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7 CVS PHARMACY, INC.; CORAM SPECIALTY
8 INFUSION SERVICES, L.L.C.

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10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF MERCED**

12 SERENA PELLEGRINO, on behalf of herself
13 and others similar situated,

14 Plaintiff,

15 vs.

16 CVS PHARMACY, INC., a Rhode Island
corporation; CORAM SPECIALTY
17 INFUSION SERVICES, L.L.C., a Delaware
limited liability company; and DOES 1
18 through 100, inclusive,

19 Defendants.

Case No. 22CV-03434

Assigned to: Hon. Brian McCabe

**CLASS AND PAGA ACTION
SETTLEMENT AGREEMENT AND
RELEASE**

Action Filed: October 21, 2022

1 This Class and PAGA Action Settlement Agreement and Release is entered into by and
2 between Plaintiff Serena Pellegrino, on behalf of herself and all others similarly situated members
3 of the “Participating Settlement Employees” (defined below), on the one hand, and Defendants
4 CVS Pharmacy, Inc., and Coram Specialty Infusion Services, LLC (together, “Defendants” or
5 “CVS”) on the other hand. This Class and PAGA Action Settlement Agreement and Release
6 shall be binding on Plaintiff, the Participating Class Members and PAGA Employees, the State of
7 California, and on Defendants and subject to the definitions, recitals, and terms set forth herein
8 and the approval of the Court.

9 **I. DEFINITIONS**

10 1. “Action” means the lawsuit entitled *Serena Pellegrino v. CVS Pharmacy, Inc., et*
11 *al.*, Case No. 22CV-03434, pending in the Superior Court of California, County of Merced.

12 2. “Plaintiff” means Serena Pellegrino.

13 3. “Defendants” means CVS Pharmacy, Inc., and Coram Specialty Infusion Services,
14 LLC, (collectively, “CVS”).

15 4. “Parties” means collectively Plaintiff and Defendants, as defined herein.

16 5. “Court” means the Superior Court of California, County of Merced.

17 6. “Complaint” means the Complaint filed in this Action by Plaintiff on October 21,
18 2022, in this Court.

19 7. “Defendants’ Counsel” means Morgan Lewis & Bockius LLP.

20 8. “Class Counsel” means CounselOne, P.C. and W. Employment Law, A.P.C.

21 9. “Class Member(s)” means all current and former employees classified as exempt
22 under the outside sales exemption who worked for Coram Specialty Infusion Services, LLC in the
23 state of California, during the Class Period.

24 10. “Class Period” means between October 21, 2018 to the earlier date of either
25 preliminary approval or August 21, 2023, inclusive.

26 11. “Class Claims” means all wage and hour claims, rights, demands, liabilities and
27 causes of action of every nature and description made or which could have been made on behalf
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of Class Members based on the facts or claims plead in the operative Complaint which occurred during the Class Period, including but not limited to, claims based on the following categories of allegations during the Class Period: (a) all claims for unpaid minimum wages; (b) all claims for unpaid overtime; (c) all claims for meal period violations; (d) all claims for rest period violations; (e) all claims for failure to provide accurate, itemized, or otherwise proper wage statements; (f) all claims for failure to timely pay wages during employment, including at or after termination of employment; (g) all claims for failure to reimburse business expenses; (h) all claims for failure to maintain accurate and complete payroll records; (i) all claims asserted through California Business & Professions Code §17200 et seq. arising out of the aforementioned claims; (j) all claims asserted through California Labor Code sections 2699 *et seq.* (the Private Attorneys General Act of 2004 (“PAGA”)) arising out of the aforementioned claims; (k) all other claims for penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, equitable relief, or additional damages that allegedly arise out of the aforementioned claims. The Class Claims specifically include claims arising under the California Labor Code, including, without limitation, §§ 90.5, 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698-2699.5, Cal. Business & Professions Code §§ 17200, et seq., California Civil Code sections 3287(b) and 3289, and Cal. Code of Civil Procedure § 1021.5, and any derivative claims based on such alleged violations, including those under any applicable California Industrial Welfare Commission Wage Order.

12. “Class Notice” shall mean the document attached hereto as **Exhibit A**.

13. “Date of Preliminary Approval” means the date the Court preliminarily approves this Settlement Agreement, and the exhibits thereto, and enters an order preliminarily approving the Settlement.

14. “Class Settlement Payment” is the allocation from the Net Settlement Amount paid to Participating Class Members on a pro rata basis and does not include the PAGA Employee Payment to PAGA Employees.

1 15. “Effective Date” means the date the Final Order and Judgment becomes binding.
2 The Final Order and Judgment becomes binding on the later of: (i) fifteen (15) calendar days after
3 entry of the Final Order and Judgment if no Participating Class Member objects to the Settlement;
4 or (ii) if one or more Participating Class Member(s) object to the Settlement, the day after the
5 deadline for filing a notice of appeal from the Final Order and Judgment (*i.e.*, 61 days from notice
6 of entry of judgment); or (iii) if a timely appeal from the Final Order and Judgment is filed, the
7 date of final resolution of any challenge to the Final Order and Judgment where the resolution
8 affirms the final approval order and judgment. The Effective Date cannot occur, and Defendants
9 will not be obligated to fund this Settlement, unless and until there is no possibility of an appeal
10 or further appeal (by anyone who has the right to, or claims to have the ability to, take an appeal)
11 that could potentially prevent this Settlement Agreement from becoming final and binding.

12 16. “Fairness Hearing” means the hearing on Plaintiff’s motion for judgment and final
13 approval of this Settlement.

14 17. “Final Order and Judgment” means the final order entered by the Court after the
15 Fairness Hearing, approving the settlement and entering judgment pursuant to this Settlement
16 Agreement, and which shall be substantially in the form attached hereto as **Exhibit B.**

17 18. “Net Settlement Amount” means the portion of the Gross Settlement Amount
18 eligible for distribution to Participating Class Members. It equals the Gross Settlement Amount
19 less Class Counsel’s attorneys’ fees and actual litigation costs as ordered to be paid by this Court,
20 Settlement Administration Expenses, the PAGA Payment, and Service Enhancement to Plaintiff.

21 19. “Gross Settlement Amount” is the sum of Three Hundred Thousand Dollars
22 (\$300,000.00), which represents the maximum amount payable in this Settlement by Defendants,
23 and includes all attorneys’ fees, litigation costs, settlement administration fees, and enhancement
24 payment to the Class Representative.

25 20. “Order Granting Preliminary Approval” means the Order entered by the Court
26 substantially in the form attached hereto as **Exhibit C** and preliminarily approving, *inter alia*, the
27 terms and conditions of this Settlement Agreement, the manner and timing of providing notice to
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1 the Settlement Employees, and the time period for Class Members to opt-out of and/or make
2 objections to the settlement of the Class Claims under this Settlement.

3 21. "PAGA" means the California Labor Code Private Attorneys General Act,
4 California Labor Code §§ 2698 *et seq.*

5 22. "PAGA Claims" means all claims for PAGA civil penalties that were stated or
6 could have been stated based on the facts alleged in the Action based on the allegations in the
7 Complaint and LWDA Notice, including but not limited to claims for PAGA civil penalties based
8 on the Class Claims, and that occurred during the PAGA Period.

