

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
WHITE PLAINS DIVISION**

JUSTIN GEORGE, ARIENNE PATZELT,
MELISSA ZUBER, and TSU HAN POH-
GRACIA, as representatives of a class of similarly
situated persons, and on behalf of the Garnet
Health Medical Center 403(b) Retirement Savings
Plan and Garnet Health Medical Center - Catskills
403(b) Retirement Savings Plan,

Plaintiffs,

v.

GARNET HEALTH MEDICAL CENTER,

Defendant.

Case No. 7:24-cv-6422-PMH

**DECLARATION OF JENNIFER K. LEE IN SUPPORT OF PLAINTIFFS' MOTION
FOR ATTORNEYS' FEES, COSTS & ADMINISTRATIVE EXPENSES, AND CLASS
REPRESENTATIVE COMPENSATION**

I, Jennifer K. Lee, declare and state as follows:

1. I am a partner at the law firm of Engstrom Lee LLC ("Engstrom Lee"), which has been appointed Class Counsel in the above-captioned action. Dkt. 71 ¶ 3. I submit this declaration in support of Plaintiffs' Motion for Attorneys' Fees, Costs & Administrative Expenses, and Class Representative Compensation.

2. I incorporate my prior declaration filed in this case, including my declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement, Dkt. 64 ("First Lee Dec."), and the exhibits attached thereto.

WORK OF ATTORNEYS

3. Class Counsel has dedicated substantial time and effort to prosecuting this class action in order to achieve the outstanding Settlement of a non-reversionary sum of \$4.6 million.

4. This case concerns the administration and monitoring of the Garnet Health Medical Center 403(b) Retirement Savings Plan and the Garnet Health Medical Center - Catskills 403(b) Retirement Savings Plan. Specifically, Plaintiffs alleged that Defendant failed to prudently monitor the Plan's stable value fund. Stable value products are insurance products governed by state laws and are fundamentally different from mutual funds. The market for stable value products is inherently opaque, making it difficult for plan participants and the general public to determine the crediting rates of comparable stable value products without discovery and even third-party discovery. Thus, unlike a typical 401(k) ERISA class action where other class counsel can rely on widely available prospectuses to compare the expense ratio and performance of mutual funds, here, Class Counsel had to rely on limited publicly available information. When Plaintiffs filed this case, Class Counsel were unaware of any decision establishing the standard for a prudent process for the selection and monitoring of stable value products.

5. Prior to filing the Complaint, Class Counsel conducted an in-depth investigation of information relating to the Plan, the Plan's stable value product, its mutual funds affiliated with the recordkeeper, its asset allocation service, and its recordkeeping expenses. As a result of these investigatory efforts, Class Counsel drafted and filed a detailed 53-page complaint.

6. On October 25, 2024, Defendant filed a pre-motion letter seeking leave to file a motion to dismiss. Dkt. 22. Plaintiffs timely responded to that letter. Dkt. 23. After a conference with the Court, dkt. 24, Plaintiffs amended their Complaint adding additional allegations and a Schedule A, dkt. 32. On January 7, 2025, Defendant filed another pre-motion letter seeking leave to move to dismiss the First Amended Complaint, dkt. 35, to which Plaintiffs timely responded,

dkt. 36. Defendant was granted leave to move to dismiss the First Amended Complaint, dkt. 37, which Plaintiffs opposed, dkt. 42.

7. While Defendant's motion to dismiss the First Amended Complaint was pending, Plaintiffs promptly pursued discovery. In response to requests for production, Class Counsel received nearly 15,000 pages of Committee minutes, materials, emails, and more. Armed with ample documents concerning Defendant's fiduciary process, Class Counsel deposed every member of the Committee. Towards the end of fact discovery, Class Counsel propounded interrogatories and requests for admission to further clarify the factual record. In parallel, Class Counsel reviewed and produced documents to Defendant, responded to numerous interrogatories, and prepared for and defended the depositions of the four Class Representatives.

