

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All hourly-paid or non-exempt employees employed by Rainbow Sandals, Inc. within the State of California at any time between April 3, 2018, and December 31, 2023 (“Class Members”).

The Superior Court of California, County of Orange, Department CX-105 with Honorable Melissa R. McCormick presiding has granted preliminary approval of a proposed settlement (“Settlement”) in the case entitled *Oscar Meorado v. Rainbow Sandals, Inc.*, Case No. 30-2022-01283098-CU-OE-CXC (the “Action”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action and PAGA Settlement (“Notice”) carefully. The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

1. Why Have I Received This Notice?

A class and representative action settlement has been reached between Plaintiff Oscar Meorado (“Plaintiff”) and Defendant Rainbow Sandals, Inc. (“Rainbow Sandals”) in the Action, which may affect your legal rights.

You are receiving this notice because Rainbow Sandals’ records indicate that you worked for Rainbow Sandals as an hourly-paid or non-exempt employee within California for some time between April 3, 2018, and December 31, 2023 (“Class Period”). This means you are a potential Class Member, and you have a right to know about the proposed Settlement.

In addition, you are also an Aggrieved Employee if you are currently or were formerly employed as an hourly-paid or non-exempt employee of Rainbow Sandals within California at any time during the period from April 3, 2021, to December 31, 2023 (“PAGA Period”).

This notice explains the Action, the proposed Settlement, your legal rights, what payments may be available, and how to get them.

2. What Is This Case About?

Plaintiff filed a proposed class and representative action, which alleges the following claims against Rainbow Sandals: (1) Failing to pay minimum and straight time wages; (2) Failing to pay overtime wages; (3) Failing to provide meal periods; (4) Failing to authorize and permit rest periods; (5) Failing to timely pay wages at termination; (6) Failing to provide accurate wage statements; (7) Failing to indemnify business expenses; (8) Unfair business practices; and (9) Civil Penalties under the Private Attorneys General Act (“PAGA”), Lab. Code § 2699 *et seq.*

Plaintiff sought unpaid wages, interest, and statutory and civil penalties, as well as attorneys’ fees and costs. Rainbow Sandals denies each and every one of Plaintiff’s allegations and believes that it has treated, and continues to treat, Class Members in accordance with applicable laws at all times. The Court has not made any decision on whether the claims in this lawsuit have merit.

3. What Is a Class Action?

A class action lawsuit is a legal proceeding where one or more persons sue not just for themselves, but for other people who have similar claims (forming a “class” or group of people).

4. Background of Settlement

The claims in this case are contested. Rainbow Sandals denies that it committed any wrongdoing. Plaintiff's lawyers have received sufficient information from Rainbow Sandals and reached a settlement with Rainbow Sandals after extensive arm's-length negotiations. Plaintiff and his lawyers believe the Settlement is in the best interests of the Class Members considering the uncertain outcome, and the risks, costs and time involved in further litigation, trial, and possible appeals.

5. What Are the Terms of the Proposed Settlement?

Rainbow Sandals has agreed to pay a total of \$250,000.00 (the "Gross Settlement Amount") to settle this case. This money will be used to pay for Individual Class Payments to the Class Members, Individual PAGA Payments to Aggrieved Employees, Plaintiff's attorneys' fees and costs of litigation, a payment to the State of California Labor & Workforce Development Agency ("LWDA") for its share of penalties under PAGA, an enhancement award to Plaintiff for his service to the Class, and payment to the Settlement Administrator for calculating and distributing payments.

6. How Much Will My Settlement Payment Be?

If you are a Class Member, your share of the Gross Settlement Amount will be determined by comparing the number of Workweeks you worked as an hourly-paid, non-exempt employee of Rainbow Sandals to the total number of Workweeks worked by all members of the Class. If you are also an Aggrieved Employee, your share of the PAGA portion of the Gross Settlement Amount will be determined by comparing the number of PAGA Pay Periods you worked as an hourly-paid, non-exempt employee of Rainbow Sandals in the PAGA Period to the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. Specifically, the Settlement provides for a PAGA Penalties payment of \$20,000.00, seventy-five percent (75%) of which (\$15,000.00) will be paid to the LWDA and twenty-five percent (25%) of which (\$5,000.00) shall be distributed on a pro rata basis to Aggrieved Employees.

