

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

LINNA CHEA, on behalf of the Lite Star, Inc.) CASE NO.: 1:23-cv-00647-SAB
Employee Stock Ownership Plan,)

Plaintiff,)

v.)

LITE STAR ESOP COMMITTEE, B-K-)
LIGHTING, INC., NATHAN SLOAN,)
KATHLEEN A. HAGEN, KATHLEEN A.)
HAGEN, as legal successor to DOUGLAS W.)
HAGEN, ESTATE OF DOUGLAS W.)
HAGEN, MIGUEL PAREDES, and)
PRUDENT FIDUCIARY SERVICES, LLC, a)
California Limited Liability Company,)

Defendants.)

**CLASS ACTION
SETTLEMENT AGREEMENT**

INTRODUCTION

Subject to approval by the United States District Court for the Eastern District of California (the “Court”), this Class Action Settlement Agreement (the “Settlement Agreement”) is made and entered into by and among Plaintiff Linna Chea (“Plaintiff” or “Class Representative”), individually and on behalf of the Settlement Class (as defined below) and the Lite Star, Inc. Employee Stock Ownership Plan (the “ESOP” or “Plan”), and Defendants Lite Star ESOP Committee, B-K Lighting, Inc., Nathan Sloan, Kathleen A. Hagen, Kathleen A. Hagen, as legal successor to Douglas W. Hagen, Estate of Douglas W. Hagen, Miguel Paredes, and Prudent Fiduciary Services, LLC (“Defendants” and collectively with Plaintiff, the “Settling Parties”). Plaintiff agrees to settle all claims against Defendants, subject to the terms and conditions below. All capitalized terms will have the meaning ascribed thereto in this Settlement Agreement.

RECITALS

WHEREAS, on April 27, 2023, Plaintiff initiated a lawsuit initially docketed as 1:23-cv-00647-JLT-SAB in this Court, asserting claims on behalf of herself and the Plan, for alleged violations of the Employee Retirement Income Security Act of 1974 (the “Lawsuit”);

WHEREAS, on July 6, 2023, Defendants moved to dismiss (ECF Nos. 23, 24, 25) the Complaint and the Court granted the motion as to Count VII, with leave to amend, and denied the remainder of the motions on September 30, 2024 (ECF No. 56);

WHEREAS, on October 24, 2024, Plaintiff filed an Amended Complaint (ECF No. 59);

WHEREAS, Defendants filed their Answers and Affirmative Defenses to the Amended Complaint on November 7 (ECF No. 60) and November 21, 2024 (ECF Nos. 61, 62);

WHEREAS, the Settling Parties conducted arms-length negotiations at a mediation session with Maxine Aaronson on June 3, 2025, and executed a written Confidential Settlement Term Sheet on that same day (the “Term Sheet”);

WHEREAS, as a result of the factual investigation and legal research conducted by Plaintiff’s Counsel (as defined below) concerning the causes of action asserted in the Lawsuit, Plaintiff’s Counsel have concluded that the terms of this Settlement Agreement are fair, reasonable, adequate and in the best interests of both the Settlement Class (as defined below) and the ESOP,

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1 and have agreed to settle the Lawsuit on the terms set forth herein;

2 WHEREAS, Defendants deny the material allegations asserted in the Lawsuit; deny any
3 wrongdoing or liability whatsoever; and state that they are entering into this Settlement Agreement
4 solely to avoid the cost, disruption, and uncertainty of litigation;

5 WHEREAS, the Settling Parties desire to promptly and fully resolve and settle with finality
6 all of the claims on the terms set forth herein and subject to the approval of the Court;

7 WHEREAS, each of the undersigned counsel represent that their respective clients have
8 been informed of and consent to the provisions set forth below;

9 NOW, THEREFORE, the Settling Parties, in consideration of the promises, covenants and
10 agreements herein described, and for other good and valuable consideration, acknowledged by each
11 of them to be satisfactory and adequate, and without any admission or concession as to any matter
12 of fact or law, and intending to be legally bound, do hereby agree as follows:

13 **I. ADDITIONAL DEFINITIONS**

14 As used in this Settlement Agreement, the following terms have the following meanings,
15 unless a section or subsection of this Settlement Agreement specifically provides otherwise.
16 Capitalized terms used in this Settlement Agreement, but not defined in this Section I, will have
17 the meaning ascribed to them elsewhere in this Settlement Agreement.

18 A. “Cash Payment” means one million and five hundred thousand dollars
19 (\$1,500,000.00) to be paid by Defendants’ Insurer (defined below), as set forth in Section VI below.

20 B. “Class Member” means an individual who is a member of the Settlement Class.

21 C. “Company” means B-K Lighting, Inc.

22 D. “Complaint” means the Complaint (ECF No. 1), the Amended Complaint (ECF No.
23 59), and any subsequent operative complaints filed in this Lawsuit.

24 E. “Defendants’ Related Entities” means any of Defendants’ beneficiaries, heirs,
25 estates, executors, present or former direct or indirect parent entities, subsidiary entities, divisions,
26 affiliated entities, or joint venture entities, benefit plans, benefit plan fiduciaries, investors,
27 successors, directors, officers, shareholders, members, managers, partners, joint venture partners,
28

employees, insurers, reinsurers, consultants, trustees, fiduciaries, administrators, representatives, agents, attorneys, and all successors and assigns of the foregoing.

F. “Defendants’ Counsel” means Moore & Van Allen PLLC, CDF Labor Law LLP, Holland & Knight LLP, and Faegre Drinker Biddle & Reath LLP.

G. “Defendant’s Insurer” means Allied World Surplus Lines Insurance Company.

H. “Effective Date” means the date the Settlement becomes Final.

I. “ESOP Transaction” means the December 31, 2017, transaction whereby the ESOP purchased 100% shares of B-K Lighting, Inc. from Douglas Hagen.

J. “Fairness Hearing” means the hearing at which the Court will consider whether the Settlement should receive final approval pursuant to Rule 23 of the Federal Rules of Civil Procedure.

K. “Final” means the date of the Court’s Final Approval Order (defined below) if there are no objections to the Settlement, or in the event of objections, thirty (30) calendar days after the Court enters a Final Approval Order and no person appeals that order, or in the event that an appeal is filed, upon affirmance of the Final Approval Order and exhaustion of any further appellate proceedings.

L. “Final Approval Order” means a final judgment and order of dismissal in substantially the same form as approved by the Settling Parties entered by the Court finally approving the terms of this Settlement Agreement and dismissing the Lawsuit with prejudice.

M. “Independent Fiduciary” means the Independent Fiduciary retained by Defendants to review all terms in this Settlement Agreement on behalf of the Plan pursuant to PTE 2003-39.

N. “Internal Note” means the promissory note dated December 31, 2017, from Miguel Paredes, not in his individual capacity but solely in his capacity as trustee of the Lite Star Employee Stock Ownership Trust, to pay to B-K Lighting, Inc. in the aggregate principal sum of twenty-five million, two hundred and seventy thousand dollars (\$25,270,000.00), together with interest on the principal balance from time to time outstanding at a rate of two and sixty-four hundredths percent (2.64%) per annum.

