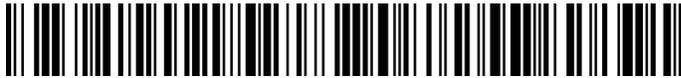




## Digitally Certified Document

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3. The following statements are based on my personal knowledge and information provided by A.B. Data employees working under my supervision, and if called on to do so, I could and would testify competently thereto.

### **BACKGROUND**

4. On December 29, 2022, the Non-Settling Defendants filed a Notice of Suggestion of Pendency of Bankruptcy and Automatic Stay of Proceedings (the “Notice”). The Notice disclosed that, on December 12, Sears Hometown Stores, Inc. (“Debtor”)—the successor to defendant Transform Merger Corporation—and its subsidiary Sears Authorized Hometown Stores, LLC, had filed voluntary petitions for relief under 11 U.S.C. §§ 101-1532 in the United States Bankruptcy Court for the District of Delaware.<sup>4</sup>

5. On February 10, 2023, Class Counsel and the Settling Defendants filed the Stipulation.<sup>5</sup> Section 11 of the Stipulation required Debtor’s cooperation in providing Class Counsel and the Settlement Administrator with a list of registered holders of SHOS common stock as set forth on SHOS’s stockholder register as of October 23, 2019 (“Stockholder Register”).<sup>6</sup>

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<sup>4</sup> Dkt. 168; *see also* Stipulation at ¶ RR.

<sup>5</sup> Dkt. 205.

<sup>6</sup> *See* Stipulation at ¶ 11.

6. On March 6, 2023, the Court entered the Scheduling Order, setting the Settlement Hearing for May 9, 2023 (later moved to November 3, 2023).<sup>7</sup> Class Counsel retained A.B. Data as Settlement Administrator.<sup>8</sup> As A.B. Data's Director of Case Management, I have overseen the administration of the Settlement and will oversee the Initial Distribution of the Net Settlement Fund to Eligible Class Members.

7. In March 2023, A.B. Data mailed the Notice to potential Class Members.<sup>9</sup>

8. On March 15, 2023, Class Counsel wrote to Settling Defendants requesting the Stockholder Register under Section 11 of the Stipulation. On March 17, 2023, Class Counsel followed up on their March 15 request. Later that day, Class Counsel received an email from counsel to the Non-Settling Defendants reminding Class Counsel that Debtor was a debtor in a federal bankruptcy proceeding, which had been converted to a Chapter 7 liquidation, and that a trustee, Jeffrey Burtch ("Trustee"), had been appointed and currently controls SHOS's books and records.<sup>10</sup>

9. On March 23, 2023, Class Counsel spoke with Mark Felger of Cozen O'Connor, counsel to the Trustee ("Trustee's Counsel"). Trustee's Counsel

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<sup>7</sup> Dkts. 223, 269.

<sup>8</sup> Scheduling Order at ¶¶ 10, 13.

<sup>9</sup> Dkt. 265.

<sup>10</sup> See Status Report from David M. Sborz, dated April 14, 2023 (Dkt. 234), at 2-3.

informed Class Counsel that, while the estate has possession of SHOS’s books and records, they do not know where information relating to the Stockholder Register could be found.<sup>11</sup> Trustee’s Counsel advised he would forward Plaintiffs’ request to Debtor’s counsel, and suggested Class Counsel contact counsel for the Non-Settling Defendants to request more information about the location of these records.<sup>12</sup>

10. On April 19, 2023, A.B. Data received a DTCC Security Position Report identifying 86 DTCC Participants holding a total of 9,986,814 shares of SHOS common stock as of October 23, 2019 (“DTCC Security Position Report”).<sup>13</sup> The DTCC Security Position Report contains each participant’s identification number, name, and the number of shares held.

11. On August 7, 2023, A.B. Data received from Trustee’s Counsel the Stockholder Register, identifying 222 record holders with 23,621 shares of SHOS common stock as of October 23, 2019—all deemed Eligible Shares. The Stockholder Register contains the names, addresses, and number of shares held by each SHOS record holder.

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<sup>11</sup> *Id.* at 3.

<sup>12</sup> *Id.* For a more detailed account of Class Counsel’s efforts to obtain the Stockholder Register, see the Affidavit of Jack Ewashko Regarding Mailing of Notice, dated October 24, 2023 (Dkt. 265).

<sup>13</sup> Defined in the Stipulation as the “DTCC Allocation Report.” See Stipulation at ¶ 11.3(c).

12. On November 3, 2023, the Court approved the Settlement.<sup>14</sup> Settling Defendants or their insurers paid \$3,100,000.00 into the Escrow Account. After deducting the \$931,000 Expense Award<sup>15</sup> and Notice and Administration Costs, the Net Settlement Fund is to be distributed to Eligible Class Members per the Court's approved Plan of Allocation.

