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15 **UNITED STATES DISTRICT COURT**

16 **NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION**

17 ELISA ARROYO, as an individual  
18 and on behalf of all others similarly  
19 situated,

19 Plaintiffs,

20 v.

21 INTERNATIONAL PAPER  
22 COMPANY, a New York  
23 corporation; and DOES 1 through 50,  
24 inclusive,

24 Defendants.

Case No: 5:17-cv-06211-BLF  
*[Removed from Monterey County Superior  
Court, before the Honorable Susan J.  
Matcham, Department 15]*

**STIPULATION AND SETTLEMENT  
AGREEMENT OF CLASS ACTION  
CLAIMS**

Complaint Filed: September 27, 2017  
Action Removed: October 27, 2017

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**STIPULATION AND SETTLEMENT AGREEMENT OF**  
**CLASS ACTION AND PRIVATE ATTORNEY GENERAL ACT CLAIMS**

Subject to final approval by the Court, this Settlement Agreement is between Plaintiff Elisa Arroyo (“Plaintiff”) and Defendant International Paper Company (“Defendant”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.”

**I. DEFINED TERMS**

As used herein, the following terms are defined as:

A. **Action** means the civil action being resolved by this settlement entitled *Elisa Arroyo v. International Paper Company* pending in the United States District Court for the Northern District of California, Case No: 5:17-cv-06211-BLF.

B. **Administration Costs** refers to the costs incurred by the Settlement Administrator to administer this Settlement, which is currently estimated at \$22,125.00. All Administration Costs shall be paid from the Qualified Settlement Fund.

C. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement** means the settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”

D. **Attorney Fee Award** is the amount, not to exceed one third (1/3 or 33 1/3%) of the Gross Settlement Amount or \$1,000,000, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant.

E. **Claims** means all claims under any applicable laws and/or regulations relating to any and all facts and claims asserted in the Action or any other claims that could have been asserted in the Action based on the facts alleged, including claims for unpaid reimbursements; wage statement violations; unpaid wages, including minimum wages, regular wages, overtime and double overtime wages;

1 unfair business practices premised on alleged violations of the California Labor  
2 Code; penalties under the California Private Attorneys General Act (“PAGA”); as  
3 well as missed meal and rest breaks; meal and rest breaks premiums; alleged failure  
4 to timely pay all wages due upon separation of employment; failure to maintain  
5 and provide accurate records; and other violations of the Fair Labor Standards Act,  
6 the California Labor Code and relevant Wage Orders.

7 F. **Class** or **Class Members** means all individuals who worked for  
8 International Paper Company in the State of California as non-exempt hourly  
9 employees during the Class Period (defined *infra*). Defendant represents that there  
10 are approximately 3,456 Class Members who worked as non-exempt employees in  
11 California for approximately 230,363 cumulative pay periods between January 27,  
12 2017 and December 22, 2020.

13 G. **Class Counsel** means Larry W. Lee and Mai Tulyathan of Diversity  
14 Law Group, P.C.; William L. Marder of Polaris Law Group, LLP; and Dennis S.  
15 Hyun of Hyun Legal, APC.

16 H. **Class Notice** or **Notice** means the Notice of Class Action Settlement,  
17 substantially similar to the form attached hereto as **Exhibit A**, subject to Court  
18 approval.

19 I. **Class Period** means the period from January 27, 2017 through June  
20 30, 2021.

21 J. **Class Representative** or **Plaintiff** refers to Plaintiff Elisa Arroyo.

22 K. **Class Representative Enhancement Payment** means the amount the  
23 Court awards to Plaintiff Elisa Arroyo for her services as a Class Representative,  
24 which will not exceed Ten Thousand Dollars and Zero Cents (\$10,000.00). This  
25 payment shall be paid from the Qualified Settlement Fund and will not be opposed  
26 by Defendant. This enhancement is subject to approval of the Court. If the Court  
27 awards less than the amount requested, any amount not awarded will become part  
28 of the Net Settlement Amount for distribution to Participating Class Members.

1           L.     **Complaint** means the Fourth Amended Complaint, which Plaintiff  
2 stipulates to file alleging class claims on behalf of the Class, which includes all  
3 claims alleged by Plaintiff at any point in the Action as well as claims for unpaid  
4 overtime, meal and rest period violations, unpaid meal and rest period penalties,  
5 and untimely final wages.

6           M.     **Cost Award** means the amount that the Court awards to Class counsel  
7 for payment of actual litigation costs, which shall not exceed \$75,000.00. The Cost  
8 Award is separate and in addition to the Administration Costs and will be paid from  
9 the Qualified Settlement Fund. The Cost Award is subject to Court approval, and  
10 Defendant will not oppose a request for Costs equal to or less than \$75,000.00. If  
11 the Court awards less than the amount request, any amount not awarded will  
12 become part of the Net Settlement Amount for distribution to Participating Class  
13 Members.

14           N.     **Counsel for Defendant** means Danielle H. Moore, Aaron F. Olsen,  
15 Megan E. Walker, and Brittany Wunderlich of Fisher & Phillips, LLP.

16           O.     **Court** means the United States District Court for the Northern District  
17 of California, San Jose Division.

18           P.     **Effective Final Settlement Date (“Effective Date”)** will be when the  
19 final approval of the settlement can no longer be appealed, or, if there are no  
20 objectors and no plaintiffs in intervention at the time the Court grants final approval  
21 of the settlement, the date Plaintiff files the Notice of judgment granting final  
22 approval of the settlement.

23           Q.     **Request for Exclusion** refers to the written letter from Class  
24 Members indicating their request to be excluded from the Settlement. Any such  
25 Requests for Exclusion must be made in accordance with the terms set forth in  
26 Paragraph N(e).

27           R.     **Gross Settlement Amount** means the total value of the non-  
28 reversionary Settlement. The Gross Settlement Amount is Three Million Dollars

1 and Zero Cents (\$3,000,000.00). This is the maximum gross amount Defendant  
2 can be required to pay under this Settlement Agreement, which includes without  
3 limitation: (1) the Net Settlement Amount to be paid to Participating Class  
4 Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys'  
5 fees and costs, as approved by the Court; (3) the Class Representative Enhancement  
6 payment paid to the Class Representative, as approved by the Court;  
7 (4) Administration Costs, as approved by the Court; (5) Defendant's portion of  
8 payroll taxes on the wage portion of Class Members' Individual Settlement  
9 Payment, and (6) the PAGA Payment, as approved by the Court. No portion of the  
10 Gross Settlement Amount will revert to Defendant for any reason.

11 **S. Individual Settlement Share(s)** refers to the amount payable to each  
12 Participating Class Member under the terms of this Settlement Agreement. Class  
13 Members are not required to submit a claim form to receive their Individual  
14 Settlement Shares pursuant to this Agreement. Rather, Participating Class  
15 Members will receive an Individual Settlement Share automatically, without the  
16 return of a claim form.

17 **T. LWDA** means the California Labor and Workforce Development  
18 Agency.

19 **U. Net Settlement Amount** means the total amount of money available  
20 for payout to Participating Class Members, which is the Gross Settlement Amount  
21 less the Attorney Fee Award, Cost Award, Class Representative Enhancement, the  
22 PAGA Payment, Defendant's portion of payroll taxes on the wage portion of Class  
23 Members' Individual Settlement Payment and Administration Costs. In other  
24 words, the Net Settlement Amount is the portion of the Gross Settlement Amount  
25 that will be distributed to Participating Class Members.

26 **V. PAGA** means the California Labor Code Private Attorneys General  
27 Act of 2004, California Labor Code sections 2698, *et seq.*

28 **W. PAGA Group** means all individuals who worked for International

1 Paper Company in the State of California as non-exempt hourly employees during  
2 the PAGA Period (defined *infra*).

3 X. **Reimbursement PAGA Subgroup** means all individuals who  
4 worked for International Paper Company in the State of California as non-exempt  
5 hourly employees during the Reimbursement PAGA Subgroup Period (defined  
6 *infra*) and whose pay was deducted for an expense labeled “Uniform Local.”

7 Y. **PAGA Payment** shall be two hundred thousand dollars and zero cents  
8 (\$200,000.00) of the Gross Settlement Amount allocated to satisfy the PAGA  
9 penalties alleged in the Action on behalf of the PAGA Group and the  
10 Reimbursement PAGA Subgroup. Seventy-five percent (75%) of the PAGA  
11 Payment (\$150,000.00) shall be paid to the LWDA, and 25% (\$50,000) of the  
12 PAGA Payment shall be distributed to the PAGA Group and Reimbursement  
13 PAGA Subgroup, on a pro rata basis, as set forth below.

14 Z. **PAGA Period** is January 27, 2017 to June 30, 2021, and the  
15 **Reimbursement PAGA Subgroup Period** is July 24, 2016 to June 30, 2021,  
16 consistent with the Court’s Order dated May 30, 2018. (Order, ECF No. 26.)

17 AA. **Participating Class Members** refers to all members of the Class who  
18 do not submit a timely valid request to exclude themselves from this Settlement  
19 (Request for Exclusion).