9 23. "PAGA Employees" all current and former employees classified as exempt under
10 the outside sales exemption who worked for Coram Specialty Infusion Services, LLC, in the state
11 of California, during the PAGA Period.

12 24. "PAGA Period" means the period between March 3, 2021 and earlier date of
13 preliminary approval or August 21, 2023, inclusive.

14 25. "PAGA Payment" means the \$40,000.00 of the Gross Settlement Amount
15 allocated to the settlement of PAGA Claims which is comprised of the LWDA PAGA Penalty
16 Amount and the PAGA Employee Payment.

17 26. "PAGA Employee Payment" is the 25% share of the \$40,000.00 (or \$10,000.00)
18 allocated from the Gross Settlement Amount for PAGA penalties that will be paid to members of
19 the PAGA Group.

20 27. "LWDA" means the California Labor and Workforce Development Agency.

21 28. "LWDA PAGA Penalty Amount" is the 75% share of the \$40,000.00 (or
22 \$30,000.00) allocated from the PAGA Payment for civil penalties that will be paid to the LWDA.

23 29. "Participating Class Members" means those Class Members who do not opt out or
24 otherwise exclude themselves from the settlement of the Class Claims portion of this Settlement.

25 30. "Participating Settlement Employees" means all Participating Class Members and
26 PAGA Employees.

1 31. “Released Class Claims” means the Class Claims that Participating Class
2 Members are fully and irrevocably releasing the Released Parties from in exchange for the
3 consideration provided by this Settlement Agreement. The Released Class Claims are set forth in
4 further detail in Section VII, Paragraph 82 below.

5 32. “Released PAGA Claims” means the PAGA Claims that Plaintiff, on behalf of
6 herself, the State of California and PAGA Employees, are fully and irrevocably releasing the
7 Released Parties from provided by this Settlement Agreement. The Released PAGA Claims are
8 set forth in further detail in Section VII, Paragraph 84 below.

9 33. “Released Parties” means CVS Pharmacy, Inc. and Coram Specialty Infusion
10 Services, LLC, and their affiliates, divisions, subsidiaries, parents, predecessors, any merged
11 entity or merged entities and/or its or their present and former officers, partners, directors,
12 managers, supervisors, employees, attorneys, agents, shareholders and/or successors, assigns,
13 trustees, heirs, administrators, executors, representatives and/or principals thereof.

14 34. “Request for Exclusion” means a written request to opt out of the settlement of
15 Class Claims in this Settlement completed by a Class Member and timely submitted to the
16 Settlement Administrator as set forth in this Settlement Agreement.

17 35. “Service Enhancement” means the incentive payment to the Plaintiff in
18 recognition of her services in prosecuting this Action on behalf of the Class (allocation at 75%)
19 and in exchange for her executing a general release of Defendants (allocated at 25%), not to
20 exceed Ten Thousand Dollars (\$10,000.00).

21 36. “Settlement Administrator” means CPT Group, Inc. or other mutually agreed upon
22 third-party administrator.

23 37. “Settlement Administration Expenses” means those expenses incurred by the
24 Settlement Administrator in effectuating the Settlement.

25 38. “Settlement Agreement” means this Class Action Settlement and Release.

26 39. “Settlement Employees” means all Class Members and PAGA Employees.

27 40. “Settlement Employee Data” means all information that CVS provides to the
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1 Settlement Administrator that identifies or can be used to identify Settlement Employees,
2 including, without limitation, their names, addresses, phone numbers, email addresses, employee
3 numbers, and social security numbers, and the respective number of workweeks and pay periods
4 each Settlement Employee worked during the Class Period and PAGA Period.

5 41. "Settlement Period" means the applicable Class Period and PAGA Period, as
6 defined herein.

7 **II. LITIGATION BACKGROUND**

8 42. On March 3, 2022, Plaintiff filed a notice with the LWDA.

9 43. On October 21, 2022, Plaintiff filed a lawsuit in the Superior Court of California,
10 County of Merced, alleging wage and hour and derivative claims under the California Labor
11 Code, the Private Attorneys General Act (PAGA), and the Unfair Competition Law, under a
12 misclassification theory.

13 44. CVS denies Plaintiff's claims, and asserts that, during all relevant times, Class
14 Members were exempt from the various wage and hour laws under the California and federal law.
15 CVS also asserts that, at all times, Class Members received wage statements that were compliant
16 with the Labor Code, were timely paid all wages as required under the Labor Code, and that Class
17 Members who ended their employment with CVS during the Class Period were properly
18 compensated for all wages due as required by California law. Consequently, CVS does not
19 believe that any liability to Plaintiff or Class Members exists, or that Plaintiff or Class Members
20 are entitled to any recovery. In addition, CVS contends that Plaintiff's claims are not suitable for
21 class or representative treatment. CVS has agreed to resolve the Action via this Settlement
22 Agreement, but to the extent this Settlement Agreement is deemed void or the Effective Date
23 does not occur, CVS does not waive, but rather expressly reserves, all rights to challenge all such
24 claims and allegations in the Action upon all procedural, merit, and factual grounds, including,
25 without limitation, the ability to challenge class and representative treatment on any grounds, the
26 ability to compel some or all claims to individual arbitration, as well as asserting any and all other
27 privileges and potential defenses.

1 45. It is the desire of the Parties to fully, finally, and forever settle, compromise, and
2 discharge all Released Class Claims and Released PAGA Claims against the Released Parties.

3 46. It is the intention of the Parties that this Settlement Agreement shall constitute a
4 full and complete settlement and release of the Released Class Claims and Released PAGA
5 Claims as to all of the Released Parties.

6 **III. JURISDICTION AND VENUE**

7 47. This Court has jurisdiction over the Parties and the subject matter of this Action.
8 This Court will have continuing jurisdiction under C.C.P. section 664.6 over the terms and
9 conditions of this Class Action Settlement Agreement and Release, until all payments and
10 obligations provided for herein have been fully executed.

11 **IV. TERMS OF SETTLEMENT**

12 48. **Non-Admission.** Nothing in this Settlement Agreement, or any communications,
13 papers, or orders related to this Settlement Agreement, shall be construed to be or deemed an
14 admission by the Released Parties of any liability, culpability, or wrongdoing toward the Plaintiff,
15 the Settlement Employees, or any other person, and Defendants specifically disclaim any liability,
16 culpability, or wrongdoing toward the Plaintiff, the Settlement Employees, or any other person, or
17 that class certification or a representative action is appropriate in this or any other matter. Each of
18 the Parties has entered into this Settlement Agreement with the intention to avoid further disputes
19 and litigation with the attendant inconvenience, expenses, and contingencies. This Settlement
20 Agreement and any communications, papers, or orders related to the Settlement Agreement may
21 not be cited or otherwise admitted as evidence of liability or that class certification is appropriate
22 or that a representative action could ever be manageably tried before a court. There has been no
23 final determination by any court as to whether a class should be certified, or whether the
24 representative claims can manageably be adjudicated, other than for settlement purposes only.
25 Furthermore, nothing in this Settlement shall be considered any form of waiver of any alternative
26 dispute resolution provisions, including, but not limited to, those provisions in CVS' Arbitration
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1 of Workplace Legal Disputes training program, or any other applicable alternative dispute
2 resolution policy.

