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MODERN ANIMAL INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ALEJANDRO ALVAREZ, on behalf of the aggrieved employees,

Plaintiff,

vs.

MODERN ANIMAL INC., a Delaware corporation; and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 24STCV12052

[Assigned for all purposes to the Hon. Tamara Hall, Dept. 1]

STIPULATION OF REPRESENTATIVE ACTION SETTLEMENT

Complaint Filed: May 14, 2024
Trial Date: None Set

IT IS HEREBY STIPULATED, by and between plaintiff Alejandro Alvarez ("Plaintiff"), individually and on behalf of all other aggrieved employees, on the one hand, and defendant Modern Animal Inc. ("Modern Animal"), on the other hand, and subject to the approval of the Court, that the Action is hereby compromised and settled pursuant to the terms and conditions set forth in this Stipulation of Representative Action Settlement ("Stipulation") and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Stipulation.

DEFINITIONS

1. "Action" means the representative action entitled *Alvarez v. Modern Animal Inc.,* Los Angeles County Superior Court Case No. 24STCV12052.

2. "Aggrieved Employees" means all current and former non-exempt employees of Defendant who worked in California at any time during the PAGA Period.

3. "Approval Hearing" means the hearing to be conducted by the Court after the filing of an appropriate motion by Plaintiff, at which time Plaintiff shall request that the Court approve the Settlement, enter the Judgment, and take other appropriate action.

4. "Compensable Pay Periods" means the total number of pay periods during which an Aggrieved Employee worked for Defendant as a non-exempt employee in California during the PAGA Period, based on Defendant's records, and which shall be used to calculate Individual Settlement Payments.

5. "Complaint" refers to the civil complaint filed by Plaintiff on May 14, 2024, which is the operative complaint in the Action.

6. "Defendant" means defendant Modern Animal Inc.

7. "Defense Counsel" means Jannine E. Kranz of Littler Mendelson, P.C.

8. "Effective Date" <u>means the date by which both of the following have occurred: (a) the Court enters Judgment on the Settlement Approval Order and (b) the Judgment is final</u> and is no longer appealable. For purposes of this Settlement, the Judgment is "final and is no longer appealable" shall mean the later of: (a) the day after the last date by which a notice of appeal may

be filed pursuant to California Rules of Court 8.406 (i.e., 61 days after entry of judgment); (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in 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 Settlement passes, and no further review is requested; or (c) if an appeal is filed and the order approving this Settlement 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 Settlement is affirmed. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Effective Date does not occur for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, until and unless there is no possibility of an appeal or further appeal that could potentially prevent this Settlement from becoming final and binding.

9. "Employee Information" means information regarding the Aggrieved Employees that Defendant shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator. Employee Information shall be transmitted in electronic form and shall include each Aggrieved Employee's full name; last known address; Social Security number; and total number of Compensable Pay Periods.

10. "Incentive Award" means the amount that the Court authorizes to be paid to Plaintiff, in addition to Plaintiff's Individual Settlement Payment, in recognition of Plaintiff's effort and risk in prosecuting the Action.

11. "Individual Settlement Payment" means the amount payable from the PAGA Fund to each Aggrieved Employee.

12. "Judgment" means the final order and judgment to be entered by the Court granting approval of the Settlement and this Stipulation as binding upon the Parties and the Aggrieved Employees.

13. "LWDA" means the California Labor and Workforce Development Agency.

14. “Notice” means the Notice of PAGA Settlement, substantially in the form attached as **Exhibit 1,** which shall be subject to Court approval and which the Settlement Administrator shall mail to each Aggrieved Employee, explaining the terms of this Stipulation and the Settlement.

15. “PAGA” means the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, et seq.

16. “PAGA Fund” means the Settlement Fund, less the Plaintiff’s Counsel Award, the Incentive Award, and Settlement Administration Costs, of which seventy five percent (75%) shall be distributed to the LWDA for PAGA penalties pursuant to California Labor Code § 2699(i), and twenty five percent (25%) shall be distributed to the Aggrieved Employees for their Individual Settlement Payments.

17. “PAGA Notice” means Plaintiff’s written PAGA notice dated March 6, 2024, submitted by Plaintiff’s Counsel on behalf of Plaintiff and the Aggrieved Employees to the LWDA, with a copy sent to Defendant, pursuant to California Labor Code section 2699.3, in which Plaintiff provided notice of the specific provisions of the California Labor Code alleged to have been violated by Defendant, including the facts and theories to support the alleged violations.

