

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JONATHAN CAIN,)	
)	
Petitioner,)	
)	
v.)	C.A. No. 2024-0791-JTL
)	
NEAL SCHON,)	
)	
Respondent,)	
)	
-and-)	
)	
FREEDOM 2020, INC., a Delaware)	
corporation,)	
)	
Nominal respondent.)	

**ORDER APPOINTING
CUSTODIAN FOR FREEDOM 2020, INC.**

WHEREAS, on July 24, 2024, petitioner Jonathan Cain filed this action (the “Action”) seeking the appointment of a custodian with the power to act as a third, deadlock breaking director for Freedom 2020, Inc. (the “Company”);

WHEREAS, Cain and respondent Neal Schon are the only two directors of the Company;

WHEREAS, Schon does not oppose the Court’s appointment of a custodian with the power to act as a third, deadlock breaking director for Freedom 2020, Inc. pursuant to 8 *Del. C.* § 226;

IT IS HEREBY ORDERED THAT:

1. APPOINTMENT OF CUSTODIAN. Joseph R. Slights III is appointed as custodian for the Company (the “Custodian”) with the powers and duties specified in this Order.

a. The Custodian shall file in this Court a written acceptance of this appointment, and the appointment shall be effective upon the filing of the acceptance.

b. The Custodian shall serve at the pleasure of the Court, and the provisions of this Order shall remain in effect pending further order of the Court.

c. The Custodian may seek to modify the terms of this Order, including by seeking supplemental authority under this Order, for good cause shown. The Custodian shall have authority, but shall not be required, to petition the Court for instructions at any time.

d. The Custodian may resign at any time upon written notice to the Company and the Court. Any party may move to have the Custodian removed for cause, such as because of a conflict of interest or for failing to exercise his authority in good faith.

e. The provisions of Court of Chancery Rules 149–168, pertaining to the duties of a Custodian and/or trustee, are hereby waived. The Custodian shall not be required to post a bond. In lieu of these provisions, the

Custodian shall provide interim reports to the Court at quarterly intervals, and may provide a report at a shorter interval if he deems it necessary, from the date of this Order until the Custodian resigns or is discharged by the Court.

2. CHARGE. The Custodian's charge is to act in the best interests of the Company by exercising his authority in the event of a director deadlock.

3. SPECIFIC POWERS AND AUTHORITY. In addition to those powers set forth in Paragraph 2, the Custodian has the following powers:

a. If the directors of the Company cannot agree, then the Custodian may exercise the voting power that a third director would have under the Delaware General Corporation Law (the "DGCL"), the Company's certificate of incorporation (the "charter"), and bylaws for the purpose of breaking the deadlock.

b. The Custodian has the power to call, give notice of, and set the date and time for meetings of the board of directors of the Company (the "Board"). If the Custodian determines in good faith that a director is refusing to attend a meeting for purposes of maintaining a deadlock, then the presence of the Custodian and one director at a meeting duly called, noticed, and convened shall constitute a quorum for the taking of action, notwithstanding any contrary provision in the DGCL, the charter, or bylaws.

c. The Custodian has the power to attend any meeting of the Board called by anyone other than the Custodian. The person calling the meeting must

give the Custodian reasonable notice of the meeting of the Board, identify the topics to be discussed, and use best efforts to schedule the meeting so that the Custodian can attend.

d. The Custodian has the power to preside over any Board meeting at which the Custodian is present.

e. If the Custodian elects to preside over a Board meeting, then the Custodian has the power to set or modify the agenda for the Board meeting and to preside over the discussion to the same degree as would a Chair of the Board. The Custodian may set time limits for discussion and determine whether to call for a vote.

f. The Custodian is responsible for documenting actions taken by the Board at any meeting that the Custodian attends. In the event of a disagreement over what took place during a meeting, the Custodian shall document the competing provisions and state his view of what occurred.

g. The Custodian has the power to retain advisors or professionals, including music-industry advisors, attorneys, accountants and other professionals, as determined by the Custodian to be necessary or helpful in carrying out his duties. In this regard, the Custodian is authorized to enter into any agreements with such advisors, professionals, attorneys or accountants, in the name of the Company, and on terms that he, in his sole discretion, believes are appropriate.

h. The Custodian has the power to delegate his authority to a qualified individual, such as a music-industry professional, to the extent the Custodian determines that the delegation is in the best interests of the Company. The Custodian has the authority to review *de novo* any decision made by a delegee.

i. The Custodian may, to the extent he deems practical or necessary, consult with corporate constituencies, including directors, officers, stockholders, creditors, employees, customers, and suppliers, with respect to the performance by the Custodian of his duties, but the Custodian shall not be subject to the direction or control of any corporate constituency, and shall not be required to take any course of action that any corporate constituency may favor or disfavor.

j. The Custodian may confer with the Court *ex parte*.

