articulating in detail the proof

developed through discovery, an estimate of the amount of damages suffered by the Class, and the likelihood of collecting a judgment from the Defendant. Plaintiffs' mediation statement contained numerous exhibits of important case documents, and was shared with Judge Meyer in advance of the mediation session. Class Counsel Hugh Berkson and Alan Rosca, as well as both Class Representatives traveled to Denver to participate in the mediation. Licha Farah, outside counsel for Kingdom Trust, and its General Counsel, Sharif Nesheiwat, attended on behalf of Defendant.

35. The mediation lasted approximately six hours but ended in an impasse. However, Judge Meyer maintained communication with the parties in an effort to facilitate a resolution to the dispute. On July 2, 2025, the parties agreed on the essential terms of the Settlement which included Defendant paying a total of \$1 million cash in return for a release of claims. Thereafter, the parties negotiated a term sheet that included the critical elements of the Settlement.

Class Counsel Devoted Considerable Time and Effort to Confirmatory Discovery

36. As a condition of settlement, Kingdom Trust agreed to produce certain financial records to Plaintiffs to allow them to determine the nature and extent of any assets remaining in the Defendant and its ability to pay a judgment. In addition, Kingdom Trust made available certain representatives of Defendant's parent company to answer any questions regarding those financial statements, including the Chief Financial Officer of Defendant's new parent company. Class Counsel analyzed the financial records Defendant produced and attorneys Hugh Berkson and Paul Scarlato conducted an interview of Defendant's parent company's representatives.

37. The financial statements and responses to questions confirmed to Class Counsel that Kingdom Trust was a cash-strapped, distressed company, it had given up its trust license, and its insurance coverage has lapsed, and it was highly doubtful that Kingdom Trust would have had sufficient assets with which to satisfy a judgment if the case proceeded to trial.

Class Counsel Spent Considerable Time and Effort on the Settlement Approval Process

38. After reaching their agreement in principle to settle, Class Counsel undertook the task of drafting the Settlement papers and exhibits thereto, including the comprehensive Settlement Agreement, proposed Preliminary Approval Order, Final Approval Order, Class Notice and Claim Form. Class Counsel also drafted the 30-page Motion for Preliminary Approval seeking preliminary approval and certification of the Settlement Class, and 18-page Declaration in support thereof. After the parties executed the Settlement Agreement on November 7, 2025, Class Counsel presented the Settlement to the Court via the Motion for Preliminary Approval and Declaration. Dkt. No. 145, 146. Thereafter, Class Counsel prepared for and participated in the Court's January 21, 2026 hearing thereon. Dkt. No. 149.

39. On January 28, 2026, the Court issued an Order granting preliminary approval of the Settlement, approving Class Counsel's proposal for a case schedule, preliminarily certifying the class for settlement purposes, preliminarily appointing attorneys Hugh Berkson, of McCarthy, Lebit, Crystal, Liffman Co., LPA, and Alan Rosca and Paul Scarlato of Rosca Scarlato, LLC as class counsel, and approved the substance and requirements for class notice. *Id.*

40. Class Counsel has spent a substantial number of hours since preliminary approval working with the Claims Administrator to disseminate Notice pursuant to the terms of the preliminary Approval Order, to prepare the Motion for Final Approval and Declarations in support of the Settlement. Class Counsel anticipates it will spend many additional hours on such tasks as conducting the Fairness Hearing, overseeing the Claims process, assisting Class members with submitting their Claims, and in connection with the distribution of the Settlement Fund. Those hours are not included in this submission.