18. “PAGA Period” means the time period from March 10, 2023 through December 31, 2025.

19. “Parties” means Plaintiff and Defendant.

20. “Plaintiff” means plaintiff Alejandro Alvarez.

21. “Plaintiff’s Counsel” means Matthew J. Matern, Deanna S. Leifer, and Kristen B. Doyan of Matern Law Group, PC.

22. “Plaintiff’s Counsel Award” means reasonable attorneys’ fees for Plaintiff’s Counsel’s litigation and resolution of this Action (not to exceed 33 1/3% of the Settlement Fund), and Plaintiff’s Counsel’s expenses and costs reasonably incurred in connection with this Action.

23. “Released Parties” means (i) Defendant, (ii) each of Defendant’s past, present, and future parents, owners, subsidiaries, and affiliates, (iii), any past, present, and future shareholders, directors, officers, agents, employees, attorneys, insurers, member, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees,

predecessors, successors and assigns of any of the foregoing; and (iv)any individual or entity which could be jointly liable with any of the foregoing. .

24. "Settlement" means the final and complete disposition of the Action pursuant to this Stipulation.

25. "Settlement Administration Costs" means the reasonable costs and fees of administering the Settlement to be paid from the Settlement Fund in accordance with the Administrator's bid submitted to the Court in connection with approval of this Settlement including, but not limited to: (i) printing, mailing, and re-mailing (if necessary) Settlement Packets to the Aggrieved Employees; (ii) preparing and submitting to Aggrieved Employees and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Settlement Payments, the Incentive Award, the Plaintiff's Counsel Award, and the PAGA payment to the LWDA; (iv) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; and (vi) preparing and submitting filings required by law in connection with the payments required by the Settlement.

26. "Settlement Administrator" means Rust Consulting, Inc.

27. "Settlement Fund" means the maximum amount Defendant shall have to pay in connection with this Settlement, which shall be inclusive of all Individual Settlement Payments to the Aggrieved Employees, the Plaintiff's Counsel Award, the Incentive Award, Settlement Administration Costs, and the PAGA payment to the LWDA. Subject to Court approval and the terms of this Stipulation, the Settlement Fund Defendant shall be required to pay is Four Hundred Seventy Five Thousand Dollars and Zero Cents ($475,000.00).

28. "Settlement Packet" means the packet of documents which shall be mailed to all Aggrieved Employees by the Settlement Administrator, including the Notice and each Aggrieved Employee's respective Individual Settlement Payment.

RECITALS

29. On March 6, 2024, Plaintiff submitted a PAGA Notice to Defendant and the LWDA pursuant to Labor Code section 2699.3.

30. On May 14, 2024, Plaintiff filed his Complaint against Defendant in Los Angeles County Superior Court, alleging a single cause of action for penalties under the PAGA.

31. On August 13, 2024, Defendant filed an answer to Plaintiff's complaint.

32. On October 29, 2025, the Parties participated in a private mediation session with experienced mediator Todd Smith, Esq. At the end of the mediation, Mr. Smith made a mediator's proposal outlining the material terms of a proposed representative action settlement. On October 31, 2025, the Parties accepted the mediator's proposal, made subject to the Parties entering into a long form settlement agreement.

33. Prior to mediation, Plaintiff obtained, through informal discovery, (a) Defendant's workplace policies and procedures relevant to the claims asserted in the Action and (b) data regarding the Aggrieved Employes to conduct an exposure analysis (including an estimate of the number of Aggrieved Employees; an estimate of the number of pay periods through the date of mediation; and the Aggrieved Employees' time data and corresponding pay data).

34. <u>Benefits of Settlement to Plaintiff and the Aggrieved Employees</u>. Plaintiff and Plaintiff's Counsel recognize the expense and length of continued proceedings that would be necessary to litigate Plaintiff's claims in the Action through trial and through any possible appeals. Plaintiff also has taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing penalties and other relief sought in the Action. Plaintiff and Plaintiff's Counsel also have taken into account Defendant's agreement to enter into a settlement that confers substantial benefits upon the State of California and Aggrieved Employees. Based on the foregoing, Plaintiff and Plaintiff's Counsel have determined that the Settlement set forth in this Stipulation is fair, adequate, and reasonable and is in the best interests of all Aggrieved Employees.