4. CUSTODIAN NOT DIRECTOR. The Custodian serves as an officer of the court. Although the Custodian may exercise the powers of a director, the Custodian is not a director. The Custodian's duty is to carry out the charge set out in this order. Because the Custodian's charge is to act in the best interests of the Company by exercising his authority in the event of a director deadlock, there is overlap between the Custodian's obligation to the court under the charge and the fiduciary duty a director would have. Nevertheless, the Custodian does not owe fiduciary duties to the Company or its stockholders.

5. COMPENSATION OF THE CUSTODIAN. The parties must pay the reasonable compensation and reasonable expenses of the Custodian.

a. The Custodian may bill at his customary hourly rate. The Custodian may make use of attorneys and support staff within the Custodian's firm, who may bill at their customary hourly rate. Unless the context requires otherwise, all references in this order to the Custodian incorporate individuals on which the Custodian relies, whether they work within the Custodian's firm or are outside experts and professionals. The Custodian shall also be reimbursed for reasonable travel and other expenses incurred in the performance of his duties.

b. The compensation and expenses of the Custodian shall be paid by the Company.

6. PROCEDURES FOR PAYMENT. The Custodian will provide monthly invoices to the Company.

a. The parties previously provided a retainer of \$25,000 to the Custodian within his role as Discovery Facilitator. The Custodian may bill against the retainer or hold it as security.

b. On a monthly basis, the Custodian will present a bill to the Company. After fulfilling the charge, the Custodian must petition the Court for a final approval of fees and expenses paid. If the Court declines to approve any

amount paid by the Company, then the Custodian must refund those amounts to the Company. Any unused amount of the retainer must be refunded to the parties.

7. COOPERATION. The Custodian's actions pursuant to the Order are binding upon the directors, stockholders, officers, employees, consultants, attorneys and agents of the Company. The Company and its directors, stockholders, officers, employees, consultants, attorneys and agents must cooperate with the Custodian in the performance of his duties.

8. EXCLUSIVE FORUM. No party to this action, and no other person acting or purporting to act as a director, officer, employee, attorney, agent or stockholder of the Company, may institute any proceeding in any forum other than this Court challenging any action or recommendation by the Custodian. Any director, officer, employee, agent, attorney or stockholder of the Company who institutes any proceeding challenging any action, recommendation, or decision of the Custodian or otherwise alleging a cause of action against the Custodian and who does not prevail in that proceeding shall reimburse the prevailing party for all reasonable costs and expenses incurred in connection with the defense to such proceeding, including reasonable attorneys' fees.

9. JUDICIAL IMMUNITY, EXCULPATION, INDEMNIFICATION, AND ADVANCEMENT. The following provisions shall apply:

- a. All actions of the Custodian shall be presumed to have

been made in an informed basis, in good faith, and in the honest belief that such actions were taken in the best interests of the Company. The Custodian shall not be liable to the Company and its managers, members assignees, directors, officers, employees, attorneys, and agents for actions taken pursuant to this Order unless such liabilities arise from an act or omission constituting bad faith, fraud, willful misconduct, or intentional and felonious conduct. Except as set forth in this Order, the Custodian shall be entitled to all protections, limitations from liability and immunity available at law or in equity to a court-appointed Custodian to include, but not be limited to, judicial immunity.

b. The Company shall indemnify to the full extent permitted under Delaware law and hold harmless the Custodian against any and all claims in which the Custodian may become involved, as a party or otherwise, or with which the Custodian may be threatened, relating to or arising out of the activities of the Company or activities undertaken in connection with the Company.

c. Expenses, including attorneys' fees, incurred by the Custodian in defending any civil, criminal, administrative or investigative action, suit or proceeding arising by reason of or in connection with the Custodian's appointment, or the performance of his duties hereunder, must be paid by the Company, in advance of the final disposition of such action, suit, or proceeding within 15 days of receipt of a statement therefor, subject to the repayment of such

amount if it must be ultimately determined by this Court that the Custodian is not entitled to be indemnified by the parties under applicable Delaware law.

10. AUTHORITY OF CAIN AND SCHON. Nothing herein shall prevent Cain and Schon, or any director successor of Cain or Schon, from taking any actions, in their capacity as directors of the Company, for any matters upon which they are in agreement. Nothing herein shall prevent Cain and Schon from calling Board meetings, or making any proposals thereat.

11. ACCESS TO BOOKS AND RECORDS. The Company must provide the Custodian with full and unrestricted access to any and all books and records of the Company, including the record for this Action and in any other litigation to which the Company is a party, regardless of whether the Company might assert that the books and records are subject to privilege or protected by the work product doctrine. For the avoidance of doubt, this authority includes any authority a director would have under 8 *Del. C.* § 220(d).

IT IS SO ORDERED this 28th day of August, 2024.


Vice Chancellor J. Travis Laster