8. Mediation took place towards the end of fact discovery but before expert discovery had commenced. Compare Dkt. 50 at 2 with Dkt. 60. In advance of the mediation, Class Counsel submitted a thorough mediation statement that presented their view of the factual record that had been developed to date and calculated the Plan's losses. Class Counsel flew to participate in the all-day, in-person mediation in New York City facilitated by Robert Meyer, Esq. That mediation resulted in the Settlement that the Court preliminarily approved. Dkt. 71.

9. After negotiating the settlement, Class Counsel reviewed and revised the Settlement Agreement, drafted the Settlement Notice, Former Participant Claim Form, Rollover Form, and proposed preliminary and final approval orders. In addition, Class Counsel drafted Plaintiffs' motion for preliminary approval of the settlement.

10. Class Counsel solicited bids from qualified settlement administration firms to serve as the Settlement Administrator and selected Atticus Administration ("Atticus"). Class Counsel then worked with Atticus and Defense counsel to ensure the Court-approved notices

were timely mailed to class members. In addition, Class Counsel worked with Atticus to ensure the settlement website was established with all required information and a telephone line was created for Class Members who wished to obtain additional information about the settlement. Throughout this time, Class Counsel has responded to questions from Class Members and Atticus.

REMAINING WORK TO BE PERFORMED

11. Class Counsel’s work on this matter remains ongoing. Prior to the Fairness Hearing, Class Counsel will draft Plaintiffs’ motion for final approval of the Settlement and respond to any objections. Class Counsel also will communicate with the Independent Fiduciary that has been engaged to review the Settlement and will provide it with all necessary information in connection with its review. Class Counsel will then attend the Fairness Hearing, and if final approval is granted, supervise the distribution of payments to eligible Class Members, which entails two rounds of distributions to ensure maximum recovery among Class Members. In addition, Class Counsel will continue to respond to questions from Class Members and take other actions necessary to support the Settlement until the conclusion of the Settlement Period. Class Counsel estimates this will require an additional 50–100 hours.

LODESTAR

12. Class Counsel expended roughly 1,218 hours from its pre-suit investigation, through motion practice, mediation, and the settlement approval and administration process, as set forth below. In light of the requested fee, the lodestar yields a multiplier of 1.7.

	Hours	Rates	Total
Partners	881.4	\$800-900	\$ 767,359.00
Associates	58.6	\$473-581	\$ 30,729.36

Analyst	244.6	\$473	\$ 115,695.80
Paralegals	33.4	\$277	\$ 9,257.34
Total	1,217.9		\$ 923,041.50

The reasonableness of the hourly rates billed by Class Counsel is supported by—and lower than—the hourly rates of other national ERISA class action practitioners. *See, e.g., Henry v. Wilmington Trust, N.A.*, No. 1:19-cv-01925-JLH, Dkt. 143 ¶ 18 (D. Del. Oct. 17, 2025) (sworn declaration of ERISA class action practitioner, listing hourly rates of \$900–1275 for Of Counsel and Partners, \$350 for paralegals); *Cockerill v. Corteva, Inc.*, No. 2:21-cv-03966-MMB, Dkt. 386-1 at 8 (sworn declaration of ERISA class action practitioner, listing hourly rates of \$900–1275 for partners, \$350 for legal assistants) (E.D. Pa. May 8, 2025); *see also id.* Dkt. 385-5 (sworn declaration of ERISA class action practitioner, listing hourly rates of \$795–1510 for partners, \$495–800 for associates, \$355–460 for paralegals in national ERISA class action practice).

13. In addition to the time set forth above, Class Counsel expects to incur an additional \$30,000 in fees in connection with overseeing the administration of the Settlement and seeking final approval of the Settlement.

14. Class Counsel are highly skilled and experienced ERISA class action attorneys who are admitted to practice in courts nationwide. Class Counsel were able to leverage its expertise in this difficult field. Other firms with less experience would not have been able to litigate the case nearly as efficiently. Because of the complexities and special expertise demanded of ERISA class actions, the few attorneys who have the requisite skill to bring successful ERISA class actions generally litigate in U.S. District Courts all over the country. These cases often require extensive research and pre-suit investigative work involving a

thorough understanding of finance and ERISA regulations, federal common law, and trust law. This is especially true of cases that are novel and develop new legal theories. Because of these factors, ERISA class action lawyers often charge—and are paid—substantial fees.