1 O. “Plaintiff’s Counsel” means Cohen Milstein Sellers & Toll PLLC and Feinberg,
2 Jackson, Worthman & Wasow LLP.

3 P. “Preliminary Approval Order” means the order preliminarily approving the
4 Settlement, as set forth in Section II below.

5 Q. “Released Claims” means any and all present or past claims, demands, debts,
6 controversies, expenses, rights of action, suits, and causes of action of every kind and nature
7 whatsoever (including those for any and all losses, liabilities, obligations, damages, unjust
8 enrichment, attorneys’ fees and expenses, disgorgement of fees, litigation costs, injunction,
9 declaration, contribution, indemnification, or any other type or nature of legal or equitable relief),
10 whether under ERISA, the Internal Revenue Code, or any other federal, state, local or foreign law,
11 common law doctrine, rule, statute, contract, regulation, or otherwise, whether based on contract,
12 tort, statute, regulation, ordinance, the common law, or another legal or equitable theory of
13 recovery, whether known or unknown, suspected or unsuspected, existing or claimed to exist,
14 asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, in
15 law or equity arising out of or relating in any way to (1) the allegations, acts, omissions,
16 representations, facts, events, matters, transactions or occurrences asserted in the Lawsuit; (2) the
17 management or administration of the ESOP or its assets; (3) the ESOP Transaction, including but
18 not limited to the financial projections provided and/or used in determining the purchase price in
19 the ESOP Transaction or the disclosure of information and assumptions used in connection with
20 the ESOP Transaction; (4) the management of the Company; (5) the valuation relied upon by the
21 Trustee in the ESOP Transaction; and (6) all other claims arising out of or relating to the facts
22 alleged in the pleadings or that could have been brought in the Lawsuit.

23 R. “Seller Note” means the promissory note dated December 31, 2017, from B-K
24 Lighting, Inc. to pay to the order of Douglas W. Hagen in the aggregate principal sum of twenty-
25 five million, two hundred and seventy thousand dollars (\$25,270,000.00), together with interest on
26 the principal balance from time to time outstanding at a rate of four percent (4.00%) per annum.

27 S. “Settlement” means the settlement and compromise of this Lawsuit as provided for
28 in this Settlement Agreement and its exhibits.

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1 T. “Settlement Administrator” means the person whom Plaintiff hires, subject to Court
2 approval, who is responsible for, among other things, providing Class Notice to the Settlement
3 Class and/or otherwise assisting with the administration of the Settlement.

4 U. “Settlement Amount” means the Cash Payment and, upon the Effective Date of the
5 Settlement, the reduction by \$1,000,000 of the principal amount on the Seller Note, with a
6 corresponding reduction in the Internal Note between the Company and ESOP, as set forth in
7 Section VI.

8 V. “Settlement Class” means all participants and beneficiaries of the Lite Star, Inc.
9 Employee Stock Ownership Plan at any time from its inception until December 31, 2024 (unless
10 they terminated employment without vesting), excluding individual Defendants and their family
11 members or beneficiaries.

12 **II. CONDITIONS TO FINALITY OF SETTLEMENT**

13 The Settlement shall be final and unconditional only after each of the following has
14 occurred. The Settling Parties will use reasonable, good faith efforts to cause each of the
15 conditions to occur within the times indicated.

16 1. **Settling Parties’ Approval and Execution.** The Settling Parties approve and
17 execute this Settlement Agreement within forty-five (45) calendar days of Defendants providing
18 the class data set forth in Section V.

19 2. **Certification of Settlement Class.** The Court shall have certified the Settlement
20 Class as a non-opt-out class for settlement purposes only pursuant to Rule 23(b)(1) of the Federal
21 Rules of Civil Procedure, with Plaintiff as the named class representative and Plaintiff’s Counsel
22 as counsel for Plaintiff and the Settlement Class. Defendants will not oppose the certification of
23 the Settlement Class for settlement purposes only. The Settling Parties further agree that if the
24 Settlement does not become unconditional, then no Settlement Class will be deemed to have been
25 certified by, or as a result of, this Settlement Agreement, and the Lawsuit and the claims asserted
26 therein will revert to their status as of June 3, 2025. In such event, Defendants will not be deemed
27 to have consented to the certification of any class; the agreements and stipulations in this Settlement
28 Agreement or its exhibits concerning class definition, class period, or class certification shall not

1 be used in any way to support class definition, any class period, class certification, or for any other
2 purpose; and Defendants will retain all rights to oppose class certification.

3 3. **Court Approval.** The Settlement shall have been approved by the Court in
4 accordance with the following steps:

5 (a) Preliminary Approval Motion. Plaintiff's Counsel, on behalf of the
6 Settlement Class, will move the Court to enter an Order preliminarily approving the Settlement (the
7 "Preliminary Approval Motion"). The proposed Order attached to the Preliminary Approval
8 Motion will be in a form agreed upon by the Settling Parties. Plaintiff agrees to send a draft of the
9 Preliminary Approval Motion and any accompanying exhibits to Defendants at least seven (7)
10 calendar days before the filing deadline.

11 (b) Preliminary Approval Order; Class Notice. The Court will issue the
12 Preliminary Approval Order in substantially the same form as approved by the Settling Parties.
13 Subject to the requirements of the Preliminary Approval Order, Plaintiff's Counsel shall cause the
14 Settlement Administrator to disseminate the Class Notice as set forth in Section V.

15 (c) Final Approval Motion and Fee Motion. Following entry of the Preliminary
16 Approval Order and no later than forty-five (45) calendar days prior to the Fairness Hearing,
17 Plaintiff's Counsel will file a motion for approval of attorneys' fees and expenses and the Service
18 Award (defined below) with the Court. Following entry of the Preliminary Approval Order and no
19 later than twenty-eight (28) calendar days prior to the Fairness Hearing, Plaintiff's Counsel will file
20 a motion seeking final approval of the Settlement (the "Final Approval Motion"). The Final
21 Approval Motion will seek entry of the proposed Final Approval Order in a form to be agreed-upon
22 by the Settling Parties. Plaintiff agrees to send the draft of the Final Approval Motion and any
23 accompanying exhibits at least seven (7) calendar days before the filing deadline.

24 (d) Fairness Hearing. At or after the Fairness Hearing, the Court shall have
25 entered the Final Approval Order, approved the distribution of the Settlement Amount and the Plan
26 of Allocation (defined below), and determined what attorneys' fees and expenses should be granted
27 to Plaintiff's Counsel and what, if any, Service Award should be awarded to Plaintiff.