20 BB. **Preliminary Approval** means the Court’s order preliminarily  
21 approving the proposed Settlement.

22 CC. **Qualified Settlement Fund** means a fund within the meaning of  
23 Treasury Regulation 26 C.F.R. § 1.468B-1, *et seq.*, that is established by the  
24 Settlement Administrator for the benefit of Participating Class Members, Plaintiff,  
25 and Class Counsel.

26 DD. **Released Claims** means all wage-and-hour claims, demands, rights,  
27 liabilities, costs, penalties, interest, attorney’s fees, and causes of action that  
28 Plaintiff and the other Participating Class Members are releasing in exchange for



1 the consideration provided for by this Agreement are all claims in the Complaint,  
2 the PAGA notice, and all claims that could have been pled arising out of similar  
3 operative facts, conduct, and/or omissions including but not limited to claims for  
4 (1) unpaid reimbursements; (2) wage statement violations; (3) unpaid wages,  
5 including minimum wages, regular wages, overtime and double overtime wages;  
6 (4) failure to provide meal periods or meal period premiums; (5) failure to provide  
7 rest periods or rest period premiums; (6) failure to timely pay all wages due upon  
8 separation of employment; (7) failure to maintain and provide accurate records;  
9 (8) unfair business practices premised on alleged violations of the California Labor  
10 Code; (9) penalties under the California Private Attorneys General Act (“PAGA”).  
11 The Released Claims do not cover or include (1) claims for Workers'  
12 Compensation, (2) claims for unemployment or disability payments, (3) claims for  
13 discrimination, retaliation or harassment under Title VII or California's Fair  
14 Employment and Housing Act, (4) tort claims, or (5) any other claims that cannot  
15 be released as a matter of law. The Released Claims for Participating Class  
16 Members Claims shall run during the entire Class Period. The Released Claims for  
17 the PAGA Group shall run through the PAGA Period. In addition, the Released  
18 Claims for the Reimbursement PAGA Subgroup shall run through the  
19 Reimbursement PAGA Subgroup Period. The Class Period does not extend for the  
20 Reimbursement PAGA Subgroup because the Court denied certification of this  
21 class. As of the Effective Date of Settlement, each Participating Class Member shall  
22 be deemed to have fully, finally, and forever released, relinquished, and discharged  
23 all Released Claims. This waiver and release of claims shall be binding on Plaintiff  
24 and all Participating Class Members, including each of their respective attorneys,  
25 agents, spouses, executors, representatives, guardians ad litem, heirs, successors,  
26 and assigns, and shall inure to the benefit of the Released Parties.

27       EE. **Released Parties** refers to Defendant International Paper Company  
28 and any agents, officers, directors, stockholders, parent corporations, subsidiaries,



1 affiliates, partners, investors, owners, related organizations, attorneys, predecessors  
2 or successors in interest, insurers, and assigns, and all agents, employees, officers,  
3 directors, members, managers, holding companies, insurers, and attorneys thereof.

4 FF. **Response Deadline** will be sixty (60) calendar days from the initial  
5 mailing of the Class Notice.

6 GG. **Settlement Administrator** means Phoenix Settlement  
7 Administrators.

## 8 II. SETTLEMENT TERMS AND CONDITIONS

9 A. **Conditional Certification.** The Parties stipulate and agree to the  
10 conditional certification of the claims not already certified in the Action for  
11 purposes of this Settlement only. Should for whatever reason the Settlement not  
12 become final and effective as herein provided, the conditional class certification  
13 shall immediately be dissolved without prejudice. The fact that the Parties were  
14 willing to stipulate to conditional class certification as part of the Settlement shall  
15 have no bearing on, and shall not be admissible in or considered in connection with,  
16 the issue of whether a class should be certified in a non-settlement context in the  
17 Action and shall have no bearing on, and shall not be admissible or considered in  
18 connection with, the issue of whether a class should be certified in any other  
19 lawsuit. Defendants expressly reserve their right to oppose class certification  
20 should this Settlement not become final and effective.

21 B. **Investigation.** The Parties have conducted significant investigation of  
22 the facts and law. Such discovery and investigation included the depositions of  
23 Plaintiff and a person most knowledgeable designated by Defendant, interviews  
24 other percipient witnesses, including dozens of putative class members, as well as  
25 the review of documents and data necessary to calculate potential damages. The  
26 Parties conducted three full day private mediation sessions, each before an  
27 experienced and renowned mediator of California Labor Code class and PAGA  
28 claims: Marc Feder, Steven Serratore, and Steve Rottman. Counsel for the Parties

1 investigated the law as applied to the facts discovered regarding the alleged claims  
2 of the Class Members and potential defenses thereto, and the damages claimed by  
3 Plaintiff.

4 **C. Defendant's Reasons for Settlement and Denial of Wrongdoing.**

5 Defendant denies each of the claims and contentions alleged by Class Members in  
6 the Action. Defendant has repeatedly asserted, and continues to assert, defenses  
7 thereto, and has expressly denied and continue to deny any wrongdoing or legal  
8 liability arising out of any of the facts or conduct alleged in the Action. Defendant  
9 also has denied and continue to deny, inter alia, the allegations that the Class  
10 Members have suffered damage; that Defendant failed to reimburse Class  
11 Members; that Defendant failed to comply with the law with respect to itemized  
12 wage statements; that Defendant in any way failed to pay Class Members for all  
13 hours worked; that Defendant violated any laws regarding minimum wage; that  
14 Defendant violated any laws regarding overtime compensation; that Defendant  
15 failed to timely pay Class Members all wages owed upon termination/resignation  
16 or otherwise when due; that Defendant violated the law regarding meal and rest  
17 periods; that Defendant engaged in any unlawful, unfair or fraudulent business  
18 practices; that Defendant engaged in any wrongful conduct as alleged in the Action;  
19 or that Class Members were harmed by the conduct alleged in the Action. Neither  
20 this Agreement, nor any document referred to or contemplated herein, nor any  
21 action taken to carry out this Agreement, is, may be construed as, or may be used  
22 as an admission, concession or indication by or against Defendant of any fault,  
23 wrongdoing or liability whatsoever. Rather, Defendant concluded that any further  
24 defense of this litigation would be protracted and expensive for all Parties.  
25 Substantial amounts of time, energy and resources of Defendant have been and,  
26 unless this Settlement is made, will continue to be devoted to the defense of the  
27 Claims asserted by Plaintiff. Defendant has also taken into account the risks of  
28 further litigation in reaching its decision to enter into this Settlement. Defendant

1 has, therefore, agreed to settle in the manner and upon the terms set forth in this  
2 Agreement to put to rest the Claims as set forth in the Complaint.

3 **D. Plaintiff's Claims.** Plaintiff has claimed and continues to claim that  
4 the Released Claims have merit and give rise to liability on the part of Defendant.  
5 This Agreement is a compromise of disputed claims. Nothing contained in this  
6 Agreement and no documents referred to herein and no action taken to carry out  
7 this Agreement may be construed or used as an admission by or against Plaintiff or  
8 Class Counsel as to the merits or lack thereof of the claims asserted.

9 **E.** It is the desire of the Parties to fully, finally and forever settle,  
10 compromise and discharge all disputes and claims against the Released Parties  
11 arising from or related to this Action, and that this Settlement Agreement shall  
12 constitute a full and complete settlement and release of all the Released Parties  
13 from all of the claims asserted in this Action.

14 **NOW, THEREFORE, IT IS HEREBY STIPULATED,** by and among the  
15 Plaintiff on behalf of the Class, PAGA Group, and Reimbursement PAGA  
16 Subgroup on the one hand, and Defendant on the other hand, and subject to the  
17 approval of the United States District Court, that the Action is hereby being  
18 compromised and settled pursuant to the terms and conditions set forth in this  
19 Agreement and that upon the Effective Date, the Class Action shall be dismissed  
20 with prejudice, subject to the continuing jurisdiction of the District Court as set  
21 forth below, subject to the recitals set forth hereinabove which by this reference  
22 become an integral part of this Agreement and subject to the following terms and  
23 conditions:

24 **III. AGREEMENT**

25 **A. Release as to the Class.** Upon funding of the Gross Settlement  
26 Amount by Defendant, all Class Members, including Plaintiff, release the Released  
27 Parties from the Released Claims. The Class Members agree not to sue or otherwise  
28 make a claim against any of the Released Parties for the Released Claims.

1           **B. Release as to the PAGA Group.** As of the Effective Date, this  
2 Settlement forever bars all PAGA Group Members, including Plaintiff and all  
3 Reimbursement PAGA Subgroup Members, as well as the LWDA, and any other  
4 representative, proxy, or agent thereof, including, but not limited to, any and all  
5 PAGA Group Members during the PAGA Period and any and all Reimbursement  
6 PAGA Subgroup Members during the Reimbursement PAGA Subgroup Period,  
7 from pursuing any action under the California Labor Code Private Attorneys  
8 General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, against, the Released  
9 Parties for civil penalties under PAGA for any and all Labor Code violations  
10 including all claims that were or could have been alleged in the Action in the PAGA  
11 Period for the PAGA Group Members and Reimbursement PAGA Subgroup  
12 Period for the Reimbursement PAGA Subgroup Members.