3 49. **Certification of Class Members as to Class Claims and Approval of**
4 **Representative Action.** The Parties stipulate, for settlement purposes only, to the certification
5 by the Court of a class of Class Members as to all Class Claims asserted in the Action for
6 settlement purposes only. The Parties also stipulate to the approval by the Court of a PAGA
7 representative action as to all PAGA Claims asserted in the Action for settlement purposes only.
8 The Parties further stipulate that, for settlement purposes only, CounselOne, P.C. and W.
9 Employment Law, A.P.C., may be preliminarily and conditionally appointed as Class Counsel.
10 CVS' stipulation to the certification of a class of Class Members and to a representative action for
11 PAGA Employees shall not be construed as an admission or acknowledgment of any kind that
12 any class should be certified or that any claims should be given class or representative action
13 treatment.

14 50. **Non-Approval By The Court.** In the event that this Settlement Agreement is not
15 approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the
16 Court:

- 17 (a) The Settlement Agreement shall have no force or effect, other than the
18 confidentiality and non-disclosure provisions and the non-admission
19 provisions;
- 20 (b) The Settlement Agreement shall not be admissible in any judicial,
21 administrative or arbitral proceeding for any purpose or with respect to any
22 issue, substantive or procedural;
- 23 (c) The preliminary certification of the class of Class Members and the
24 approval of a representative action shall become null and void, and the fact
25 that the Parties stipulated to the certification of Class Members and Class
26 Claims, and to approval of representative treatment of the PAGA Claims,
27 for purposes of this Settlement shall not be admissible in any judicial,

administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

- (d) None of the Parties to this Settlement Agreement will be deemed to have waived any claims, objections, defenses or arguments with respect to the issue of class certification, representative treatment, or the merits of Plaintiff's claims.

51. **Settlement Allocation.** CVS agrees to pay a Gross Settlement Amount of Three Hundred Thousand Dollars (\$300,000.00). The Parties agree, subject to Court approval, to the following allocations:

- (a) From the Gross Settlement Amount, Class Counsel may seek from the Court a maximum of \$105,000.00 (35%) of the Gross Settlement Amount in attorneys' fees in addition to actual litigation costs of up to \$22,000.00 for serving as Class Counsel, which CVS will not oppose.
- (b) From the Gross Settlement Amount, Plaintiff may seek from the Court Service Enhancement not to exceed \$10,000.00 for her efforts and service leading to this Settlement, which CVS will not oppose.
- (c) From the Gross Settlement Amount, the Parties agree to allocate the payment of Settlement Administration Expenses in a reasonable amount, which amount shall not exceed \$20,000.00.
- (d) If the Court approves a lesser amount of attorney's fees, litigation costs, Service Enhancements, or Settlement Administration Expenses than those sought by Plaintiff and/or Class Counsel, any amount disallowed by the Court shall be added to the Net Settlement Amount and apportioned equally to Participating Class Members.
- (e) From the Gross Settlement Amount, the Parties agree to allocate \$40,000.00 to the PAGA Payment as follows: (1) the \$30,000.00 LWDA Penalty Amount, and (2) the \$10,000.00 PAGA Employee Payment on a

1 pro rata basis based on the number of pay periods that PAGA employees
2 were employed during the PAGA Period. CVS shall provide the
3 Settlement Administrator the number of pay periods worked by PAGA
4 Employees during the PAGA Period. The number of pay periods
5 employed by PAGA Employees shall be determined based on CVS's
6 employment records. The PAGA Employee Payment shall be treated as
7 miscellaneous income, which shall be reported on an IRS 1099 without
8 withholdings.

9 (f) The Net Settlement Amount is the balance of the Gross Settlement Amount
10 including interest accruing to it, after payments have been made for
11 attorneys' fees and litigation expenses, Settlement Administration
12 Expenses, Plaintiff's Service Enhancement, and the PAGA Payment (the
13 LWDA PAGA Penalty Amount and the PAGA Employee Payment).
14 Settlement Payments shall be allocated to the Participating Class Members
15 for allegedly unpaid wages, overtime, premium wages, the Participating
16 Class Members' share of payroll taxes, and related fees, interest, and
17 penalties. The Net Settlement Amount shall be used to pay all Settlement
18 Payment amounts due to Participating Class Members based on their
19 workweeks as exempt under the outside sales exemption and employed in
20 California during the Class Period.

21 52. **Objections by Participating Class Members to the Settlement of Class Claims.**

22 Any Class Member who opts out of the settlement of the Class Claims may not object to the
23 settlement. Any Class Member who does not opt out will become a Participating Class Member,
24 and will still be bound by the settlement even if s/he objects to the settlement and his/her
25 objection is overruled. The procedure for filing an objection is described in more detail in
26 Paragraph 61, below.

1 53. **Opt Outs By Class Members from the Settlement of Class Claims.** Class
2 Members who wish to “opt-out” of and be excluded from the settlement of the Class Claims must
3 submit a written Request for Exclusion to the Class Claims aspects of the settlement, as described
4 in more detail in Paragraph 62, below. Even if a Class Member opts out of the settlement of the
5 Class Claims, he/she shall receive his/her portion of the PAGA Employee Payment, and shall be
6 deemed to have fully, finally, and forever released the Released Parties from the Released PAGA
7 Claims as set forth in full in Section VII, below. In the event any Class Members opts out of the
8 Settlement, Defendants have the right to retain the Settlement share of any Class Member who
9 opts out.

10 54. **Releases.** Upon the Effective Date, all Participating Settlement Employees shall
11 be deemed to have fully, finally, and forever released all Released Parties from the Released
12 Class Claims and Released PAGA Claims as set forth in full in Section VII, below.

13 55. **No Reliance.** All Parties represent that they have not received, and shall not rely
14 on, advice or representations from other Parties or their agents or attorneys regarding the tax
15 treatment of payments under federal, state, or local law.

16 56. **Entry of Judgment.** At the Fairness Hearing, the Parties will request that the
17 Court, among other things: (a) certify the Class Members and Class Claims for purposes of
18 settlement only; (b) enter a Final Order and Judgment substantially in the form attached hereto as
19 **Exhibit B**; (c) approve the settlement of the Class Claims as fair, adequate, reasonable, and
20 binding on all Participating Settlement Employees; (d) approve the settlement of the PAGA
21 Claims as providing genuine and meaningful relief, consistent with the underlying purpose of the
22 PAGA to benefit the public; (e) enter a Judgment terminating the Action with prejudice; (f) enter
23 an order permanently enjoining all Participating Settlement Employees from pursuing and/or
24 seeking to reopen claims that have been released by this Agreement; and (f) incorporate the terms
25 of this Settlement Agreement into its Final Order and Judgment.

1 57. **Notice to the LWDA.** In connection with their filing of a motion requesting
2 preliminary approval of the Settlement, Plaintiff and Class Counsel shall notify the LWDA of the
3 existence of the Settlement as required pursuant to Labor Code Section 2699 et seq.

