

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Armen Barsegryan (“Plaintiff”), on behalf of himself and acting as private general on behalf of other allegedly Aggrieved Employees (as defined below) and defendant Music Express, Inc., a California Corporation (“Defendant” or “MUSIC EXPRESS”). The Agreement refers to Plaintiff and MUSIC EXPRESS collectively as the “Parties,” or individually as a “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against MUSIC EXPRESS captioned *Armen Barsegryan, individually and behalf of all other Aggrieved Employees v. Music Express, Inc.*, Case No. 23BBCV00915, initiated on April 26, 2023 and pending in the Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this settlement.
- 1.4. “Aggrieved Employees” mean any and all persons employed or formerly employed by MUSIC EXPRESS in California and classified as a non-exempt, hourly employee and who worked for MUSIC EXPRESS any time between February 16, 2022 until the date the Court enters an Order approving this settlement. Defendant represents that as of the date of signing this Agreement, there are approximately 117 Aggrieved Employees.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in MUSIC EXPRESS’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods during which each Aggrieved Employee worked.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Court” means the Superior Court of California, County of Los Angeles.
- 1.8. “Defense Counsel” means Shannon Boyce and Matthew Morris of Littler Mendelson P.C.
- 1.9. “Effective Date” means the date this Agreement is approved as provided herein and the Court’s order granting approval of this settlement and the corresponding entry of final judgment becomes final and is no longer appealable. For purposes of this Agreement,

“becomes final and is no longer appealable” shall mean the later of: (a) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the order and judgment approving this Agreement may be timely filed and none is filed (i.e., 61 days from notice of entry of judgment); (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in a any other manner that confirms the validity of the order and judgment, the day after the last date for filing a request for further review of the order and judgment approving this Agreement passes, and no further review is requested; or (c) if an appeal is filed and the order approving this Agreement is affirmed and further review of the order is requested, the day after the review is finally resolved and the order and judgment approving this Agreement is affirmed.

- 1.10. “Gross Settlement Amount” means \$260,000.00 which is the total amount MUSIC EXPRESS agrees to pay under the settlement as provided in Sections 3 and 6 below. The Gross Settlement Amount will be used to pay the Representative Enhancement Award, Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.11. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the Net Settlement Amount calculated according to the number of pay periods each Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the final approval of this Agreement.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i), to receive 75% of the Gross Settlement Amount, after deduction of the PAGA Counsel Fee Payment, PAGA Counsel Litigation Expenses Payment, Representative Enhancement Award, and Administration Expenses Payment.
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties, after deduction of the PAGA Counsel Fee Payment, PAGA Counsel Litigation Expenses Payment, Representative Enhancement Award, and Administration Expenses Payment, paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Representative Enhancement Award, and the Administration Expenses Payment.
- 1.16. “PAGA Counsel” means Haig B. Kazandjian, Cathy Gonzalez, and Christina N. Mirzaie of Haig B. Kazandjian Lawyers, APC, the attorneys representing the Plaintiff in the Action.
- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses incurred to prosecute the Action.

- 1.18. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for MUSIC EXPRESS for at least one (1) day during the PAGA Period.
- 1.19. “PAGA Period” means the period from February 16, 2022 through the date the Court enters its Order approving this settlement.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21. “PAGA Notice” means Plaintiff’s February 16, 2023 letter to MUSIC EXPRESS and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount after deductions for PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Administration Expenses Payment, and Plaintiff’s Representative Enhancement Award, as approved by the Court, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.23. “Released PAGA Claims” means any and all claims for civil penalties that could have been assessed upon or collected from the Released Parties under California Labor Code § 2698, et seq. (“PAGA”), based on the factual allegations of the Complaint, including alleged violations of Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 256, 432, 510, 512, 558, 1174, 1174.5, 1182.2, 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and 2699, and the applicable Industrial Wage Order(s), including the primary rights of each such provision held by the State of California under PAGA, and including the claims described in the PAGA letter of Armen Barsegyan submitted to the LWDA on approximately February 16, 2023, and the claims being released by the Plaintiff and PAGA Counsel and as described in Section 5 below.
- 1.24. “Released Parties” means: MUSIC EXPRESS and each of its predecessors in interest, successors in interest, parents, subsidiaries, affiliated companies, shareholders, directors, officers, managers, partners, shareholders, insurers, attorneys, joint ventures, investors, and any other successors, assigns, or legal representatives.

