UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI

GUY M. LACROSSE and JOJEMAR MENDOZA individually, and as representatives of a Class of Participants and Beneficiaries of the Jack Henry & Associates, Inc., Savings/Retirement Plan, Plaintiffs, v. JACK HENRY & ASSOCIATES, INC., UNDER 29 U.S.C. § 1132(a)(2) and RETIREMENT COMMITTEE OF THE JACK HENRY & ASSOCIATES, INC. 401(K) RETIREMENT SAVINGS PLAN, Defendants.	Case No.: 3:23-cv-05088-SRB

SUGGESTIONS IN SUPPORT OF PLAINTIFFS' UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

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INTRODUCTION & FACTUAL BACKGROUND

This is a class action in which Plaintiffs LaCrosse and Mendoza alleged that Defendants Jack Henry & Associates ("Jack Henry") and the Retirement Committee of the Jack Henry & Associates, Inc. 401(k) Retirement Savings Plan ("Committee") breached their fiduciary duty of prudence under Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.*, ("ERISA") in two ways.

I. THE CLAIMS

First, Plaintiffs alleged that Defendants, as fiduciaries, allowed the Jack Henry and Associates, Inc. 401(k) Retirement Savings Plan (the "Jack Henry Plan") to pay excessive Recordkeeping and Administrative Fees ("RKA Fees"). ECF No. 56 (Third Amended Complaint) ¶¶ 199-219. As a result, Plaintiffs allege that the Jack Henry Plan paid greater RKA Fees than the reasonable rates for comparably sized plans offering essentially the same services. From 2017 through 2022, the Jack Henry Plan paid over $2,000,000 in RKA Fees for an average of $78 per participant. ECF No. 56 ¶¶ 120 & 136.

Second, Plaintiffs alleged that Defendants breached their fiduciary duty of prudence by offering, steering participants into, and imprudently retaining, the Prudential Guaranteed Income Fund ("Prudential GIF"). ECF No. 56 ¶¶ 220-31. The Prudential GIF is a stable value fund, which provides guaranteed protection of principal and low, fixed returns. Because funds in the Prudential GIF are held unrestricted in the general account of the insurance carrier (Prudential), it is a relatively risky stable value fund and, consequently, should offer high returns relative to other stable value products. More specifically, the Prudential GIF is subject to the single entity credit risk of Prudential, the issuer of the contract. ECF No. 56 ¶¶ 161–62. As alleged, however, the

Prudential GIF provided lower returns than some other stable value funds of comparable or lesser risk. ECF No. 56 ¶¶ 170–73.

Defendants deny these allegations as well as each of the allegations in the operative complaint as well as any prior versions of the complaint.

II. PROCEDURAL HISTORY

Plaintiff LaCrosse filed his original Class Action Complaint on October 9, 2023, asserting just the RKA fees claim. Plaintiff LaCrosse amended his complaint twice (ECF Nos. 15 and 22), and the Court denied Defendants' Motion to Dismiss the Second Amended Complaint. ECF No. 35. On July 18, 2024, after the court granted leave to amend (ECF No. 53), Plaintiffs filed the operative Third Amended Complaint, which added Plaintiff Mendoza as a Party and asserted the claim relating to the Prudential GIF (ECF No. 56). On August 1, 2024, Defendants filed their operative Answer. ECF No. 59.

Plaintiffs served 39 requests for production of documents and 9 interrogatories on Defendants. Plaintiffs reviewed over 14,000 pages of documents produced by Defendants. Plaintiffs also subpoenaed, for both documents and testimony, Stonebridge Financial Group, the Plan's investment advisor, which, among other responsibilities, was responsible for analyzing the Plan's recordkeeping fees and advising on retention of the Prudential GIF. Plaintiffs deposed Stonebridge Financial Group on January 13, 2025. Plaintiffs served subpoenas on, and reviewed documents produced by, Empower Annuity Insurance Company of America, which, as the acquirer of Prudential Retirement Services, offered the Prudential GIF. Plaintiffs also served subpoenas on multiple other investment companies, which offered competing stable value products. *See* Joint Decl. of Ferri and Rusch, ¶¶ 12–15.