28 (e) Entry of Final Approval Order. The Court shall have entered the Final

1 Approval Order and it becomes Final, in substantially the same form as approved by the Settling
2 Parties.

3 4. **Independent Fiduciary Approval.** The Independent Fiduciary selected and
4 retained by Defendants and approved by Plaintiff, whose approval will not be unreasonably
5 withheld, issues a written opinion approving the terms of the Settlement Agreement, agrees to the
6 release on behalf of the Plan, and determines that the Settlement is consistent with PTE 2003-39.
7 Pursuant to Section XI.2 below, the Independent Fiduciary shall provide their written opinion to
8 the parties at least seven (7) days prior to the deadline for Plaintiff to file her motion for final
9 approval.

10 **III. CAFA NOTICES**

11 The Settlement Administrator, on behalf of Defendants, shall be responsible for preparing
12 and serving the notices required by the Class Action Fairness Act of 2005, PL 109-2 (2005), as
13 specified by 28 U.S.C. § 1715, within ten (10) calendar days after the Settlement Agreement is
14 filed with the Court. Defendants shall be responsible for the fees and costs for CAFA Notices.

15 **IV. SETTLEMENT ADMINISTRATION**

16 1. **Appointment of Settlement Administrator.** Plaintiff's Counsel will select the
17 Settlement Administrator to administer the Settlement and report to Plaintiff's Counsel and the
18 Court. Any Settlement Administrator will have experience providing notice to Class Members in
19 employment or employee benefit class action settlements.

20 2. **Settlement Administrator's Responsibilities.** The Settlement Administrator will
21 undertake the following tasks to administer this Settlement consistent with the terms of this
22 Settlement Agreement and the Orders of the Court and such other procedures required by the Court
23 or as jointly directed by Plaintiff's Counsel and Defendants' Counsel:

24 (a) Within ten (10) days after the Settlement Agreement is filed with the Court,
25 prepare and serve notices required by the Class Action Fairness Act of 2005, PL 109-2 (2005), as
26 specified by 28 U.S.C. § 1715.

27 (b) Within twenty-one (21) calendar days of the entry of the Preliminary
28 Approval Order, send Class Notice in accordance with this Settlement Agreement and any order of

the Court;

(c) Provide Counsel for the Settling Parties with copies of any objections to the Settlement (to the extent such objections are not filed with the Court);

(d) Respond to questions from Class Members or refer Class Members to Plaintiff's Counsel for responses;

(e) Maintain and staff a toll-free phone number and a website until at least six (6) months after the date of the Final Order;

(f) File with the Court a declaration confirming compliance with the procedures approved by the Court for providing notice to the Settlement Class should such a declaration be required;

(g) Monitor the Settlement Fund Account (defined below) and file any informational and other tax returns necessary or advisable with respect to the Settlement Fund Account (including without limitations the returns described in Treas. Reg. Section 1.468B-2(k)); and

(h) Any other responsibilities set forth in this Settlement Agreement; and any other responsibilities agreed to by the Settling Parties related to administration of the Settlement and consistent with the orders of the Court or any other responsibilities ordered by the Court.

V. CLASS NOTICE

1. **Provision of Class Notice.** Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, or by the date specified by the Court, the Settlement Administrator will be responsible for providing Class Notice to the Class Members.

2. **Contents.** The Class Notice, the content of which shall be approved by the Settling Parties, will contain a brief description of the claims advanced by Plaintiff on behalf of herself and the Settlement Class, a summary of the terms of the Settlement Agreement, information on the attorneys' fees and costs sought by Plaintiff's Counsel, describe the consideration received by the Settlement Class and the Plan from the proposed Settlement, and provide information about the Final Approval Hearing, in the form approved by the Court.

3. **Method of Providing Class Notice.** Class Notice will be provided to each

individual Class Member: (a) by mailing via first class US Mail to all Class Members, and (b) by posting the Class Notice on websites maintained by Plaintiff's Counsel and the Settlement Administrator. Defendants will cooperate with Plaintiff's Counsel to facilitate providing Class Notice and other settlement-related communications by providing any known mailing addresses for all Class Members, to the extent such information is reasonably available in the records of Defendants.

4. **Undeliverable Notices.** In the event that a Class Notice sent by U.S. Mail is returned as undeliverable, the Settlement Administrator will make reasonable efforts to obtain a valid mailing address and promptly resend the Class Notice to the Class Member by U.S. Mail.

5. **Class Data.** Defendants will, to the extent not already disclosed, provide Plaintiff's Counsel with the following as soon as it is received by Defendants' Counsel: (a) a class data spreadsheet; and (b) a copy of the Company's annual ESOP valuation as of December 31, 2024, which will include the most recent valuation of the warrant liability. Plaintiff and Plaintiff's Counsel agree to keep the class data confidential and will use it for no other purpose except to deliver the Class Notice and to review the allocation and distribution of the Cash Payment to the Settlement Class.

6. **Class Notice Costs and Expenses.** All costs and expenses incurred by the Settlement Administrator in providing the Class Notice set forth herein will be paid from the Settlement Fund Account (as defined below).

VI. SETTLEMENT CONSIDERATION

1. **Establishment of the Settlement Fund Account.** As part of the consideration for the Releases set forth in Section X below, including the settlement of all Released Claims, Defendants shall cause Defendants' Insurer to deposit the Cash Payment as set forth in paragraph 2 below into the "Settlement Fund Account," defined as an interest-bearing account at a federally chartered financial institution selected by Plaintiff's Counsel or the Settlement Administrator that is reasonably acceptable to Defendants. The Parties agree that the Settlement Fund Account is intended to be, and will be, a Qualified Settlement Fund within the meaning of Treas. Reg. § 1.468B-1.

2. **Cash Payment into Settlement Fund Account.** Defendants' Insurer will deposit the Cash Payment into the Settlement Fund Account within thirty (30) calendar days after the later of entry of the Court's Preliminary Approval Order and receipt of a W-9 and wire instructions and other necessary information for Allied World to make the Cash Payment.

3. **Custody of Settlement Fund Account.** The Cash Payment deposited in the Settlement Fund Account will be deemed to be in the legal custody of the Court until such time as such funds may be distributed pursuant to further order of the Court or pursuant to the terms of this Settlement Agreement. The Settling Parties acknowledge and agree that Defendants shall have no authority, control, or liability in connection with the design, management, administration, investment, maintenance, or control of the Settlement Fund Account, or for any expenses the Settlement Fund Account may incur or any taxes that may be payable to the Settlement Fund Account.

4. **Reduction of Principal Amount on Seller Note.** Upon and as of the Effective Date of the Settlement, the principal amount on the Seller Note will be reduced by a total amount of \$1 million (\$1,000,000), with a corresponding reduction in the Internal Note and appropriate modification of amortization schedules. To the extent necessary to effectuate the provisions of this Settlement, BK may adopt and implement an amendment to the Plan document.

5. **Effectuating Documents.** Within fourteen (14) calendar days of the Effective Date of the Settlement, Defendants shall provide Plaintiff's Counsel with copies of the documents effectuating the reduction of the principal amount on the Seller Note and corresponding reduction in the Internal Note.