13           **C. General Release by Plaintiff Only.** In addition to the releases made  
14 by the Class Members and PAGA Group Members set forth in Paragraphs III.A  
15 hereof and in consideration for the Class Representative Enhancement Award,  
16 Plaintiff, as of the Effective Date, in her individual capacity for herself, her heirs,  
17 executors, administrators, successors and assigns and with respect to her individual  
18 claims only, agree to release the Released Parties from all claims, demands, rights,  
19 liabilities and causes of action of every nature and description whatsoever, known  
20 or unknown, asserted or that might have been asserted, whether in tort, contract, or  
21 for violation of any state or federal statute, rule or regulation arising out of, relating  
22 to, or in connection with her employment by and termination from Released Parties  
23 and any act or omission by or on the part of any of the Released Parties committed  
24 or omitted prior to the Effective Date of this Agreement (the “General Release”).  
25 This total release includes, but is not limited to, all claims arising directly or  
26 indirectly from Plaintiff’s employment with Released Parties and the termination  
27 of that employment; claims or demands related to wages, bonuses, vacation pay,  
28 benefits and expense reimbursements pursuant to any federal, state or local law or

1 cause of action, including, but not limited to, breach of contract, breach of the  
2 implied covenant of good faith and fair dealing, infliction of emotional harm,  
3 wrongful discharge, violation of public policy, defamation and impairment of  
4 economic opportunity; violation of the California Fair Employment and Housing  
5 Act, the California Labor Code, the California Constitution; and any claims for  
6 violation of the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964,  
7 the Americans With Disabilities Act of 1990 and any private attorney general  
8 action under the California Business & Professions Code §17200.

9       The General Release includes any unknown claims that Plaintiff does not  
10 know or suspect to exist in her favor at the time of the General Release, which, if  
11 known by her, might have affected her settlement with, and release of, the Released  
12 Parties or might have affected her decision not to object to this Settlement or the  
13 General Release. With respect to the General Release, Plaintiff stipulates and  
14 agrees that, upon the Effective Date, she shall be deemed to have, and by operation  
15 of the Court's Final Approval Order, shall have, expressly waived and relinquished,  
16 to the fullest extent permitted by law, the provisions, rights and benefits of Section  
17 1542 of the California Civil Code, or any other similar provision under federal or  
18 state law, which provides:

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

25       Plaintiff may hereafter discover facts in addition to or different from those  
26 she now knows or believes to be true with respect to the subject matter of the  
27 General Release, but upon the Effective Date, shall be deemed to have, and by  
28 operation of the Court's Final Approval Order, shall have, fully, finally, and forever

1 settled and released any and all of the claims released pursuant to the General  
2 Release whether known or unknown, suspected or unsuspected, contingent or non-  
3 contingent, which now exist, or heretofore have existed upon any theory of law or  
4 equity now existing or coming into existence in the future, including, but not  
5 limited to, conduct that is negligent, intentional, with or without malice, or a breach  
6 of any duty, law or rule, without regard to the subsequent discovery or existence of  
7 such different or additional facts.

8 Notwithstanding the above, the scope of the General Release provided to  
9 Defendant by Plaintiff does not include any claims for disability, workers  
10 compensation, or unemployment benefits, or any other claims that cannot be  
11 released as a matter of law.

12 **D. Gross Settlement Amount.** Subject to the terms and conditions of  
13 this Agreement, Defendant agrees to Pay the Gross Settlement Amount of Three  
14 Million Dollars and Zero Cents (\$3,000,000).

15 **E. Notice to the LWDA.** On April 7, 2017, Plaintiff filed and served her  
16 Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3. Plaintiff  
17 agrees to submit a copy of this Stipulation and Settlement Agreement to the LWDA  
18 at the same time she files this Stipulation and Settlement Agreement to the Court.

19 **F. Appointment of Class Representative.** Solely for the purposes of  
20 this Settlement, the Parties stipulate and agree Plaintiff shall be appointed as the  
21 representative for the Class.

22 **G. Appointment of Class Counsel.** Solely for the purpose of this  
23 Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to  
24 represent the Class.

25 **H. Individual Settlement Share(s).** Subject to the terms and conditions  
26 of this Agreement, the Settlement Administrator will pay an Individual Settlement  
27 Share from the Net Settlement Amount to each Participating Class Member.

28 **a. Individual Settlement Share Calculation.** Each Participating

1 Class Member will receive a proportionate share of the Net  
2 Settlement Amount that is equal to (i) the number of pay  
3 periods they worked as a non-exempt employee during the  
4 Class Period based on the Class data provided by Defendant,  
5 divided by (ii) the total number of pay periods worked by any  
6 and all Participating Class Members during the Class Period  
7 based on the same Class data, which is then multiplied by the  
8 Net Settlement Amount. Therefore, the value of each  
9 Participating Class Member's Individual Settlement Share ties  
10 directly to the number of pay periods that the Participating  
11 Class Member worked.

12 **b. Tax Withholdings.** Each Participating Class Member's  
13 Individual Settlement Share will be apportioned as follows:  
14 20% wages and 80% interest, penalties, and reimbursements.  
15 The amounts paid as wages shall be subject to all tax  
16 withholdings customarily made from an employee's wages and  
17 all other authorized and required withholdings and shall be  
18 reported by W-2 forms. Payment of all amounts will be made  
19 subject to backup withholding unless a duly executed W-9 form  
20 is received from the payee(s). The amounts paid as penalties  
21 and interest shall be subject to all authorized and required  
22 withholdings other than the tax withholdings customarily made  
23 from employees' wages and shall be reported by IRS 1099  
24 forms. The employees' share of payroll tax withholdings shall  
25 be withheld from each person's Individual Settlement Share.

26 **I. Settlement Disbursement.** Subject to the terms and conditions of this  
27 Agreement, the Settlement Administrator will make the following payments out of  
28 the Gross Settlement Amount:



1 a. **To the Plaintiff.** In addition to her respective Individual  
2 Settlement Share, and subject to the Court's approval, Plaintiff  
3 Elisa Arroyo will receive up to Ten Thousand Dollars and Zero  
4 Cents (\$10,000.00) as a Class Representative Enhancement  
5 Payment. The Settlement Administrator will pay the Class  
6 Representative Enhancement Payment out of the Qualified  
7 Settlement Fund. An IRS Form 1099 will be issued to Plaintiff  
8 with respect to her Class Representative Enhancement  
9 Payment. In the event the Court does not approve the entirety  
10 of the application for the Class Representative Enhancement  
11 Payment, the Settlement Administrator shall pay whatever  
12 amount the Court awards, and neither Defendant nor the  
13 Settlement Administrator shall be responsible for paying the  
14 difference between the amount requested and the amount  
15 awarded. If the amount awarded is less than the amount  
16 requested by Plaintiff, the difference shall become part of the  
17 Net Settlement Amount and be available for distribution to  
18 Participating Class Members.

19 b. **To Class Counsel.** Class Counsel will apply to the Court for,  
20 and Defendant agrees not to oppose, a total Attorney Fee Award  
21 not to exceed one-third (1/3 or 33 1/3%) or \$1,000,000 of the  
22 Gross Settlement Amount and a Cost Award not to exceed  
23 \$75,000.00. The Settlement Administrator will pay the court-  
24 approved amounts for the Attorney Fee Award and Cost Award  
25 out of the Gross Settlement Fund. Payroll tax withholding and  
26 deductions will not be taken from the Attorney Fee Award or  
27 the Cost Award. IRS Forms 1099 will be issued to Class  
28 Counsel with respect to these payments. In the event the Court

1 does not approve the entirety of the application for the Attorney  
2 Fee Award and/or Cost Award, the Settlement Administrator  
3 shall pay whatever amount the Court awards, and neither  
4 Defendant nor the Settlement Administrator shall be  
5 responsible for paying the difference between the amount  
6 requested and the amount awarded. If the amount awarded is  
7 less than the amount requested by Class Counsel for the  
8 Attorney Fee Award and/or Cost Award, the difference shall  
9 become part of the Net Settlement Amount and be available for  
10 distribution to Participating Class Members.

11 **c. To the Responsible Tax Authorities.** The Settlement  
12 Administrator will pay the amount of the Participating Class  
13 Members' portion of normal payroll withholding taxes out of  
14 each person's Individual Settlement Share. The Settlement  
15 Administrator will calculate the amount of the Participating  
16 Class Members' and Defendant's portion of payroll  
17 withholding taxes and pay those amounts from the Gross  
18 Settlement Sum. The Settlement Administrator will submit  
19 Defendant's portion of payroll withholding tax and forward  
20 those amounts along with each person's Individual Settlement  
21 Share withholdings to the appropriate taxing authorities.

22 **d. To the Settlement Administrator.** The Settlement  
23 Administrator—Phoenix Settlement Administrators—will pay  
24 to itself Administration Costs (reasonable fees and expenses)  
25 approved by the Court not to exceed \$22,125.00. This will be  
26 paid out of the Qualified Settlement Fund. If the actual amount  
27 of Administration Costs is less than the amount estimated  
28 and/or requested, the difference shall become part of the Net

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Settlement Amount and be available for distribution to Participating Class Members

e. **To Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund.

f. **To PAGA Group Members.** The Settlement Administrator shall pay each PAGA Group Member, including members of the Reimbursement PAGA Subgroup, according to their proportional share, which will be calculated and will be based upon the total number of pay periods they worked as non-exempt employees in California during the PAGA Period plus the number of pay periods their wages were deducted for a “Uniform Local” expense during the Reimbursement PAGA Subgroup Period, if any. The individual share will be calculated by determining the total cumulative number of pay periods at issue between the PAGA Group and the Reimbursement PAGA Group, and dividing that number into the \$50,000 amount allocated to PAGA Group Member and Reimbursement PAGA Subgroup Member to determine the monetary value assigned to each pay period. That number will then be multiplied by the individual PAGA Group Member’s total number of pay periods employed during the PAGA Timeframe Period to determine that individual’s proportional share.