4 **V. SETTLEMENT ADMINISTRATION**

5 58. **Summary of Duties.** The Settlement Administrator shall be responsible for:
6 (a) estimating each Settlement Employee's recovery from the Net Settlement Amount;
7 (b) preparing and mailing Class Notices with estimated settlement payment amounts to all
8 Settlement Employees, including taking appropriate steps to trace, update and locate any
9 individual Settlement Employee whose address or contact information as provided to the
10 Settlement Administrator is inaccurate or outdated; (c) receiving and serving on Class Counsel,
11 Defendants' Counsel, and the Court, any opt out statements, copies of written objections,
12 workweek and/or pay period disputes, and any withdrawal and rescission statements from Class
13 Members; (d) providing to Class Counsel and Defendants' Counsel a weekly report of activity;
14 (e) establishing a toll-free telephone line and responding to inquiries and requests for information
15 or assistance from Settlement Employees and establishing and hosting a dedicated case settlement
16 website; (f) maintaining the Gross Settlement Amount account at a federally insured banking
17 institution; (g) determining and paying the final amounts due to be paid to Participating
18 Settlement Employees after adjustment for funds due to Class Members who opt out of the
19 settlement of Class claims; (h) preparing and delivering to Participating Settlement Employees
20 necessary tax reporting documents, including Form 1099 where applicable, (i) reporting to Class
21 Counsel, Defendants' Counsel, and the Court regarding the completion of the tasks identified in
22 this paragraph; and (j) carrying out other related tasks in accordance with the terms of this
23 Settlement Agreement.

24 59. **Use of Settlement Employee Data.** The Settlement Administrator has, and will
25 maintain for as long as it accesses, processes, stores or transmits any Settlement Employee Data
26 supplied by CVS, a comprehensive, written information security program that complies with
27 applicable law and industry best practices (the "Security Program"). The Security Program will
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1 apply to all locations, systems, devices and equipment used by the Settlement Administrator (or
2 any vendors, subcontractors, or third parties retained by Administrator) to access, process, store,
3 or transmit Settlement Employee Data (“Administrator Systems”), and it will include physical,
4 administrative, and technical security controls that prevent unauthorized access to, disclosure of,
5 loss of, or use of the Administrator Systems and the Settlement Employee Data that those
6 Administrator Systems process, store, or transmit. In the event that the Settlement Administrator
7 suspects that any Administrator Systems or Settlement Employee Data that the Administrator
8 Systems or the Settlement Administrator processes, stores, or transmits is subject to any suspected
9 or actual unauthorized access, use, or disclosure, the Settlement Administrator will immediately
10 notify counsel for CVS. The Settlement Administrator shall use Settlement Employee Data only
11 to the extent necessary to administer the settlement, shall securely delete Settlement Employee
12 Data when no longer required for that purpose or by law, and shall not disclose Settlement
13 Employee Data to any third party.

14 60. **Disputes.** All disputes relating to the Settlement Administrator’s ability and need
15 to perform its duties shall be referred to the Court, if necessary, which will have continuing
16 jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and
17 obligations contemplated by the Settlement Agreement have been fully executed.
18 Notwithstanding the terms herein, the Court will have authority to review any objection, request
19 for exclusion or workweek/pay period disputes, even if untimely, and is the final arbiter.

20 61. **Objections.** Class Members may only object to the settlement of the Class
21 Claims. The Settlement Administrator shall receive any objections from Participating Class
22 Members, and verify their timeliness. All objections must be sent to the Settlement Administrator
23 no later than sixty (60) days from the date of mailing of the Notice, and such deadline applies
24 notwithstanding any argument regarding non-receipt of the Notice. An objection must: (1) be
25 signed by the Participating Class Member; (2) contain the case name and case number of the
26 Lawsuit; (3) contain the Participating Class Member’s full name, telephone number, mailing
27 address, and last four digits of his or her social security number; (4) clearly state the factual and
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1 legal basis for objecting to the Settlement; (5) the name and address of legal counsel if the
2 Participating Class Member is represented by counsel for purposes of objecting; and (6) indicate
3 whether the Participating Class Member intends to appear at the Final Approval Hearing and
4 seeks to be heard at the Final Approval Hearing. The date of the postmark on the envelope
5 containing the objection shall be the exclusive means used to determine whether the objection has
6 been timely submitted. Anyone who fails to postmark an objection in this manner shall be
7 deemed to have waived any objections and shall be foreclosed from making any objection to the
8 Settlement and from filing any appeal from any Final Order and Judgment issued by the Court.
9 The Parties may file a response to any objections submitted by Participating Class Members at or
10 prior to the Fairness Hearing. Participating Class Members shall be permitted to withdraw their
11 objections in writing by submitting a withdrawal statement to the Settlement Administrator not
12 later than one (1) business day prior to the Court's Fairness Hearing, or as otherwise ordered by
13 the Court. The Court, for good cause, may hear all objections, even if untimely or considered
14 invalid by the Settlement Administrator.

15 62. **Requests for Exclusion.** Class Members may only opt out of the settlement of the
16 Class Claims. The Settlement Administrator shall receive any opt outs from Class Members, and
17 verify their timeliness and compliance with these terms. Any request to opt out must bear a post-
18 mark within sixty (60) days from the date of mailing of the Notice. The request to opt-out must
19 include: (a) the Class Member's name; (b) a statement that the Class Member desires to exclude
20 himself or herself from the Settlement; and (c) the last four digits of the Class Member's social
21 security number. For convenience, a pre-printed opt-out/request for exclusion form will be
22 attached to the Notice. If a Class Member submits a deficient opt-out, the Settlement
23 Administrator shall notify the Class Member of the deficiency within five (5) business days of
24 receipt. The Class Member shall have ten (10) business days after the notice of deficiency is sent
25 by the Settlement Administrator to cure said deficiencies. Otherwise, if his or her Request for
26 Exclusion is not postmarked within ten (10) business days of the date of the notice of deficiency,
27 his or her request to opt out will be rejected. The date of the postmark on the envelope containing
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1 the request for exclusion shall be the exclusive means used to determine whether a request for
2 exclusion has been timely submitted. Requests for exclusion must be exercised individually by a
3 Class Member. Attempted group, class, or subclass requests for exclusions shall be ineffective
4 and disregarded by the Settlement Administrator. Class Members submitting untimely or
5 deficient opt-outs shall become Class Members, shall be bound by the Settlement, and will
6 receive a Class Settlement Payment. The Settlement Administrator shall not accept late opt-out
7 forms without the written authorization of Defendants.

8 **63. Submission of Workweek and/or Pay Period Disputes.** If any Participating
9 Class Member disputes the workweeks and/or pay periods set forth on the Notice during the
10 respective Class/PAGA Period (“Workweek and/or Pay Period Dispute”), the Participating Class
11 Member may submit documentation supporting his or her position by mail to the Settlement
12 Administrator no later than sixty (60) calendar days from the date of mailing of the Notice.
13 Disputes not postmarked or confirmed by the Settlement Administrator within the sixty (60)
14 calendar days will be considered late and may be summarily rejected by the Settlement
15 Administrator, in consultation with Class Counsel and Defendants’ Counsel. The Settlement
16 Administrator will work jointly with the Parties to resolve the dispute in good faith. If the Parties
17 and the Settlement Administrator do not reach agreement, the Court will make the final
18 determination as to how many workweeks and/or pay periods should be credited.

