

YOU HAVE RECEIVED THIS NOTICE BECAUSE YOU ARE A RETAIL WATER CUSTOMER OR RETAIL SEWER CUSTOMER IN THE BOROUGH OF MIDDLETOWN WHO PAID, OR WILL PAY, THE SHORTFALL RECOVERY AMOUNT FOR A WATER SALES TEST PERIOD DURING THE TERM OF THE LEASE BETWEEN THE BOROUGH OF MIDDLETOWN AND MIDDLETOWN WATER JOINT VENTURE LLC, DATED SEPTEMBER 30, 2014. YOU MAY BE ABLE TO RECEIVE MONEY FROM THIS CLASS ACTION SETTLEMENT.

A CLASS ACTION IS PENDING THAT MAY AFFECT YOUR LEGAL RIGHTS PLEASE READ THIS NOTICE CAREFULLY

- A \$4.8 million Settlement has been reached in a class action lawsuit brought in 2018 by several Retail Water and Retail Sewer Customers in the Borough of Middletown (“Class Representatives”) against McNees Wallace & Nurick LLC (“McNees”) and Susquehanna Group Advisors, Inc. (“SGA”) (collectively “Defendants”) in the Court of Common Pleas of Dauphin County (the “Court”). The lawsuit alleges that the Defendants breached their contracts with the Borough of Middletown (“Borough”) in negotiating the Concession and Lease Agreement between the Borough of Middletown and Middletown Water Joint Venture LLC (“Concessionaire”) on September 30, 2014 (“Lease”) causing damage to Plaintiffs and Class Members as third-party intended beneficiaries to those contracts. Defendants deny doing anything wrong and that the Settlement Class has a viable legal claim as third-party beneficiaries of any contract between Defendants and the Borough.
- You have been identified as a potential member of the Settlement Class. Class Members who paid the Shortfall Recovery Amount for the First Water Sales Test Period (2015-2017) and Second Water Sales Test Period (2018-2020) will receive a pro rata reimbursement of up to 15% of the total Shortfall Recovery Amount (not to exceed an aggregate total for the Settlement Class of \$300,000) paid for each Water Sales Test Period. Each of these amounts will be set forth in the final Plan of Allocation to distribute payments for the First Waters Sales Test Period that is subject to Court approval during the Final Approval Hearing.
- For each Water Sales Test Period after the First Water Sales Test Period (ending in 2017) where a Shortfall Recovery Amount exists, the total payment for the Settlement Class of up to 15% of the total Shortfall Recovery Amount (not to exceed an aggregate total of \$300,000) shall be paid to the Class Members who paid the Shortfall Recovery Amount for the covered Water Sales Test Period on a pro rata basis during each Water Sales Test Period until the Settlement Fund is exhausted or the Lease expires.
- The Settlement must be approved by the Court before any payment is issued from the Settlement Amount to any Class Member.
- Your rights regarding this Settlement, and the actions you can take, are explained in this Notice. You may also review the Settlement Website at www.middletownwatersettlement.com for updates and further details, or call 1-833-933-8708.
- Se llegó a un acuerdo de \$4,8 millones en una demanda colectiva contra McNees Wallace & Nurick LLC y Susquehana Group Advisors, Inc. en relación con sus contratos con el municipio de Middletown y su entrada en el Arrendamiento. Ha sido identificado como miembro de la Clase del Acuerdo. Sus derechos con respecto a este Acuerdo y las acciones que puede tomar se explican en este Aviso. Una versión en español de este Aviso está disponible en el sitio web del acuerdo en www.middletownwatersettlement.com.

**PLEASE READ THIS NOTICE CAREFULLY AS IT
DESCRIBES THE OPTIONS AVAILABLE TO YOU AND
THE OUTCOME OF THE OPTION YOU PICK**

1. What is this Action about?

Plaintiffs commenced this class action on June 4, 2018, and asserted class claims asserting a breach of contract claim against McNees and SGA as third-party beneficiaries to the contracts between the Borough and each Defendant, under the following caption: *Borough of Middletown, et al. v. McNees Wallace & Nurick LLC, et al.*, Civil Action No: 2018-CV-03685, CCP – Dauphin County (the “Action”). The Borough leased its water and wastewater system to the Concessionaire for a period of 50 years. Defendants McNees and SGA provided legal and financial advising services, respectively, to the Borough throughout the process of developing, negotiating, and finalizing the Lease. The Action alleges the Settlement Class is impacted by terms the Borough agreed to when entering the Lease based on professional services provided to the Borough by each Defendant, which resulted in alleged overpayments by Class Members. This Action sought to recover those overpayments by the Settlement Class during the Lease.

McNees and SGA both dispute the legal viability of Plaintiffs’ claims and deny any wrongdoing, but have agreed to enter this Settlement. This Settlement is the result of good-faith, arms-length negotiations between the Class Representatives and Defendants, through their respective Counsel. Both sides agree that, in light of the risks and expense associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and it is in the best interests of the Settlement Class.

