

SETTLEMENT AGREEMENT AND GENERAL RELEASE

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE (“Agreement”) is made and entered into by and between EDDIE REID (hereinafter, “REID”) and HOLLYWOOD RECORDS, INC. (hereinafter, “HRI”).

WITNESSETH:

WHEREAS, on or about September 30, 2020, REID filed a proposed representative action lawsuit against HRI in the Superior Court of the State of California for the County of Los Angeles, which is designated as Case No. 20STCV37529 (hereinafter, the “Lawsuit”); and

WHEREAS, the parties hereto desire to settle fully and finally all differences arising during, out of or related to the services provided by REID to Naked Gallery, Inc. (“NGI”), an independent music video production company, which had an agreement with HRI for production of a music video(s), and the ending of thereof, including those embodied in the Lawsuit;

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained, it is agreed as follows:

1. NO ADMISSION OF LIABILITY

This Agreement shall not in any way be construed as an admission by HRI of any liability whatsoever, or as an admission by HRI of any wrongful acts whatsoever committed by it or any of its current or former employees or any of the other Releasees, as defined below, against REID, or against any other persons, and HRI specifically disclaims any liability to REID, or to any other persons or entities.

2. CONSIDERATION BY REID

In exchange for the payments to be made by HRI, as well as for HRI other promises in this Agreement, REID agrees to: (a) deliver to counsel for HRI a signed original or a copy electronically signed by DocuSign of this Agreement; and (b) authorize his counsel to file a motion pursuant to Labor Code section 2699(1)(2) for approval of the settlement between the parties hereto and a request for dismissal of REID’s individual claims with prejudice as to HRI and without prejudice as to Naked Gallery, Inc. (“NGI”), Zachary A. Moore and Cory Proctor, and to provide notice to the California Labor Workforce Development Agency (“LWDA”) of this settlement as to HRI and the other Releasees.

3. CONSIDERATION BY HRI

In exchange for REID’s consideration described above, as well as for REID’s other promises in this Agreement, HRI agrees that within forty-five (45) calendar days after counsel for HRI receives the signed original or a copy of this Agreement electronically signed by DocuSign, confirmation of the notice to the LWDA and approval of the settlement dismissal of

the Lawsuit by the court, and a completed IRS form W-9 for both REID and his counsel, it will deliver to counsel for REID the total amount of Four Thousand Dollars (\$4,000) ("Total Settlement Amount"), without withholding or deducting any amount, by check made payable to "Harris & Ruble Client Trust Account," in compromise of REID's disputed claims for interest and statutory and civil penalties related to the Labor Code violations alleged in the Lawsuit, and as reimbursement of REID's attorneys' fees and costs, which payment will be reflected on an IRS form 1099.

REID understands and agrees that the Total Settlement Amount is all the monies that will be paid by HRI to him or on his behalf in connection with the Lawsuit; and that the payments described in this Paragraph shall be in settlement of all of REID's claims against HRI; and that the payments being provided are not required under HRI's normal policies or procedures.

4. TAX INDEMNIFICATION

REID agrees that he is solely responsible for all tax obligations, including, but not limited to, all payment obligations, which may arise as a consequence of this settlement. REID further agrees promptly to pay and to indemnify and hold the Releasees harmless from and against any and all loss, cost, damage or expense, including, without limitation, attorneys' fees, interest, assessments, withholding and penalties, arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds paid to REID as a result of this settlement. REID further agrees not to seek or make any claim against the Releasees for any loss, cost, damage or expense if a claim or adverse determination is made in connection with the non-withholding or other tax treatment of any of the proceeds of this settlement or any portion thereof. REID understands and agrees that the Releasees shall not have any duty to defend against any claim or assertion in connection with the non-withholding or other tax treatment of the proceeds of this settlement or any portion thereof, and REID agrees to assume full responsibility for defending against any such claim or assertion.

