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PLEASE VERIFY BEFORE SENDING

Unverified AI draft. Every fact must be checked against the records before use. It is not legal advice. Fill in every [ADD: …] placeholder, set the demand amount, confirm anything marked [VERIFY], and delete this box before sending.

- Only a one-page excerpt of the Operating Agreement was provided. Section 10.4 (appraiser selection and Fair Value), any notice or delivery clause, any reserve or capital provision, and any mediation or arbitration clause were not reviewed. Confirm none of them changes this letter.
- The letter is drafted to serve as written notice under Section 10.2, with the cure date set to the response deadline. Confirm this is intended, that the notice can come from counsel, and that the delivery method and addresses comply with the Agreement.
- The bookkeeper's summary says no written consent or minutes approving the management fees were provided. The meeting records contain a February 10, 2025 written consent signed only by the two Managing Members. The letter treats it as an approval by 70% of the interests, below the 75% in Section 5.4. Confirm there is no other approval.
- The 2025 K-1 shows $58,230.00 of ordinary business income for our client. 30% of the reported $200,100.00 net income after fees would be $60,030.00. The records do not explain the difference. Confirm with the tax preparer before relying on the K-1 figure.
- The $156,000.00 total of management fees is my sum of the two $78,000.00 figures. Please check it. I did not calculate Available Cash or our client's 30% share for each quarter, so the withheld-distribution amount and the demand amount are placeholders.
- The records do not show whether Q1 2025 numbers were ever sent after the May 2, 2025 request, who received the February 27, 2026 summary, whether the April 2025 meeting Paul Grissom mentions was noticed to all Members, or whether fees continued in 2026. The request for Section 7.1 and 7.3 compliance and the request to stop further unapproved fees go beyond the firm notes. Keep or delete them.
- [VERIFY: Wisconsin rule on derivative demand prerequisites]. The fee-reversal request is a claim on behalf of the Company and may require a pre-suit demand.
- [VERIFY: Wisconsin rule on owner buyout and dissolution remedies].
- Missing details: firm address and contact information, letter date, delivery method, the recipients' street addresses and ZIP codes, and the response deadline. Please also confirm whether the Company has a registered agent who should receive a copy.

Brandt Ellery LLC
[ADD: firm street address]

[ADD: city, state ZIP]
[ADD: phone] · [ADD: email]

[ADD: date]

VIA [ADD: delivery method]

Northwoods Cold Brew Roasters LLC
318 Tamarack Street [operating_agreement_excerpt.pdf p.1]
Birch Harbor, Wisconsin [ADD: ZIP]

Paul Grissom, Managing Member
[ADD: street address]
[ADD: city, state ZIP]

Leah Vantongeren, Managing Member
[ADD: street address]
[ADD: city, state ZIP]

Re: Demand for Withheld 2025 Distributions and Reversal of Unapproved Management Fees; Notice Under Section 10.2 of the Operating Agreement. Hannah Brekke / Northwoods Cold Brew Roasters LLC

Dear Paul Grissom and Leah Vantongeren:

Introduction

We represent Hannah Brekke, a member of Northwoods Cold Brew Roasters LLC (the "Company"), who holds a 30% Percentage Interest [operating_agreement_excerpt.pdf p.1; firm notes]. This letter concerns the Company's failure to pay any distribution to Members in 2025 and the payment of management fees to the two Managing Members without the approval the Operating Agreement requires. It also gives written notice under Section 10.2 of the Operating Agreement. If you are represented by counsel in this matter, please forward this letter to your attorney.

The governing documents

The Operating Agreement of the Company took effect June 1, 2022 and was signed by all three Members on that date [operating_agreement_excerpt.pdf p.1]. Schedule A lists the Members and Percentage Interests as follows: Paul Grissom, 35%; Leah Vantongeren, 35%; and Hannah Brekke, 30% [operating_agreement_excerpt.pdf p.1]. The provisions relevant here are:

- **Section 5.1 (Management).** The Company is managed by its Managing Members, Paul Grissom and Leah Vantongeren [operating_agreement_excerpt.pdf p.1].
- **Section 5.4 (Compensation).** "No Member or Managing Member shall receive compensation for services to the Company unless approved by Members holding at least 75% of the Percentage Interests" [operating_agreement_excerpt.pdf p.1].

