

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].
International Paper’s records indicate that:
You are a member of the Class (as defined on page 2) and worked a total of [weeks] 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.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	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.
OBJECT	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.
REQUEST EXCLUSION FROM THE SETTLEMENT	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 November 12, 2022.**

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 \$1,742,875.00 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.

(2) Unclaimed Amounts/Uncashed Checks

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 the California State Bar Justice Gap Fund 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
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

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 Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

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 NOVEMBER 12, 2022.

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 **November 12, 2022**.

If you have satisfied the requirements set forth above, you have the right to address the Court at the hearing scheduled for December 8, 2022, at 9:00 a.m. 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, guardian’s 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.phoenixclassaction.com/arroyo-v-international-paper/ 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 Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA 92863

Telephone: (800) 523-5773

Facsimile: (949) 209-2503

Email: notice@phoenixclassaction.com

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 December 8, 2022, at 9:00 a.m. 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.**