Based on Rainbow Sandals' records, you worked **«Class_Workweeks» Workweeks** during the Class Period and **«PAGA_Pay_Periods» PAGA Pay Periods** during the PAGA Period. Based on this data, your *estimated* Individual Class Payment as a Class Member is **\$«Est_Individual_Class_Payment»** and *estimated* Individual PAGA Payment as an Aggrieved Employee is **\$«Est_Individual_PAGA_Payment»**. This is just an estimate. Your final share will be determined by the Settlement Administrator.

Thirty-three percent (33%) of your Individual Class Payment as a Class Member will be allocated to settlement of wage claims. The wages portion of your Individual Class Payment as a Class Member will be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported on an IRS Form W-2. Thirty-three percent (33%) of your Individual Class Payment will be treated as penalties and thirty-four percent (34%) will be allocated as interest and fees. The penalties, interest, and fees portion of your Individual Class Payment will be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and will be paid pursuant to an IRS Form 1099.

One hundred percent (100%) of your Individual PAGA Payment as an Aggrieved Employee will be considered penalties, and you will be issued an IRS Form 1099 if your payment exceeds \$600.00. You are responsible for paying any federal, state, or local taxes owed because of this payment.

7. When Will I Receive My Payment and What Do I Have To Do?

If the Court grants final approval of the Settlement and after any appeals are resolved, payments will be issued to Class Members who do not request exclusion and to all Aggrieved Employees. No action is required to receive payment. Settlement checks must be cashed within 180 calendar days from the date of issuance. Any check not cashed will be void after 180 days. If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

8. *What if I Dispute the Information on My Workweeks or Pay Periods?*

If you believe the information shown regarding your Workweeks and/or PAGA Pay Periods is incorrect, you may dispute it. This dispute must be submitted in writing, using the enclosed Workweek Challenge form or as a letter, postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement Administrator, explaining the basis for the dispute and including any supporting documentation showing that the Workweeks and/or PAGA Pay Periods credited to you is inaccurate. Any challenge must be postmarked by no later than **November 24, 2026**.

The Settlement Administrator will presume that Rainbow Sandals' records are correct but may change your calculations after considering your evidence. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make an initial decision as to which figures should be applied. Although the Settlement Administrator may make the initial decision regarding the dispute, the court may review any decision made by the Settlement Administrator regarding disputes.

9. *What Are My Legal Rights and Options Under the Settlement?*

Do Nothing	If you do nothing, you will receive a payment under the Settlement if the Court finally approves the Settlement. You will release all claims covered by the Settlement. You do not have to do anything to receive a payment.
Request Exclusion from the Class Settlement	If you do <u>not</u> wish to participate in the Settlement, Class Members may submit a letter or the enclosed Opt-Out form to the Settlement Administrator indicating a request to be excluded from the Settlement ("Request for Exclusion"). If you request to be excluded, you will <u>NOT</u> be issued an Individual Class Payment, will not be bound by the Class portion of Settlement (and the Class Release described below), and will not have any right to object, appeal, or comment on the Settlement. A Request for Exclusion must be in writing and contain: (1) the case name and number of the Action (<i>Oscar Mejorado v. Rainbow Sandals, Inc.</i>, Case No. 30-2022-01283098-CU-OE-CXC); (2) your full name, current address, and last four digits of your Social Security Number; (3) a clear statement that you wish to be excluded from the Settlement; (4) your signature and date of signature; and (5) be returned by mail to the Settlement Administrator at P.O. Box 2031 Tustin, CA 92781, postmarked on or before November 24, 2026. You cannot opt out of the PAGA portion of the proposed Settlement. Aggrieved Employees will be bound to the PAGA portion of the Settlement (and the PAGA Release described below) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. You will be bound by the PAGA Release even if you do not cash your check.

Object to the Settlement	Class Members who do not submit a Request for Exclusion may object to the Settlement by submitting a written objection to the Settlement Administrator or presenting your objection at the Final Approval Hearing. If you choose to object to the Settlement, you must submit an objection in writing, using the enclosed Objection form or as a letter, that contains: (1) your full name, address, last four digits of your Social Security Number, and signature; (2) the case name and number of the Action (<i>Mejorado v. Rainbow Sandals, Inc.</i>, Case No. 30-2022-01283098-CU-OE-CXC); (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; and (4) whether you are represented by an attorney and the contact information of any such attorney. You must return your objection by mail to the Settlement Administrator at P.O. Box 2031 Tustin, CA 92781, postmarked on or before November 24, 2026.
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10. Who Is the Settlement Administrator?

