

**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE: BESTWAY ABOVE-GROUND
POOLS LITIGATION

Case No.: 1:25-cv-09570

**ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT, PRELIMINARY
CERTIFICATION OF SETTLEMENT CLASS AND APPROVAL OF NOTICE PLAN**

WHEREAS, on August 12, 2025, Named Plaintiff Susana Castro¹ filed a putative class action complaint in this Court alleging that certain Bestway-branded above-ground pools contain a defect that creates a potential drowning hazard, and that a voluntary recall issued in conjunction with the United States Consumer Product Safety Commission (“CPSC”) was delayed, deficient and inadequate *Castro v. Bestway USA, Inc.*, No. 1:25-cv-09570 (N.D. Ill.) (the “*Castro Action*”);

WHEREAS, Plaintiffs Pete Piceno and Shannon Gannon filed a putative class action against Bestway USA alleging substantially similar claims related to the Pools in the Central District of California on August 21, 2025 *Piceno et al. v. Bestway USA, Inc.*, No. 1:25-cv-12315 (C.D. Cal.) (the “*Piceno Action*”);

WHEREAS, Plaintiffs Katrina Hill and Lisa Weeks filed a putative class action against Bestway USA alleging substantially similar claims related to the Pools in the Northern District of California on October 17, 2025 *Hill et al. v. Bestway USA, Inc.*, No. 1:25-cv-13422 (N.D. Cal.) (the “*Hill Action*”);

WHEREAS, Plaintiff Leah Holloway filed a putative class action against Bestway USA alleging substantially similar claims related to the Pools in the Northern District of Illinois on

¹ All capitalized terms have the same meaning as defined in the Settlement Agreement, which was filed as Exhibit 1 (“Settlement Agreement” or “Settlement”) to Class Counsel’s Omnibus Declaration in Support of Plaintiffs’ Motion for Preliminary Approval of Settlement.

October 21, 2025 *Holloway v. Bestway USA, Inc.*, No. 1:25-cv-12853 (N.D. Ill.) (the “*Holloway Action*”);

WHEREAS, on November 6, 2025, the Court in *Castro* held an initial status conference, after which the above complaints were consolidated into a single action entitled *In re: Bestway Above-Ground Pools Litigation*, No. 1:25-cv-09570, ECF No. 29 (the “*Action*”);

WHEREAS, on November 12, 2025, the Court appointed Kevin Laukaitis of Laukaitis Law LLC and Rachel Soffin of Pearson Warshaw, LLP as Interim Co-Lead Class Counsel and appointed additional counsel to the Executive Committee, including Leslie Pescia of Siri Glimstad, Nick Suciu of Bryson Harris Suciu & DeMay PLLC, Charles D. Moore of Reese, LLP, Jason Sultzer of Sultzer & Lipari, PLLC and Alec Schultz of Hilgers Graben PLLC, ECF No. 35;

WHEREAS, Plaintiffs Susana Castro, Pete Piceno, Shannon Gannon, Leah Holloway, Katrina Hill and Lisa Weeks, in addition to Plaintiff Jamie DeSabio (“Plaintiffs” or “Named Plaintiffs”) filed a consolidated amended complaint against Bestway USA on November 24, 2025, ECF No. 37;

WHEREAS, Bestway USA denies the allegations in the Action and denies any allegation of wrongdoing;

WHEREAS, the Parties attended two all-day mediation sessions with the Honorable Diane Welsh (Ret.) to resolve the claims alleged in the Action without the need for further litigation;

WHEREAS, in order to fully resolve the claims at issue in this litigation, Plaintiffs and Bestway USA agreed to include Bestway Inflatables & Material Corp. (“Bestway Inflatables”), and Bestway (Hong Kong) International Ltd (“Bestway Hong Kong”) in the settlement negotiations, who also deny the allegations in the Action and deny any allegations of wrongdoing;