On December 3, 2024, while discovery was ongoing, the parties engaged in a day long mediation with Frank Neuner of Neuner Mediation & Dispute Resolution. The parties did not reach a settlement at the mediation but agreed to continue their dialogue to see if a negotiated resolution of this matter could be achieved. On January 27, 2025, after further conferrals, the parties reached an agreement in principle to settle this matter for $1.6 million and non-monetary relief in the form of Defendants' agreement to issue requests for proposals relating to RKA services. *Id.* ¶¶ 16–17.

After exchanging drafts of a settlement agreement, the parties disagreed on the appropriate scope of the class-wide release. To resolve the dispute, the parties requested a settlement conference with a Magistrate Judge. On July 24, 2025, Magistrate Judge Gaddy conducted a settlement conference, and the parties reached agreement on the final settlement terms. *Id.* ¶ 18.

On September 11, 2025, the Court granted preliminary approval of the settlement. ECF No. 94, ¶ 5. The Court certified the following Settlement Class for settlement purposes only:

> *All persons, except individual Defendants and their immediate family members, who were participants in or beneficiaries of the Plan, at any time during the Class Period, and any Alternate Payee of a Person subject to a [Qualified Domestic Relations Order] ("QDR") who participated in the Plan at any time during the Class Period.*

Id. ¶ 2.

The Court appointed Named Plaintiffs Guy LaCrosse and Jojemar Mendoza as Class Representatives and DiCello Levitt, LLP and Johnson Becker, PLLC as Class Counsel. *Id.* ¶¶ 3–4. The Court approved the Settlement Notices to Settlement Class Members. *Id.* ¶¶ 6–7. The Court further approved Verita Global, LLC as the Settlement Administrator and payment of Verita's fees from the Qualified Settlement Fund. *Id.* ¶¶ 8–9.

III. THE SETTLEMENT

The Settlement Agreement ("SA") filed with the Court, including exhibits, sets forth all of the terms of the Settlement and controls. *See* ECF No. 88-1. The Settlement is summarized below.

The Settlement Class is defined as "all persons, except individual Defendants and their immediate family members, who were participants in or beneficiaries of the Plan, at any time during the Class Period, and any Alternate Payee of a Person subject to a QDRO who participated in the Plan at any time during the Class Period." The Class Period is October 9, 2017 through September 11, 2025 (the date the Court entered the Preliminary Approval Order).

In consideration of the dismissal of this action with prejudice, and the granted release, Defendants have agreed to provide a settlement fund of $1,600,000, to be distributed proportionately to Settlement Class Members pursuant to the Plan of Allocation, after payment of any Attorneys' Fees and Costs, Service Awards, and Administrative Expenses (the "Net Settlement Amount"). SA, Arts. 4–5. Class Members will receive a share of the Net Settlement Amount, under the Plan of Allocation, that is based on the amount of recordkeeping fees that they incurred during the Class Period and the amount of their investments, if any, in the Prudential GIF. *See* Settlement Agreement, Ex. B. Defendants have also agreed to conduct a request for proposal relating to the Plan's recordkeeping services. Settlement Agreement, Art. 12.

In consideration for the relief provided under the Settlement Agreement, Settlement Class Members (and their respective heirs, beneficiaries, executors, administrators, estates, past and present partners, officers, directors, agents, attorneys, predecessors, successors, and assigns) will be subject to the Settlement Agreement's release and covenant not to sue, which provides for a complete release of all claims asserted in this action or that arise out of the same factual predicate as those claims asserted in this action. Settlement Agreement, Art. 7.

Pursuant to the Settlement Agreement, Fiduciary Counselors has been retained as the Independent Fiduciary who shall determine whether to approve and authorize the settlement of the Released Claims on behalf of the Plan. Fiduciary Counselors shall issue a determination letter prior to the Final Approval Hearing. Settlement Agreement, Art. 2.

IV. THE NOTICE PERIOD.

The notice period continues and will not end until February 10, 2026. *See* January 5, 2026, Verita Report, attached hereto as Exhibit 1. On November 21, 2025, the Settlement Administrator sent 11,564 Notices via email and 673 notices via U.S. Mail. *Id.* On December 26, 2025, a supplemental notice was emailed to 272 Class Members and mailed to 298 Class Members. *Id.* To date, the Settlement Administrator has received no objections to the settlement. *Id.* To date, 611 claim forms have been returned by individuals with closed Plan accounts. *Id.* Plaintiffs will file a declaration from the Settlement Administrator after the conclusion of the notice period and in advance of the February 24, 2026 fairness hearing outlining the results of Notice Period.