J. **Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Settlement

1 Administrators shall be retained to serve as Settlement Administrator. The  
2 Settlement Administrator will conduct a skip trace for the address of all former  
3 employee Class Members. The Settlement Administrator will mail the Notice by  
4 first class U.S. mail to all Class Members at the address Defendant has on file for  
5 those Class Members and to all former employee Class Members at the address  
6 resulting from the skip trace. The Notice will inform Class Members that they have  
7 until the Response Deadline to either object to the Settlement or to opt-out of the  
8 Settlement. Any Class Member who does not receive Notice after the steps outlined  
9 above have been taken will still be bound by the Settlement and/or Judgment. The  
10 Settlement Administrator shall be responsible for preparing, printing, and mailing  
11 the Notice to the putative Class Members; maintaining a website with the  
12 Agreement and documents in the case; keeping track of any objections or requests  
13 for exclusion from Class Members; performing skip traces and re-mailing Notices  
14 and Individual Settlement Shares to Class Members; calculating any and all payroll  
15 tax deductions as required by law; calculating each Class Member's Individual  
16 Settlement Share; providing weekly status reports to Defendant's Counsel and  
17 Class Counsel, which is to include updates on any objections or requests for  
18 exclusion that have been received; providing a due diligence declaration for  
19 submission to the Court prior to the Final Approval hearing; mailing Individual  
20 Settlement Shares to Participating Class Members; calculating and mailing the  
21 aggrieved employees Payment to the LWDA; distributing the Attorney Fee Award  
22 and Cost Award to Class Counsel; printing and providing Class Members and  
23 Plaintiff with W-2s and 1099 forms as required under this Agreement and  
24 applicable law; providing a due diligence declaration for submission to the United  
25 States District Court upon the completion of the Settlement; providing any funds  
26 remaining in the Qualified Settlement Fund as a result of uncashed checks to the  
27 following cy pres recipient: Memphis Area Legal Services, Inc. The Parties each  
28 represent that they do not have any financial interest in Phoenix Settlement

1 Administrators or otherwise have a relationship with Phoenix Settlement  
2 Administrators that could create a conflict of interest.

3 **K. Tax Liability.** Defendant makes no representations as to the tax  
4 treatment or legal effect of the payments called for hereunder, and Plaintiff is not  
5 relying on any statement or representation by Defendant in this regard. Plaintiff  
6 understands and agrees that Class Members and PAGA Group Members will be  
7 solely responsible for the payment of their taxes and penalties predicated on the  
8 payments described herein. Plaintiff shall hold harmless Released Parties from and  
9 against any claims resulting from treatment of such payments as non-taxable  
10 damages, including the treatment of such payment as not subject to withholding or  
11 deduction for payroll and employment taxes. Nothing in this section prevents  
12 Defendant from being liable for the employer's portion of employment tax  
13 obligations and withholdings.

14 **L. Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR  
15 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY  
16 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER  
17 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS  
18 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN  
19 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS OR  
20 WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR  
21 DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX  
22 ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT  
23 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY  
24 (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL  
25 AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION  
26 WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED  
27 UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR  
28 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY

1 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY  
2 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE  
3 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER  
4 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY  
5 OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF  
6 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE  
7 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
8 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS  
9 AGREEMENT.

10 **M. Creation of the Settlement Fund.** Within thirty (30) calendar days  
11 after the Effective Date, Defendant shall deliver the Gross Settlement Amount to  
12 the Settlement Administrator to create the Qualified Settlement Fund. All  
13 payments that Defendant is required to make pursuant to the Settlement Agreement  
14 shall be made from the Qualified Settlement Fund by the Settlement Administrator.  
15 Defendant will retain exclusive authority over, and responsibility for, those funds  
16 until required to deliver them to the Settlement Administrator in accordance with  
17 this paragraph.

18 **N. Procedure for Approving Settlement.**

19 a. The Parties will stipulate to allow Plaintiff to file a Fourth  
20 Amended Complaint, which will be the Complaint for purposes  
21 of this Agreement. Should the Court deny the Parties' request  
22 to allow Plaintiff to file the Complaint, this Agreement shall be  
23 null and void.

24 b. Motion for Preliminary Approval and Conditional  
25 Certification.

26 i. Plaintiff will move for an order conditionally certifying  
27 the Class for settlement purposes only, giving  
28 Preliminary Approval of the Settlement, setting a date for

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the Final Approval hearing, and approving the Class Notice. Class counsel will submit to Defendant’s counsel for approval drafts of the Class Notice to Class Members.

ii. At the Preliminary Approval hearing, Plaintiff will appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and preliminary approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.

iii. Should the Court decline to conditionally certify the Class or to preliminarily approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement shall be determined by the Court, and the Court’s determination on these amounts shall be final and binding, and that the Court’s approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement shall not operate to terminate or cancel this Settlement Agreement.

c. Notice to Class Members. After the Court enters its Preliminary



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Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:

- i. Within Fourteen (14) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, that will list for each Class Member and PAGA Group Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) hire and termination dates; and (5) the total number of pay periods during which the Class Member worked during the Class Period as a member of the Class (“Database”); (6) the total number of pay periods worked during the PAGA Period; and (7) for Reimbursement PAGA Subgroup Members only, the number of additional pay periods outside of the PAGA Period but within the Reimbursement PAGA Subgroup Period that their wages were deducted for a “Uniform Local” expense. If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the address of all Class Members who are former employees of Defendant. The Database shall be based on Defendant’s payroll, personnel, and other business records. The Settlement Administrator shall maintain the Database and all data contained within the Database as private and confidential.

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ii. Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class regular U.S. Mail, using the mailing address information provided by Defendant and the results of the skip trace performed on all former Defendant employee Class Members.

iii. If a Class Notice is returned because of an incorrect address, within ten (10) days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. Those Class

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Members who receive a re-mailed Class Notice, whether by skip-trace or forwarded mail, will have between the later of (a) an additional ten (10) days or (b) the Response Deadline to postmark an Request for Exclusion, or file and serve an objection to the Settlement. The Settlement Administrator shall mark on the envelope whether the Class Notice is a re-mailed notice.

iv. Class Members may dispute the information provided in their Class Notice, but must do so in writing, via first class mail, and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of pay periods to which they have been credited or the amount of their Individual Settlement Share, Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant’s records, Defendant’s records will be presumed determinative. However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence submitted by the Class Member and will make the final decision as to the number of eligible pay periods that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled.

v. If any Request for Exclusion received is incomplete or deficient, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and allow fourteen (14) calendar days to cure the deficiency. If after the cure period the Request for Exclusion is not

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cured, it will be determined that the Class Member did not exclude themselves from the Settlement and will be bound by the Settlement.

vi. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant’s Counsel of the number of Class Notices mailed, the number of Class Notices returned as undeliverable, the number of Class Notices re-mailed, and the number of Request for Exclusions received.

vii. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

d. Objections to Settlement. The Class Notice will provide that the Class Members who wish to object to the Settlement may do so in writing, signed, dated, and mailed to and/or filed in person with the Court postmarked/mailed no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings. Pursuant to the Northern District Procedural Guidelines for Class Action Settlements, the

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objections will then be scanned into the electronic case docket and the Parties will receive electronic notices of objections filed.

i. Format. Any Objections shall state: (a) the case name and number; (b) the objecting person’s full name, address, and telephone number; (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing, if any; and (f) if represented by counsel, the objector’s attorney shall file a notice of appearance.

ii. Notice of Intent to Appear. Class Members who file objections to the Settlement may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector’s own counsel.

e. Request for Exclusion from the Settlement. The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a signed letter stating that the Class Member wishes to opt-out. The written request for exclusion must: (a) include words to the effect, “I wish to be excluded from the *Arroyo v. International Paper* Class Settlement,” (b) the Class Member’s name, address, and last four digits of the social security number; (c) be addressed and mailed to the Settlement Administrator; (c) be signed by the Class Member or their lawful representative; and (d) be postmarked no later than the

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Response Deadline.

i. Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member’s identity. Any Class Member who returns a timely, valid, and executed Request for Exclusion will not participate in or be bound by the Settlement and Judgment and will not receive an Individual Settlement Share. However, all members of the class certified by the Court on April 4, 2019, defined as “All non-exempt employees who were employed by International Paper Company, a New York corporation, in the State of California and who were provided wage statements containing payment for overtime wages which were created from data from the Workbrain system at any time from January 27, 2017 through the present” (Order, ECF No. 48), and who did not opt-out after receiving the post-certification class notice pursuant to FRCP 23(c)(2)(B), will remain bound by the Court’s summary judgment order. Nevertheless, the Parties understand and agree that these class members, who are bound by the Court’s summary judgment order will be included as Settlement Class Members and may still participate in this settlement unless they submit a Request for Exclusion. A Class Member who does not complete and mail a timely Request for Exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all

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terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.