35. Defendant has asserted and continues to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability, damages, restitution, penalties, or other payments. This Stipulation is a compromise of disputed claims. Nothing contained in this Stipulation, no

documents referred to herein, and no action taken to carry out this Stipulation, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends that it has complied with all applicable state, federal and local laws.

TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

36. Binding Settlement. This Settlement shall bind the Parties and all Aggrieved Employees, subject to the terms and conditions hereof and the Court's approval.

37. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and the Aggrieved Employees are not relying on any statement or representation by the Parties, Plaintiff's Counsel or Defense Counsel in this regard. The Aggrieved Employees and Plaintiff's Counsel understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties, Plaintiff's Counsel, and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

38. Circular 230 Disclaimer. THE PARTIES ACKNOWLEDGE AND AGREE THAT (1) NO PROVISION OF THIS STIPULATION, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES, CLASS COUNSEL, OR DEFENSE COUNSEL AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS STIPULATION, (B) HAS NOT ENTERED INTO

THIS STIPULATION BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS STIPULATION.

39. Approval of Settlement. Plaintiff shall be responsible for moving the Court to approve the Settlement and enter the Judgment. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for approval. The Judgment shall provide for, among other things, the Settlement Packet to be sent to Aggrieved Employees as specified herein.

40. Released Claims:

a. Aggrieved Employees' Released Claims. Upon Defendant providing the Settlement Fund to the Settlement Administrator, all Aggrieved Employees shall be deemed to have released the Released Parties of any and all claims and/or causes of action under PAGA which are based upon the factual allegations set forth in the Complaint and/or Plaintiff's PAGA Notice to the LWDA and arising at any time during the PAGA Period, including claims for civil penalties under PAGA based on Defendant's alleged violation of 201, 202, 203, 204 et seq., 206.5, 210, 218.5, 218.6, 221-224, 225.5, 226 et seq., 226.3, 226.7, 227.3, 246, 247, 247.5, 248, 248.5, 248.6, 249, 510, 511, 512, 516, 551, 552, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1198, 1199, 1199.5 2698, 2699, 2800, 2802, and the applicable Industrial Welfare Commission Wage Orders. This Release also includes all claims that the Aggrieved Employees may have against Defendant or the Released Parties relating to the payment, taxation, and allocation of

Plaintiff's Counsel's Award pursuant to this Settlement Agreement, and the payment, taxation, and allocation of Plaintiff's Incentive Award pursuant to this Settlement Agreement.

b. Plaintiff's Released Claims. Upon Defendant providing the Settlement Fund to the Settlement Administrator, Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns shall be deemed to have released the Released Parties from any and all claims, demands, rights, liabilities, and/or causes, of any form whatsoever, arising under federal, state, local, or common laws, rules, or regulations, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiff, or Plaintiff's heirs, successors and/or assigns, whether directly, indirectly, representatively, derivatively or in any other capacity, against Defendant or any of the other Released Parties, arising at any time prior to entry of the Judgment, including but not limited to those claims raised in the Action, and those arising from or related to Plaintiff's employment with or work for Defendant. This release excludes only the release of claims not permitted by law.

With respect to Plaintiff's Released Claims, Plaintiff expressly waives all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

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.

Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and complete release and discharge of all of her Released Claims, Plaintiff expressly acknowledges that this Settlement is intended to include in its effect, without limitation, all Released Claims which Plaintiff does not know or suspect to exist in his favor at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such Released Claims.

41. Settlement Administration.

a. Within ten (10) business days of the Effective Date, Defendant shall provide the Settlement Administrator with the Employee Information for purposes of mailing the Settlement Packets to Aggrieved Employees.

i. Notice by First Class U.S. Mail. Upon receipt of the Employee Information, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within ten (10) days of receiving the Settlement Fund from Defendant as provided herein, the Settlement Administrator shall mail copies of the Settlement Packet, which shall include the Notice and each Aggrieved Employee's respective Individual Settlement Payment, to all Aggrieved Employees via regular First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Aggrieved Employee. The Parties agree that this procedure for notice provides the best notice practicable to Aggrieved Employees and fully complies with due process.