6. **Sole Monetary Contribution.** The Settlement Amount shall be the full and sole contribution made by or on behalf of Defendants in connection with the Settlement. Defendants shall not be liable for any action or inaction taken by Defendants' Insurer to delay or fail to provide the Cash Payment, and Defendants agree to work cooperatively with Plaintiffs to obtain payment by Defendants' Insurer in the event the Insurer delays or fails to provide the Cash Payment.

VII. PAYMENTS FROM THE SETTLEMENT FUND ACCOUNT

1. **Administration Expenses.** Plaintiff's Counsel may direct the Settlement

1 Administrator in writing, without notice to Defendants or further order of the Court, to disburse
2 from the Settlement Fund Account (i) the amount required for payment of any taxes owed on the
3 Settlement Fund Account, and (ii) amounts for the reasonable expenses of administering the
4 Settlement Fund Account, including (a) reasonable expenses associated with the preparation and
5 filing of any tax reports and tax returns required to be filed; (b) expenses associated with the
6 preparation and issuance of any required Forms 1099 associated with payments from the Settlement
7 Fund Account; (c) fees charged and expenses incurred associated with the administration of the
8 Settlement Fund Account; (d) fees charged and expenses incurred by the recordkeeper or third-
9 party administrator to provide information or data to the Settlement Administrator; (e) fees charged
10 and expenses incurred by the Settlement Administrator, including reasonable costs incurred in
11 serving Class Notices, preparing and mailing the Class Notices and any supplemental notice to the
12 Class, in implementing the Plan of Allocation (as defined below) and in disbursing funds from the
13 Settlement Fund Account; and (f) fees charged and expenses incurred by the Independent Fiduciary.

14 2. **Return of Funds if Settlement Terminated.** If the Settlement Agreement is
15 terminated or does not become Final for any reason after the expenditure of funds to pay for the
16 expenses described in paragraph 1 of this section, Plaintiff's Counsel shall be obligated to instruct
17 the Settlement Administrator (or other person with authority to disburse the funds) to return the
18 funds as set forth in Section XIII.

19 3. **Attorneys' Fees and Litigation Expenses.** Plaintiff's Counsel shall be entitled to
20 seek Court approval of the disbursement of money from the Settlement Fund Account for attorneys'
21 fees and litigation expenses approved by the Court, as provided in Section VIII below. Such
22 disbursement approved by the Court shall be made within ten (10) calendar days after the
23 Settlement becomes Final.

24 4. **Service Award.** Plaintiff's Counsel shall be entitled to seek Court approval of the
25 disbursement of money from the Settlement Fund Account to Plaintiff in recognition of her service
26 as a class representative ("Service Award"). Plaintiff shall request a Service Award not to exceed
27 \$5,000. Any such Service Award approved by the Court shall be made within ten (10) calendar
28 days after the Settlement becomes Final.

1 5. **Net Cash Settlement Proceeds.** Plaintiff's Counsel shall be entitled to seek Court
2 approval of the disbursement of money from the Settlement Fund Account for payment to the
3 Settlement Class pursuant to a formula and distribution method resulting in a proportional
4 allocation based on the total vested shares a Class Member had in the ESOP, which formula and
5 method will be contained in a plan of allocation ("Plan of Allocation") proposed by Plaintiff, agreed
6 to by the Defendants, and approved by the Court in the Final Approval Order. Such disbursement
7 approved by the Court shall be made only after the Final Approval Order is Final. After the amounts
8 payable pursuant to paragraphs 1 through 4 immediately above have been determined and
9 disbursed, the net amount of the Cash Payment remaining in the Settlement Fund Account (the
10 "Net Cash Settlement Proceeds") shall be distributed directly to the Class Members, by check via
11 mail to the last known mailing address. Defendants shall have no liability for the proposed Plan of
12 Allocation or distribution of the Cash Payment to Class Members.

13 6. **Unclaimed Net Cash Settlement Proceeds.** In the event of any unclaimed funds
14 from the Net Cash Settlement Proceeds, the Settlement Administrator will send a letter to Class
15 Members who have not cashed their checks before the expiration date. To the extent those efforts
16 fail, the Settlement Administrator will undertake a second distribution of Net Cash Settlement
17 Proceeds to members of the Settlement Class who cashed their checks before the expiration date,
18 distributed on a pro rata basis. Any remaining residual funds after the second distribution shall be
19 distributed to a *cy pres* recipient to be approved by the Court.

20 7. **Tax Liability.** The Settling Parties and their Counsel will not have any liability or
21 responsibility for the payment of any taxes incurred by or with respect to the Settlement Fund
22 Account, and any such taxes will be paid out of the Settlement Fund Account.

23 8. **No Liability.** The Settling Parties and their Counsel will not have any liability or
24 responsibility whatsoever with respect to (a) any act, omission, or determination of the Settlement
25 Administrator, or any of their respective designees or agents, in connection with the administration
26 of the Settlement Fund Account or otherwise; (b) the management, investment, or distribution of
27 the Settlement Fund Account; (c) the determination, administration, calculation, or payment of any
28 claims asserted against the Settlement Fund Account; (d) any losses suffered by, or fluctuations in

1 the value of, the Settlement Fund Account. Further, neither Defendants nor their Counsel shall have
2 any liability or responsibility whatsoever with respect to any act, omission, or determination of
3 Class Counsel in connection with the administration of the Settlement Fund Account or otherwise.

4 9. **No Reversion of Cash Payment.** No portion of the Cash Payment will revert to
5 Defendants or Defendant's Insurer.

6 **VIII. ATTORNEYS' FEES AND LITIGATION EXPENSES AND SERVICE AWARD.**

7 1. **Payment of Plaintiff's Counsel's Attorneys' Fees and Litigation Expenses and**
8 **Service Awards from the Settlement Fund Account.** Plaintiff's Counsel may apply to the Court
9 for an award of attorneys' fees and for reimbursement of litigation expenses. Plaintiff also may
10 apply to the Court for a Service Award. Plaintiff's Counsel shall file their application for attorneys'
11 fees and litigation expenses and for the Service Award on or before the deadline set in the
12 Preliminary Approval Order, which deadline will be no later than forty-five (45) calendar days
13 prior to the Fairness Hearing. Any attorneys' fees, litigation expenses, or Service Award will be
14 paid solely from the Settlement Fund Account and are subject to the Court's approval. Any
15 attorneys' fees, litigation expenses, or Service Award will be paid out of the Cash Payment in
16 amounts to be determined by the Court within ten (10) calendar days after the Settlement becomes
17 Final.

18 2. **Separate Consideration.** The procedure for and allowance or disallowance by the
19 Court of Plaintiff's Counsel's application for attorneys' fees and litigation expenses and for the
20 Service Award are a separate part of the Settlement set forth in this Settlement Agreement, and are
21 separate from the Court's consideration of the fairness, reasonableness, and adequacy of the
22 Settlement set forth in this Settlement Agreement. Any order or proceeding relating to any
23 application for attorneys' fees, litigation expenses or Service Award, or any appeal from any order
24 relating thereto or reversal or modification, thereof, shall not operate to terminate or cancel the
25 Settlement Agreement, or affect or delay the finality of the Final Approval Order and the Settlement
26 set forth herein. If at the time of any disbursement from the Settlement Fund Account there shall
27 be a pending application for attorneys' fees or expenses or the Service Award, there shall be
28 reserved in the Settlement Fund Account an amount equal to the amount of the pending application,

1 until such time as the Court shall rule upon such application and, with respect to the Service Award,
2 such ruling shall become Final.

