NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Lite Star ESOP Litigation

***Chea v. Lite Star ESOP Committee, et al.*, No. 1:23-cv-00647-SAB (E.D. Cal.)**

Please read this notice carefully and completely.

If you are a member of the Class, the Settlement will affect your legal rights.
A federal court has authorized this notice. This is not a solicitation from a lawyer.
You have not been sued. You do not need to submit a claim form.

The parties to this class action lawsuit have reached a proposed Settlement which, if approved, would resolve a lawsuit concerning the Lite Star Employee Stock Ownership Plan ("ESOP"). You received this notice because you are believed to be a Class Member because you held vested B-K Lighting stock in the Lite Star ESOP from the date of its inception until December 31, 2024 or are a beneficiary of someone who did.

This notice summarizes the settlement terms and provides information concerning your rights as a Class Member. The complete Settlement Agreement ("Settlement") and other information about this lawsuit, are available at www.LiteStarESOPsettlement.com or by contacting the settlement administrator at litestaresopsettlement@noticeadministrator.com or 888-246-5152.

SUMMARY OF YOUR LEGAL RIGHTS & OPTIONS
OPTION #1: DO NOTHING. You can do nothing and still receive the benefits of the Settlement, if it is approved. If you have any Lite Star stock still in your ESOP account, you will automatically receive Settlement proceeds through an increase in value of the Lite Star stock in your account and a cash payment mailed directly to you. If you have sold some or all of your stock, you will receive Settlement proceeds through a cash payment mailed directly to you, if the Settlement is approved.
OPTION #2: OBJECT. If you are not satisfied with the terms of the proposed Settlement, then you or your attorney may inform the Court by sending a letter or written statement by **January 5, 2026**. You or your attorney may also attend the Fairness Hearing on January 21, 2026 to explain your concerns to the Court.

BASIC INFORMATION

1. What is a Class Action?

In a class action, one or more individuals file a lawsuit on behalf of a class of many other individuals who have similar claims. Here, for settlement purposes, the Court appointed Linna Chea, a former B-K Lighting employee who held B-K Lighting stock in her ESOP account, as Class Representative.

2. Who is a Member of the Class?

The Class is defined as: "All participants and beneficiaries of the Lite Star, Inc. ESOP from the date of its inception through December 31, 2024 (unless they terminated employment without vesting), excluding the individual Defendants and their family members or beneficiaries."

Because this Lawsuit was certified as a mandatory ("non-opt-out") class action for settlement purposes, you cannot exclude yourself from the Class or the benefits of the Settlement.

THE LAWSUIT AND THE SETTLEMENT

3. What Is This Lawsuit About?

This Lawsuit was filed on behalf of participants in the Lite Star ESOP and their beneficiaries (the "Lawsuit"). The Lawsuit asserts claims against Prudent Fiduciary Services, LLC, Miguel Paredes, B-K Lighting, Inc., Nathan Sloan, Kathleen A. Hagen, the Estate of Douglas W. Hagen, and the Lite Star ESOP Committee. and has been litigated in the U.S. District Court for the Eastern District of California since April 2023.

The Lawsuit asserts that Defendants violated a federal statute, the Employee Retirement Income Security Act of 1974 ("ERISA"), in connection with the ESOP's purchase of Lite Star stock in 2017 for approximately $25 million (the "ESOP Transaction"). Plaintiff alleges that the ESOP paid more than fair market value for B-K Lighting stock. Specifically, the Lawsuit alleges that some of the Defendants were ESOP fiduciaries who violated their duties under ERISA § 404, 29 U.S.C. § 1104, ERISA § 405, 29 U.S.C. § 1105 ERISA § 406, 29 U.S.C. § 1106, and ERISA § 410, 29 U.S.C.§ 1110 in connection with the ESOP purchase of B-K Lighting stock. The Lawsuit also asserts claims against the Selling Shareholder and his successors for participating in the ERISA violations when he sold his B-K Lighting stock to the ESOP.

The Defendants have denied, and continue to deny, all the allegations and claims in the Lawsuit and any wrongdoing regarding the ESOP Transaction, and have vigorously defended the Lawsuit. There has been no finding of liability or wrongdoing by any of the Defendants in the Lawsuit.