2. RECITALS.

- 2.1. On April 26, 2023, Plaintiff commenced this Action by filing a complaint alleging a single cause of action under PAGA against MUSIC EXPRESS for alleged violations of California Labor Code and certain Industrial Wage Order(s).
- 2.2. MUSIC EXPRESS denies the allegations in the complaint and denies that it has committed or is liable for any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind.
- 2.3. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to MUSIC EXPRESS and the LWDA by sending a PAGA notice.

- 2.4. On March 12, 2025, the Parties participated in an all-day mediation presided over by Mark Lemke.
- 2.5. Prior to mediation and negotiating the settlement, Plaintiff obtained, through informal discovery, wage and hour data pertaining to the Aggrieved Employees, including a sampling of Aggrieved Employee's wage and time records, the applicable class list, a pay period count, and other relevant discovery, including discovery related to applicable MUSIC EXPRESS policies. The Parties believe and agree this settlement agreement provides for a fair, adequate, and reasonable resolution of the Action and have arrived at the settlement after extensive, arms-length negotiations, including use of a private mediator, taking into account all relevant factors, present and potential.
- 2.6. The Parties understand, acknowledge, and agree this settlement constitutes a compromise of the Released Claims. It is also the desire and intention of the Parties to implement a final and complete resolution of the Action. The Parties further acknowledge nothing in this settlement shall be construed as an admission by MUSIC EXPRESS of liability.
- 2.7. This agreement contemplates (1) entry of an Order by the Court approving this settlement; (2) an Order entering PAGA Judgment; and (3) all parties bearing their respective fees and costs except as expressly provided in this agreement.
- 2.8. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Section 4 below, MUSIC EXPRESS promises to pay \$260,000.00 as the Gross Settlement Amount. MUSIC EXPRESS is only obligated to pay the Gross Settlement Amount in accordance with the respective deadlines as stated in Section 4 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to MUSIC EXPRESS.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the fully funded Gross Settlement Amount, in the amounts specified by the Court in the Order granting Final Approval:
- 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 40% which is currently estimated to be \$104,000.00, plus a PAGA Counsel Litigation Expenses Payment for not more than \$15,000.00. MUSIC EXPRESS will not oppose requests for Court approval of this payment provided that it does not exceed this amount. Plaintiff and/or PAGA Counsel will file a joint stipulation for approval of settlement, including for PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses

Payment. If the Court approves a PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Both Parties agree that the amount of the contemplated payment to PAGA Counsel and PAGA Counsel Litigation Expenses Payment is only an estimate, and further agree that if the Court ultimately approves a lesser amount or lesser percentage of the settlement funds, such an allocation shall not be a basis for either side to void the Agreement. Released Parties shall have no liability to PAGA Counsel or any other of Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fees Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment and holds MUSIC EXPRESS harmless, and indemnifies MUSIC EXPRESS, from any dispute or controversy regarding any division or sharing of any of this payment.

- 3.2.2. To the Administrator: An Administration Expenses Payment not to exceed \$2,900.00 except for a showing of good cause and as approved by the Court. To the extent the Court approves payment less than \$2,900.00, the Administrator will allocate the remainder in the Net Settlement Amount.
- 3.2.3. To the LWDA and Aggrieved Employees: Estimated PAGA Penalties in the amount of \$128,100.00 shall represent Labor Code Section 2699 penalties, of which 75% of the payment (\$96,075.00) will be paid to the LWDA as the LWDA PAGA Payment and 25% (\$32,025.00) will be paid to Aggrieved Employees as Individual PAGA Payments, unless the Court determines otherwise. A reallocation of the settlement funds directed by the Court shall not be a basis for either side to void the Agreement. Aggrieved Employees will be issued a Form 1099 for their share of the PAGA payments. The Individual PAGA Payment for each Aggrieved Employee shall be based on the number of biweekly payroll periods each Aggrieved Employees worked during the PAGA Period as a percentage of the total payroll periods worked by all Aggrieved Employees during the PAGA Period.
- 3.2.3.1. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.
- 3.2.4. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- 3.2.5. To the Plaintiff: Subject to Court approval, a Representative Enhancement Award not to exceed \$10,000.00. MUSIC EXPRESS will not oppose a request for Court approval of this payment provided that it does not exceed this amount. Plaintiff and/or PAGA counsel will file a joint stipulation for approval of Representative Enhancement Award. If the Court approves a Representative Enhancement Award less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Representative Enhancement Award using an