5. CONFIDENTIALITY

REID represents and agrees that, except as required by law, he will not hereafter disclose the terms or amount of the settlement contained in this Agreement to anyone other than his legal counsel, financial advisors or tax preparers, all of whom, together with their employees and agents, if any, will be informed of and bound by this confidentiality provision. REID understands that this specifically prevents, but is not limited to, disclosures to any past or present employee, or applicant for employment, of HRI, as well as any social media postings or comment on any blog or website. If asked about the status of the Lawsuit, REID may only say "it has been resolved" or some substantially similar comment.

REID understands that any disclosure in violation of this confidentiality provision would cause HRI injury and damage, and therefore, REID agrees that HRI shall have the right to seek legal and/or equitable relief, including, but not limited to, liquidated damages in the amount of \$250 of the Total Settlement Amount for each proven violation of this confidentiality provision, and may seek additional legal and/or equitable relief, including an immediate injunction from a court of competent jurisdiction to prevent the continuation of the breach

without further having to show damage. REID agrees that the foregoing amount of liquidated damages is not a penalty and is legal, just and equitable in light of the damage and expense that HRI would incur and/or suffer as a result of any violation of this confidentiality provision by her. HRI further acknowledges that the covenants of this Paragraph 5 are independent of any other provisions of this Agreement, and any claim by REID for breach of this Agreement shall not constitute a defense to the enforcement of the covenants herein by HRI.

6. COMPLETE RELEASE

As a further material inducement to HRI to enter into this Agreement, REID does hereby, and for his heirs, representatives, executors, administrators, successors and assigns, release, acquit and forever discharge HRI, its predecessor and successor companies, their parents, related and affiliated companies, their subsidiaries and divisions, and their predecessor and successor companies, and each and all of the owners, stockholders, assigns, agents, directors, officers, employees, representatives, and attorneys of or for all such business entities, and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), and each of them, from any and all grievances, charges, complaints, claims, penalties, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent based on services provided to, or on behalf of, NGI and its agents or employees (including Zachary A. Moore and Cory Proctor), whether as a sole employee of NGI or an alleged joint employee of NGI and HRI or the other Releasees, including, but by no means limited to, rights arising out of the alleged commission of any tort; violation of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied; violation of any public policy; or violation of any federal, state or other governmental statute, regulation or ordinance, and any amendments thereto, including, but not limited to the federal Fair Labor Standards Act; the federal National Labor Relations Act, California Labor Code §§ 96 through 98.2, *et seq.*; the California Payment of Wages Law, California Labor Code §§ 200, *et seq.*, and in particular, §§ 210, 201.3, 201.5, 202, 203, 204, 204.1, 204.2, 204b, 210, 212, 218.5, 218.6, 221, 222, 222.5, 223, 226, 226.7, 226.8, 245.5, 246, and 248.5; California Labor Code §§ 400, *et seq.*, and in particular, § 432; the California Working Hours Law, California Labor Code §§ 500, *et seq.*, and in particular, and in particular, §§ 510, 512, 515, 558 and 558.1; California Labor Code §§ 1174, 1174.5, 1194, 1194.2, 1197.1, 1198, and 1198.5; California Labor Code §§ 2802 and 2810.5; the California Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*; California Civil Procedure Code § 1021.5; and any other provision of the California Labor Code or any applicable California Industrial Welfare Commission Wage Orders, in all of their iterations (hereinafter collectively, "Claim" or "Claims"), from the beginning of time to the date of execution hereof. For avoidance of doubt, this release shall not waive any rights REID has in the Lawsuit against NGI and individually named defendants Zachary A. Moore and Cory Proctor.

7. UNKNOWN CLAIMS

Except for rights he may have against NGI, Zachary A. Moore and Cory Proctor, REID expressly waives and relinquishes all rights and benefits afforded by any law designed to prevent the waiver of unknown claims, such as section 1542 of the Civil Code of the State of California, which states:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Thus, notwithstanding the provisions of any such law, and for the purposes of implementing a full and complete release and discharge of claims against the Releasees based on services provided to, or on behalf of, NGI and its agents or employees (including Zachary A. Moore and Cory Proctor), whether as a sole employee of NGI or an alleged joint employee of NGI and HRI or the other Releasees, REID expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims which he does not know or suspect to exist in his favor at the time of execution hereof, and that this Agreement extinguishes any such Claim or Claims.