WHEREAS, Plaintiffs and Bestway USA, as well as Bestway Inflatables & Material Corp. (“Bestway Inflatables”), and Bestway (Hong Kong) International Ltd (“Bestway Hong Kong”)

(collectively “Bestway” or “Defendants”) entered into a Settlement Agreement on April 30, 2026, which is attached as ***Exhibit 1*** to the Omnibus Declaration of Class Counsel, which sets forth the terms and conditions of the Settlement;

WHEREAS, Plaintiffs moved the Court for leave to file a Second Consolidated Amended Class Action Complaint to incorporate Bestway Inflatables and Bestway Hong Kong as defendants in the Action, ECF No. 54;

WHEREAS, Plaintiffs moved the Court for a Preliminary Approval Order approving the proposed Settlement pursuant to Federal Rule of Civil Procedure 23 and approving certification of the Settlement Class, approval of the Notice Plan, the appointment of Rachel Soffin of Pearson Warshaw, LLP and Kevin Laukaitis of Laukaitis Law LLC as Co-Lead Class Counsel, and appointment of the Executive Committee as Class Counsel; appointment of the Named Plaintiffs as Class Representatives; appointment of EisnerAmper as the Settlement Administrator; and requesting the scheduling of the Fairness Hearing.

WHEREAS, Defendants do not contest certification of the Settlement Class solely for purposes of the Settlement;

WHEREAS, the Court is familiar with and has reviewed the record and the Agreement and its exhibits, Plaintiffs’ Memorandum of Law in Support of Motion for Preliminary Approval of Class Action Settlement Agreement and the supporting Class Counsel’s Omnibus Declaration and its exhibits, and finds good cause for entering the following Order;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. For purposes of this Order, the Court adopts all defined terms as set forth in the Agreement.

Preliminary Certification of the Settlement Class

2. Under Federal Rule of Civil Procedure 23(b)(3), the Settlement Class, defined as follows, is preliminarily certified for the purpose of settlement only:

All Persons in the United States (including states, districts, territories, and tribal reservations) who purchased a Class Product, for personal use and not for resale, before the date of the Preliminary Approval Order.

3. Specifically excluded from the Settlement Class are the following:

(1) the presiding judge and immediate family; (2) Defendants and their parents, subsidiaries, affiliates, and their current and former officers, directors, employees, agents, and counsel; (3) Persons who timely and properly Opt-Out; (4) successors/assigns of excluded Persons; (5) wholesalers, distributors, or retailers of the Class Products; (6) second-hand purchasers; (7) any federal, state, or local governmental entity; and (8) Class Counsel.

4. The Court preliminarily finds, for the purpose of settlement only, that the Settlement Class meets all the prerequisites of Federal Rule of Civil Procedure 23 for class certification, including numerosity, commonality, typicality, predominance of common issues, superiority and that Plaintiffs and Class Counsel are adequate representatives of the Settlement Class.

5. As part of the Settlement, Defendants agree to pay \$15,000,000.00 to fund Cash Payments to Settlement Class Members with valid claims, Settlement Administration Costs, any Court-Approved Attorneys' Fees and Cost Reimbursement, and any Court-Service Awards.

6. The Settlement provides for cash payments to Settlement Class Members who submit valid claims pursuant to the Settlement Agreement. The Court preliminarily finds this structure to be fair, reasonable and adequate. All payments are subject to *pro rata* adjustment.

7. The Settlement Class, if certified in connection with Final Approval, shall be for settlement purposes only and without prejudice to the Parties in the event the Settlement is not finally approved by this Court or otherwise does not take effect.

Appointment of Class Representatives

8. Plaintiffs Susana Castro, Pete Piceno, Shannon Gannon, Leah Holloway, Jamie DeSabio, Katrina Hill and Lisa Weeks are hereby appointed as Class Representatives for settlement purposes only and without prejudice to the Parties in the event the Settlement is not finally approved by this Court or otherwise does not take effect.