The Settlement Administrator, ILYM Group, Inc., is a company hired by the Plaintiff and Rainbow Sandals to administer the Settlement. The Settlement Administrator's contact information is provided in Section 15, below.

The Settlement Administrator's duties include processing challenges, objections, and exclusions, making payments to the Class Members and Aggrieved Employees, and getting answers to any questions you may have. The costs of administering the Settlement will not exceed \$4,995.00. This amount will be deducted from the Gross Settlement Amount for the Settlement Administrator's rendered services.

11. How Will the Lawyers and the Representative for the Class Be Paid?

The lawyers for Plaintiff will request Court approval for payment of attorneys' fees of up to \$75,000 (30% of the total Gross Settlement Amount), plus reimbursement of actual litigation costs up to \$15,000.00, to be proven at the time of the final approval hearing. The Court decides whether or not to award attorneys' fees or costs. The attorneys' fees are for all the legal services provided to Plaintiff and the Class.

The lawyers for Plaintiff will also ask the Court to approve a Class Representative Service Payment of up to \$5,000.00 to Plaintiff for his time and willingness to accept the risks of bringing this case. This award would be in addition to the amount Plaintiff is owed under the Settlement as a Class Member and/or Aggrieved Employee.

12. Notice of Hearing on Final Approval and Objections to Class Action Settlement.

A Final Approval Hearing will be held before the Honorable Melissa R. McCormick on **December 10, 2026, at 2:00 p.m.** in Department CX-105 of the Orange County Superior Court, Civil Complex Center, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701 to determine whether the proposed Settlement is fair, just, reasonable, and adequate. The hearing may be continued without further notice.

You do not need to appear at this hearing unless you wish to object to the Settlement. If you have sent a written objection, you may appear at the hearing if you choose to do so.

13. What Is Being Released as Part of the Settlement?

Release by Participating Class Members: Upon Defendant's full funding of the Gross Settlement Amount (no later than 21 days after the Effective Date), Plaintiff and all Participating Class Members, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties, and each and all of them, from the Class Released Claims, as defined herein. The Class Released Claims are the claims

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Questions? Call the Settlement Administrator toll free at (888) 250-6810
www.ilymgroup.com

that were or reasonably could have been asserted in the lawsuit based on the facts alleged in the Operative Complaint. This release excludes the release of claims not permitted by law. The time frame of the Class Released Claims shall be the Class Period.

Release by Aggrieved Employees: Upon Defendant's full funding of the Gross Settlement Amount (no later than 21 days after the Effective Date), Plaintiff, the LWDA, and all Aggrieved Employees, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, are deemed to release the Released Parties from all claims for civil penalties under PAGA based on the facts alleged in the Operative Complaint and the PAGA Notice. Aggrieved Employees only release these claims for the duration of the PAGA Period.

14. Can I Be Retaliated Against for Participating in the Settlement?

The law prohibits Rainbow Sandals from retaliating against employees for exercising their legal rights. Therefore, Rainbow Sandals cannot and will not fire you, demote you, harass you, classify you as ineligible for rehire, or retaliate against you in any other way because you choose to participate, in the Settlement, in whole or in part.

15. Getting More Information about the Settlement

This Notice contains a summary of the basic terms of the Settlement. The Settlement Administrator will post all key documents on its website at <http://www.ilymgroup.com>, including the Settlement Agreement, the Operative Complaint, the PAGA Notice to the LWDA, and any amendments, the class notice and any enclosed forms, the orders granting preliminary and final approval, and the judgment. The judgment will be posted for at least 180 days. The pleadings and other records in this litigation, including the Settlement Agreement, may also be examined online on the Orange County Superior Court's Case Portal at <https://www.occourts.org/online-services/case-access>, using Case No. 30-2022-01283098-CU-OE-CXC.

For more information, or if you have any questions, you may contact:

The Attorneys Representing the Parties

Attorneys for Plaintiff

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The Settlement Administrator

ILYM Group, Inc.
P.O. Box 2031 | Tustin, CA 92781
Telephone : (888) 250-6810
Fax : (888) 845-6185
<http://www.ilymgroup.com>

DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT.