- ii. If a Class Member timely submits a Request for Exclusion, he/she will not have standing to object to or appeal final approval of the settlement and the entry of judgment thereon.
- iii. Report. No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.
- iv. Defendant's Option to Terminate. If more than five percent (5%) of the Class Members submit Request for Exclusions, Defendant has the option to unilaterally withdraw from and terminate this settlement within ten (10) court days of the last day of the response period via a written notice (email/fax will suffice) to Plaintiff's Counsel. If Defendant exercises this option to withdraw, Defendant understands and agrees that it will pay for all



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costs of settlement administration incurred by the Settlement Administrator as of the date of Defendant’s notice of withdrawal to Plaintiff and the Settlement Administrator.

f. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

g. Motion for Final Approval.

i. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement.

ii. If the Court does not grant Final Approval of the Settlement, or if the Court’s Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been

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owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator’s Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph. Furthermore, if the Court does not grant Final Approval of the Settlement and the Parties are not able to resolve any of the issues raised by the Court, the Parties will be restored to their litigation positions as of May 18, 2021. This includes withdrawing the Fourth Amended Complaint.

iii. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Class Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

h. Vacating, Reversing, or Modifying Judgment on Appeal. If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court’s decision is not

1 completely reversed and the Judgment is not fully affirmed on  
2 review by a higher court, then this Settlement will become null  
3 and void and the Parties will have no further obligations under  
4 it. Furthermore, if the Settlement is reversed or materially  
5 modified on appellate review, the Parties will be restored to  
6 their litigation positions as of May 18, 2021. This includes  
7 withdrawing the Fourth Amended Complaint. A material  
8 modification would include, but not necessarily be limited to,  
9 any alteration of the Gross Settlement Amount.

10 i. Disbursement of Settlement Shares and Payments. Subject to  
11 the Court finally approving the Settlement, the Settlement  
12 Administrator shall distribute funds pursuant to the terms of this  
13 Agreement and the United States District Court's Final  
14 Approval Order and Judgment. The maximum amount  
15 Defendant can be required to pay under this Settlement for any  
16 purpose is the Gross Settlement Amount. The Settlement  
17 Administrator shall keep Defendant's Counsel and Class  
18 Counsel apprised of all distributions from the Gross Settlement  
19 Amount. The Settlement Administrator shall respond to  
20 questions from Defendant's Counsel and Class Counsel.

21 i. Funding the Settlement: No later than thirty (30) calendar  
22 days after the Effective Final Settlement Date, Defendant  
23 shall deposit the Gross Settlement Amount of Three  
24 Million Dollars and Zero Cents (\$3,000,000) needed to  
25 pay the Gross Settlement Amount by wiring the funds to  
26 the Settlement Administrator. Defendant shall also at  
27 this time provide any tax information that the Settlement  
28 Administrator may need to calculate each Participating

1 Class Members' Individual Settlement Share.

2 ii. Disbursement: Within fourteen (14) calendar days after  
3 the Funding of the Settlement, the Settlement  
4 Administrator shall calculate and pay all payments due  
5 under the Settlement Agreement, including all Individual  
6 Settlement Shares, the Attorney Fee Award, the Cost  
7 Award, the Class Representative Enhancements, the  
8 PAGA Payment, and the Administration Costs. The  
9 Settlement Administrator will forward a check for 75%  
10 of the PAGA Payment to the LWDA for settlement of the  
11 PAGA claim. After such payment, Defendant shall have  
12 no liability for PAGA claims by or on behalf of  
13 Participating Class Members during the Class Period,  
14 which are released under this Agreement.

15 iii. Qualified Settlement Fund. The Parties agree that the  
16 Qualified Settlement Fund is intended to be a "Qualified  
17 Settlement Fund" under 26 C.F.R. § 1.468B-1 *et seq.*,  
18 and will be administered by the Settlement Administrator  
19 as such. The Parties and Settlement Administrator shall  
20 treat the Qualified Settlement Fund as coming into  
21 existence as a Qualified Settlement Fund on the earliest  
22 date permitted as set forth in 26 C.F.R. § 1.468B-1, and  
23 such election statement shall be attached to the  
24 appropriate returns as required by law.

25 j. Uncashed Checks. Participating Class Members must cash or  
26 deposit their Individual Settlement Share checks within one  
27 hundred eighty (180) calendar days after the checks are mailed  
28 to them. If any checks are not redeemed or deposited within

1 ninety (90) calendar days after mailing, the Settlement  
2 Administrator will send a reminder postcard indicating that  
3 unless the check is redeemed or deposited in the next ninety  
4 (90) calendar days, it will expire and become non-negotiable,  
5 and offer to replace the check if it was lost or misplaced. If any  
6 checks remain uncashed or not deposited by the expiration of  
7 the 90-day period after mailing the reminder notice, the  
8 Settlement Administrator will, within two hundred (200)  
9 calendar days after the checks are mailed, pay the sum of the  
10 uncashed Individual Settlement Share checks to the cy pres  
11 beneficiary— Memphis Area Legal Services, Inc.

12 k. Final Report by Settlement Administrator. Within ten (10)  
13 calendar days after the disbursement of all funds, the Settlement  
14 Administrator will serve on the Parties a declaration providing  
15 a final report on the disbursements of all funds.

16 l. Defendant’s Legal Fees. Defendant is responsible for paying for  
17 all of Defendant’s own legal fees, costs, and expenses incurred  
18 in this Class Action outside of the Gross Settlement Fund.

19 O. Miscellaneous Terms

20 a. No Effect on Employee Benefits. The Class Representative  
21 Enhancement Payment and/or Individual Settlement Shares  
22 paid to Plaintiff and Participating Class Members shall not be  
23 deemed to be pensionable earnings and shall not have any effect  
24 on the eligibility for, or calculation of, any of the employee  
25 benefits (e.g., vacation, holiday pay, retirement plans, etc.) of  
26 Plaintiff or the Participating Class Members. The Parties agree  
27 that any Class Representative Enhancements and/or Individual  
28 Settlement Shares paid to Plaintiff or the Participating Class

1 Members under the terms of this Agreement do not represent  
2 any modification of Plaintiff's or Participating Class Members'  
3 previously credited hours of service or other eligibility criteria  
4 under any employee pension benefit plan or employee welfare  
5 benefit plan sponsored by Defendant. Further, any Class  
6 Representative Enhancement Payments shall not be considered  
7 "compensation" in any year for purposes of determining  
8 eligibility for, or benefit accrual within, an employee pension  
9 benefit plan or employee welfare benefit plan sponsored by  
10 Defendant.

11 b. Publicity. Class Counsel and Plaintiff agree to discuss the terms  
12 of this Settlement only in declarations submitted to a court to  
13 establish Class Counsel's adequacy to serve as class counsel, in  
14 declarations submitted to a court in support of motions for  
15 preliminary approval, Final Approval, for attorneys' fees/costs,  
16 and any other pleading filed with the Court in conjunction with  
17 the Settlement, in discussions with Class Members in the  
18 context of administering this Settlement until the Preliminary  
19 Approval Order is issued, or as otherwise required by law. Class  
20 Counsel and Plaintiff agree to decline to respond to any media  
21 inquiries concerning the Settlement. Plaintiff and Class Counsel  
22 represent and agree that they have not and will not issue any  
23 press release, publication, or otherwise disclose this Agreement  
24 or this Settlement to the press, media, websites, or any service  
25 which reports verdicts and settlements. Plaintiff and Class  
26 Counsel further agree not to, at any time or in any manner, talk  
27 about, write about, disclose, or otherwise publicize or cause to  
28 be publicized, the confidential, proprietary, or trade secret

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information of the Released Parties.

c. Integrated Agreement. After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

d. Authorization to Enter into Settlement Agreement. Class Counsel and Defendant’s Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

e. Exhibits and Headings. The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated



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by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

- f. Interim Stay of Proceedings. The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
- g. Amendment or Modification of Agreement. This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- h. Agreement Binding on Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- i. No Prior Assignment. Plaintiff hereby represents, covenants, and warrants that she has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- j. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

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k. Fair, Adequate, and Reasonable Settlement. The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Class Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.

l. No Tax or Legal Advice. The Parties understand and agree that the Parties and their counsel are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.

m. Jurisdiction of the District Court. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the District Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

n. Invalidity of Any Provision; Severability. Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest

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extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement 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.

o. 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.

p. Execution in Counterpart. This Agreement may be executed in one or more counterparts and by DocuSign. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. DocuSign, facsimile, scanned signature page(s), and/or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

q. Class Size Escalator. Defendant represents that the class includes approximately 230,363 pay periods from January 27, 2017 through December 22, 2020. As the Class Period extends through June 30, 2021, the Parties understand that the number of work weeks has increased. However, the Parties relied on the data presented at mediation in entering into this Agreement. Thus, if the actual number of total pay periods, as determined by the Settlement Administrator, for the time period from January 27, 2017 through December 22, 2020 is greater than the

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230,363 pay periods represented by Defendant, the Gross Settlement Amount will increase on a pro-rata basis equal to the increase in pay periods or Defendant has the option of shortening the end of the Class Period proportionally.

r. Plaintiff's Waiver of Right to be Excluded and Object. Plaintiff Elisa Arroyo agrees to sign this Agreement and by signing this Agreement is bound by the terms herein stated and further agrees not to request to be excluded from the Class and agrees not to object to any of the terms of this Agreement. Non-compliance by Plaintiff with this Paragraph shall be void and of no force or effect. Any such requests for exclusion or objections shall therefore be void and of not force or effect.