19 **64. Final List of Participating Settlement Employee Payments.** When and if the
20 Court enters the Final Order and Judgment, and the Effective Date as defined herein has passed,
21 the Settlement Administrator shall prepare a final list of all Participating Settlement Employees
22 and their applicable estimated individual Class Settlement Payment and/or PAGA Employee
23 Payment based on the Court approved awards and actual participation rates. The Settlement
24 Administrator shall calculate applicable federal and state deductions for the Class Settlement
25 Payment and shall include such information in the final list. The Settlement Administrator shall
26 provide this list to CVS within five (5) court days after the Effective Date. For each Participating
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1 Settlement Employee on this list, the Settlement Administrator will issue checks payable to said
2 Participating Settlement Employees.

3 65. **Pro-Rata Increase of Gross Settlement Amount.** Defendants have represented
4 that the workweeks between March 15, 2020 and May 23, 2023 are approximately 8,593.
5 Defendants have represented that the workweeks between October 21, 2018 and May 23, 2023
6 are approximately 12,755. If the actual numbers of workweeks during this timeframe exceeds the
7 above numbers by more than ten percent (10%), the overall Gross Settlement Amount will be
8 increased by the actual percentage.

9 66. **Calculation of Payments to Settlement Employees.** The Settlement
10 Administrator will calculate pro rata Class Settlement Payments to Participating Class Members
11 based on each Participating Class Member's relative percentage of eligible employee workweeks
12 as exempt under the outside sales exemption and employed in California during the Class Period
13 compared to the total Participating Class Members' workweeks, as reflected on CVS' internal
14 records. This same method will also be used to determine the pro rata share of each PAGA
15 Employee Payment based on the eligible employee's pay periods as exempt under the outside
16 sales exemption and employed in California during the PAGA Period compared to the total pay
17 periods of all PAGA Employees. After deducting for attorney's fees, litigation costs, the Service
18 Enhancement, the PAGA Payment (both the LWDA PAGA Penalty Amount and the PAGA
19 Employee Payments paid to the PAGA Group), and Settlement Administration Expenses, the
20 remainder of the Gross Settlement Amount will be allocated to Participating Class Members as
21 the Net Settlement Amount.

22 67. **Allocation of Payments to Settlement Employees.** All Class Settlement
23 Payments to Participating Class Members shall be allocated as follows: (a) 25% as wages, (b)
24 50% as penalties, and (c) 25% as interest. All PAGA Employee Payments will be allocated
25 entirely to penalties. CVS is responsible for funding the payment of the employer tax
26 contributions as required by law. Plaintiff and Participating Class Members must pay their own
27 portion of payroll and all applicable income taxes on the 25% of Class Settlement Payment that is
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1 unpaid wages, and such amounts will be withheld from Class Settlement Payments. Plaintiff and
2 Participating Class Members shall be exclusively liable for any and all tax liability, if any, other
3 than for the employer tax contributions.

4 68. **Qualified Settlement Fund.** CVS shall provide payment of the Gross Settlement
5 Amount, plus the employer's share of payroll taxes, to the Settlement Administrator within ten
6 (10) court days after the Effective Date. The Settlement Administrator shall create a Qualified
7 Settlement Fund ("QSF"), to be funded by Defendants and administered by the Settlement
8 Administrator.

9 69. **Timing of Distribution of Settlement Checks.** Within seven (7) court days after
10 Defendants fund the Settlement as set forth herein, the Settlement Administrator shall distribute
11 checks to all Participating Settlement Employees, pay Plaintiff her Service Enhancement, issue a
12 check to the LWDA for the LWDA PAGA Penalty Amount, and pay Class Counsel's attorney's
13 fees and costs.

14 70. **Declaration of Settlement Administrator.** The Settlement Administrator shall
15 provide a declaration of payment, which will be filed with the Court and served on Class Counsel
16 and Defendants within thirty (30) calendar days of mailing the payments to Participating
17 Settlement Employees, Plaintiff, and Class Counsel.

18 71. **Uncashed Settlement Checks.** Participating Settlement Employees who are sent
19 Settlement payments shall have at least one hundred and eighty (180) calendar days after mailing
20 by the Settlement Administrator to cash their settlement checks and will be so advised of such
21 deadline. If any Participating Settlement Employees do not cash their checks within that period,
22 those checks will become void. Twenty (20) days after the 180th day elapses, the Parties shall
23 report to the Court the total amount that was actually paid to Participating Settlement Employees
24 who cashed their check(s). Funds represented by Settlement checks returned as undeliverable and
25 checks remaining uncashed for more than one hundred and eighty (180) calendar days after
26 issuance shall be sent to the State Controller's Office under the Unclaimed Property Law Statutes.
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1 **VI. NOTICE OF SETTLEMENT**

2 72. Within twenty (20) calendar days after the date of Preliminary Approval by the
3 Court, Defendants shall provide to the Settlement Administrator the Settlement Employee Data.
4 As set forth in Paragraph 59, above, the Settlement Administrator shall keep this information
5 confidential and secure from breach.

6 73. The Settlement Administrator shall prepare for mailing the Class Notice (**Exhibit**
7 **A**, hereto) and which shall include estimated dollar amounts of individual Class Settlement
8 Payments and/or PAGA Employee Payments, along with the number of workweeks and/or pay
9 periods used to calculate those amounts. The Settlement Employee Data shall not be disclosed to
10 Plaintiff, Class Counsel, or any other Settlement Employees without the written consent of
11 Defendants or order of the Court. The Settlement Administrator shall ensure that the Notice and
12 any other communications to Class Members shall not include the Class Members' social security
13 number except for the last four digits.

14 74. Prior to mailing the Class Notices, the Settlement Administrator will update the
15 Settlement Employee Data using the National Change of Address ("NCOA") database and other
16 available resources deemed suitable by the Settlement Administrator. Within forty-five (45)
17 calendar days after the date of Preliminary Approval, the Settlement Administrator shall mail the
18 Class Notice to all persons shown by Defendants' records to be Settlement Employees via first
19 class U.S. mail, using the most current mailing address available after the NCOA search. Any
20 returned envelopes from the initial mailing with forwarding addresses will be used by the
21 Settlement Administrator to locate Settlement Employees and re-mail the Class Notice to the
22 correct or updated address. The Settlement Administrator will use all appropriate tracing
23 methods, including skip tracing, to ensure that the Class Notices are received by Settlement
24 Employees. The Settlement Administrator shall also take reasonable steps including skip tracing
25 to locate any Settlement Employees whose Class Notice is returned as undeliverable.

26 75. The Parties agree that the procedures set forth in this Section comply with due
27 process requirements, constitute reasonable and the best practicable notice under the

1 circumstances, and constitute an appropriate and sufficient effort to locate current addresses for
2 Class Members such that no additional efforts to do so shall be required. Any Class Members
3 who do not receive the Class Notice after these procedures have been followed will nonetheless
4 be bound by this Settlement.