ARGUMENT

I. THE COURT SHOULD GRANT FINAL APPROVAL OF THE CLASS SETTLEMENT.

The claims, issues, or defenses of a certified class—or a class proposed to be certified for purposes of settlement—may be settled, voluntarily dismissed, or compromised only with the court's approval. Fed. R. Civ. P. 23(e). Before approving a class action settlement that binds class members, a court must (1) direct notice in a reasonable manner to all class members; (2) find the settlement fair, reasonable, and adequate after a hearing; and (3) permit class members to object to the settlement. *Id.* For the reasons stated below, Plaintiffs propose the settlement to be fair, reasonable, and adequate.

A court may find a class action settlement fair, reasonable, and adequate after considering whether (A) the class representatives and class counsel have adequately represented the class; (B) the proposal was negotiated at arm's length; (C) the relief provided for the class is adequate, taking into account the costs, risks, and delay of trial and appeal, the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims, the terms of any proposed award of attorney's fees, including timing of payment, and any agreement required to be identified under Rule 23(e)(3); and (D) the proposal treats class members equitably relative to each other. Fed. R. Civ. P. 23(e)(2)(A)–(D).

Prior to the amendment of Rule 23(e) in 2018, the Eighth Circuit created its own list of factors for courts to use when determining whether a class settlement was fair, reasonable, and adequate: (1) "the merits of the plaintiff's case"; (2) "the defendant's financial condition"; (3) "the complexity and expense of further litigation"; and (4) "the amount of opposition to the settlement." *Murphy v. Harpstead*, 2023 WL 4034515, at *4 (D. Minn. June 15, 2023) (citing *Van Horn v. Trickey*, 840 F.2d 604, 607 (8th Cir. 1988)). All the factors under Rule 23(e)(2) and the Eighth Circuit are met here for final approval.

A. Adequacy of Representation.

Plaintiffs LaCrosse and Mendoza and Class Counsel adequately represent the Settlement Class. This determination pertains to whether "(1) the class representatives have common interests with members of the class, and (2) whether the class representatives will vigorously prosecute the interests of the class through qualified counsel." *Paxton v. Union Nat'xl Bank*, 688 F.2d 552, 562–63 (8th Cir. 1982). There are no conflicts of interest between Class Representatives and the Settlement Class nor Class Counsel and the Settlement Class. Plaintiffs are also members of the Settlement Class. Plaintiffs have reviewed the allegations in the Complaint and its amendments,

provided information and documents to counsel to assist in furthering the action, conferred with Class Counsel regarding the strengths and weaknesses of the case, and approved the settlement by signing the Settlement Agreement. Moreover, Class Counsel have decades of experience combined in complex litigation, including class action, collective action, and mass tort matters. The Court should find that Plaintiffs LaCrosse and Mendoza and Class Counsel have adequately represented the interests of the Settlement Class.

B. Arm's Length Negotiations.

This settlement is the result of arm's length negotiations between experienced counsel. There is no evidence of fraud or collusion. *See Cleveland v. Whirlpool Corp.*, 2022 WL 2256353, at *5 (D. Minn. June 23, 2022) (finding settlement negotiated at arm's length where "the parties engaged in zealous litigation on the issues, exchanged both formal and informal discovery, and vigorously negotiated the settlement over the course of several months."). Counsel for the Parties vigorously negotiated the terms of the settlement, including multiple discussions of the merits of the case and exchanges of offers after contested litigation. This included a half-day third party mediation, a second full-day third party mediation, and finally, a separate settlement conference with Magistrate Judge Brian Gaddy.

C. The Relief Provided to the Class is Adequate.

This factor takes "into account the costs, risks, and delay of trial and appeal, the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims, the terms of any proposed award of attorney's fees, including the timing of payment, and any agreement required to be identified under Rule 23(e)(3)." Fed. R. Civ. P. 23(e)(2)(C).