3 **IX. NO ADMISSION OF LIABILITY OR WRONGDOING**

4 1. This Settlement Agreement embodies a compromise of disputed claims and nothing
5 in the Settlement Agreement will be interpreted or deemed to constitute any finding of wrongdoing
6 by Defendants or give rise to any inference of liability in this or any other proceeding. This
7 Settlement Agreement will not be offered or received against Defendants as any admission by any
8 such Settling Party with respect to the truth of any fact alleged by Plaintiff or the validity of any
9 claim that had been or could have been asserted in the Lawsuit or in any litigation or of any liability,
10 negligence, fault, or wrongdoing of any such Settling Party. Defendants expressly deny any
11 liability or wrongdoing to Plaintiff or to the Settlement Class.

12 2. This Settlement Agreement is not, and may not be used, as an admission of, or
13 evidence of any infirmity in the claims asserted by Plaintiff and the Settlement Class.

14 3. This Settlement Agreement may be used in such proceedings as may be necessary
15 to consummate or enforce this Settlement Agreement or the Court's Final Approval Order, and any
16 Settling Party may file this Settlement Agreement and/or the Court's Final Approval Order in any
17 action that may be brought against it or any of the Released Parties (as defined below) to support a
18 claim, a defense or counterclaim based on principles of res judicata, collateral estoppel, release,
19 good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue
20 preclusion or similar defense or counterclaim, or in any action that may be brought to enforce any
21 claim assigned pursuant to this Settlement Agreement. Defendants may use and disclose this
22 Settlement Agreement in connection with any proceeding or claim involving any of their insurers
23 or any governmental agency with respect to the ESOP.

24 **X. RELEASES**

25 Upon the Effective Date of the Settlement, and provided that each Settling Party has
26 performed all of the respective obligations under this Settlement Agreement to be performed on or
27 prior to such date by such Settling Party:

28 1. **Release.** In consideration for the Settlement, Plaintiff, and each and every member

of the Settlement Class, on behalf of themselves, their beneficiaries, heirs, administrators, agents, estates, agents, attorneys, executors, representatives, spouses, dependents, successors, and/or assigns, and the Plan and Trust (with the Plan and Trust subject to Independent Fiduciary approval) will fully, absolutely and unconditionally release, waive, relinquish and forever discharge, and dismiss with prejudice any and all Released Claims against all Defendants and Defendants' Related Entities (each a "Released Party," collectively, the "Released Parties").

2. **Covenant Not To Sue.** Plaintiff, the Settlement Class, and the Plan and Trust (with the Plan and Trust subject to Independent Fiduciary approval) covenant and agree (a) not to commence or assert against any Released Party any action or claim released herein as a Released Claim, or any claim or action based on or arising from any Released Claim, and (b) that the foregoing covenants and agreements will be a complete defense to any such claims or actions against a Released Party.

3. **Release of Unknown Claims.** Plaintiff, and each and every member of the Settlement Class, on behalf of themselves, their beneficiaries, heirs, administrators, agents, estates, agents, attorneys, executors, representatives, spouses, dependents, successors, and/or assigns, and the Plan and Trust (with the Plan and Trust subject to Independent Fiduciary approval), hereby expressly waive, release, relinquish, and discharge any and all rights and benefits they now have, or in the future may have, conferred upon her by Section 1542 of the California Civil Code and all similar provisions of the statutory or common law of any other State, Territory, or other jurisdiction relating to the release of unknown claims. Section 1542 reads in pertinent part:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

XI. REVIEW AND APPROVAL BY INDEPENDENT FIDUCIARY

On behalf of the Plan, Defendants shall select and retain an Independent Fiduciary to review the Settlement Agreement. The Independent Fiduciary shall have complete and absolute discretion, free from any influence or direction of any type or sort from Plaintiff, Defendants, or their

1 respective counsel, agents, or representatives, and shall have the following responsibilities,
2 including whether to approve and authorize the settlement of the Released Claims being released
3 on behalf of the Plan:

4 1. The Independent Fiduciary shall comply with all relevant conditions set forth in
5 Prohibited Transaction Class Exemption 2003-39, “Release of Claims and Extensions of Credit in
6 Connection with Litigation,” issued December 31, 2003, by the United States Department of Labor,
7 68 Fed. Reg. 75,632, as amended (“PTE 2003-39”), in making its determination.

8 2. If it deems appropriate, the Independent Fiduciary shall (i) approve the Settlement
9 in writing and agree to a release of the Released Parties in its capacity as a fiduciary of the Plan and
10 for and on behalf of the Plan coextensive with the release from the Plaintiff and the Settlement
11 Class Members; (ii) authorize the Settlement in accordance with Prohibited Transaction Class
12 Exemption 2003-39; and (iii) find that the Settlement does not constitute a prohibited transaction
13 under ERISA § 406(a) and notify Defendants directly of its determination, in writing (with copies
14 to Plaintiff’s Counsel and Defense Counsel), which notification shall be delivered no later than
15 thirty-five (35) calendar days before the Fairness Hearing.

16 3. Defendants, Defendants’ Counsel, Plaintiff, and Plaintiff’s Counsel shall respond to
17 reasonable requests by the Independent Fiduciary for information so that the Independent Fiduciary
18 can review and evaluate the Settlement Agreement.

19 4. If Defendants conclude that the Independent Fiduciary’s determination does not
20 comply with PTE 2003-39 or is otherwise deficient, Defendants shall so inform the Independent
21 Fiduciary within seven (7) calendar days of receipt of the determination.

22 5. A copy of the Independent Fiduciary determination letter and report shall be
23 provided to Plaintiff’s Counsel, who may file it with the Court in support of Final approval of the
24 Settlement, subject to confidentiality, if any.

25 6. If the Independent Fiduciary disapproves or otherwise does not authorize the
26 Settlement or refuses to execute the release on behalf of the Plan, then the Settling Parties may
27 mutually agree, in their respective discretions, to modify the terms of this Settlement Agreement as
28 necessary to facilitate an approval by the Independent Fiduciary and/or the Independent Fiduciary’s

1 release on behalf of the Plan. Alternatively, the condition of Independent Fiduciary approval can
2 be waived only upon all Parties' consent, in which case such option is to be exercised in writing
3 within fourteen (14) calendar days after the Settling Parties' receipt of the Independent Fiduciary's
4 written determination, unless otherwise agreed by the Settling Parties.

5 7. All fees of and expenses incurred by the Independent Fiduciary will be paid from
6 the Settlement Fund Account.