5 **VII. RELEASES BY PARTICIPATING SETTLEMENT EMPLOYEES**

6 76. **Release by the Plaintiff.** Effective on the date when Defendants fully fund the
7 entire Gross Settlement Amount (including all employer payroll taxes on the wage portion of the
8 Class Settlement Payments), the releases agreed upon and made part of the settlement by Plaintiff
9 (the “General Release”) shall include a general release of Released Parties from all claims,
10 actions, causes of action, lawsuits, debts, dues, sums of money, accounts, reckonings, bonds, bills,
11 specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges,
12 complaints and demands whatsoever, whether in law or equity, known or unknown, which against
13 the Released Parties, the Plaintiff and the Plaintiff’s heirs, executors, administrators, successors,
14 and assigns, may now have or hereafter later determine that she has or had upon, or by reason of,
15 any cause or thing whatsoever relating to her employment or termination of employment,
16 including, but not limited to, claims arising under the Americans With Disabilities Act, the
17 National Labor Relations Act, the Fair Labor Standards Act, the Equal Pay Act, the Employee
18 Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*, as amended, but not limited
19 to, breach of fiduciary duty and equitable claims to be brought under § 1132(a)(3) (“ERISA”), the
20 Worker Adjustment and Retraining Notification Act, as amended, Title VII of the Civil Rights
21 Act of 1964, the Vocational Rehabilitation Act of 1973, the Civil Rights Acts of 1866, 1871 and
22 1991, including Section 1981 of the Civil Rights Act, the Family and Medical Leave Act (to the
23 extent permitted by law), the California Family Rights Act (“CFRA”), California’s PAGA, Cal.
24 Bus. and Prof. Code § 17200 *et seq.* (“UCL”), the California Labor Code, and/or any other
25 federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute,
26 regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim of
27 retaliation under such laws, or any claim of breach of any contract (whether express, oral, written
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1 or implied from any source), or any claim of intentional or negligent infliction of emotional
2 distress, tortious interference with contractual relations, wrongful or abusive or constructive
3 discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach
4 of duty of care, breach of fiduciary duty or any action similar thereto against Releasees, including
5 any claim for attorneys' fees, expenses or costs based upon any conduct up to and including the
6 date of this General Release; provided, however, that Plaintiff does not waive any right to file an
7 administrative charge with the Equal Employment Opportunity Commission ("EEOC") or the
8 National Labor Relations Board ("NLRB"), subject to the condition that Plaintiff agrees not to
9 seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and
10 agrees that she understands that such limitation does not in any way restrict her ability to file and
11 pursue such charge consistent with the confidentiality obligations set forth in this Settlement
12 Agreement; and further provided, however, that Plaintiff does not waive any rights with respect
13 to, or release Released Parties from, any claims for California Workers' Compensation benefits;
14 and further provided, however, that Plaintiff does not release any claim for unemployment
15 compensation benefits; and further provided, however, that Plaintiff does not release any claim
16 that cannot be released by private contract, or for breach of the terms of the Settlement
17 Agreement between Plaintiff and Defendants.

18 77. Thus, for the purpose of implementing a full and complete release and discharge of
19 the Released Parties, Plaintiff expressly acknowledges that this General Release is intended to
20 include in its effect, without limitation, all claims which Plaintiff does not know or suspect to
21 exist in Plaintiff's favor at the time of execution hereof, and that this General Release
22 contemplates the extinguishment of any such claim or claims.

23 78. In connection with such waiver and relinquishment, Plaintiff hereby acknowledges
24 that she or her attorneys may hereafter discover claims or facts in addition to, or different from,
25 those which they now know or believe to exist, but that Plaintiff expressly agrees to fully, finally
26 and forever settle and release any and all claims, known or unknown, suspected or unsuspected,
27 which exist or may exist on her behalf against Released Parties at the time of execution of the
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1 Settlement Agreement, including, but not limited to, any and all claims relating to or arising from
2 Plaintiff's employment with CVS or the cessation of that employment. Plaintiff and Defendants
3 further acknowledge, understand and agree that this representation and commitment is essential to
4 each Party and that this Settlement Agreement would not have been entered into were it not for
5 this representation and commitment.

6 79. It is further understood and agreed that as a condition of this General Release,
7 Plaintiff hereby expressly waives and relinquishes any and all claims, rights or benefits that she
8 may have under California Civil Code Section 1542, which provides as follows:

9 **A general release does not extend to claims that the creditor or**
10 **releasing party does not know or suspect to exist in his or her**
11 **favor at the time of executing the release and that, if known by**
12 **him or her, would have materially affected his or her settlement**
13 **with the debtor or released party.**

14 80. Nothing in this General Release shall prohibit or restrict Plaintiff from:
15 (i) providing information to, or otherwise assisting in, an investigation by Congress, the Equal
16 Employment Opportunity Commission or the NLRB, the Securities and Exchange Commission
17 ("SEC") or any other federal regulatory or law enforcement agency or self-regulatory
18 organization ("SRO"); (ii) testifying, participating, or otherwise assisting in a proceeding relating
19 to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or
20 any SRO; or (iii) complying with a lawful subpoena or other legal process, subject to the terms of
21 the Settlement Agreement.

22 81. If any of the provisions, terms, clauses, waivers or releases of claims and rights
23 contained in this General Release are declared illegal, unenforceable, or ineffective in a legal
24 forum of competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or
25 rights shall be modified, if possible, in order to achieve, to the extent possible, the intentions of
26 the parties and, if necessary, such provisions, terms clauses, waivers and releases of claims and
27 rights shall be deemed severable, such that all other provisions, terms, clauses and waivers and
28 releases of claims and rights contained in this General Release shall remain valid and binding
upon all parties, provided, however, that, notwithstanding any other provision of this General

1 Release, if any portion of the waiver or release of claims or rights is held to be unenforceable,
2 Defendants may, at their option, seek modification or severance of such portion, or terminate the
3 Settlement Agreement pursuant to Section XI.

4 82. **Release by Participating Class Members.** Effective on the date when
5 Defendants fully fund the entire Gross Settlement Amount (including all employer payroll taxes
6 on the wage portion of the Class Settlement Payments), in exchange for the consideration set
7 forth in this Agreement, Plaintiff and Participating Class Members release the Released Parties
8 from the Released Class Claims. Released Class Claims include all wage and hour claims, rights,
9 demands, liabilities and causes of action of every nature and description made or which could
10 have been made on behalf of Class Members based on the facts or claims plead in the operative
11 Complaint which occurred during the Class Period, including, but not limited to, claims based on
12 the following categories of allegations during the Class Period: (a) all claims for unpaid minimum
13 wages; (b) all claims for unpaid overtime; (c) all claims for meal period violations; (d) all claims
14 for rest period violations; (e) all claims for failure to provide accurate, itemized, or otherwise
15 proper wage statements; (f) all claims for failure to timely pay wages during employment,
16 including at or after termination of employment; (g) all claims for failure to reimburse business
17 expenses; (h) all claims for failure to maintain accurate and complete payroll records; (i) all
18 claims asserted through California Business & Professions Code §17200 et seq. arising out of the
19 aforementioned claims; (j) all claims asserted through California Labor Code sections 2699 *et*
20 *seq.* (the Private Attorneys General Act of 2004 (“PAGA”) arising out of the aforementioned
21 claims; (k) all other claims for penalties, liquidated damages, punitive damages, interest,
22 attorneys’ fees, litigation costs, restitution, equitable relief, or additional damages that allegedly
23 arise out of the aforementioned claims. The Released Class Claims specifically include claims
24 arising under the California Labor Code, including, without limitation, §§ 90.5, 201-204, 210,
25 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197,
26 1197.1, 1198, 2800, 2802, 2698-2699.5, Cal. Business & Professions Code §§ 17200, et seq.,
27 California Civil Code sections 3287(b) and 3289, and Cal. Code of Civil Procedure § 1021.5, and
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1 any derivative claims based on such alleged violations, including those under any applicable
2 California Industrial Welfare Commission Wage Order.