Appointment of Class Counsel

9. Kevin Laukaitis of Laukaitis Law LLC and Rachel Soffin of Pearson Warshaw, LLP are hereby appointed as Co-Lead Class Counsel; and also appointed are these additional counsel to the Executive Committee: Leslie Pescia of Siri Glimstad, Nick Suciu of Bryson Harris Suciu & DeMay PLLC, Charles D. Moore of Reese, LLP, Jason Sultzer of Sultzer & Lipari, PLLC and Alec Schultz of Hilgers Graben PLLC, for settlement purposes only and without prejudice to the Parties in the event the Settlement is not finally approved by this Court or otherwise does not take effect.

Preliminary Approval of the Settlement

10. The Court has reviewed the Settlement Agreement and preliminarily finds that the Settlement is the product of non-collusive, arm's-length negotiations between experienced counsel, conducted after the exchange of sufficient information to evaluate the strengths and weaknesses of the claims and defenses, and with the assistance of the Honorable Diane Welsh (Ret.). The Court further preliminarily finds that the Settlement falls within the range of possible approval under Rule 23(e)(2) because it appears fair, reasonable and adequate; it compares favorably with the expected recovery balanced against the risks of continued litigation; it has no obvious deficiencies; and it is in the best interest of the Settlement Class. The Court notes that the Settlement does not release claims for personal injury, bodily injury, wrongful death or property

damage, and does not limit any rights relating to the Pool Recall or governmental enforcement actions.

11. The Court preliminarily finds that the claims and distribution structure are reasonable and equitable.

12. The Court further finds that the Settlement provides a reasonable opportunity for claimants to cure deficient claims, which supports a finding of procedural fairness.

13. The Court further notes that the Parties did not negotiate attorneys' fees, costs or service awards until after agreement was reached on the substantive relief to the Settlement Class.

14. The Court further finds that the Settlement provides for a non-reversionary common fund, and that any residual funds remaining after distribution shall be distributed on a *cypres* basis, subject to Court approval.

15. If the Settlement Agreement had not been reached, the Parties would continue to litigate this matter, including motions to dismiss, class certification, summary judgment and trial. In light of the costs, risks and delay of continued litigation and appeal, the Court preliminarily finds that the relief provided by the Settlement is sufficiently adequate to warrant notice to the Settlement Class and further consideration at final approval.

16. The Court hereby preliminarily approves the Settlement, as memorialized in the Agreement, subject to further consideration at the Final Approval Hearing to be conducted as described below.

Manner and Form of Notice

17. The Court approves a Notice Date of August 1, 2026, or as soon thereafter as practicable.

18. The Court further approves the Notices substantially in the forms attached as

Exhibits B, C and D to the Agreement and the Claim Form substantially in the form attached as Exhibit A to the Agreement. The Notice is reasonably drafted to apprise the Settlement Class of the pendency of this Action; the effects of the proposed Settlement on their rights (including the Released Claims contained therein); Class Counsel's upcoming motion for Attorneys' Fees, Cost Reimbursement and Service Awards; of their right to submit a Claim Form; of their right to Opt-Out of the Settlement; and of their right to object to any aspect of the proposed Settlement. The date and time of the Final Approval Hearing shall be included in the Notice and on the Settlement Website at www.poolsettlementbw.com.

19. The Parties, without further approval from the Court, are permitted to revise the Claim Form and forms of Notices (Exhibits A, B, C and D of the Agreement) in ways that are appropriate to update those documents for purposes of accuracy or formatting, so long as they are consistent in all material respects with the Settlement and this Order.