13. On January 23, 2024, A.B. Data received information identifying two dissenting stockholders who hold a combined 258,308 shares of SHOS common stock and who are eligible for payment.<sup>16</sup>

14. Between April 8, 2023 and April 24, 2024, Settling Defendants' Counsel provided A.B. Data a list of Excluded Persons holding 20,000 Excluded Shares along with the name and DTC number of the financial institution where the Excluded Shares were held. A.B. Data worked to successfully obtain confirmation for the Excluded Parties, which will block payment to those parties.

**DISTRIBUTION OF NET SETTLEMENT FUND**

15. Under the Stipulation, the Net Settlement Fund is to be distributed on a *pro rata* basis to all Eligible Class Members (the "Recovery Amount").<sup>17</sup>

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<sup>14</sup> Order and Final Judgment (Dkt. 268).

<sup>15</sup> *Id.* at ¶ 13.

<sup>16</sup> The Granted Stipulation and Order Amending Order for Class Certification, dated January 18, 2023 (Dkt. 176) amended the Class definition to include SHOS stockholders who dissented in the Merger.

<sup>17</sup> Stipulation at ¶ 11.10.

16. Subject to Court approval, A.B. Data will notify each DTCC Participant of the number of Eligible Shares that, according to the DTCC Security Position Report, the DTCC Participant's customers held on the Merger date. If the DTCC Participant held shares on behalf of an Excluded Person, A.B. Data will provide the Excluded Person's stockholdings and account information to the DTCC Participant. A.B. Data will instruct DTCC Participants to pay the Recovery Amount to Eligible Class Members and similarly direct that no Excluded Persons be paid. A.B. Data will provide each DTCC Participant its share of the Net Settlement Fund by check or wire transfer.

17. A.B. Data will instruct that, where an Eligible Closing Date Record Holder (*i.e.*, an Eligible Class Member listed on the Stockholder Register) is not also the beneficial holder, it is the responsibility of that Eligible Closing Date Record Holder to distribute the Recovery Amount to the beneficial holder. A.B. Data will distribute each Eligible Closing Date Record Holder's share of the Net Settlement Fund by check or wire transfer.

18. After deducting the Expense Award and the Notice and Administration Costs incurred through May 2025 and reserving \$11,740.56 in anticipated costs for the Initial Distribution, the remaining Net Settlement Fund is \$2,050,514.59 (including interest).

19. The Initial Distribution will pay approximately \$0.20 per Eligible Share, *i.e.*, \$2,050,514.59 divided by 10,248,743 Eligible Shares (“Per-Share Recovery”).

20. DTCC Participants will be directed to distribute payments to Eligible Closing Date Beneficial Holders in accordance with the Plan of Allocation.

21. A.B. Data will also wire distribution payments to Cannon Square, LLC and Quadre Investments, L.P., using the wiring instructions provided by their counsel.

22. For Closing Non-Nominee Record Positions, A.B. Data will issue checks and distribution registers, sending payments by prepaid first-class mail to the addresses provided by the transfer agent. To encourage prompt cashing and reduce administrative costs, each check will state: “CASH PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT CASHED WITHIN 180 DAYS OF ISSUE DATE.”

23. A.B. Data agreed to be the Settlement Administrator in exchange for payment of its fees and expenses. A.B. Data has incurred \$107,010.11 in Notice and Administration Costs for this matter through May 30, 2025 for services including: coordinating with DTCC on the Security Position Report, suppression letters, and the Initial Distribution; working with brokerage firms to obtain suppression letters for Excluded Parties; and maintaining the Settlement Website and toll-free hotline.

24. A.B. Data anticipates \$11,740.56 in additional costs for the Initial Distribution and requests that this amount be reserved from the Net Settlement Fund, to be paid to A.B. Data as costs accrue and are approved by Class Counsel. If the cost of the Initial Distribution is less than \$11,740.56, the excess will be returned to the Net Settlement Fund. Any unused amount will be returned to the Net Settlement Fund. If actual costs exceed \$11,740.56 and funds remain post-distribution, A.B. Data may recover the excess, with Class Counsel's approval, before any second distribution or transfer, without further Court order.

25. Under Court of Chancery Rule 23, if any funds remain in the Escrow Account six months after the Initial Distribution, A.B. Data will reallocate them to Eligible Class Members who were located and cashed the initial payment, if economically feasible. If not, the remaining balance will be transferred to the Combined Campaign for Justice.

I state under penalty of perjury under the laws of the State of Delaware that the foregoing is true and correct to the best of my knowledge.

Executed this 9th day of June, 2025.



\_\_\_\_\_  
Jack Ewashko

SWORN and SUBSCRIBED before me this 9th day of June, 2025.



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Noah T. Fenner

My commission expires: August 29, 2026

Noah Fenner  
Online Notary Public  
Wisconsin  
Milwaukee  
Commission #: 249319  
Commission Expires: 2026-08-29

Notarized online using audio-video communication