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Attorneys for: Defendant, SGB VENTURES, LLC,
a Limited Liability Company

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF TULARE

PRINCESSALEXIA CHANNEL WHITE, as
an individual and on behalf of all employees
similarly situated,

Plaintiff,

vs.

SGB VENTURES, LLC, a Limited Liability
Company; and, DOES 1 through 50, inclusive,

Defendant.

Case No. VCU296946

CLASS ACTION

**DECLARATION OF CALI SORENSEN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

I, CALI SORENSEN, declare as follows:

1. I am the Managing Member of SGB Ventures, LLC dba Crumbl ("SGB"). SGB opened the first Crumbl (a cookie shop franchise) in Visalia, California in August 2022. I am and have been responsible for the day-to-day operations of SGB since its opening.

2. During the initial months of Crumbl's opening, we were open long hours—8:00 a.m. to 10:00 p.m. Monday through Thursday and 8:00 a.m. to midnight Saturday through Sunday—and often had a line of customers out the door, as this was the first and only location in Tulare County. Unfortunately, after the novelty wore off, and after another Crumbl was opened in a neighboring location in Tulare, California, our gross sales plummeted.

3. To start up this business operation, we took out an SBA and other loans totaling approximately \$600,000.00 (Total start-up costs were approximately \$725,000.00). The monthly

1 payments on this start-up debt exceed our monthly net profit most months. We still owe
2 approximately one-half of the start-up debt.

3 4. The average gross sales revenue per month is less than \$100,000.00. After payment
4 of labor, food goods, paper goods, rent and other franchise fee and expenses, our overall net profit
5 has run between \$7,000.00–\$8,000.00 per month. However, our payments on our SBA loan and
6 other debts for tenant improvements, and purchase of the franchise exceed the net profits on a regular
7 basis.

8 5. Additionally, SGB is likely facing a significant increase in labor costs based upon
9 Assembly Bill No. 1228, which requires all fast-food franchisees to pay their employees a minimum
10 of \$20.00 per hour, effective April 1, 2024. The application of this law to Crumbl is as yet unknown.
11 However, to avoid further issues, we will likely raise our hourly rates to avoid wage and hour issues
12 moving forward.

13 6. SGB currently employs approximately twenty-five (25) employees, most of whom
14 are part time.

15 7. In order to continue operating, providing continued business and jobs for our
16 employees, and resolve the claims made herein, and to ensure SGB can meet the settlement
17 obligations, SGB agreed to a class settlement amount paid over the course of eighteen (18) months
18 starting from February 23, 2024 (months before final approval of this settlement by the court) and
19 ending on July 23, 2025.. In fact, this will not cause significant delays in distribution of settlement
20 funds to class members since they will receive settlement funds in two distributions subject to court
21 approval: first distribution within fifteen (15) days after final approval of this settlement, and the
22 second distribution within six months after the first distribution.

23 8. I have, except for those matters alleged on information and belief, personal
24 knowledge of the foregoing, and can testify competently thereto if called as a witness.

25 I declare under penalty of perjury, under the laws of the State of California, that the foregoing
26 is true and correct.

27 Executed on March 7th, 2024, at Visalia, California.

28 
Cali Sorensen, Declarant

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF LOS ANGELES)

5 I am employed in the county of Los Angeles, State of California. I am over the age of 18
6 and not a party to the within action; my business address is 535 N Brand Blvd. Suite 285
7 Glendale, CA 91203.

8 On the date indicated below, I served the document described as: **DECLARATION OF CALI
9 SORENSEN IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS
10 ACTION SETTLEMENT** on the interested parties in this action by sending a true copy thereof to
11 interested parties as follows and as stated on the attached service list:

12 Rissa Stuart
13 rstuart@kschanford.com

14 David Kahn
15 dkahn@kschanford.com

16 Ian Brady
17 ibrady@kschanford.com

18 Maria Cabrera
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27 *Attorneys for Defendant SGB VENTURES LLC*

28 [✓] **BY E-MAIL:** I hereby certify that this document was served from Glendale,
California, by e-mail delivery on the parties listed herein at their most recent known e-
mail address or e-mail of record in this action.

[✓] **BY ELECTRONIC SERVICE:** Based on an agreement of the parties to accept electronic
service, I caused the documents to be sent to the persons at the electronic service addresses
listed above via electronic mail. I did not receive an error message.

I declare under penalty of perjury under the laws of the State of California that the
above is true and correct.

Executed on March 15, 2024, at Glendale, California.

Lilit Tunyan

Name



Signature