7 8. The Settling Parties and their Counsel will not have any liability or responsibility
8 whatsoever with respect to any act, omission, or determination of the Independent Fiduciary.

9 **XII. OBJECTIONS TO SETTLEMENT**

10 1. Class Members may make an objection to the Settlement or to any request for
11 attorneys' fees, litigation expenses, settlement administrative costs, or Service Awards (hereinafter,
12 an "Objection"). To be timely, an Objection must be filed with the Court and submitted to the
13 Settlement Administrator by U.S. Mail or email at least twenty-one (21) calendar days before the
14 Fairness Hearing (the "Objection Deadline"). To be valid, Objections must be in writing and must
15 set forth, in clear and concise terms: (i) the case name and number; (ii) the name, address, and
16 telephone number of the objector objecting and, if represented by counsel, of their counsel; (iii) the
17 complete basis for objection; (iv) a statement of whether the objector intends to appear at the
18 Fairness Hearing, and the name of the objector's counsel who will appear at the Fairness Hearing
19 (if any); (v) a statement of whether the objection applies only to the objector, to a specific subset
20 of Class Members, or to the entire Settlement Class; and (vi) copies of all supporting documents,
21 including any document(s) that the objector or the objector's counsel intends to offer at the Fairness
22 Hearing. The address and email address for the Settlement Administrator where Class Members
23 may send objections shall be specified in the final Class Notice.

24 2. The Settlement Administrator is required to notify Counsel for all Settling Parties
25 about Objections to the Settlement. A Class Member who does not submit an Objection in the
26 manner and by the deadline set forth above shall be deemed to have waived all objections and will
27 be foreclosed from making any objection to this Settlement, any requested attorneys' fees,
28 expenses, settlement administrative costs, and Service Awards, whether by appeal or otherwise,

absent a contrary order of the Court.

3. Responses to Objections shall be filed seven (7) calendar days before the Fairness Hearing.

XIII. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION

1. In the event any of the conditions set forth in Section II are not satisfied, the Settlement Agreement may be terminated by any Settling Party, provided that the terminating party, within fourteen (14) calendar days from the date of such event, furnishes written notice to Plaintiff's Counsel or Defendants' Counsel, as the case may be, of the termination of this Settlement, specifying the terms modified or not approved that give rise to the right to terminate. Upon termination, the Settling Parties shall revert to their positions immediately prior to June 3, 2025 and the fact of and terms of the Settlement shall not be admissible in any proceeding. Nothing herein shall extend any applicable limitations period as to any Settling Party if the Settlement is not approved or is otherwise terminated. In addition, any information or materials provided during the Settlement negotiation shall, absent agreement of the Settling Parties, not be admissible or otherwise used in any proceeding unless and until later obtained during the course of the Lawsuit, as to which the Settling Parties reserve all rights.

2. Within fourteen (14) calendar days of the termination of the Settlement, the funds held in the Settlement Fund Account, as set forth herein, shall be repaid to the Defendants' Insurer, plus any accrued interest. Any deductions from the Cash Payment paid prior to any court decision not approving the Settlement shall be split evenly (50%-50%) between Plaintiff on the one hand and the Defendants' Insurer on the other hand.

XIV. MISCELLANEOUS PROVISIONS

1. Use & Destruction of Confidential Material.

(a) Any material produced by Parties for purposes of the mediation or settlement discussions with the understanding that such material was confidential ("Confidential Material") may be used to implement or support this Settlement if (i) the information disclosed is in the aggregate or (ii) provides information to the Court required or requested for the Court to consider on approval in connection with this Settlement so long as counsel for the Party seeking to use it has

1 required that such Confidential Material be filed under seal or (iii) provides information to the Class
2 Member about that Class Member.

3 (b) A Party who has received such Confidential Material will destroy such
4 documents within 60 days after the settlement proceeds (including any stock) have been paid or
5 allocated into the accounts of Class Members in the Plan, and (b) the distribution of proceeds of
6 the Settlement from the Plan has been completed for Class Members who are entitled to an
7 immediate distribution under the terms of this Agreement.

8 (c) Notwithstanding any other provision in this Agreement or any prior
9 agreement, Counsel are entitled to retain copies of all pleadings, motion papers, transcripts, legal
10 memoranda, correspondence, attorney work product, consultant and expert work product, and any
11 class data used to distribute any proceeds from a settlement or judgment to participants in the Plan
12 even if such materials contain confidential information subject to the understanding that Counsel
13 will keep those materials confidential and not use them for any purpose unrelated to this Lawsuit
14 or the Settlement of this Lawsuit. In addition to the archival copies of foregoing documents to
15 which Counsel for any Party is entitled to retain, Class Counsel may maintain the Class Data used
16 to provide Class Notice or to calculate allocations or distributions of the Settlement to the Class,
17 but such materials will remain confidential and shall not be used for any purpose unrelated to the
18 Settlement of this Lawsuit. Additionally, the Settlement Administrator may maintain the Class Data
19 used to provide Class Notice or to calculate distributions of the Settlement to the Class for one year
20 following Final Distribution on the condition that the Settlement Administrator agrees to and does
21 maintain such materials as confidential.

22 2. **Mediator.** Any disputes arising out of this Settlement Agreement and the Term
23 Sheet shall be resolved by the mediator, Maxine Aaronson.

24 3. **Press Release.** No Settling Party or their Counsel will issue a press release that has
25 not been approved by all Settling Parties regarding the Lawsuit or the Settlement, nor will they
26 comment to the press about the Lawsuit or the Settlement. This provision shall not limit Plaintiff's
27 Counsel's right to communicate with Class Members regarding the terms of the Settlement, nor
28 shall it limit Plaintiff's Counsel's and the Settlement Administrator's ability to maintain a website

related to the Settlement for purposes of settlement administration.

4. **Tax Advice Not Provided.** No opinion or advice concerning the tax consequences of the Settlement Agreement has been given or will be given by Counsel involved in the Lawsuit to the Settlement Class, nor is any representation or warranty in this regard made by virtue of Settlement Agreement. The tax obligations of the Settlement Class and the determination thereof are the sole responsibility of each Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each Class Member.

5. **Binding Effect.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors, assigns, executors, administrators, affiliates, heirs and legal representatives of the Settling Parties and Released Parties, provided, however, that no assignment by any Settling Party will operate to relieve such party of its obligations hereunder.

6. **Good Faith.** The Settling Parties: (a) acknowledge that it is their intent to consummate this Settlement; (b) agree to exercise their best efforts and to act in good faith to cooperate to the extent necessary to effectuate and implement all terms and conditions of this Settlement Agreement; and (c) agree to exercise their best efforts and to act in good faith to cooperate to the extent necessary to obtain the fullest possible participation of all Class Members in any Settlement. The Settling Parties and their Counsel agree to cooperate fully with one another in seeking entry of the Preliminary Approval Order and Final Approval Order. The Settling Parties also agree to promptly execute and/or provide such documentation as may be reasonably required to obtain preliminary and final approval of this Settlement.