The settlement funds attributable to Plaintiff's RKA fees, $800,000, equates to approximately a 26% recovery of maximum calculated damages attributable to Defendants' RKA fees. This is a recovery frequently approved by courts in ERISA litigation. *See Sims v. BB&T Corp.*, 2019 WL 1995314, at *5 (M.D.N.C. May 6, 2019) (approving ERISA class settlement where recovery was 19% of alleged damages); *Urakhchin v. Allianz Asset Mgmt., of Am., L.P.*, 2018 WL 8334858, at *4 (C.D. Cal. July 30, 2018) (approving ERISA class settlement where recovery was 17.7% of alleged damages); *Johnson v. Fujitsu Tech. & Bus. Of Am., Inc.*, 2018 WL 2183253, at *5 (N.D. Cal. May 11, 2018) (approving ERISA class settlement recovery of 10% of alleged damages). The other $800,000 in settlement funds will be used to compensate participants in the Prudential GIF. The recoverable damages attributable to this claim are uncertain because a reasonable rate of return for a stable value investment option with the characteristics of the Prudential GIF is highly-contested. Plaintiffs note that a district court recently rejected a substantially similar claim after an 8-day bench trial. *See Iannone v. AutoZone, Inc.*, 2025 WL 2797074, at *16 (W.D. Tenn. Sept. 30, 2025).

The costs, risks, and delay of trial and appeal support the settlement. The Court set a trial date for April 2026. *See* ECF No. 77. The factual and legal issues in this dispute would require significant additional commitments of time and resources for the Parties if the case proceeded to trial. The Parties require additional fact discovery, including discovery from nonparties. Further discovery from experts is required. The Parties would both need to engage in pretrial matters such as meeting, marking, and exchanging exhibits, preparing and submitting pretrial briefs, motions *in limine*, requests to strike, and jury instructions. Accordingly, the potential expense of moving forward with the case in relation to the substantial disputes on liability and damages—after years of contested litigation—weighs in favor of the Court approving the Parties' settlement.

The method of distributing relief to the Settlement Class is highly effective. Of the over 12,000 Settlement Class members, approximately 65% are active participants in the Plan. This means that the majority of Settlement Class members do not have to take any action to receive payment under the settlement. The Settlement Administrator will make a settlement payment to each active Plan participant in their Plan account based on the settlement's Plan of Allocation. Former Plan participants will need to submit a Claim Form to receive payment. The identities of former Plan participants are known and the Settlement Administrator will mail former Plan participants with the Settlement Notice at their last known address. Any residual funds after administration will be paid to the Plan for the benefit of the Plan's participants. Residual funds will not be used to defray any expenses that would otherwise be paid by Defendants or to defray Defendants' fees and costs in connection with this matter.

Class Counsel are requesting attorneys' fees of 33 and 1/3% of the Settlement Fund. This amount is commonly approved in ERISA and class action litigation and Class Counsel will address this as part of a separate motion for attorneys' fees and costs. *See Lechner v. Mut. of Omaha Ins. Co.*, 2021 WL 424421, at *2 (D. Neb. Feb. 8, 2021) (noting "a fee request of one-third of the settlement amount is typical in ERISA class action litigation").

Lastly, besides the Settlement Agreement submitted to the Court, the Parties do not have any other agreements to disclose pursuant to Rule 23(e)(3). The relief provided to the Settlement Class is adequate and should be granted final approval.

D. The Proposal Treats Class Members Equitably.

Each Class Member's settlement amount is calculated the same way. The Guaranteed Income Fund amount is calculated by determining the sum of the year-end account balances in the Prudential Guaranteed Income Fund of each Current Participant and Former Participant during the

Class Period and dividing that sum by the total sum of year-end asset amounts in the Prudential Guaranteed Income Fund during the Class Period. *See* Plan of Allocation, Exhibit B to the Settlement Agreement ¶ 1.5.2. Similarly, the Record Keeping Fund is calculated by determining the sum of recordkeeping fees for each year the participant was in the Plan during the Class Period and dividing that sum by the total number of recordkeeping fee sums of all participants during the Class Period. *Id.* Thus, each Class Member is being treated equitably based on their individual account balances.

E. The Notices are Adequate.

The Court previously approved the Notices in its Preliminary Approval Order. *See* ECF No. 94, ¶¶ 6–7. In order to protect the rights of absent members of a settlement class, a court must provide the best notice practicable to all members. *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 174–75 (1985). Such a notice should define the class, describe clearly the options open to the class members and deadlines for taking action, describe the terms of the proposed settlement, disclose any special benefits provided to class representatives, provide information regarding attorneys' fees, indicate the time and place of the fairness hearing, explain the procedure for distributing settlement funds, provide information that will enable the class members to calculate individual recoveries, and prominently display the address and telephone number of class counsel and the procedure for making inquiries. Manual for Complex Litigation (Fourth) § 21.312 (2004).