ii. Undeliverable Settlement Packets. Any Settlement Packet returned to the Settlement Administrator as non-deliverable shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address, and/or Social Security number of the Aggrieved Employee involved, and shall then perform a re-mailing to the Aggrieved Employee whose Settlement Packet was returned as non-deliverable, assuming another mailing address is identified by the Settlement Administrator. If these procedures are followed, notice to Aggrieved Employees shall be deemed to have been fully satisfied, and if the intended recipient of the Settlement Packet does not receive the Settlement Packet, the intended recipient shall nevertheless remain bound by all terms of the Settlement and the Judgment.

iii. Determination of Individual Settlement Payments. The Settlement Administrator shall determine the eligibility for, and the amount of, each Individual Settlement Payment under the terms of this Stipulation. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Payment shall be binding upon the Aggrieved Employees and the Parties, yet subject to review by Plaintiff's Counsel, Defense Counsel, and the Court. In the absence of fraud or gross negligence, Defendant's records shall be presumed accurate.

iv. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall be resolved by the Court. Prior to any such involvement of the Court, counsel for the Parties shall confer in good faith and make use of the services of mediator Todd Smith, if necessary, to resolve the dispute without the necessity of involving the Court.

b. Monitoring and Reviewing Settlement Administration. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in the correct amount, as provided for in this Stipulation.

c. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this Settlement.

42. Funding and Allocation of the Settlement Fund. No later than ten (10) business days after the Effective Date, Defendant shall provide to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer, the Settlement Fund. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled, or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Settlement Fund shall be paid.

a. The LWDA Payment. The Settlement Administrator will pay the LWDA seventy-five percent (75%) of the PAGA Fund, currently estimated to be $210,721.70. The Settlement Administrator will issue this payment no later than ten (10) days after Defendant provides the Settlement Administrator with the Settlement Fund.

b. Individual Settlement Payments. The Aggrieved Employees shall not be required to submit a claim in order to receive a share of the PAGA Fund, and no portion of the Settlement Fund shall revert to Defendant or result in an unpaid residue. Individual Settlement Payments shall be paid by the Settlement Administrator from the PAGA Fund pursuant to the formula set forth herein.

i. Each Aggrieved Employee's Individual Settlement Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendant shall provide the Settlement Administrator with the Compensable Pay Periods for each Aggrieved Employee. The Settlement Administrator shall then divide the Aggrieved Employees' portion of the PAGA Fund (i.e., twenty-five percent (25%) of the PAGA Fund, currently estimated to be $70,240.57) by the total number of Compensable Pay Periods for all Aggrieved Employees resulting in a value for each pay period worked by the Aggrieved Employees during the PAGA Period ("Pay Period Value"). The Settlement Administrator shall then multiply the number of Compensable Pay Periods for each Aggrieved Employee by the Pay Period Value.

ii. Individual Settlement Payments shall be made by check and shall be made payable to each Aggrieved Employee as set forth in this Stipulation. The Settlement Administrator shall make the Individual Settlement Payments no later than ten (10) days after Defendant provides the Settlement Administrator with the Settlement Fund.

iii. Individual Settlement Payments shall be allocated one hundred percent (100%) as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Aggrieved Employee along with the Individual Settlement Payment.

iv. Individual Settlement Payment checks shall remain negotiable for one hundred eighty (180) days from the date of mailing. If an Individual Settlement Payment check remains uncashed after one hundred eighty (180) days from issuance, the Settlement Administrator shall distribute the value of the uncashed check to the State Controller Unclaimed Property Fund . In such event, such Aggrieved Employees shall nevertheless remain bound by the Settlement.

v. It is expressly understood and agreed that the receipt of Individual Settlement Payments shall not entitle any Aggrieved Employee to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest, or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any Aggrieved Employee to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that the Individual Settlement Payments provided for in this Stipulation are the sole payments to be made by Defendant to the Aggrieved Employees in connection with this Settlement, with the exception of Plaintiff, and that the Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments. Furthermore, the receipt of Individual Settlement Payments by the Aggrieved Employees shall not, and does not, by itself establish any general, special, or joint employment relationship between and among the Aggrieved Employees and Defendant.