4. Why is there a Settlement?

The Court did not decide in favor of any party. Instead, both sides agreed to a settlement. That way, both sides avoided the cost and risk of a trial, and Class Members will get the value of the Settlement now, rather than continuing with the litigation where there is a chance the Class would receive nothing (i.e., if Plaintiff ultimately loses the case). The Class Representatives and Class Counsel think the Settlement is in the best interest of all Class Members.

5. Why Did I Get This Notice?

You received this Notice because, according to the ESOP's records, you are believed to be a Class Member. The Court has ordered that this Notice be sent to all Class Members to provide you with information about the Settlement and to inform you of your right to object to the Settlement and/or the motion for attorneys' fees, expenses, and service awards to the Class Representative, which are described further below.

THE SETTLEMENT RECOVERY

6. What does the Settlement provide?

If the Settlement is approved, the Class will receive the following benefits:

(1) The Defendants will pay $1.5 million to the Class. Court-awarded attorneys' fees, expenses, settlement administration costs, and a service award will be deducted from this amount.

(2) The Selling Shareholder's successors will forgive $1.0 million of debt that B-K Lighting owes them for the ESOP transaction. This will increase the value of the B-K Lighting stock owned by the ESOP by an estimated $750,000.

The total value the Settlement consideration listed above is estimated to be $2.25 million. These and other terms of the Settlement are set forth in the Class Action Settlement Agreement dated **August 15, 2025** ("Settlement Agreement") and are summarized in this notice. The complete Settlement Agreement is available at www.LiteStarESOPsettlement.com or from Class Counsel.

7. How will I get my Settlement benefits?

Under the proposed Settlement, if you have an active ESOP account, the value of the Lite Star shares held in your account will be greater than they otherwise would be absent the settlement, thereby providing more value to the retirement savings in your account and you will also receive a cash payment. If you have sold Lite Star stock once held in your ESOP account, you will receive a cash payment. Each Class Member will receive a total value of approximately $1.55 per vested share (either in increased share value, cash, or a combination of both). If the Settlement is approved, all Class Members will automatically receive these benefits. You do not need to complete a claims form.

THE LAWYERS REPRESENTING YOU

8. Who represents the Class?

The Court has appointed lawyers from the law firms Feinberg Jackson Worthman & Wasow LLP and Cohen Milstein Sellers & Toll PLLC to represent you and other Class Members. These lawyers are called Class Counsel.

You will not be charged for these lawyers' services. If you want to be represented by your own lawyer, you may hire one at your own expense. Information about Class Counsel and the work they did in prosecuting this case and negotiating the proposed Settlement is available at www.LiteStarESOPsettlement.com.

9. How will the lawyers be paid?

From the beginning of the case, which was filed in April 2023, to the present, Class Counsel have not received any payment for their services in prosecuting the case or obtaining the Settlement. Nor have they been reimbursed for any litigation expenses spent prosecuting the case. Class Counsel will therefore apply to the Court for an award of attorneys' fees and the reimbursement of the litigation expenses. The total amount of attorneys' fees requested will not exceed $500,000, and the total requested litigation expense reimbursement will not exceed $50,000. The Class Representative will seek a service award of $5,000 in recognition of the time and effort she expended on behalf of the Class.

You may object to the requested attorneys' fees, expenses, and service awards through the objection procedures described below in Question 12. All requested attorneys' fees, expense reimbursements, and service awards must be reviewed and approved by the Court, and the Court may decide to award less than the requested amount. The Court will consider any objections before deciding the amount of any awards for attorneys' fees and expenses or service awards.

All court documents related to the motion for attorneys' fees and reimbursement of expenses will be posted to www.LiteStarESOPsettlement.com by December 4, 2025.