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, MUSIC EXPRESS estimates, as of March 12, 2025 there are 117 Aggrieved Employees who worked a total 5,175 of PAGA Pay Periods.
- 4.2. Aggrieved Employee Data. Within fifteen business (15) days of the Effective Date, MUSIC EXPRESS will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. MUSIC EXPRESS has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which MUSIC EXPRESS must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3. Funding of Gross Settlement Amount. Within 15 business days of the Effective Date, MUSIC EXPRESS shall fund the Gross Settlement Amount by transmitting an initial payment of \$116,000.00 to the Administrator ("Initial Payment"). Thereafter, MUSIC EXPRESS will further fund the Gross Settlement Amount at an amount of \$16,000.00 a month for nine (9) months. Payments to fund the Gross Settlement Amount will be made on the first of day of each subsequent month after the Initial Payment is due (or in the event the first of the month falls on a Saturday, Sunday, or California or Federal Holiday, the next regular business day). Should any subsequent payments be delayed, MUSIC EXPRESS will be entitled to a five-day (5) "grace period" (Saturdays, Sundays, and California and federal holidays excluded). After the expiration of the five-day (5) grace period, a late payment penalty of 10% of the amount due for that month's payment will accrue. Any such late payment penalties will increase the Gross Settlement Amount and, accordingly, increase the final PAGA Counsel Fees Payment and final Net Payment Settlement Amount accordingly, provided, however, that any such late payment penalties shall not increase the amount of any Administration Expenses Payment.
- 4.3.1. Should MUSIC EXPRESS fail to fully fund the Gross Settlement Amount as contemplated in Section 4.3 above, Plaintiff and PAGA Counsel will be entitled to recover all reasonable attorney's fees and costs necessary to enforce funding of the Gross Settlement Amount in any subsequent court action or collection proceeding.
- 4.4. Payments from the Gross Settlement Amount. Within fifteen business (15) days after MUSIC EXPRESS fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, , Representative

Enhancement Award, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

- 4.4.1. For purposes of distributing each Individual PAGA Payment, all distribution payments will be made according to the number of pay periods each Aggrieved Employee was employed by Defendant during the PAGA Period, with each Aggrieved Employee being entitled to a share of 25% of the Net Settlement Amount allocated to the Aggrieved Employees based upon the Aggrieved Employee's number of Pay Periods employed with Defendant during the specified period as a numerator and the total number of Pay Periods all Aggrieved Employees were employed with Defendant between February 16, 2022 and the date of Court enters an order approving the Agreement as the denominator.
- 4.4.2. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.3. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven calendar (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 4.4.4. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.
- 4.4.5. The payment of Individual PAGA Payments shall not obligate MUSIC EXPRESS to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when MUSIC EXPRESS fully funds the Gross Settlement Amount in accordance with the terms of Section 4.3 above, Plaintiff, Aggrieved Employees and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in his complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Release by Aggrieved Employees: Aggrieved Employees will release and discharge Music Express, Inc. together with any of its respective predecessors, current and former parents, subsidiaries, and affiliated entities and, with respect to each such entity, each of their respective officers, directors, employees, shareholders, owners, members, contractors, joint venturers, partners, insurers, brokers, attorneys, representatives, agents, successors, and assigns (the "Released Parties") from any and all liability for all claims for PAGA penalties during the PAGA Period of February 16, 2022 through the date of settlement approval that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action and Plaintiffs' PAGA Notice to the LWDA including, e.g., (1) failure to provide employment records in violation of Labor Code section 226, 432, and 1198.5; (2) failure to provide overtime and double time wages in violation of Labor Code section 510 and any applicable Wage Orders issued by the California Industrial Welfare Commission; (3) failure to authorize, permit, and provide rest and meal periods in violation of Labor Code sections 226.7, 512(a) and any applicable Wage Orders; (4) failure pay minimum wages in violation of Labor Code section 1182.2, 1194, 1197, and 1197.1; (5) failure to keep accurate payroll records and provide itemized wage statements in violation of Labor Code sections 226(a), 1174(d), 1198, and any applicable Wage Orders; (6) failure to pay reporting time and split shift wages in violation of California Code of Regulations, Title 8, section 11050; (7) failure to pay all wages on a timely basis in violation of Labor Code section 204; (8) failure to pay all wages earned at discharge in violation of Labor Code sections 201-203; (9) failure to reimburse necessary business expenses in violation of Labor Code sections 2800 and

2802; (10) failure to provide notice of paid sick time in violation of Labor Code section 246; and (11) any claims pursuant to Labor Code section 558.