2. Why are you receiving this Notice?

You are receiving this Notice because you have been identified as a Retail Water Customer or Retail Sewer Customer in the Borough of Middletown that paid a Shortfall Recovery Amount based on a Water Sales Test Period. As a Class Member, you have certain rights and options prior to the Court deciding whether to approve the Settlement. This Notice informs you of those rights and options and where additional information can be found.

3. What are the terms of the Settlement?

The Defendants agreed to pay a Settlement Amount of \$4.8 million to create a settlement fund to make payments to the Settlement Class for a percentage of the Shortfall Recovery Amounts established pursuant to each Water Sales Test Period during the Lease. The Settlement Amount will be divided amongst Class Members, as described below in Question 4 and as set forth in detail in the Settlement Agreement.

The Settlement Amount also includes payment of all related costs of providing this Notice, Administration Expenses, payment of Attorneys’ Fees and Expenses to Class Counsel, and Plaintiffs’ Service Awards. Defendants will make this payment in exchange for Class Members releasing the Releasees for the Released Claims.

4. What will you receive from the Settlement?

For each Water Sales Shortfall Test Period, you will receive a pro rata payment for 15% of the Shortfall Recovery Amount paid by the Settlement Class for each Water Sales Shortfall Test Period, up to an aggregate \$300,000 for the Settlement Class calculated for each Water Sales Shortfall Test Period. The payment for the First Water Sales Shortfall Test Period will be mailed to you within 60 days from the Effective Date of the Settlement following the Court’s order approving the Settlement as final. Each Water Sales Test Period identifies a Shortfall Recovery Amount, if any, over a period of three years. After the First Water Sales Shortfall Test Period, pro rata payments to Class Members will occur for each Water Sales Shortfall Test Period where a

Shortfall Recovery Amount is paid by the Settlement Class pursuant to the same procedure set forth for the First Water Sales Shortfall Test Period. This will continue until the conclusion of the Lease, or the Settlement Amount is exhausted, whichever comes first.

5. What are you giving up to receive money and benefits of the Settlement?

If you do not exclude yourself from the Settlement Class by opting-out (described in Question 6), and the Court approves the Settlement, in exchange for the payment to you as described in Question 4 you will forever release and discharge the Released Claims against the Releasees.

YOUR OPTIONS

6. How do you exclude yourself from the Settlement?

If you do not want to be a member of the Settlement Class and receive the payment identified in Question 4 in exchange for providing a release of the Released Claims to the Releasees, and wish to pursue an individual separate lawsuit over the issues in the Action, then you must take affirmative steps to exclude yourself from this Settlement and the Settlement Class. This process is referred to as “opting-out” of the Settlement Class. **To opt-out of the Settlement Class, you must mail a request for exclusion or exclude yourself from the Settlement and Settlement Class to the Settlement Administrator at P.O. Box 225391 New York, NY 10150-5391 by October 09, 2023. If you do not timely opt-out, you will not be permitted to be excluded at a later date.**

7. If you opt-out, will you still get money from the Settlement?

No. If you timely opt-out as described in Question 6, you will not receive money from the Settlement and you will be able to bring a lawsuit against Defendants for your individual damages relating to the Lease. Defendants retain all available defenses to any separate lawsuit filed if you opt-out of the Settlement, including that the legal claim is invalid because members of the Settlement Class cannot be third-party beneficiaries of the applicable contract between the Borough and either Defendant.

8. How do you object to the Settlement?

If you are a Class Member, you can submit written notice of objection to the Court in support of, or in opposition to, the Settlement or any of its terms. A written statement in opposition to the Settlement is called an “objection.” To object, a Class Member must send their written notice of objection to the Court and mail a copy of the objection to the Settlement Administrator, Class Counsel, and Defendants’ Counsel, identified below by **October 09, 2023**:

Class Counsel	McNees’s Counsel	SGA’s Counsel	Settlement Administrator
Simon Paris Saltz Mongeluzzi & Bendesky, P.C. 120 Gibraltar Road, Suite 218 Horsham, PA 19044	Thomas M. O’Rourke Cozen O’Connor One Liberty Place 1650 Market Street, Suite 2800 Philadelphia, PA 19103	John P. Morgenstern Christopher C. Negrete O’Hagan Meyer 1717 Arch St., Suite 3910 Philadelphia, PA 19103	Borough of Middletown et al v. McNees Wallace & Nurick LLC, et. al c/o Kroll Settlement Administration, LLC PO Box 225391 New York, NY 10150-5391

To be considered by the Court, all objections must be in writing and personally signed by the Class Member, postmarked by October 09, 2023, and include:

the case name and number, *Borough of Middletown, et al. v. McNeese Wallace & Nurick, LLC, et al.*, Civil Action No: 2018-CV-03685 (C.C.P. Dauphin Co.);