20. The Court also finds that the Notice Plan, which includes dissemination of Class Notice, is the best notice practicable under the circumstances and satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process and all other applicable law and rules. It will inform the Settlement Class of the general terms of the Settlement, including a description of the Action, information regarding the identity of the Settlement Class and the Released Claims. It shall include, among other information: a description of the material terms of the Settlement; how to submit a Claim Form; the Claim Form Deadline; a date by which Settlement Class members may Opt-Out of the Settlement Class; a date by which Settlement Class Members may object to the Settlement and/or to Class Counsel's Application for Attorneys' Fees, Cost Reimbursement and Service Awards; the date the Final Approval Hearing is scheduled to occur; and the Settlement Website address (www.poolsettlementbw.com) at which Settlement Class Members may access the

Agreement and other related documents and information. Additionally, Opt-Out procedures will be explained, as well as how Settlement Class Members may exercise their right to object to the proposed Settlement at the Final Approval Hearing.

Appointment of the Settlement Administrator

21. The Court appoints EisnerAmper LLP to serve as the Settlement Administrator. The Settlement Administrator shall: (i) not approve duplicate or multiple Claims for the same purchase but shall deem valid only one Claimant for each purchase; (ii) use adequate and customary procedures and standards to prevent the payment of fraudulent Claims and to pay only valid Claims; (iii) have the right, along with the Parties, to audit Claims and may request additional information from Claimants; (iv) have discretion to reasonably approve or deny each Claim; (v) review Claim Forms, notify Claimants of deficient Claim Forms and send Cash Payments to Settlement Class Members; (vi) establish and maintain the Settlement Fund Escrow Account approved by the Parties; (vii) establish and maintain a post office box for Opt-Out requests from the Settlement Class and to receive Claim Forms; (viii) establish and maintain an automated toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries and provide answers to the frequently asked questions of Settlement Class Members who call with or otherwise communicate such inquiries; (ix) respond to any mailed inquiries from Settlement Class Members; (x) provide weekly reports to Class Counsel and Defendants' counsel that summarize the number of Claims submitted, Claims approved and rejected, Opt-Out requests received that week, the total number of Opt-Out requests received to date, and other pertinent information; (xi) in advance of the Final Approval Hearing, prepare a declaration to submit to the Court confirming that the Notice Plan was completed in accordance with the terms of the Agreement and the Preliminary Approval Order, describing how the Notice Plan was completed, indicating the

amount of Valid Claims received, providing the names of each Settlement Class Member who timely and properly requested to Opt-Out from the Settlement Class and other information as may be necessary to allow the Parties to seek and obtain Final Approval; (xii) distribute, out of the Net Settlement Fund, Settlement Class Member Cash Payments, unless a Settlement Class Member elects to receive payment by electronic means; (xiii) pay Court-approved attorneys' fees and costs, and Service Awards out of the Settlement Fund; (xiv) pay Settlement Administration Costs out of the Settlement Fund; (xv) provide Notice pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715; (xvi) employ reasonable procedures to prevent fraudulent or duplicate claims; and (xvii) complete any other Settlement Administration function at the direction of Class Counsel and Defendants' counsel, including, but not limited to, verifying that the Settlement Fund has been properly administered and that the Cash Payments have been properly distributed.

22. The Settlement Administrator shall provide Notice of the Settlement and Final Approval Hearing to the Settlement Class as follows:

- a. On August 1, 2026, or as soon thereafter as practicable, the Settlement Administrator shall implement the Notice Plan, including Class Notice.
- b. The Settlement Administrator will establish the Settlement Website no later than twenty-one (21) Days after the Preliminary Approval Date, and the Settlement Website will have Claim Form submission capability, contain the Agreement and other related documents and information, provide answers to a set of frequently asked questions and information on how to object or request exclusion (and the ability to Opt-Out online), and contain any other information regarding the Court approval process as agreed to by the Parties.
- c. No later than twenty-one (21) Days after the Preliminary Approval Date, the

Settlement Administrator shall establish an automated toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries and answer the frequently asked questions of Settlement Class Members who call with or otherwise communicate such inquiries.

- d. The Claim Deadline shall be October 30, 2026 or 90 days after the Notice Date.