INDEPENDENT FIDUCIARY

9. Will the Settlement be reviewed by anyone other than the Court?

Yes. The Settlement Agreement requires an experienced Independent Fiduciary to review the Settlement on behalf of the ESOP and Class Members. An Independent Fiduciary is an impartial third party that specializes in ERISA issues and will review the proposed Settlement, including the terms of the Settlement, the value of the Settlement benefits described in Question 6 above, and whether the requested attorneys' fees, expense reimbursements, and service awards are fair and reasonable in the opinion of the Independent Fiduciary. However, the ultimate determination of whether the Settlement terms and attorneys' fees, expense reimbursements, and service awards are fair and reasonable is solely in the discretion of the Court. The Independent Fiduciary will submit a written report with its findings and its conclusion concerning whether the Settlement is fair and reasonable. If the Independent Fiduciary does not agree with any aspect of the Settlement, it will object in writing and explain the basis of that objection. The parties may attempt to resolve the concerns of the Independent Fiduciary if it objects. The Independent Fiduciary's written report will be filed with the Court on or before the deadline to object so that the written report may be considered by Class Members and the Court. That report will be posted here: www.LiteStarESOPsettlement.com.

YOUR RIGHTS AND OPTIONS

10. What happens if you do nothing at all?

If you do nothing, and the Judge approves the Settlement, you will receive the benefits of the Settlement as described in Question 6 above. The particular benefits you receive depends on the number of vested shares you held in the ESOP prior to December 31, 2024 and whether you have sold any B-K Lighting stock that was allocated to your ESOP account. The total value will be approximately $1.55 per vested share.

11. May I opt out of the Settlement?

No. If the Court approves the Settlement, you will be bound by it and will receive whatever Settlement recovery you are entitled to under its terms. You cannot exclude yourself from the Settlement, but you may tell the Court what you don't like about the Settlement by filing an objection on or before January 5, 2026. (See Question 12 below.)

12. How do I object to the Settlement?

You can submit written comments or an objection that explains what you do not like about the Settlement. You may also object to the requested attorneys' fees, expenses, and service awards, but it must be submitted on or before January 5, 2026. Your objection must be in writing, and you must provide the following information to ensure that the Court receives your objection and can properly consider it:

1. Include the case name and number for this Action: *Chea v. Lite Star ESOP Committee*, No. 1:23-cv-00647;
2. Your full name, current address, current telephone number, and email address. If you are represented by a lawyer, you need to also provide your lawyer's name, current address, current telephone number, and email address;
3. Explanation of what you do not like about the Settlement or the requested attorneys' fees, expenses, and service awards and why;
4. Copies of any documents that you believe support your objection;
5. A statement of whether your objection applies just to you, to a part of the Class, or to the whole Class; and
6. A statement of whether you intend to appear and speak at the Fairness Haring and the name of your lawyer, if you have one, that will appear at the Fairness Hearing.

Again, it is very important that you file your objection on or before January 5, 2026. Failure to submit your objection to the Court and Counsel for the Parties (identified below) by this deadline shall constitute a waiver of your right to object. In other words, you cannot object to the Settlement or the requested attorneys' fees, expenses, and service awards after the deadline, January 5, 2026.

On or before January 5, 2026, you must file or mail your objection to the Court at the Courthouse (address below). In addition, you must email and/or mail copies of your objection to all Counsel (emails and addresses below):

To Clerk of Court:	To Class Counsel:	To Selling Shareholder's Counsel:
United States District Court for the Eastern District of California 2500 Tulare Street, Room 1501 Fresno, CA 93721	Michelle C. Yau Cohen Milstein Sellers & Toll, PLLC 1100 New York Ave. NW Suite 500 West Washington, DC 20005 myau@cohenmilstein.com Daniel M. Feinberg Feinberg, Jackson, Worthman & Wasow LLP 2030 Addison Street, Suite 500 Berkeley, CA 94704 dan@feinbergjackson.com	Mark A. Nebrig Moore & Van Allen PLLC 100 N. Tryon St. Suite 4700 Charlotte, NC 28202-4003 marknebrig@mvalaw.com **To B-K Lighting's Counsel:** Richard Pearl Faegre Drinker Biddle & Reath LLP 320 S. Canal St., Suite 3300 Chicago, IL 60606 rick.pearl@faegredrinker.com **To Paredes' Counsel:** Chelsea Ashbrook McCarthy Holland & Knight LLP 150 N. Riverside Plaza., Suite 2700 Chicago, IL 60606 chelsea.mccarthy@hklaw.com

13. When and where will the Court hold a hearing on the fairness of the Settlement?

The Court will hold a Fairness Hearing on January 21, 2026 at 10:00 a.m., before Judge Stanley Boone in the United States District Court for the Eastern District of California. The Fairness Hearing will occur at the Robert E. Coyle Federal Courthouse, 2500 Tulare Street, Courtroom 9, Sixth Floor, Fresno, CA 93721. At the Fairness Hearing, the Court will listen to any objections, comments, and arguments concerning the fairness of the proposed Settlement and the requested attorneys' fees and expenses, and service awards.