7. **Exhibits.** Any exhibits attached hereto and identified herein are hereby incorporated by reference as though fully set forth herein.

8. **Modification.** This Settlement Agreement may be amended or modified only by written instrument signed by Plaintiff's Counsel on behalf of Plaintiff and the Settlement Class and by Defendants' Counsel on behalf of Defendants or their respective successors in interest.

9. **Representations; Entire Agreement.** This Settlement Agreement constitutes the entire agreement among the Settling Parties, and no representations, warranties or inducements have been made to any party concerning this Settlement Agreement or the Settling Parties' Term

1 Sheet, other than the representations, warranties, and covenants contained and memorialized in
2 such documents. The Parties agree that this Settlement Agreement specifically supersedes any
3 settlement terms, the settlement term sheet, or any settlement agreements that were previously
4 agreed upon orally or in writing by any of the Parties regarding the Lawsuit, the Settlement, the
5 Settlement Agreement, or the subject matter of the Settlement Agreement. Plaintiff represents and
6 warrants on behalf of herself, the Settlement Class, and Plan that: (i) she and Plaintiff's Counsel
7 have conducted an appropriate investigation and discovery and have diligently litigated the
8 Lawsuit, (ii) none of the Released Claims being released against the Released Parties has been or
9 will be assigned, encumbered, or in any manner transferred in whole or in part, and (iii) neither
10 Plaintiff, the Settlement Class, nor the Plan have any surviving claims against any of the Released
11 Parties.

12 10. **Authorization.** Each signatory to this Settlement Agreement represents that he or
13 she is authorized to enter into this Settlement Agreement on behalf of the respective Settling Party
14 (or Settling Parties) he or she represents and is doing so voluntarily.

15 11. **Counterparts.** This Settlement Agreement may be executed in one or more
16 original, photocopied, or facsimile counterparts. All executed counterparts and each of them will
17 be deemed to be one and the same instrument. Signatures sent by e-mail "PDF" shall be deemed
18 originals.

19 12. **Computation of Time.** The parties agree that all computations of time with respect
20 to the Settlement Agreement shall be governed by Federal Rule of Civil Procedure 6.

21 13. **Governing Law.** The construction, interpretation, operation, effect, and validity of
22 this Settlement Agreement and all documents necessary to effectuate it, shall be governed by the
23 law of the State of California, without giving effect of laws or choice of law provisions thereof,
24 except to the extent the laws of the United States, including federal common law, governs any
25 matter set forth herein, in which case federal law shall govern.

26 14. **Severability.** Unless agreed to by all Settling Parties in writing, the provisions of
27 this Settlement Agreement are not severable.

28 15. **Destruction or Return of Protected Materials.** Except as modified by Section

1 XIV.1(b), within ninety (90) calendar days after the Final Approval Order becomes Final, the
2 Parties shall fully comply with the applicable provisions of the Stipulated Protective Order (ECF
3 No. 72) concerning the destruction or return of protected materials.

4 16. **Headings.** The headings in this Settlement Agreement are used for purposes of
5 convenience and ease of reference only and are not meant to have any legal effect, nor are they
6 intended to influence the construction of this Settlement Agreement in any way.

7 17. **Waiver.** The waiver by one Settling Party of any breach of this Settlement
8 Agreement by any other Settling Party will not be deemed a waiver of any other breach of this
9 Settlement Agreement. The provisions of this Settlement Agreement may not be waived except by
10 a writing signed by the affected Settling Party, or counsel for that Settling Party, or orally on the
11 record in court proceedings.

12 18. **Retention of Privilege.** Nothing in this Settlement Agreement, or the negotiations
13 relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege
14 or immunity, including, without limitation, the attorney-client privilege, joint defense privilege, or
15 work product protection.

16 19. **Continuing Jurisdiction.** The Settling Parties agree to submit to the jurisdiction of
17 the Court and will be bound by the terms of this Settlement Agreement, including, without
18 limitation, disputes related to implementing and enforcing the Settlement embodied in this
19 Settlement Agreement. Any and all disputes related to claims that are not satisfactorily resolved
20 by the Settling Parties will be submitted to the Court for final resolution. The Final Approval Order
21 will provide that the Court will have continuing jurisdiction over this Settlement.

22 20. **Enforcement of this Settlement Agreement.** In the event that any Settling Party
23 to this Settlement Agreement believes that another Settling Party to this Settlement Agreement has
24 breached the terms of this Settlement Agreement, that Settling Party will notify the alleged
25 breaching Settling Party and Counsel in writing setting forth the nature of the breach and the
26 requested method to cure the breach at least fourteen (14) calendar days prior to filing any litigation
27 to enforce the terms of the Settlement Agreement (and if the allegedly breaching Settling Party is
28 a Class Member regardless of whether that Class Member has separate counsel, Defendants must

1 also notify Plaintiff's Counsel in writing). In the event that the allegedly breaching Settling Party
2 fails to cure the alleged breach as set forth in the written notification after fourteen (14) calendar
3 days, the other Settling Party may then file an action to enforce the Settlement Agreement. A
4 Settling Party who achieves success on the merits in demonstrating a breach occurred, that the
5 breach could have been reasonably cured within fourteen (14) calendar days (or another time set
6 forth in the written notification), and that the breach was not cured within that time, will be entitled
7 to attorneys' fees and expenses consistent with the standards of ERISA § 502(g)(1).

8 21. **No Settling Party Is the Drafter.** The Settlement Agreement is deemed to have
9 been drafted by all Settling Parties hereto, as a result of arm's-length negotiations among the
10 Settling Parties. Whereas all Settling Parties have contributed substantially and materially to this
11 Settlement Agreement, it will not be construed more strictly against one party than another.

12 22. **Extensions.** The Settling Parties reserve the right, subject to the Court's approval,
13 to request any reasonable extensions of time that might be necessary to carry out any of the
14 provisions of this Settlement Agreement.

15 23. **Final and Complete Resolution.** The Settling Parties intend this Settlement
16 Agreement to be a final and complete resolution of all disputes between them with respect to this
17 Lawsuit. The Settlement compromises claims which are contested and will not be deemed an
18 admission by any Settling Party as to the merits of any claim or defense. The Settling Parties agree
19 that the amount paid to the Settlement Fund Account and the other terms of the Settlement
20 Agreement were negotiated in good faith at arm's-length by the Settling Parties and reflect a
21 settlement that was reached voluntarily after consultation with competent legal counsel.

22 24. **Duplicative Provisions.** In interpreting this Settlement Agreement, duplicative
23 and/or overlapping release provisions will not be presumed or construed to be intended to release
24 separate claims or have different meanings. Neither prior versions of this Settlement Agreement
25 or the Term Sheet, nor the negotiating history of these terms will be used to aid in any interpretation
26 or construction of those terms.

27 25. **Survival.** All representations, warranties, and covenants set forth in this Settlement
28 Agreement shall be deemed continuing and shall survive the Settlement.