Rosca Scarlato LLC's Time and Efforts

48. The chart below sets forth a summary of the Firms' total hours and lodestar, computed at current rates, for the period from the inception of this Action through March 30, 2026. This summary was prepared from contemporaneous, daily time records regularly prepared and maintained by the Firms. In connection with representing Plaintiffs, in the Action, the Firms, primarily through Partners Alan Rosca and Paul Scarlato, conducted all aspects of this litigation including the following:

- Conducted a thorough many month pre-filing investigation of the facts and law including a detailed review of the voluminous filings on the dockets of the William Jordan bankruptcy proceedings, the SEC action against Jordan and other public sources;
- Drafted and filed a detailed initial class action complaint filed in the Central District of California;
- Opposed Defendant's motion to dismiss the initial complaint;
- Drafted and filed a new complaint in the Kentucky Calloway County Circuit Court containing additional allegations and claims;
- Filed a motion to remand;
- Opposed Defendant's motion to dismiss the instant Action;
- Opposed Defendant's efforts to add third-party defendants;
- Moved to add Mr. Brager as an additional plaintiff;
- Moved to amend to add additional defendants on the grounds of successor liability;
- Propounded discovery on Defendant;
- Responded to Defendant's discovery requests;
- Reviewed and analyzed documents produced by Defendant in response to Defendant's discovery;
- Gathered and produced documents from Plaintiffs in response to Defendant's requests;
- Deposed one of four of Defendant's witnesses;
- Prepared Plaintiff and defended both Plaintiffs' depositions;
- Conducted settlement negotiations and participated in an out-of-state all-day mediation;
- Continued settlement discussions that ultimately led to the Settlement;
- Conducted confirmatory discovery consisting of reviewing and analyzing Defendant's documents and interviewing Defendant's representatives;
- Drafted the Settlement Agreement and exhibits thereto;
- Drafted and filed the preliminary approval motion;
- Oversaw the Notice process; and
- Drafted papers in connection with final approval.

49. The hourly rates for the attorneys and professional staff in the Firms reflected below are the usual and customary hourly rates charged by the Firms in similar complex litigation matters.

ROSCA SCARLATO LLC / GOLDMAN SCARLATO & PENNY, PC

Timekeeper	Professional Status	Hours	Rate	Total Lodestar
Alan Rosca	P	383.3	\$975	\$373,718
Paul Scarlato	P	224.6	\$975	\$218,985
Mark Goldman	P	3.8	\$725	\$2,755
Kathryn Weidner	SC	19.1	\$620	\$11,830
Brendan McDonnell	A	12.6	\$425	\$5,364
Jonathan A. Korte	A	142.7	\$495	\$70,627
Lisa H. Fish	A	11.4	\$600	\$6,852
Shawn Rexroad	A	5.0	\$450	\$2,250
Melissa L. Nolan	PL	3.4	\$325	\$1,108
Violet Bunici	PL	67.7	\$375	\$25,369
Total		873.6		\$718,856

Role Legend

- P Partner/Shareholder
- SC Senior Counsel
- A Associate
- PL Paralegal

50. The 873.6 total hour figure does not include time spent on Plaintiffs’ motion for attorneys’ fees and costs, or on further Claims Administration, time for which the Firms have not and will not seek reimbursement.

51. The Firms have/will expend a total of \$9,780.17 in unreimbursed costs and expenses in connection with the prosecution of the Action from inception of the case through and

including final approval as set forth in the chart below. These costs and expenses are reflected on the books and records of the Firms. They were incurred on behalf of Plaintiffs by the Firms and have not been reimbursed.

ROSCA SCARLATO LLC / GOLDMAN SCARLATO & PENNY, PC

Costs and Expenses	Amount
Court fees (including filing fees)	\$2,620
Courier/Delivery	\$371.63
eDiscovery Database Fees	\$711
Mediation Fees	\$1,381.25
Online Legal and Factual Research	\$176.64
Work-Related Transportation/Meals/Lodging ¹	\$4,519.65
Total	\$9,780.17

I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 30, 2026

/s/ Paul J. Scarlato (pro hac vice) _____

Paul J. Scarlato
ROSCA SCARLATO, LLC

Counsel for Plaintiffs

¹ Included in this total is an estimate of \$2,000 for the costs of attending the final settlement hearing, if required. If more than \$2,000 is incurred, \$2,000 will be the cap on the amount to be reimbursed to Rosca Scarlato. If less than \$2,000 is incurred, then only the amount incurred will be reimbursed.