- **Section 6.2 (Distributions).** "Within the first month after the end of each calendar quarter, the Company shall distribute Available Cash to the Members in proportion to their Percentage Interests." "Available Cash" means "cash on hand less a working reserve of $40,000" [operating_agreement_excerpt.pdf p.1].
- **Section 7.1 (Meetings).** The Managing Members "shall hold a meeting of all Members each quarter, with written notice to every Member" [operating_agreement_excerpt.pdf p.1].
- **Section 7.3 (Information).** Each Member "may receive quarterly financial statements on request" [operating_agreement_excerpt.pdf p.1].
- **Section 10.2 (Buyout on deadlock or breach).** If a Member gives written notice that the Company has failed to make a required distribution and the failure is not corrected by the date stated in the notice, the noticing Member "may require the Company to purchase that Member's interest at Fair Value, determined by an independent appraiser selected under Section 10.4" [operating_agreement_excerpt.pdf p.1].
- **Section 14.6 (Attorney fees).** "In any dispute under this Agreement, the prevailing party may recover reasonable attorney fees" [operating_agreement_excerpt.pdf p.1].

What happened

The Company's distribution history. In 2024 the Company paid our client four quarterly distributions: $10,950.00 on April 18, 2024; $12,300.00 on July 22, 2024; $11,640.00 on October 17, 2024; and $13,020.00 on January 21, 2025 [distribution_and_financials.pdf p.1]. Our client received no distributions for Q1 2025 through Q4 2025 [distribution_and_financials.pdf p.1].

The management fees. On February 10, 2025, the two Managing Members signed a written consent approving monthly management fees of $6,500 each to Paul Grissom and Leah Vantongeren, effective January 1, 2025 [meeting_records_and_emails.pdf p.1]. Our client is not listed on that consent and did not sign it [meeting_records_and_emails.pdf p.1]. Together, the two Managing Members hold 70% of the Percentage Interests, which is below the 75% Section 5.4 requires [operating_agreement_excerpt.pdf p.1]. The Company's bookkeeper reports that no written consent or minutes approving the fees were provided [distribution_and_financials.pdf p.1]. The Company paid management fees in 2025 of $78,000.00 to Paul Grissom and $78,000.00 to Leah Vantongeren [distribution_and_financials.pdf p.1].

Our client's requests and the responses.

- On May 2, 2025, our client wrote to both of you that she had not received the Q1 distribution, that there had been no quarterly meeting, and asked for the Q1 numbers [meeting_records_and_emails.pdf p.1].
- On May 5, 2025, Paul Grissom replied: "We are keeping cash in the business this year for a new roaster. Leah and I decided to skip distributions. We met in April but it was just operations." [meeting_records_and_emails.pdf p.1].
- On November 3, 2025, our client formally requested all 2025 distributions due under Section 6.2 and notice of every Member meeting under Section 7.1. She also stated that she does not consent to any management fees [meeting_records_and_emails.pdf p.1].

- On November 12, 2025, Leah Vantongeren replied: "Paul and I are the ones working here every day. The fees are fair. We will revisit distributions next year." [meeting_records_and_emails.pdf p.1].
- Our client received no notices of quarterly Member meetings in 2025 [meeting_records_and_emails.pdf p.1].

The Company's financial position. According to the year-end summary the bookkeeper, Lori Haugen, provided on February 27, 2026, the Company's 2025 net revenue was $1,642,800.00. Its net income before management fees was $356,100.00, and after management fees it was $200,100.00 [distribution_and_financials.pdf p.1]. Cash on hand exceeded the $40,000 working reserve at every quarter-end in 2025, as the table below shows [distribution_and_financials.pdf p.1; operating_agreement_excerpt.pdf p.1]. No distributions were paid to any Member in 2025 [distribution_and_financials.pdf p.1]. As of February 27, 2026, no new roaster had been purchased [meeting_records_and_emails.pdf p.1].