- (i) the Class Member's full name, current address, and current telephone number;
- (ii) a statement of the objection(s), including all factual and legal grounds for the position;
- (iii) copies of any documents the objector wishes to submit in support;
- (iv) the name and address of the attorney(s), if any, who is representing the objecting Class Member in making the objection or who may be entitled to compensation in connection with the objection;
- (v) a statement of whether the Class Member objecting intends to appear at the Final Approval Hearing, either with or without counsel;
- (vi) the identity of all counsel (if any) who will appear on behalf of the Class Member objecting at the Final Approval Hearing and all persons (if any) who will be called to testify in support of the objection;
- (vii) the signature of the Class Member objecting, in addition to the signature of any attorney representing the Class Member objecting in connection with the objection;
- (viii) identification of any potential conflict of interest with the Settlement Class, such as service, employment or affiliation with the Borough, the Borough's Mayor, or the Borough's Council; and
- (ix) date the objection.

In addition, any Class Member objecting to the Settlement shall provide a list of any other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court in Pennsylvania or the United States in the previous five years. If the Class Member or his or her counsel has not made any such prior objection, the Class Member shall affirmatively so state in the written materials provided with the objection. Class Counsel and/or Defendants' Counsel may seek information directly from any Class Members submitting an objection pursuant to Section 9.4 of the Agreement and the Court's Preliminary Approval Order.

The written objection must indicate whether the Class Member and/or their counsel intend to appear at the Final Approval Hearing to be scheduled by the Court, and failure to do so may preclude you from speaking during the Final Approval Hearing. If you have opted-out, you are no longer a Class Member and you cannot submit an objection.

9. What is the difference between opting out and objecting?

If you opt-out, you are no longer part of the Settlement Class subject to the terms of the Settlement. This means you will not participate in its benefits or release any claims against the Defendants. If you object, you can comment on the terms of the Settlement and remain part of the Settlement Class so that you can receive the Settlement's benefits in exchange for providing Released Claims to the Releasees if and when the Court approves the Settlement. If you choose to opt-out, you cannot object. If you choose to object, you cannot opt-out. If you choose to do nothing, see Question 10 below.

10. What happens if you do nothing at all?

If the Court approves the Settlement and you are a Class Member, you will receive your pro rata payment for the paid Shortfall Recovery Amounts for the Water Sales Test Periods to reimburse portions paid for the Shortfall Recovery Amounts pursuant to the terms of the Settlement. These pro rata payments under the Settlement are for up to 15% of the Shortfall Recovery Amount paid, not to exceed \$300,000 aggregate for the Settlement Class for any Water Sales Test Period. These payments under the Settlement shall continue approximately every three years until it is exhausted or the Lease has expired, whichever comes first.

THE COURT'S FINAL APPROVAL HEARING

11. Where and when will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing on November 09, 2023 at 11:00 a.m. in Courtroom 5, Third Floor of the Dauphin County Courthouse, 101 Market Street, Harrisburg, PA 17101. The Honorable Andrew H. Dowling, will preside at the hearing.

The Final Approval Hearing may be moved to a different date, time or location without additional notice to the Settlement Class, but it will be posted to the Settlement Website, www.middletonwatersettlement.com, so please confirm if you have notified the Court you intend to appear.

12. What will the Court decide at the Final Approval Hearing?

At the Final Approval Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider how much to award Class Counsel for Attorneys' Fees and Expenses, which shall not exceed one-third of the Settlement Amount, plus reimbursement of litigation costs. The Court will also consider whether to award Service Awards to the Class Representatives who prosecuted the Action on behalf of the Settlement Class in an amount not to exceed \$2,500 for each (total not to exceed \$7,500). The Court will also award payment to the Settlement Administrator for Administration Expenses, including costs of the Notice Program.

13. Do you have to come to the Final Approval Hearing?

No. Class Counsel will answer any questions that the Court may have and address any challenges to the Settlement. If you timely send a comment supporting or objecting to the Settlement, you may, but do not have to come to Court to discuss the issues raised in your written notice of objection, so long as the procedure set forth in Question 8 of this Notice was correctly followed. You may also attend the hearing in person and may hire your own attorney to attend for you, at your own expense.

14. Do you need an attorney to represent you at the Final Approval Hearing?

No. Class Counsel has been appointed by the Court and will be present at the hearing to appear on behalf of all Class Members.

15. How can you get more information about this Settlement?

If you have any questions regarding your rights as a Class Member or the options and rights discussed in this Notice, you may contact Class Counsel without charge. You can also obtain more information by visiting the Settlement Website www.middletonwatersettlement.com or by calling 1-833-933-8708.

PLEASE DO NOT CONTACT THE COURT