3 83. The period of the Released Class Claims shall extend to the limits of the Class
4 Period. The judgment entered as a result of this settlement shall have res judicata effect to the
5 fullest extent allowed by law. Any Class Member who submits a timely and valid request for
6 exclusion to the settlement of the Class Claims will not be bound by the release of the Released
7 Class Claims. However, he/she will still be bound by the release of the Released PAGA Claims.

8 84. **Release of PAGA Claims.** Effective on the date when Defendants fully fund the
9 entire Gross Settlement Amount (including all employer payroll taxes owed on the wage portion
10 of the Class Settlement Payments) Plaintiff, on behalf of herself, the State of California and all
11 PAGA Employees, release the Released Parties from the Released PAGA Claims. No PAGA
12 Employee may opt out of this release. The Released PAGA Claims include all claims against
13 Defendants during the PAGA Period seeking civil penalties under PAGA that Plaintiff in her
14 capacity as proxy for the State of California, the LWDA, and as a private attorney general acting
15 on behalf of herself and the PAGA Employees, stated or could have been stated based on the facts
16 alleged in the Action based on the allegations in the Complaint and LWDA Notice, including but
17 not limited to claims for PAGA civil penalties based on the Class Claims, and that occurred
18 during the PAGA Period.

19 85. The period of the Released PAGA Claims shall extend to the limits of the PAGA
20 Period. The judgment entered as a result of this settlement shall have res judicata effect to the
21 fullest extent allowed by law.

22 **VIII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY APPROVAL AND**
23 **BETWEEN PRELIMINARY AND FINAL APPROVAL**

24 86. Class Counsel will submit this Settlement Agreement to the Court together with a
25 Motion for Preliminary Approval of Settlement and Certification of the Class Members, and shall
26 report the settlement to the LWDA and otherwise comply with Section 2699(l) of the Labor
27 Code. The motion shall also seek an order:

- 28 (a) Preliminarily approving the settlement;

- (b) Approving as to form and content the proposed Class Notice;
- (c) Directing the mailing of the Class Notice and instructions by first class mail to Settlement Employees;
- (d) Preliminarily certifying the Class Members and Class Claims for purposes of settlement and preliminarily appointing Plaintiff and Class Counsel as representatives of the Class Members;
- (e) Preliminarily approving settlement administration services to be provided by the Settlement Administrator; and
- (f) Scheduling a Fairness Hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the Class Members.

87. CVS shall provide to the Settlement Administrator the Settlement Employee Data within twenty (20) calendar days after the date of Preliminary Approval. CVS shall submit this information in electronic format as specified by the Settlement Administrator.

88. The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Settlement Employees notice and Class Members the opportunity to opt out of the settlement of the Class Claims, in every way necessary and appropriate to assure effective communication to individual Class Members of information concerning their rights and obligations under this Settlement Agreement.

89. Class Counsel shall provide the Court in connection with the Motion for Final Approval of the Settlement a declaration by the Settlement Administrator of due diligence and proof of mailing of the Notice of Settlement required to be mailed to Class Members by this Settlement Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts.

IX. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL

90. Class Counsel will submit a proposed Final Order and Judgment for approval, which shall include findings and orders:

- 1 (a) Confirm that Plaintiff provided adequate notice to the LWDA of the PAGA
2 portions of the settlement;
- 3 (b) Approving the PAGA portions of the settlement as providing genuine and
4 meaningful relief, consistent with the underlying purpose of the PAGA to
5 benefit the public;
- 6 (c) Approving the settlement of the Class Claims, adjudging the terms thereof
7 to be fair, reasonable and adequate, and directing that its terms and
8 provisions be carried out;
- 9 (d) Approving the payment of Service Enhancements to the Plaintiff;
- 10 (e) Approving Class Counsel's application for an award of attorneys' fees and
11 reimbursement of out-of-pocket litigation expenses; and
- 12 (f) Providing that the Court will retain jurisdiction to oversee administration
13 and enforcement of the terms of the Settlement and the Court's orders.

14 91. Following entry of the Court's Final Order and Judgment approving the Settlement
15 Agreement, the Parties will each act to assure its timely execution and the fulfillment of all its
16 provisions, including but not limited to the following:

- 17 (a) Should an appeal be taken from the Final Order and Judgment approving
18 the Settlement Agreement, all Parties will support the Final Order and
19 Judgment on appeal;
- 20 (b) The Parties and Class Counsel will certify to the Court completion of all
21 payments required to be made by this Settlement Agreement.

22 **X. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT**

23 92. The preliminary schedule for notice, approval, and payment procedures carrying
24 out this Settlement is as follows. This schedule is only intended to summarize pertinent events as
25 they relate to settlement administration; it does not modify any other provisions of this
26 Agreement or otherwise alter the Parties' obligations hereunder. The schedule may be modified
27 depending on whether and when the Court grants necessary approvals and orders notice to the
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class, and sets further hearings. In the event of such modification, the parties shall cooperate in order to complete the settlement procedures as expeditiously as reasonably practicable.

Within 20 days after the date of Preliminary Approval	CVS to provide the Settlement Administrator Settlement Employee Data, as well as any relevant information regarding their dates of employment and the number of workweeks and/or pay periods worked by Settlement Employees during the applicable Settlement Period.
45 days after Preliminary Approval of Settlement	Settlement Administrator to complete any skip trace or other address searched for Settlement Employees, including updating any contact information. Mailing by first class mail of Class Notice.
60 days after mailing of Class Notice	Deadline for Class Members to opt-out, submit a workweek/pay period dispute, or object to the Settlement of the Class Claims.
1 business day prior to the hearing on Final Approval	Last day for Class Members to rescind objections or opt-outs to the Settlement of the Class Claims.