15. In addition, Class Counsel also undertakes individual representations on a contingent basis and routinely negotiates a 40% contingency fee. Indeed, Class Counsel and Class Representatives agreed to a one-third fee (subject to the approval of the Court) at the time Counsel was retained.

16. Finally, because stable value products guarantee a fixed rate of return, they are generally selected by the most risk-averse investors, who are often closest to retirement and therefore lack time to make up lost investment returns. At the same time, because of their inherently low returns, aggregate losses from imprudent selection and monitoring of stable value products can be much less than losses caused by imprudent selection of mutual funds, making them less appealing to experienced contingent fee counsel. The unique factual characteristics associated with stable value products add another layer of complexity.

WORK OF CLASS REPRESENTATIVES

17. It has been my honor to represent Mr. George, Ms. Patzelt, Ms. Zuber, and Mr. Poh-Gracia in this matter. Throughout the course of this action, the Class Representatives (1) aided Class Counsel in their investigation and provided pertinent documents, (2) reviewed the allegations in the Complaint and the First Amended Complaint, (3) preserved and produced documents responsive to Defendant's document requests, (4) responded to interrogatories, (5) prepared for and appeared for their depositions, (6) made themselves available during the mediation and provided input, (7) reviewed the settlement agreement and discussed its terms with Class Counsel, and (8) communicated with Class Counsel during the course of the action and stayed informed about the case.

18. Based on the time and assistance that Mr. George, Ms. Patzelt, Ms. Zuber, and Ms. Poh-Gracia provided in service of the Class and their initiative and risks in pursuing this action, I believe that the requested class representative compensation is reasonable and appropriate.

COSTS ADVANCED BY CLASS COUNSEL

19. In connection with the action, Class Counsel advanced costs for the benefit of Plaintiffs and the Class. Because Class Counsel handled this action on a contingency basis, Class Counsel has not yet received reimbursement for any of these costs.

20. As of the date of this Declaration, Class Counsel has incurred \$47,120.10 in costs in connection with this action. These costs are broken down by category below:

Mediation	\$20,183.09
Transcripts and Depositions	\$11,938.00
Legal Research and Financial Databases	\$ 7,947.33
Service and Postage	\$ 304.73
Court Filing Fees	\$ 808.10
E-Discovery	\$ 725.00
Expert Fees	\$ 425.00
Travel	\$ 4,788.85
Total	\$47,120.10

In my professional experience, all of these costs were reasonable and necessary for the successful prosecution of this action.

WORK OF THE SETTLEMENT ADMINISTRATOR

21. On and prior to January 16, 2026, the appointed Settlement Administrator printed and mailed settlement notices and rollover forms to all 5,240 Class Members, established the settlement website and telephone support line as provided by the Settlement.

22. Atticus has since collected rollover forms, monitored returned mail, and researched additional means to contact the few Class Members whose notices were returned undeliverable if required. This work continues, and Atticus's complete work will be detailed in Plaintiffs' forthcoming motion for final approval.

23. If the Settlement receives final approval, Atticus will review and process rollover forms, calculate payments to Class Members pursuant to the Plan of Allocation, and facilitate distribution of payments to Class Members.

24. For these services, Atticus will charge \$29,895.00. These expenses amount to \$6.00 per class member. In my professional experience, this rate is reasonable.

25. Finally, although the deadline for objections is still weeks away, since Class notices were mailed, neither Atticus nor Class Counsel has received an objection to the Settlement or to the attorneys' fees, costs, and expenses, and class representative compensation requested by Plaintiffs.

WORK OF INDEPENDENT FIDUCIARY

26. As required by the Settlement and DOL regulations, an independent fiduciary must review and approve the Settlement on behalf of the Plan. Defendant selected, and the Court appointed, Fiduciary Counselors to review the Settlement. For their review, analysis, report, and appearance at the final fairness hearing (if required), Fiduciary Counselors will charge \$15,000.

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

Dated: February 27, 2026

/s/ Jennifer K. Lee
Jennifer K. Lee