c. <u>Incentive Award</u>. Subject to Court approval, Plaintiff shall be paid an Incentive Award not to exceed Ten Thousand Dollars ($10,000.00), or any lesser amount as awarded by the Court, for his time and effort in bringing and presenting the Action and for releasing his Released Claims. Defendant shall not oppose or object to Plaintiff's request for an Incentive Award in an amount not to exceed Ten Thousand Dollars ($10,000.00). The Incentive Award shall be paid to Plaintiff from the Settlement Fund no later than ten (10) days after Defendant provides the Settlement Administrator with the Settlement Fund. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for his Incentive Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on his Incentive Award and shall hold harmless Defendant, Plaintiff's Counsel, and Defense Counsel from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Incentive Award. The Incentive Award shall be made in addition to Plaintiff's Individual Settlement Payment. Any amount requested by Plaintiff for the Incentive Award and not awarded by the Court shall become part of the PAGA Fund and shall be distributed to the LWDA and to the Aggrieved Employees as part of their Individual Settlement Payments.

d. Plaintiff's Counsel Award. Subject to Court approval, Plaintiff's Counsel shall be entitled to receive reasonable attorneys' fees in an amount not to exceed thirty-three and one third percent (33 1/3%) of the Settlement Fund, which amounts to One Hundred Fifty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty Three Cents ($158,333.33). In addition, subject to Court approval, Plaintiff's Counsel shall be entitled to an award of reasonable costs associated with Plaintiff's Counsel's prosecution of the Action in an amount not to exceed Thirty Thousand Dollars ($30,000.00). Plaintiff's Counsel shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9 in order for the Settlement Administrator to process the Plaintiff's Counsel Award approved by the Court. Defendant shall not oppose or object to Plaintiff's request for an award of attorneys' fees in an amount not to exceed One Hundred Fifty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty Three Cents ($158,333.33) and request for an award of reasonable costs not to exceed Thirty Thousand Dollars ($30,000.00). In the event that the Court awards Plaintiff's Counsel less than One Hundred Fifty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty Three Cents ($158,333.33) in attorneys' fees and/or less than Thirty Thousand Dollars ($30,000.00) in costs, the difference shall become part of the PAGA Fund and shall be distributed to the LWDA and the Aggrieved Employees as part of their Individual Settlement Payments. Plaintiff's Counsel shall be paid any Court-awarded attorneys' fees and costs no later than ten (10) days after Defendant provides the Settlement Administrator with the Settlement Fund. Plaintiff's Counsel shall be solely and legally responsible to pay all applicable taxes on the Plaintiff's Counsel Award and holds the Released Parties harmless, and indemnifies the Released Parties, from any dispute or controversy regarding any division or sharing of any of the Plaintiff's Counsel Award. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel for the Plaintiff's Counsel Award. This Settlement is not conditioned upon the Court awarding Plaintiff's Counsel any particular amount of attorneys' fees or costs, unless the amount awarded is more than specified in this paragraph.

e. Settlement Administration Costs. The Settlement Administration fees and expenses, which are estimated not to exceed $4,806.00, shall be paid from the Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the PAGA Fund and be available for distribution to the Aggrieved Employees and LWDA. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

i. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

ii. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Settlement Fund shall be placed and from which payments required by the Settlement shall be made.

43. Approval Hearing and Entry of Judgment. An Approval Hearing shall be conducted to determine whether to grant approval of the Settlement, including determining the amounts properly payable for: (i) the Plaintiff's Counsel Award; and (ii) the Incentive Award. If the Court grants approval of the Settlement, the Settlement Administrator shall post notice of final judgment on its website within seven (7) calendar days of entry of the Judgment.

44. Nullification of Settlement. In the event: (i) the Court does not enter the Judgment; or (ii) the Settlement does not become final for any other reason, this Stipulation shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning, and this Stipulation and any documents related to it shall not be used in any other civil, criminal, or administrative action against Defendant or any of the other Released Parties. In the event an appeal is filed from the Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review. Any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Judgment, or any other appellate review, shall be paid by Defendant to the Settlement Administrator.

45. Escalator Clause. The Settlement Fund was negotiated and is premised on the understanding that there are approximately 15,000 pay periods worked by Aggrieved Employees

during the time period from March 10, 2023 to October 29, 2025. This is a material representation for Plaintiff to enter into this Stipulation. If the number of pay periods worked by Aggrieved Employees during the PAGA Period exceeds 17,250 (i.e., 15% more than the number of pay periods estimated as of October 29, 2025), then Defendant will have the option to either: (1) increase the Settlement Fund on a pro-rata basis for the excess pay periods; or (2) end the PAGA Release Period on a date so as not to exceed 17,250 pay periods.