**IV. EXECUTION BY PARTIES AND COUNSEL**

The Parties and their counsel stipulate and agree to the foregoing.

Dated: \_\_\_\_\_, 2021

**ELISA ARROYO**

\_\_\_\_\_  
Elisa Arroyo

Dated: December 2, 2021

**INTERNATIONAL PAPER COMPANY**

*Sharon R. Ryan*  
\_\_\_\_\_

Sharon Ryan, Esq.  
General Counsel and Corporate Secretary  
International Paper Company

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230,363 pay periods represented by Defendant, the Gross Settlement Amount will increase on a pro-rata basis equal to the increase in pay periods or Defendant has the option of shortening the end of the Class Period proportionally.

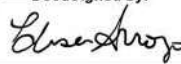
r. Plaintiff's Waiver of Right to be Excluded and Object. Plaintiff Elisa Arroyo agrees to sign this Agreement and by signing this Agreement is bound by the terms herein stated and further agrees not to request to be excluded from the Class and agrees not to object to any of the terms of this Agreement. Non-compliance by Plaintiff with this Paragraph shall be void and of no force or effect. Any such requests for exclusion or objections shall therefore be void and of not force or effect.

**IV. EXECUTION BY PARTIES AND COUNSEL**

The Parties and their counsel stipulate and agree to the foregoing.

Dated: October 26, 2021

**ELISA ARROYO**

DocuSigned by:  
  
8977E96A74B44AA...  
Elisa Arroyo

Dated: \_\_\_\_\_, 2021

**INTERNATIONAL PAPER COMPANY**

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Sharon Ryan, Esq.  
General Counsel and Corporate Secretary  
International Paper Company

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Dated: October 20, 2021

**DIVERSITY LAW GROUP, P.C.**

DocuSigned by:  
Larry W. Lee  
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Larry W. Lee, Esq.  
Attorneys for Plaintiff Elisa Arroyo, Class,  
and Aggrieved Employees

Dated: October 20, 2021

**POLARIS LAW GROUP, LLP**

William L. Marder

William L. Marder, Esq.  
Attorneys for Plaintiff Elisa Arroyo, Class,  
and Aggrieved Employees

Dated: October 20, 2021

**HYUN LEGAL, APC**

DocuSigned by:  
Dennis Hyun  
873AD9C8E264B4...

Dennis S. Hyun, Esq.  
Attorneys for Plaintiff Elisa Arroyo, Class,  
and Aggrieved Employees

Dated: \_\_\_\_\_, 2021

**FISHER & PHILLIPS, LLP**

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Aaron F. Olsen, Esq.  
Attorneys for Defendant  
International Paper Company

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Dated: \_\_\_\_\_, 2021

**DIVERSITY LAW GROUP, P.C.**

\_\_\_\_\_  
Larry W. Lee, Esq.  
Attorneys for Plaintiff Elisa Arroyo, Class,  
and Aggrieved Employees

Dated: \_\_\_\_\_, 2021

**POLARIS LAW GROUP, LLP**

\_\_\_\_\_  
William L. Marder, Esq.  
Attorneys for Plaintiff Elisa Arroyo, Class,  
and Aggrieved Employees


Dated: \_\_\_\_\_, 2021

**HYUN LEGAL, APC**

\_\_\_\_\_  
Dennis S. Hyun, Esq.  
Attorneys for Plaintiff Elisa Arroyo, Class,  
and Aggrieved Employees

Dated: December 2, 2021

**FISHER & PHILLIPS, LLP**

  
\_\_\_\_\_  
Aaron F. Olsen, Esq.  
Attorneys for Defendant  
International Paper Company



**CERTIFICATE OF SERVICE**

I, the undersigned, am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within action; am employed with the law offices of Fisher & Phillips LLP and my business address is 4747 Executive Drive, Suite 1000, San Diego, California, 92121.

On December 2, 2021 I served the foregoing document entitled **DOCUMENT** on all the appearing and/or interested parties in this action by placing  *the original*  *a true copy* thereof enclosed in sealed envelope(s) addressed as follows:

<p>Larry W. Lee (SBN 228175)          Mai Tulyathan (SBN 316704)          DIVERSITY LAW GROUP,          P.C.          515 South Figueroa Street, Suite          1250          Los Angeles, California 90071</p>	<p>Telephone: (213)488-6555          Facsimile: (213)488-6554          E-Mail: <a href="mailto:lwlee@diversitylaw.com">lwlee@diversitylaw.com</a>;  <a href="mailto:mtulyathan@diversitylaw.com">mtulyathan@diversitylaw.com</a>          Co-Counsel for Plaintiff and Proposed          Class and Collective Members  <b>08/03/20 Temporary e-mails:</b>  <a href="mailto:ktulyathan@diversitylaw.onmicrosoft.com">ktulyathan@diversitylaw.onmicrosoft.com</a>;  <a href="mailto:lwlee@diversitylaw.onmicrosoft.com">lwlee@diversitylaw.onmicrosoft.com</a>;  <a href="mailto:olympia@diversitylaw.onmicrosoft.com">olympia@diversitylaw.onmicrosoft.com</a></p>
<p>William L. Marder (SBN          170131)          POLARIS LAW GROUP LLP          501 San Benito Street, Suite 200          Hollister, California 95023</p>	<p>Telephone: (831)531-4214          Facsimile: (831)634-0333          E-Mail: <a href="mailto:bill@polarislawgroup.com">bill@polarislawgroup.com</a>          Co-Counsel for Plaintiff and Proposed          Class and Collective Members</p>
<p>Dennis S. Hyun (SBN 224240)          HYUN LEGAL, APC          515 South Figueroa Street, Suite          1250          Los Angeles, California 90071</p>	<p>Telephone: (213)488-6555          Facsimile: (213)488-6554          E-Mail: <a href="mailto:dhyun@hyunlegal.com">dhyun@hyunlegal.com</a>          Co-Counsel for Plaintiff and Proposed          Class and Collective Members</p>

- [by MAIL]** - I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at San Diego, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postage cancellation date or postage meter date is more than one day after date of deposit for mailing this affidavit.
- [by ELECTRONIC SUBMISSION]** - I served the above listed document(s) described via the United States District Court's Electronic Filing Program on the designated recipients via electronic transmission through the CM/ECF system on the Court's website. The Court's CM/ECF system will generate a Notice of Electronic Filing (NEF) to the filing party, the assigned judge, and any registered users in the case. The NEF will constitute service of the document(s). Registration as a CM/ECF user constitutes consent to electronic service through the court's transmission facilities.
- [by FAX]** - I caused the aforementioned document(s) to be telefaxed to the aforementioned facsimile number(s). *The facsimile machine I used complied with California Rules of Court, Rule 2003(3) and no error was reported by*

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*the machine. Pursuant to California Rules of Court, Rule 2005(i), I caused the machine to print a transmission record of the transmission, a copy of which is attached to this declaration and/or no error was reported by the machine.*

- [by OVERNIGHT DELIVERY]** - I am readily familiar with the firm's practice for collection and processing of correspondence for overnight delivery. Under that practice such correspondence will be deposited at a facility or pick-up box regularly maintained by the overnight service for receipt on the same day in the ordinary course of business with delivery fees paid or provided for in accordance with ordinary business practices.
- [by PERSONAL SERVICE]** - I caused to be delivered by messenger such envelope(s) by hand to the office of the addressee(s). Such messenger is over the age of eighteen years and not a party to the within action.

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed December 2, 2021 at San Diego, California.

\_\_\_\_\_ By: \_\_\_\_\_  
 Print Name Signature

# EXHIBIT A

**NOTICE OF CLASS ACTION SETTLEMENT**

***Arroyo, et al. v. International Paper Company***

United States District Court, Northern District of California, Case No. 5:17-cv-06211-BLF

**PLEASE READ THIS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR NOT.**

*This Court authorized this notice. This is not a solicitation from a lawyer.*

A proposed class action settlement has been reached between the parties in the above-entitled case and preliminarily approved by the Court as described below. You have received this notice because International Paper Company’s records indicate that you are one of the individuals who is entitled to participate in the settlement. If you were employed by International Paper Company (“International Paper”), as a non-exempt employee, in the State of California at any time from January 27, 2017 through June 30, 2021, you are eligible to receive a payment from the settlement.

Your settlement payment is estimated to be approximately [INSERT payment amount].

International Paper’s records indicate that:

You are a member of the CLASS (as defined on page 2) and worked a total of [INSERT # of workweeks] workweeks during the Class Period (January 27, 2017 – June 30, 2021):

The Settlement resolves a class action lawsuit alleging International Paper failed to provide accurate, itemized wage statements; failed to pay minimum wages to employees for all hours worked; failed to pay overtime to employees who worked over 40 hours in a workweek and/or 8 hours in a day; failed to reimburse business expenses and/or withhold the payment of wages for these expenses; failed to provide off-duty meal and rest periods; and failed to timely pay wages to separated employees. International Paper denies all allegations in the lawsuit and maintains it has fully complied with the law.