Tax reporting. Our client received her 2025 Schedule K-1 on March 6, 2026. It allocates to her $58,230.00 of ordinary business income and reports distributions of $0.00 [distribution_and_financials.pdf p.1].

Amounts at issue

Cash on hand at each 2025 quarter-end, as reported by the Company's bookkeeper [distribution_and_financials.pdf p.1]:

Item	Date	Amount	Source
Cash on hand	March 31, 2025	$96,400	distribution_and_financials.pdf p.1
Cash on hand	June 30, 2025	$121,750	distribution_and_financials.pdf p.1
Cash on hand	September 30, 2025	$138,900	distribution_and_financials.pdf p.1
Cash on hand	December 31, 2025	$164,300	distribution_and_financials.pdf p.1
Working reserve under Section 6.2	n/a	$40,000	operating_agreement_excerpt.pdf p.1

Management fees, distributions and income allocation:

Item	Date	Amount	Source
Management fees paid to Paul Grissom	2025	$78,000.00	distribution_and_financials.pdf p.1
Management fees paid to Leah Vantongeren	2025	$78,000.00	distribution_and_financials.pdf p.1
Total (as read from the bills)	2025	**$156,000.00**	distribution_and_financials.pdf p.1
Distributions paid to our client	Q1 to Q4 2025	$0.00	distribution_and_financials.pdf p.1

Item	Date	Amount	Source
Ordinary business income allocated to our client (2025 K-1)	2025	$58,230.00	distribution_and_financials.pdf p.1
Our client's 30% share of Available Cash withheld for 2025	Q1 to Q4 2025	[ADD: amount of withheld 2025 distributions]	[ADD: calculation]

Demand

Section 6.2 requires the Company to distribute Available Cash within the first month after each calendar quarter, in proportion to Percentage Interests. The Company did not do so for any quarter of 2025. The reason Paul Grissom gave was a planned roaster purchase, and no roaster purchase had been made as of February 27, 2026. Section 5.4 conditions Member compensation on approval by Members holding at least 75% of the Percentage Interests. The Managing Members hold 70%, and our client did not approve the fees. On behalf of our client, we demand that the Company and the Managing Members do the following by [ADD: response deadline]:

- **Pay the withheld 2025 distributions.** Pay our client her 30% share of Available Cash for each quarter of 2025, in the amount of [ADD: demand amount].
- **Reverse the management fees.** Return to the Company the 2025 management fees of $78,000.00 paid to Paul Grissom and $78,000.00 paid to Leah Vantongeren, and make any further compensation payments only as Section 5.4 permits.
- **Comply with the meeting and information provisions.** Give written notice of quarterly Member meetings as Section 7.1 requires, and provide the quarterly financial statements Section 7.3 allows on request.
- **Confirm in writing** that the steps above have been taken.

Notice under Section 10.2. This letter is written notice, on behalf of our client, that the Company has failed to make required distributions under Section 6.2. The date by which the failure must be corrected is [ADD: response deadline]. If it is not corrected by that date, our client intends to require the Company to purchase her entire 30% interest at Fair Value, determined by an independent appraiser selected under Section 10.4 [firm notes; operating_agreement_excerpt.pdf p.1]. We ask that you contact us promptly to discuss the appraiser selection process.

Our client also intends to seek her reasonable attorney fees under Section 14.6 if she is the prevailing party in any dispute under the Operating Agreement [operating_agreement_excerpt.pdf p.1]. Our client reserves all rights, claims and remedies, whether under the Operating Agreement or otherwise. Nothing in this letter waives any of them. Please preserve all Company records relating to distributions, management fees, Member meetings and the planned roaster purchase.

Jurisdiction points

This matter is governed by Wisconsin law. To the extent this letter also serves as a demand on the Company and its managers to correct the management-fee payments, our client reserves the right to proceed on the Company's behalf as well as in her own right. [VERIFY: Wisconsin rule on derivative demand prerequisites]. Our client also reserves all remedies available to an owner under Wisconsin law in addition to the buyout described above. [VERIFY: Wisconsin rule on owner buyout and dissolution remedies].

Please direct all communications on this matter to me at the address above.

Sincerely,

Karen M. Ellery
Brandt Ellery LLC