The Notices sent to Settlement Class Members, attached as Exhibit A to the Settlement Agreement, satisfied Rule 23(e)(2)(C)(ii). The Notices addressed the concerns detailed in the Manual for Complex Litigation by defining the Settlement Class, informed class members what they needed to do to receive their settlement payment, informed class members on how to exclude themselves or object to the settlement, identified the date of the fairness hearing, described how

the settlement pays for administration costs, service awards, and attorneys' fees and costs, prominently displayed Class Counsel's contact information, and informed the Settlement Class of their ability to contact Class Counsel with questions. The Parties agreed that distribution of the Notices via email and U.S. Mail was reasonable. The Settlement Administrator identified updated email or mailing addresses for any initial Notices that returned as undeliverable.

F. The Eighth Circuit Factors.

All the additional Eighth Circuit factors are satisfied. *See Murphy*, 2023 WL 4034515, at *4 (listing factors as (1) "the merits of the plaintiff's case"; (2) "the defendant's financial condition"; (3) "the complexity and expense of further litigation"; and (4) "the amount of opposition to the settlement."). Two of the four factors are easily disposed of here at the final approval stage. Plaintiffs have no concerns regarding Defendants' financial condition and Plaintiffs previously articulated the complexity and expense of further litigation in their Rule 23(e)(2)(C) discussion. *See Pollard v. Remington Arms Co.*, LLC, 320 F.R.D. 198, 221 (W.D. Mo. 2017) (noting that class actions place an enormous burden of costs and expense upon parties).

Regarding the amount of opposition to the settlement, Plaintiffs currently do not have any objections to report. Plaintiffs will file a declaration from the Settlement Administrator in advance of the fairness hearing, which will report any objections to the settlement.

The merits of Plaintiffs' case also supports final approval. "The single most important factor in determining whether a settlement is fair, reasonable, and adequate is a balancing of the strength of the plaintiff's case against the terms of the settlement." *Rawa v. Monsanto Co.*, 934 F.3d 862, 868 (8th Cir. 2019) (quoting *Van Horn* at 607)). Plaintiffs believe in their claims and prevailed in opposing Defendants' motion to dismiss, but significant risk remained regarding Plaintiffs' claims at summary judgment. Defendants have also prevailed in ERISA class actions

at-trial. *See Wildman v. Am. Century Serv.*, LLC, 362 F. Supp. 3d 685, 711 (W.D. Mo. 2019) (finding that plaintiffs did not prove by preponderance of evidence that defendants breached their fiduciary duties). If Plaintiffs prevailed on liability, then they would still need to prove damages. *See* Restatement (Third) of Trusts, § 100 cmt. b(1) (determination of losses in breach of fiduciary duty cases is "difficult"). ERISA class actions are not home runs for plaintiffs or defendants when there is a good faith dispute about alleged breaches of fiduciary duties.

CONCLUSION

For the foregoing reasons, the Plaintiffs request the Court issue an Order granting final approval of the Class Action Settlement Agreement.

Dated: January 12, 2026

Respectfully submitted,

/s/ Daniel R. Ferri

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CERTIFICATE OF SERVICE

I hereby certify that on January 12, 2026, I filed the foregoing with the Court using the CM/ECF system. This system sends notifications of such filing and service to all counsel of record.

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EXHIBIT 1

verita

JKL:Lacrosse, et al. v. Jack Henry & Associates Inc.

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Case Dates

Mailing Date	:	11/21/2025
Claim Filing Deadline	:	2/10/2026
Objection Deadline	:	2/10/2026

Class Statistics

Total Class Members	:	12237
Total Opt-outs	:	0
% Opt-outs	:	0.00%
Total Claim Forms	:	611
% Claim Forms	:	4.77%

Week End	Notices Mailed	Notices Emailed	Email Bounceback	RUM	RUM Re-mailed	Objections Received	Total Claims Received
11/21/2025	673	11564	0	0	0	0	104
11/28/2025	0	0	0	0	0	0	304
12/01/2025	0	0	79	0	0	0	27
12/09/2025	79	0	0	61	0	0	75
12/26/2025	298	272	0	22	0	0	71
01/05/2026	0	0	0	7	0	0	30
Total	**1050**	**11836**	**79**	**90**	**0**	**0**	**611**