8. NO OTHER FILINGS

REID represents and agrees that, other than the Lawsuit, he has not personally filed any claims, charges or complaints against HRI, or any other of the Releasees, with any local, state or federal government agency or court from the beginning of time to the date of execution of this Agreement. REID further represents that he is not aware of any facts supporting any work-related injury claim, unfair labor practices or violation of any non-wage and hour law or regulation by HRI or any of the other Releasees, and knows of no reason why any such claims, charges, proceedings, and/or lawsuits should be made, filed, and/or initiated against HRI or any other of the Releasees by himself or any other individual or government agency. REID agrees that if he is ever awarded or recovers any amount in connection with any Claim he has waived in this Agreement, whether as a result of an action brought by himself in violation of this Agreement or by another in any representative capacity, the amount of the award or recovery shall be reduced by the Total Settlement Amount, increased appropriately for the time value of money, using the maximum legal interest rate. To the extent such a setoff is not effected, REID promises to pay, or assign to HRI his right to receive, the amount that should have been set off.

9. NO REPRESENTATIONS

REID acknowledges that, except as expressly set forth herein, no representations, promises, or inducements of any kind or character have been made to him by HRI or any of the other Releasees to induce the execution of this Agreement, or with regard to the subject matter, basis or effect of this Agreement or otherwise.

10. ATTORNEYS' FEES AND COSTS

REID acknowledges and agrees that, except as expressly provided in Section 4, above, HRI shall not be required to pay any of his attorneys' fees or any other costs incurred in connection with his counsel's representation of him in the Lawsuit or any other matter. REID acknowledges and agrees that his counsel shall look solely to him for payment of such additional attorneys' fees and costs.

11. CONSULTATION WITH COUNSEL

REID represents that he has thoroughly discussed all aspects of this Agreement with his own attorneys, that he has carefully read and fully understands each of the provisions of this Agreement, and that he is voluntarily entering into this Agreement.

12. OWNERSHIP OF CLAIMS

REID represents and agrees that he has not heretofore assigned or transferred, or purported to have assigned or transferred, to any person or entity, any Claim or portion of any Claim or portion thereof or interest therein.

13. ASSUMPTION OF RISK

REID acknowledges that he might hereafter discover facts different from or in addition to those he now knows or believes to be true with respect to a Claim or Claims released herein, and he expressly agrees to assume the risk of possible discovery of additional or different facts, and further agrees that this Agreement shall be and remain effective in all respects regardless of such additional or different discovered facts.

14. APPLICABLE LAW

This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California.

15. INDEMNIFICATION

As a further material inducement to HRI to enter into this Agreement, REID agrees to indemnify and hold HRI harmless from and against any and all loss, costs, damages, or expenses, including, without limitation, attorneys' fees incurred by it, arising out of any breach of this Agreement or the fact that any representation made herein by REID was false when made.

16. SUCCESSORS

This Agreement shall be binding upon REID, and his heirs, representatives, executors, administrators and assigns, and shall inure to the benefit of each of the Releasees and their heirs, representatives, executors, administrators, successors and assigns.

17. VALIDITY

Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, terms, or provisions shall be deemed not to be a part of this Agreement.

18. ENTIRE AGREEMENT

This is the entire Agreement between the parties hereto and fully supersedes any and all prior agreements or understandings between each of them pertaining to its subject matter. No promises to any party have been made other than those in this Agreement. This Agreement can be modified or amended only in writing (not orally), and any such modification or amendment must be signed by an officer of HRI and by REID and must be labeled as an amendment of this Agreement.

**PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE
OF ALL KNOWN AND UNKNOWN CLAIMS.**

Executed at Los Angeles, California, on May 23, 2023.

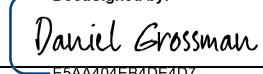
DocuSigned by:


EDDIE REID

June 27, 2023

Executed at Burbank, California, on May __, 2023.

HOLLYWOOD RECORDS, INC.

DocuSigned by:

By: _____
Daniel Grossman

HARRIS & RUBLE

DocuSigned by:
By: Alan Harris
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Attorneys for EDDIE REID