The parties have reached a Settlement to avoid the costs and risks of further litigation. The Settlement provides cash payments to Participating Settlement Class Members based on the total number of workweeks worked by members of the CLASS as a non-exempt employee of International Paper in California during January 27, 2017 – June 30, 2021, as described below.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>DO NOTHING</b>	If you want to participate in the settlement and receive your share of the settlement proceeds, then you should do nothing and do not request exclusion; you will receive your portion of the settlement funds. In return you will give up certain rights and will be bound by the Settlement Agreement and the Release of Claims.
<b>OBJECT</b>	You may object and tell the Court why you don’t like the settlement. If the Court approves the settlement despite your objection, you will still be bound by the settlement and subject to the Release of Claims.
<b>REQUEST EXCLUSION FROM THE SETTLEMENT</b>	If you wish to be excluded from the settlement, you must submit a written Request for Exclusion according to the instructions contained in this Notice. If you submit a Request for Exclusion, you will not be bound by the Settlement (including, but not limited to the Released Claims described under section 6) but you will <u>not</u> receive any payment under to the settlement. You will also <u>not</u> be able to object to the settlement.

- **Your options are more fully explained below. The deadline to submit an objection or request exclusion is [INSERT – Deadline - 60 days from notice mailing].**

**1. WHO IS IN THE CLASS?**

International Paper’s records show that you are a member of the CLASS, which is defined as:

CLASS: “All individuals who worked for International Paper Company in the State of California as non-exempt hourly employees from January 27, 2017 through June 30, 2021.”

## 2. WHY DID I RECEIVE THIS NOTICE?

You received this notice because International Paper’s records show that you were employed by International Paper as a non-exempt employee at some time between January 27, 2017 and June 30, 2021. This means that you have a right to know about a proposed settlement of a class action lawsuit that affects you.

The Plaintiff and International Paper have entered into a Stipulation and Settlement Agreement of Class Action Claims (“Settlement Agreement”) that will, if finally approved by the Court, fully resolve this case. The Settlement Agreement sets forth the details of the settlement. You may obtain a copy of the Settlement Agreement from either the Claims Administrator or Class Counsel. The proposed Settlement Agreement has been submitted to the Court and has been preliminarily approved for settlement purposes. The Court also appointed the law firms of Diversity Law Group, P.C., Polaris Law Group, LLP, and Hyun Legal, APC as Class Counsel to represent you and the Settlement Class.

As a member of the CLASS, you are entitled to share in the funds available for settlement of this class action. You are not being sued and you will not be individually responsible for any of the attorneys’ fees or expenses of the litigation, as the settlement requires those amounts to be paid by International Paper. Your rights will be affected by the Settlement Agreement described in this Notice whether you act or not.

The Court must finally approve the terms of the settlement described below as fair and reasonable to the Settlement Class, before it will take effect. If approved, the settlement will affect all Class Members who do not exclude themselves from the Settlement Class. An administrator that has been appointed by the Court will make all approved settlement payments after the Court orders them.

## 3. WHAT IS THIS CASE ABOUT?

Elisa Arroyo (“Plaintiff”), a former employee of International Paper, filed a class action lawsuit in the United States District Court, Northern District of California. The Plaintiff, individually and on behalf of all other non-exempt employees, alleges that International Paper failed to provide accurate, itemized wage statements; failed to pay minimum wages to employees for all hours worked; failed to pay overtime to employees who worked over 40 hours in a workweek and/or 8 hours in a day; failed to reimburse business expenses and/or withhold the payment of wages for these expenses; failed to provide off-duty meal and rest periods; and failed to timely pay wages to separated employees. Plaintiff alleges that International Paper violated California Labor Code sections 201-204, 221-224, 226, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, and 2802, and California’s Unfair Competition Law, Business and Professions Code Section 17200 *et seq.* Plaintiff also claims entitlement to civil penalties under the California Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”).

International Paper denies all the claims and contentions alleged in the lawsuit and maintains it has fully complied with the law.

The Court has made no decision on whether the claims in this lawsuit have merit.

**4. WHAT ARE THE SETTLEMENT TERMS AND HOW MUCH CAN I EXPECT TO RECEIVE IF I PARTICIPATE?**

The Court did not issue a final decision about the case. Instead of further litigation, which could have taken years with no certainty of outcome, both sides agreed to a class-wide settlement. That way, they avoid the cost of a trial and appeals, and the Class Members will get compensation sooner. Plaintiff and her lawyers believe the settlement set forth below is best for the Class Members.

**a. Summary of Settlement Terms**

International Paper will pay three million dollars (\$3,000,000) to settle this case (the “Total Settlement Amount”). From that amount, payments will be made to Class Counsel for court-approved attorneys’ fees and costs, to the Claims Administrator for administration costs, to the California Labor and Workforce Development Agency for penalties, and to the Plaintiff as a service award for her representation of the CLASS. After deduction of these amounts, the remainder – the “Net Settlement Fund” – of approximately [INSERT - \$XXXXXXX] will be distributed to Participating Settlement Class Members due to membership in the CLASS, as defined above in section 1.

The Settlement Awards paid to Class Members shall be calculated as follows:

The Net Settlement Fund shall be allocated to the Class. The workweeks for all Class Members shall be added together, and the amount of the Net Settlement Fund allocated to the Class shall be divided by the total number of workweeks to obtain a per workweek settlement amount. The Settlement Award for each Class Member shall be calculated by multiplying the individual member’s number of workweeks by the per workweek Class settlement amount.

**b. Calculation of Individual Class Member Payments**

Your Total Potential Settlement Award (i.e. the minimum amount you will receive if you do not submit a Request for Exclusion) will be calculated using the total number of workweeks you worked for International Paper during the Class Period (January 27, 2017 – June 30, 2021). The actual Settlement Award will vary depending on the number of Class Members that exclude themselves from the Settlement.

**c. Who will receive settlement payments?**

Any Class Member who was employed by International Paper in California as a non-exempt employee from January 27, 2017 through June 30, 2021 and who has (1) not submitted a timely Request for Exclusion; and (2) has cashed his or her Settlement Payment check within one hundred and eighty (180) days after mailing of their Settlement Payment Checks by the Claims Administrator.

**d. How much can I expect to receive?**

The estimated payment on this Notice states the estimated amount you can expect to receive if you participate in the settlement. This amount is based on International Paper’s employment records of your total number of workweeks worked for International Paper from January 27, 2017 – June 30, 2021.

The estimated payment amount may be reduced or increased, however, based on the number of Participating Settlement Class Members, the number of Requests for Exclusion submitted, whether additional class members are identified or come forward, the potential reallocation of some of the unclaimed funds to Participating Settlement Class Members, and the terms of the Court’s final approval order.

**(1) Applicable Tax Withholding and Responsibility for Taxes**

Settlement Awards to Participating Settlement Class Members due to their membership in the CLASS are allocated for tax purposes as follows: (1) One fifth (1/5) of each payment will be considered as wages; and (2) four fifths (4/5) of the payment will be treated as interest and penalties. In accordance with applicable tax laws, required tax withholdings will be taken from each Participating Settlement Class Members’ 1/5 payment representing wages and remitted to the appropriate taxing authorities. Participating Settlement Class Members will be responsible for the tax consequences of all payments received by them, for filing returns and reporting all income received to state and federal taxing authorities, and for payment of any other applicable taxes due. The parties to the case cannot provide and will not provide any advice regarding tax obligations. You should seek tax advice as to any amounts you receive pursuant to the Settlement from your own tax advisor.



Class Members shall have one hundred and eighty (180) days after mailing of the Settlement Payment checks by the Claims Administrator to cash their Settlement Payment checks. If such Class Members do not cash their checks within this period, the Claims Administrator shall pay the unclaimed funds to Memphis Area Legal Services, Inc. as the *cy pres* recipient. Whether or not such Class Members receive any payment due to their failure to timely cash their Settlement Payment checks, the terms of the Settlement Agreement shall be binding upon them

**e. Additional payments to the Named Plaintiff**

The Court has also preliminarily approved a payment of \$10,000 to Plaintiff as a service award. The service award will be paid from the Total Settlement Amount. The service award is to compensate Plaintiff for her risk incurred and time and efforts in assisting with the prosecution of the Action on behalf of the Class Members and in return for executing a General Release of all Claims against the Released Parties, which is broader than the release applicable to the Settlement Class Members who are not a named plaintiff.

**f. Attorneys' fees and costs for Class Counsel**

All payments for Class Counsel's attorneys' fees and costs will be deducted from the Total Settlement Amount. Class Counsel will apply to the Court for final approval of their attorneys' fees and costs. The attorneys for the Class will ask for reimbursement of their costs up to \$75,000.00 actually incurred in litigating this case and for fees of up to \$1,000,000.00. The amount of fees and costs awarded will be determined by the Court, and will be paid from the Total Settlement Amount paid by International Paper.