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www.ilymgroup.com

ILYM ID: «ILYM_ID»
«PC»

OBJECTION FORM

Mejorado v. Rainbow Sandals, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01283098-CU-OE-CXC

COMPLETE AND RETURN THIS FORM ONLY IF YOU WANT TO OBJECT TO THE SETTLEMENT IN THIS CASE.

DO NOT RETURN THIS FORM IF YOU WANT TO REQUEST EXCLUSION FROM THE SETTLEMENT.

IF YOU DO NOT HAVE ANY OBJECTIONS TO THE SETTLEMENT, DO NOT SUBMIT THIS FORM.

To object, you may complete, sign, and send this Objection Form to the Administrator by First Class U.S. Mail or equivalent, postage prepaid, postmarked on or before **November 24, 2026**, addressed as follows:

MAIL TO: <i>Mejorado v. Rainbow Sandals, Inc. Settlement</i> c/o ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781 Telephone : (888) 250-6810 Fax : (888) 845-6185 Email: claims@ilymgroup.com
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I want to OBJECT to the Settlement in this case. My objections to the Settlement are (use additional pages if needed):

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____

Date: _____

Signature

OPT OUT FORM

Mejorado v. Rainbow Sandals, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01283098-CU-OE-CXC

COMPLETE THIS FORM IF YOU DO NOT WANT TO RECEIVE A SETTLEMENT PAYMENT AND BE BOUND BY THE SETTLEMENT

Instructions

You have the right to opt out (i.e., request exclusion) if you do not want to be part of the Class of the proposed Settlement. **If you fill out this Opt Out Form, you: (1) will not receive any money under the settlement of your claims as a Class Member; and (2) will not be bound by the terms of this Settlement (other than terms relating to the release of claims under PAGA).**

To opt out, you may complete, sign, and send this Opt Out form to the Administrator by First Class U.S. Mail or equivalent, postage prepaid, postmarked on or before **November 24, 2026**, addressed as follows:

MAIL TO: <i>Mejorado v. Rainbow Sandals, Inc. Settlement</i> c/o ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781 Telephone : (888) 250-6810 Fax : (888) 845-6185 Email: claims@ilymgroup.com

By signing this Opt Out Form, I acknowledge that I have read the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice") in this case and the information in the Class Notice pertaining to my right to opt out of or object to certain portions of the proposed Settlement. I also acknowledge that I understand that **I will not receive any money** under the Settlement for my claims as a Class Member, and that I will not be bound by the terms of the Settlement, except for those terms that relate to claims for civil penalties under PAGA.

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____

Date: _____
Signature

Must Be Postmarked
No Later Than
November 24, 2026

WORKWEEK CHALLENGE FORM

Mejorado v. Rainbow Sandals, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01283098-CU-OE-CXC

**COMPLETE AND RETURN THIS FORM ONLY IF YOU WANT TO DISPUTE YOUR NUMBER OF
WORKWEEKS AND/OR PAY PERIODS.**

**DO NOT RETURN THIS FORM IF YOU WANT TO REQUEST EXCLUSION FROM THE SETTLEMENT OR
OBJECT TO OTHER TERMS IN THE SETTLEMENT.**

**IF YOU DO NOT DISPUTE YOUR WORKWEEK OR PAY PERIOD CALCULATION, DO NOT SUBMIT
THIS FORM.**

To dispute your number of Workweeks and/or Pay Periods, you may complete, sign, and send this Workweek Challenge Form to the Administrator by First Class U.S. Mail or equivalent, postage prepaid, postmarked on or before **November 24, 2026**, addressed as follows:

MAIL TO:
Mejorado v. Rainbow Sandals, Inc. Settlement
c/o ILYM Group, Inc.
P.O. Box 2031 | Tustin, CA 92781
Telephone : (888) 250-6810
Fax : (888) 845-6185
Email: claims@ilymgroup.com

I want to DISPUTE MY WORKWEEKS and/or PAY PERIODS as calculated in this case. My dispute(s) is/are as follows:

Start Date: _____ End Date: _____ Number of Workweeks: _____

Start Date: _____ End Date: _____ Number of Pay Periods: _____

Additional information in support of my dispute(s) (use additional pages if needed):

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____

Date: _____

Signature

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