46. No Admission by Defendant. Defendant denies all claims alleged in this Action and denies all wrongdoing whatsoever by Defendant. Neither this Stipulation, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant. The Parties agree that this Stipulation shall not be admissible in this or any other proceeding as evidence that Defendant is liable to Plaintiff or any Aggrieved Employee, other than according to the terms of this Stipulation.

47. Exhibit and Headings. The terms of this Stipulation include the terms set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth herein. The Exhibit to this Stipulation is an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation are inserted for convenience of reference only.

48. Interim Stay of Action. The Parties agree to stay and to request that the Court stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement and enter the Judgment.

49. Amendment or Modification. This Stipulation may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

50. Entire Agreement. This Stipulation constitutes the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiff or Defendant concerning this Stipulation other than the representations, warranties, and covenants contained and memorialized in this Stipulation. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

51. Authorization to Enter into Settlement Agreement. Plaintiff's Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Stipulation and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other documents required to effectuate the terms of this Stipulation. The Parties, Plaintiff's Counsel, and Defense Counsel shall cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event that the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court and/or mediator Todd Smith to resolve such disagreement. The person signing this Stipulation on behalf of Defendant represents and warrants that they are authorized to sign this Stipulation on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Stipulation and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party. Plaintiff acknowledges that he has read this Stipulation, that he fully understands his rights, privileges, and duties under the Stipulation, and enters this Stipulation freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Stipulation and the consequences of signing this Stipulation. Additionally, the Parties have cooperated in the drafting and preparation of this Stipulation. Hence, in any construction made of this Stipulation, the same shall not be construed against any of the Parties.

52. Confidentiality. Prior to filing the Motion for Approval of PAGA Settlement with the Court, and except as necessary to obtain Court approval, the Parties agree to keep the terms of this Settlement confidential. Plaintiff and Plaintiff's Counsel agree not to publicize the Settlement in any way, such as through press statements, press releases, or internet or social media posts/publications. Plaintiff and Plaintiff's Counsel further agree to respond to any press inquiries by stating only that the Action has been resolved.

53. Fees and Costs. The Parties shall each bear their own costs, attorneys' fees, mediator fees, and other fees incurred in connection with this Stipulation and in connection with the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

54. Weekends and Holidays. If any deadline to perform any act required by this Stipulation falls on a weekend or holiday, the deadline shall be extended to the next business day.

55. Binding on Successors and Assigns. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

56. California Law Governs. All terms of this Stipulation and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

57. Counterparts. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

58. Jurisdiction of the Court. Following entry of the Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgments entered in connection therewith, and the Parties, Plaintiff's Counsel, and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation and all orders and judgments entered in connection therewith.

59. Invalidity of Any Provision; Severability. Before declaring any term or provision of this Stipulation invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation as valid and enforceable. In the event any provision (excluding the Released Claims provision) of this Stipulation shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

60. Stay of Litigation. The Parties agree that upon the execution of this Settlement Agreement, the Action shall be stayed, except to effectuate the terms of the Settlement. The Parties

further agree that upon the signing of this Stipulation, the five year deadline to bring a case to trial under Code of Civil Procedure section 583.310 shall be tolled pending Settlement approval.

Dated: February 3, 2026

Alejandro Alvarez (Feb 3, 2026 10:18:36 PST)
Plaintiff Alejandro Alvarez

Dated: 2/4/2026, 2026

Defendant Modern Animal Inc.

By: DocuSigned by: Steven Eidelman 9D321C38B3224DA...

Its: Founder & CEO

Approved as to form and content:

DATED: February 3, 2026

MATERN LAW GROUP, PC

By:

MATTHEW J. MATERN
DEANNA S. LEIFER
KRISTEN B. DOYAN
Attorneys for Plaintiff ALEJANDRO ALVAREZ, on behalf of the aggrieved employees

DATED: February 4, 2026

LITTLER MENDELSON, P.C.

By:

JANNINE E. KRANZ
Attorneys for Defendant MODERN ANIMAL INC.