You do not need to attend the Fairness Hearing. But you are welcome to attend the Hearing to observe or to voice your views about the Settlement or the requested attorneys' fees, expenses, and service awards. If you plan to speak at the hearing, you must file an objection (see Question 12) and state that you intend to appear and speak at the Fairness Hearing on or before January 5, 2026, and include copies of any papers, exhibits, or other evidence you will present to the Court. You must include in your objection the information listed in Question 12. You must send your objection that includes a statement that you intend to appear (with the information described in this paragraph) to the Court and all Counsel at the addresses provided in Question 12 above.

Note: The date and time of the Fairness Hearing may change, but any changes will be posted at www.LiteStarESOPsettlement.com.

14. May I speak at the hearing?

Yes, by sending an objection and identifying in the objection that you intend to appear and speak at the Fairness Hearing you are telling the Court that you would like to speak at the hearing. To do so, you must include in your objection a statement that you intend to appear and speak at the Fairness Hearing. Again, your objection containing this statement must be postmarked no later than January 5, 2026, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel at the addresses provided in Question 12 above.

15. When will I get my Settlement benefits?

If the Judge approves the Settlement after the Fairness Hearing, it is still possible that someone appeals the approval of the Settlement. If that happens, an appeals court will review whether it agrees that the Settlement is fair and reasonable. Appeals sometimes take more than a year to be resolved. Please be patient. If no one appeals the Judge's approval of the Settlement, the benefits described in Question 6 will be distributed to Class Members approximately 45 days after approval is granted. The value of the share price in B-K Lighting stock taking into account the $1 million forgiveness of debt will be reflected on the annual ESOP statements for the 2025 plan year sent to Class Members with active accounts.

16. What is the effect of Final Approval of the Settlement?

If the Court finds that the Settlement is fair and reasonable, a final order and judgment dismissing the case will be entered in the Action. Shortly after the Settlement becomes final, the cash payments and loan reduction will be effectuated. All of the Court's orders will apply to you and legally bind you, including the release of claims outlined in the Settlement Agreement, which can be found at www.LiteStarESOPsettlement.com .

If the Settlement is approved, no Settlement Class Member will be permitted to continue to assert the Released Claims in any other litigation against the Released Parties. If you do not like any aspects of the Settlement Agreement or the requested attorneys' fees and costs, you may file/send an objection the Court and Counsel as described in Question 12 above.

If the Settlement is not approved, the case will proceed as if no settlement had been attempted or reached. In other words, the increase in the B-K Lighting stock price and cash payments to Class Members will **not** occur. If the Settlement is not approved and the case resumes, there is no assurance that Settlement Class members will recover more than what is provided under the Settlement, or anything at all.

17. Where can I get additional information?

This notice provides only a summary of information about the Settlement. For more detailed information, you may can review the Settlement Agreement and all other court documents filed in connection with the proposed Settlement at www.LiteStarESOPsettlement.com. You can also get more information by calling the Settlement Administrator toll free at 888-246-5152. The Settlement Agreement and all other pleadings and papers filed in the case are also available for inspection and copying during regular business hours at the office of the Clerk of Court, located at 2500 Tulare Street, Room 1501, Fresno, CA 93721.

Please do not contact the Court or B-K Lighting with questions about the Settlement. If you have questions, you can call 888-246-5152, send an email with your questions to litestaresopsettlement@noticeadministrator.com or visit www.LiteStarESOPsettlement.com for more information.

18. What if my address or other information has changed or changes?

It is your responsibility to inform the Settlement Administrator of your updated address or other information. You may do so by email to: litestaresopsettlement@noticeadministrator.com or by U.S. Mail to the following mailing address:

Lite Star ESOP Settlement
PO Box 2002
Chanhassen, MN 55317-2002