The Final Approval Hearing

23. The Court will hold a Final Approval Hearing on November 20, 2026 at ____ a.m./p.m. in Courtroom ____ of the United States District Court, Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604 for the following purposes: (i) to determine whether the Settlement should be finally approved as fair, reasonable and adequate and in the best interests of the Settlement Class; (ii) to rule upon Class Counsel's application for Attorneys' Fees, Cost Reimbursement and Service Awards; and (iii) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

24. The Court may adjourn the Final Approval Hearing or decide to hold the Final Approval Hearing telephonically or via other means without further notice to the Settlement Class and may approve the proposed Settlement without further notice to the Settlement Class.

25. Class Counsel's application for Attorneys' Fees, Cost Reimbursement and Service Awards will be decided in an order separate from the order that addresses the fairness, reasonableness and adequacy of the Settlement.

26. If the Settlement is approved, Settlement Class Members (*i.e.*, those who have not Opted-Out of the Settlement) will be bound by the Released Claims provided for in the Agreement, and by any judgment or determination of the Court affecting Settlement Class Members. All Settlement Class Members shall be bound by all determinations and judgments in this Action

concerning the Settlement, whether favorable or unfavorable to the Settlement Class.

Objections to the Settlement

27. Any Settlement Class Member who intends to object to the Settlement must file a written objection on the docket no later than the Objection/Exclusion deadline, and must also send a copy of the objection to counsel for the Parties and the Settlement Administrator. The objection shall include a caption or title that states the case name and number, *In re: Bestway Above-Ground Pools Litigation*, Case No. 1:25-cv-09570, and provides the following: (a) the objector's full name, address, telephone number, and email address (if available); (b) information sufficient to allow the Settlement Administrator to reasonably verify Settlement Class membership (such as approximate purchase date, retailer, model, or other identifying information reasonably available to the objector); (c) the specific reasons for the objection; (d) whether the objection applied to that Settlement Class Member or to a specific subset of the Settlement Class, or to the entire Settlement Class, and state with specificity the grounds for the objection; (e) any supporting papers, materials, or briefs that the objector wishes the Court to consider when reviewing the objection; (f) a statement on whether the objector and/or his or her counsel intend to appear at the Fairness Hearing; (g) a signature by the Settlement Class Member (physically or electronically); and (h) if the objector is represented by counsel or received assistance from counsel, the objection must also identify the attorney and provide the attorneys' name, address, telephone number and email address.

28. To be timely, the objection must be submitted no later than October 30, 2026 or 90 days after the Notice Date.

29. Any Settlement Class Member who fails to timely file with the Court a written objection and notice of his or her intent to appear at the Fairness Hearing pursuant to the above

paragraph, as detailed in the Class Notice and in the Settlement Agreement, shall not be permitted to object to the approval of the Settlement at the Fairness Hearing and shall be foreclosed from seeking any review of the Settlement or the terms of the Agreement by appeal or other means.

Exclusion from the Settlement Class

30. To be timely, a request for exclusion must be postmarked or submitted online no later than October 30, 2026 or 90 days after the Notice Date. The exclusion request must (i) identify the case name, *In re: Bestway Above-Ground Pools Litigation*; (ii) contain the Settlement Class Member's name, address and telephone number; (iii) contain a statement that the person purchased a Class Product; (iv) contain a clear statement that the person wishes to be excluded from the Settlement Class, such as: "I request to be excluded from the Settlement Class in *In re: Bestway Above-Ground Pools Litigation*"; and (v) be personally signed by the Settlement Class Member requesting exclusion.

31. Any member of the Settlement Class who does not submit a valid or timely exclusion request shall remain a Settlement Class Member and shall be bound by this Agreement if approved.