- 5.3 Release by PAGA Counsel: PAGA Counsel releases on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for fees and costs incurred in connection with the Action and based on the facts as alleged in the operative complaint and the PAGA Notice.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties will seek to obtain Court approval of this Agreement by way of a stipulation or unopposed motion to be filed by PAGA Counsel. If a motion is required, PAGA Counsel shall prepare, file, and serve the motion for approval of the Agreement and a proposed judgment and order, which shall declare that Plaintiff, the LWDA, and the Aggrieved Employees (to the fullest extent allowed under law) are bound by the release of the Released Claims as defined in Section 5 and set forth herein.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel, or Defense Counsel; (iii) a signed declaration from PAGA Counsel's firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by settlement or this Agreement.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Agreement no later than thirty calendar (30) days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Agreement or conditions its approval on any material change to this Agreement, PAGA Counsel and

Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering similar settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on its records, MUSIC EXPRESS estimates that, as of March 12, 2025 (the date of mediation), (1) there were 117 Aggrieved Employees who worked 5,175 Pay Periods during the PAGA Period. If the number of pay periods during the PAGA Period is greater than 5,693 (i.e., greater than 10% the estimated number of pay periods as of the date of mediation), then Music Express has the option to either: (1) elect to end the PAGA Period, as defined in section 1.19 above, on an earlier date at its discretion in order to limit the covered workweeks to 10% more than the estimate provided in lieu of paying an increase to the Gross Settlement Amount; or (2) will proportionally increase the Gross Settlement Amount by the number of pay periods above (e.g., if the excess is 15%, the Gross Settlement Amount may increase by 5% if the excess is 25%, the gross settlement may increase by 15%).

8. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and

appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this agreement is intended or should be construed as an admission by MUSIC EXPRESS that any of the allegations in the Complaint have merit or that MUSIC EXPRESS has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that MUSIC EXPRESS's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this settlement only. If, for any reason the Court does not approve this settlement, MUSIC EXPRESS reserves all available defenses and arguments related to its potential defense of claims in the Action, and Plaintiff reserves the right to contest MUSIC EXPRESS's defenses and arguments. This Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the settlement and this Agreement). This Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rules of Evidence 408, be in admissible in evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or to interpret or enforce this agreement.
- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and MUSIC EXPRESS, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the settlement by, among other things, modifying this Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the settlement, or on any modification of the Agreement that may become necessary to implement the settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, MUSIC EXPRESS nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by MUSIC EXPRESS in connection with the mediation, other settlement negotiations, or in connection with the settlement, may be used only with respect to this settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay all settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from MUSIC EXPRESS.
- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Armen Barsegyan c/o
Haig B. Kazandjian,
Cathy Gonzalez,
HAIG B. KAZANDJIAN LAWYERS, APC
801 North Brand Boulevard, Suite 1015
Glendale, California 91203
Email: haig@hbklawyers.com,
cathy@hbklawyers.com,
To MUSIC EXPRESS:

Gary Dye
MUSIC EXPRESS, INC.
2601 Empire Avenue
Burbank, California 91504

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

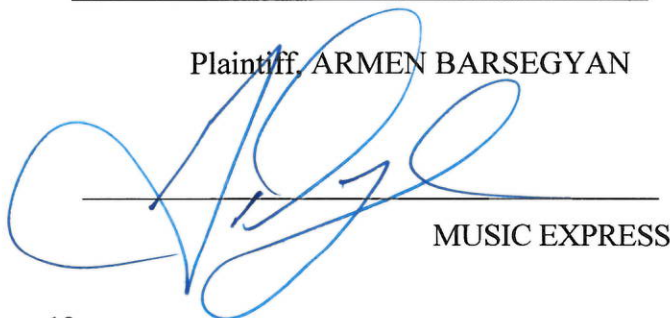
10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 10/22 / _____, 2025



Plaintiff, ARMEN BARSEGYAN

Dated: 10/13 / _____, 2025



MUSIC EXPRESS

By: Gary Dyle

Its: General Counsel

APPROVED AS TO FORM:

HAIG B. KAZANDJIAN LAWYERS, APC



Haig B. Kazandjian
Cathy Gonzalez

Counsel for PLAINTIFF

LITTLER MENDELSON P.C.



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