**g. Settlement Administration Costs**

Costs incurred by the Claims Administrator in connection with providing Notice to the Class, receiving and determining challenges to estimated settlement payment amounts, receiving and forwarding to the Court and the parties Requests for Exclusion and objection letters received, if any, and calculating and distributing payments due to Participating Settlement Class Members and others entitled to settlement payment under the terms of the Settlement Agreement as approved by the Court, will be paid from the Total Settlement Amount up to a maximum of \$22,125.00. The Claims Administrator is:

Phoenix Settlement Administrators  
[INSERT contact information]

**h. Payment to the California Labor and Workforce Development Agency**

A. \$200,000.00 of the Total Settlement Sum will be allocated as penalties authorized by the Private Attorneys General Act, of which \$150,000.00 will be paid to the California Labor and Workforce Development Agency and \$50,000.00 will be paid to PAGA Group Members, including members of the Reimbursement PAGA Subgroup, according to their proportional share, which will be calculated and will be based upon the total number of pay periods they worked as nonexempt employees in California during the PAGA Period plus the number of pay periods their wages were deducted for a "Uniform Local" expense during the Reimbursement PAGA Subgroup Period, if any. The PAGA Period is January 27, 2017 to June 30, 2021, and the Reimbursement PAGA Subgroup Period is July 24, 2016 to June 30, 2021. The individual share will be calculated by determining the total cumulative number of pay periods at issue between the PAGA Group and the Reimbursement PAGA Group, and dividing that number into the \$50,000 amount allocated to PAGA Group Member and Reimbursement PAGA Subgroup Member to determine the monetary value assigned to each pay period. That number will then be multiplied by the individual PAGA Group Member's total number of pay periods employed during the PAGA Timeframe Period to determine that individual's proportional share.

**i. All Payments Subject to Court Approval**

All of the payments listed above will be made if and only if the Court grants final approval of the Settlement Agreement based on its finding that the settlement is reasonable, fair, and adequate for the Class. The amounts of the payments may be adjusted by the Court.

**5. WHAT ARE MY OPTIONS?**

You may participate in the settlement, in which case you need not take any action as this will occur automatically. Alternatively, you can request exclusion from the settlement or object to the settlement. The option you choose



affects whether you receive a settlement payment and whether you give up certain rights. These options are also summarized in the chart on the first page of this Notice.

**a. HOW DO I REQUEST TO BE EXCLUDED FROM THE SETTLEMENT?**

If you do not wish to participate in the Settlement, you may exclude yourself (“opt out”) by sending a Request for Exclusion to the Claims Administrator listing your name, address, and the last four digits of your social security number along with the following statement:

“I wish to be excluded from the *Arroyo v. International Paper* Class Settlement.”

The Request for Exclusion must be completed, signed, dated, and returned to the Claims Administrator as follows:

Arroyo, et al. v. International Paper

c/o [INSERT]

[INSERT]

[INSERT]

Any person who submits a timely Request for Exclusion shall, upon receipt, no longer be a member of the Settlement Class, shall be barred from participating in any portion of the Settlement, and shall receive no money from the Settlement. Any such person, at his/her own expense, may pursue any claims he/she may have against International Paper. However, there are deadlines to pursuing such claims, known as statutes of limitation. Please consult an attorney of your choice to ensure you are not forever barred from pursuing a claim if you decide to opt out of this Settlement.

Furthermore, any Class Member who (1) returns a timely, valid, and executed Request for Exclusion; and (2) is a member of the class certified by the Court in the above-entitled case on April 4, 2019, defined as “All non-exempt employees who were employed by International Paper Company, a New York corporation, in the State of California and who were provided wage statements containing payment for overtime wages which were created from data from the Workbrain system at any time from January 27, 2017 through the present,” and who did not opt-out after receiving the post-certification class notice pursuant to Federal Rules of Civil Procedure, Rule 23(c)(2)(B), will remain bound by the Court’s summary judgment order.

These class members who are bound by the Court’s summary judgment order will be included as Settlement Class Members and may still participate in this Settlement unless they submit a Request for Exclusion. A Class Member who does not complete and mail a timely Request for Exclusion will automatically be included in the Settlement, will receive an individual settlement share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.

**THE REQUEST FOR EXCLUSION MUST BE POSTMARKED NO LATER THAN [INSERT – RESPONSE DEADLINE – 60 DAYS FROM NOTICE MAILING].**

**b. HOW DO I OBJECT TO THE SETTLEMENT?**

You may object to the terms of the Settlement before final approval. If you choose to object to the Settlement, you may represent yourself or hire your own attorney. You must file a written objection and notice of intention to appear at the Final Approval Hearing described below in Section 10. You must send these documents, along with any briefs, exhibits, and/or other material that you wish the Court to consider to the Claims Administrator.

Any objections should state each specific reason for your objection and any legal support for each objection. To be valid and effective, any objections to the proposed Settlement must be sent to the Claims Administrator and postmarked by [INSERT – Objection/Exclusion Deadline date – 60 days from notice mailing].

If you have satisfied the requirements set forth above, you have the right to address the Court at the hearing scheduled for [INSERT – date/time of final approval hearing] before the Honorable Beth Labson Freeman, United States District Court, Northern District of California, Courtroom 3 – 5th Floor, 280 South 1st Street, San Jose, CA 95113. For your objections to be considered, you cannot also submit a Request for Exclusion.

**IF THE COURT REJECTS YOUR OBJECTION AND APPROVES THE SETTLEMENT, YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT.**

**6. RELEASED CLAIMS -- WHAT WILL I GIVE UP IF I PARTICIPATE IN THE SETTLEMENT?**

Upon the final approval of the Settlement by the Court, each member of the Settlement Class (other than opt-outs), will have released all wage-and-hour claims, demands, rights, liabilities, costs, penalties, interest, and attorney's fees for all claims in the Complaint, the PAGA notice, and all claims that could have been pled arising out of similar operative facts, conduct, and/or omissions including but not limited to claims for (1) unpaid reimbursements; (2) wage statement violations; (3) unpaid wages, including minimum wages, regular wages, overtime and double overtime wages; (4) failure to provide meal periods or meal period premiums; (5) failure to provide rest periods or rest period premiums; (6) failure to timely pay all wages due upon separation of employment; (7) failure to maintain and provide accurate records; (8) unfair business practices premised on alleged violations of the California Labor Code; (9) penalties under the California Private Attorneys General Act ("PAGA"). The Released Claims do not cover or include (1) claims for Workers' Compensation, (2) claims for unemployment or disability payments, (3) claims for discrimination, retaliation or harassment under Title VII or California's Fair Employment and Housing Act, (4) tort claims, or (5) any other claims that cannot be released as a matter of law. The Released Claims shall run during the entire Class Period. As of the Effective Date of Settlement, each Class Member who has not filed a valid Request for Exclusion shall be deemed to have fully, finally, and forever released, relinquished, and discharged all Released Claims. This waiver and release of claims shall be binding on the Named Plaintiff and all members of the Class who have not timely submitted a valid Request for Exclusion, including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties.

Class Members who do not exclude themselves from the settlement will be considered to have accepted the release and to have waived any and all of the Released Claims against the Released Parties.

The "Released Parties" means International Paper Company and each of its former or present parents, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, members, managers, holding companies, insurers, and attorneys.

**7. WILL I BE SUBJECT TO DISCIPLINE BASED ON WHETHER I PARTICIPATE IN THE SETTLEMENT?**

California law protects individuals and employees from retaliation based on their decision to participate or not participate in a class action settlement. International Paper is prohibited by law from retaliating in any way based on your decision to participate or not participate in the settlement. Your decision to participate, not participate, or object to this Settlement will not impact your employment with International Paper or International Paper's treatment of you as a former employee.

**8. WHO ARE THE LAWYERS REPRESENTING THE PARTIES?**

Attorneys for Plaintiff and the Class:

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**9. WHERE CAN I GET ADDITIONAL INFORMATION?**

This Notice only summarizes this lawsuit, the settlement, and related matters. For the precise terms and conditions of the Settlement, please see the Settlement Agreement, approval papers (including motion for attorneys' fees and costs), and other documents in this Lawsuit, by accessing [www. \[REDACTED\].com](http://www. [REDACTED].com), by contacting Class Counsel at their contact information above, by contacting the settlement administrator at their contact information listed below, by accessing the Court docket in this case (for a fee) through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 280 South 1st Street, San Jose, CA 95113, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

If you want more information, please contact the following court-appointed neutral third-party Claims Administrator:

**Arroyo, et al. v. International Paper Claims Administrator**

c/o [REDACTED]

P.O. Box [insert]

[REDACTED], CA [REDACTED]

**Toll Free Telephone Number: [insert]**

**10. FINAL APPROVAL HEARING**

The United States District Court, Northern District of California will hold a hearing in Courtroom 3 located on the 5th Floor, 280 South 1st Street, San Jose, CA 95113 on [INSERT – Final approval hearing date/time] to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will be asked to approve Class Counsel's request for attorneys' fees and litigation costs and the service award to be paid to the Plaintiff. The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing unless you object to the proposed Settlement and you have timely filed an objection with the Claims Administrator. Please continue to check the Court's PACER website and/or the Administrator's website to confirm whether the final approval hearing date and time has changed.

**PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.**