32. Any member of the Settlement Class who submits a timely, valid Opt-Out request shall not be bound by the Settlement Agreement or any orders or judgments entered in the Action; shall not be entitled to any relief under the Settlement; shall not gain any rights under this Agreement; and shall not be entitled to object to any aspect of the Settlement.

Termination of the Settlement

33. If the Settlement fails to become effective in accordance with its terms, or if the judgment or Final Approval Order are not entered or are reversed, vacated or materially modified on appeal (and, in the event of material modification, if either Party elects to terminate the

Settlement), this Preliminary Approval Order shall be null and void, the Agreement shall be deemed terminated (except for any paragraphs that, pursuant to the terms of the Agreement, survive termination) and the Parties shall return to their positions without prejudice in any way, as provided for in the Agreement.

The Use of this Order

34. As set forth in the Agreement, the fact and terms of this Preliminary Approval Order and the Settlement, all negotiations, discussions, drafts and proceedings in connection with this order and the Settlement, and any act performed or document signed in connection with this Order and the Settlement, shall not, in this or any other court, administrative agency, arbitration forum or other tribunal, constitute an admission, or evidence or be deemed to create any inference against any Party, including, but not limited to: (i) of any acts of wrongdoing or lack of wrongdoing; (ii) of any liability on the part of the Defendants to the Class Representatives, the Settlement Class or anyone else; (iii) of any deficiency of any claim or defense that has been or could have been asserted in this Action; (iv) that Defendants agree that a litigation class is proper in this Action; (v) of any damages or lack of damages suffered by the Class Representatives, the Settlement Class or anyone else; or (vi) that any benefits obtained by Settlement Class Members pursuant to the Agreement or any other amount represents the amount that could or would have been recovered in this Action against Defendants if it was not settled at this point in time.

35. The fact and terms of this Preliminary Approval Order and the Settlement, all negotiations, discussions, drafts and proceedings in connection with this order and the Settlement, including but not limited to, the judgment and the release of the Released Claims provided for in the Agreement and the judgment, shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum or

other tribunal, except as necessary to enforce the terms of this Order and/or the Settlement.

36. The Court retains exclusive jurisdiction over this Action to consider all further matters arising out of or connected with the Settlement. The Court hereby stays this Action pending Final Approval of the Settlement, except such proceedings as may be necessary to carry out the terms and conditions of the Agreement and obtain Final Approval.

37. Pending Final Approval of the Settlement, Plaintiffs, all Releasing Parties and any persons purporting to act on their behalf, are barred and enjoined from filing, commencing, prosecuting, maintaining or enforcing any Released Claims against the Released Parties, directly or indirectly (including in any action purportedly brought on behalf of the general public of the United States or of a particular state, district or territory therein), in any judicial, administrative, arbitral or other forum. This bar and injunction are necessary to protect and effectuate the Agreement and this Preliminary Approval Order, and this Court's authority to effectuate the Settlement, and are ordered in aid of this Court's jurisdiction.

38. As stated in this Preliminary Approval Order, and consistent with the Agreement, the following dates and deadlines shall apply to the approval of this Settlement:

<u>EVENT</u>	<u>TIMING</u>
Notice Date	August 1, 2026
Class Counsel's Application for Attorneys' Fees, Cost Reimbursement and Service Awards	September 25, 2026 (or 35 Days before objection deadline)
Claims Deadline	October 30, 2026 (or 90 Days after Notice Date)

Objection & Exclusion Deadline	October 30, 2026 (or 90 Days after Notice Date)
Deadline for filing Motion for Final Approval	November 13, 2026 (or 7 Days before Final Approval Hearing)
Final Approval Hearing	November 20, 2026, or as soon thereafter as may be heard by the Court

39. The Court may, for good cause, extend any of the deadlines set forth in this Order without further notice to the Settlement Class Members, though such extensions shall be posted to the Settlement Website.

IT IS SO ORDERED.

Dated: May 4, 2026



HON. LINDSAY C. JENKINS
United States District Court
Northern District of Illinois