26. **Notices.** Any notice, demand, or other communication under this Settlement Agreement (other than the Class Notice, or other notices given at the direction of the Court) shall be in writing and shall be deemed duly given upon receipt if it is addressed to each of the intended recipients as set forth below and personally delivered, sent by registered or certified mail (postage prepaid), or delivered by reputable express overnight courier:

TO PLAINTIFF:

Daniel Feinberg

FEINBERG, JACKSON, WORTHMAN & WASOW LLP

2030 Addison St., Suite 500

Berkeley, CA 94704

Michelle C. Yau

COHEN MILSTEIN SELLERS & TOLL PLLC

1100 New York Ave, NW, Suite 800

Washington, D.C. 20005

TO DEFENDANTS LITE STAR ESOP COMMITTEE, NATHAN SLOAN, KATHLEEN A. HAGEN, KATHLEEN A. HAGEN, AS LEGAL SUCCESSOR TO DOUGLAS W. HAGEN, AND ESTATE OF DOUGLAS W. HAGEN:

Mark A. Nebrig

MOORE & VAN ALLEN

100 North Tryon St., Suite 4700

Charlotte, NC 28202

TO DEFENDANT B-K LIGHTING, INC.:

Richard J. Pearl

FAEGRE DRINKER BIDDLE & REATH LLP

320 S. Canal St., Suite 3300

Chicago, IL 60606

TO DEFENDANTS MIGUEL PAREDES AND PRUDENT FIDUCIARY SERVICES, LLC:

Chelsea Ashbrook McCarthy

HOLLAND & KNIGHT LLP
150 North Riverside Plaza, Suite 2700
Chicago, IL 60606

IN WITNESS WHEREOF, the Settling Parties hereto, intending to be legally bound hereby
have caused this Settlement Agreement to be executed by them or their duly authorized counsel,
on the dates set forth below.

1 DATED: July 24, 2025

FEINBERG, JACKSON, WORTHMAN & WASOW,
LLP

2 By: /s/ Dan Feinberg

3 Dan Feinberg
4 Attorneys for Plaintiff

5 DATED: _____

LITE STAR ESOP COMMITTEE

6 By: _____

7 DATED: _____

B-K-LIGHTING, INC.

8 By: _____

9 DATED: _____

10 NATHAN SLOAN

11 DATED: _____

12 KATHLEEN A. HAGEN

13 DATED: _____

14 KATHLEEN A. HAGEN, as legal successor to
15 DOUGLAS W. HAGEN

16 DATED: _____

ESTATE OF DOUGLAS W. HAGEN

17 By: _____

18 DATED: 08/15/2025

19 
20 MIGUEL PAREDES

21 DATED: 08/15/2025

22 PRUDENT FIDUCIARY SERVICES, LLC, a
23 California Limited Liability Company

24 By: 
25
26
27
28

DATED: July 24, 2025

FEINBERG, JACKSON, WORTHMAN & WASOW,
LLP

By: /s/ Dan Feinberg

Dan Feinberg
Attorneys for Plaintiff

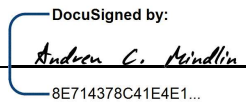
DATED: _____

LITE STAR ESOP COMMITTEE

By: _____

DATED: 8/14/2025

B-K-LIGHTING, INC.

By:  _____
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DATED: _____

NATHAN SLOAN

DATED: _____

KATHLEEN A. HAGEN

DATED: _____

KATHLEEN A. HAGEN, as legal successor to
DOUGLAS W. HAGEN

DATED: _____

ESTATE OF DOUGLAS W. HAGEN

By: _____

DATED: _____

MIGUEL PAREDES

DATED: _____

PRUDENT FIDUCIARY SERVICES, LLC, a
California Limited Liability Company

By: _____

1 DATED: July 24, 2025

FEINBERG, JACKSON, WORTHMAN & WASOW,
LLP

2 By: /s/ Dan Feinberg

3 Dan Feinberg
4 Attorneys for Plaintiff

5 DATED: _____

LITE STAR ESOP COMMITTEE

6 By: _____

7 DATED: _____

B-K-LIGHTING, INC.

8 By: _____

9 DATED: _____

10 NATHAN SLOAN

11 DATED: _____

12 KATHLEEN A. HAGEN

13 DATED: _____

14 KATHLEEN A. HAGEN, as legal successor to
15 DOUGLAS W. HAGEN

16 DATED: _____

ESTATE OF DOUGLAS W. HAGEN

17 By: _____

18 DATED: 08/15/2025

19 
20 MIGUEL PAREDES

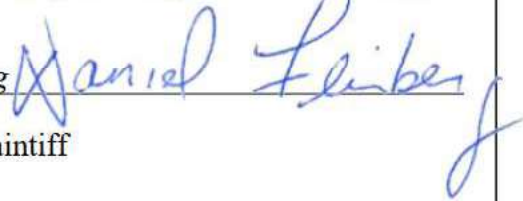
21 DATED: 08/15/2025

22 PRUDENT FIDUCIARY SERVICES, LLC, a
23 California Limited Liability Company

24 By: 
25
26
27
28

1 DATED: August 14, 2025

FEINBERG, JACKSON, WORTHMAN & WASOW,
LLP

2 By: /s/ Dan Feinberg 

3 Dan Feinberg
4 Attorneys for Plaintiff

5 DATED: Aug 12, 2025

LITE STAR ESOP COMMITTEE

6 By: 

7 DATED: _____

B-K-LIGHTING, INC.

8 By: _____

9 DATED: Aug 12, 2025

10 
11 NATHAN SLOAN

12 DATED: _____

13 KATHLEEN A. HAGEN

14 DATED: _____

15 KATHLEEN A. HAGEN, as legal successor to
16 DOUGLAS W. HAGEN

17 DATED: _____

18 ESTATE OF DOUGLAS W. HAGEN

19 By: _____

20 DATED: _____

21 MIGUEL PAREDES

22 DATED: _____

23 PRUDENT FIDUCIARY SERVICES, LLC, a
24 California Limited Liability Company

25 By: _____

1 DATED: August 14, 2025

FEINBERG, JACKSON, WORTHMAN & WASOW,
LLP

2 By: /s/ Dan Feinberg
3 Dan Feinberg
4 Attorneys for Plaintiff

5 DATED: _____

LITE STAR ESOP COMMITTEE

6 By: _____

7 DATED: _____

B-K-LIGHTING, INC.

8 By: _____

9 DATED: _____

10 NATHAN SLOAN

11 DATED: 8-13-2025

12 Kathleen A. Hagen
13 KATHLEEN A. HAGEN

14 DATED: 8-13-2025

15 Kathleen A. Hagen
16 KATHLEEN A. HAGEN, as legal successor to
17 DOUGLAS W. HAGEN

18 DATED: 8-13-2025

ESTATE OF DOUGLAS W. HAGEN

19 By: Kathleen A. Hagen

20 DATED: _____

21 MIGUEL PAREDES

22 DATED: _____

23 PRUDENT FIDUCIARY SERVICES, LLC, a
24 California Limited Liability Company

25 By: _____