Fifteen (15) days after entry of the Court's order granting final approval of the Settlement Agreement if no Participating Class Member objects to the Settlement, or if one or more Participating Class Member(s) object to the Settlement, the day after the deadline for filing a notice of appeal from the Final Order and Judgment, or if a timely appeal from the Final Order and Judgment is filed, the date of final resolution of any challenge to the Final Order and Judgment where the resolution affirms the final approval order and judgment. The Effective Date cannot occur, and CVS will not be obligated to fund this Settlement, unless and until there is no possibility of an appeal or further appeal that could potentially prevent this Settlement Agreement from becoming final and binding.	Effective Date
Within 5 court days after the Effective Date	Settlement Administrator to make the final calculation of payments from the Net Settlement Amount to be distributed to the Participating Settlement Employees and provide CVS' counsel with a report listing the amount of all payments to be made to each Participating Settlement Employee.
Within 10 court days after the Effective Date	CVS to transfer the Gross Settlement Amount to the Settlement Administrator who will deposit in a Settlement Administrator-established account at a federally insured banking institution.
Within 7 court days of CVS' transfer of Gross Settlement Amount to the Settlement Administrator	Settlement Administrator to distribute and pay: Settlement checks to all Participating Settlement Employees and the LWDA; the Service Enhancement approved by the Court to Plaintiff; Settlement Administration Expenses; and the attorney's fees and costs approved by the Court to Class Counsel.

180 days after payment of settlement checks	Expiration of Participating Settlement Employees' settlement checks.
Within 20 days of expiration of Participating Settlement Employees' settlement checks	Settlement Administrator to provide a declaration of payment and report regarding uncashed checks, which will be filed with the Court and served on Class Counsel and CVS. Settlement Administrator to issue checks to the State Controller's Office, Unclaimed Property Division

XI. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT

93. Separate and in addition to the requirements that the conditions precedent set forth herein are fulfilled before this settlement becomes effective, Defendants also have the right to withdraw from the Settlement at any time prior to final approval if: (a) more than ten percent (10%) of the Class Members submit a timely and valid opt out of the Settlement; or (b) the Settlement is construed in such a fashion that Defendants are required to pay more than the Gross Settlement Amount (except for Defendants' obligation to pay the employer's share of payroll taxes which is not included in the Gross Settlement Amount and will be funded separately by Defendants and also except for the escalator clause set forth in Paragraph 65); or (c) the Court does not certify the Class Members or does not certify a class releasing the claims set forth herein, or otherwise makes an order inconsistent with any of the terms of this Settlement Agreement; or (d) Plaintiff or her counsel breach this Settlement Agreement. In the event of Defendants' withdrawal, Defendants will pay the costs already incurred by the Settlement Administrator unless the withdrawal is the result of Plaintiff's or her counsel's breach of the Settlement Agreement.

94. If for any reason the Settlement is not approved by the Court, or if Defendants or Plaintiff withdraw from the Settlement, this Settlement Agreement and any related settlement documents will be null and void, other than the confidentiality, non-disclosure provisions and the non-admission provisions herein and any class or collective action certified or approved for settlement purposes will be vacated. In such an event, neither this Settlement Agreement, nor the settlement documents, nor the negotiations leading to the Settlement may be used as evidence for

1 any purpose, and Defendants shall retain the right to challenge all claims and allegations in the
2 action, to assert all applicable defenses, and to dispute the propriety of class or collective
3 certification on all applicable grounds.

4 95. If more than ten (10) court days after any qualifying event specified in the above
5 three paragraphs passes before the party holding a right or option to request adjustment or rescind
6 exercises that right or option, that party shall be deemed to have waived its right or option and the
7 Settlement Agreement shall proceed on the terms specified herein.

8 96. Other than as specified above, this Settlement Agreement may not be changed,
9 altered, or modified, except in writing and signed by counsel for the Parties hereto, and approved
10 by the Court. This Settlement Agreement may not be discharged except by performance in
11 accordance with its terms or by a writing signed by the Parties hereto.

12 **XII. CONFIDENTIALITY AND PUBLICITY**

13 97. Settlement Employee Data shall be kept strictly confidential by the Settlement
14 Administrator who will not release such information to Class Counsel and will only file such
15 information under seal if necessary. Class Counsel agrees that any information they receive or
16 have received in connection with this Settlement, may be used for this action only, and may not
17 be used for any purpose or in any other action or proceeding.

18 98. Plaintiff and Class Counsel agree not to disclose the terms of this Settlement,
19 except in court papers, or if required by legal process, as necessary to effectuate and administer
20 the terms of this Settlement, or for accounting or tax reporting purposes. Neither Plaintiff nor
21 Class Counsel, directly or indirectly, shall issue a press release or hold a press conference, publish
22 information about the settlement on any website (other than used by the Settlement Administrator
23 for settlement administration purposes), or otherwise publicize the settlement. Plaintiff and Class
24 Counsel agree not to respond to any press inquiries concerning the settlement except to refer
25 reporters to the papers filed with the Court. Notwithstanding the foregoing, Class Counsel may
26 refer to the Settlement in any adequacy of counsel declarations, or related court filings.

1 **XIII. PARTIES' AUTHORITY**

2 99. The signatories hereby represent that they are fully authorized to enter into this
3 Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

4 **XIV. MUTUAL FULL COOPERATION**

5 100. The Parties agree to fully cooperate with each other to accomplish the terms of this
6 Settlement Agreement, including but not limited to, executing such documents and taking such
7 other action as may reasonably be necessary to implement the terms of this Settlement
8 Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all
9 efforts contemplated by this Settlement Agreement and any other efforts that may become
10 necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the
11 terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class
12 Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all
13 necessary steps to secure the Court's preliminary and final approval of this Settlement
14 Agreement.

15 **XV. NOTICES**

16 101. Unless otherwise specifically provided herein, all notices, demands or other
17 communications given hereunder shall be in writing and shall be deemed to have been duly given
18 as of the third business day after mailing by United States registered or certified mail, return
19 receipt requested, addressed as follows:

20 To Class Counsel:

21 ANTHONY J. ORSHANSKY
22 anthony@counselonegroup.com
23 COUNSELONE, P.C.
24 9301 Wilshire Boulevard, Suite 650
25 Beverly Hills, California 90210
26 Telephone: (310) 277-9945
27 Facsimile: (424) 277-3727

28 To Defendants' Counsel:

Jennifer B. Zargarof
jennifer.zargarof@morganlewis.com
MORGAN LEWIS & BOCKIUS LLP

300 S. Grand Avenue
Twenty-Second Floor
Los Angeles, CA 90071
Tel: 213.612.2500
Fax: 213.612.2501

If the identity of the persons to be notified for any party changes, or their address changes, that party shall notify all other parties of said change in writing.

XVI. MISCELLANEOUS PROVISIONS

102. **Captions and Titles.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

103. **Drafting.** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties supervised by an experienced employment law mediator. Neither party shall be considered the “drafter” of the Settlement Agreement for purposes of having terms construed against that party, and this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her or its counsel participated in the drafting of this Settlement Agreement.

104. **Extensions of Time.** If a party cannot reasonably comply with an obligation under this Settlement Agreement by the deadline set forth herein applicable to that obligation, that party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent to such a request for an extension will not be unreasonably withheld by the other party.

105. **Governing Law.** The rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of California, without regard to principles of conflict of laws.

106. **No Impact on Benefit Plans.** Neither the Settlement Agreement nor any amounts paid under the Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts

1 will not form the basis for additional contributions to, benefits under, or any other monetary
2 entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The
3 payments made under the terms of this Settlement shall not be applied retroactively, currently, or
4 on a going forward basis, as salary, earnings, wages, or any other form of compensation for the
5 purposes of Defendants' benefit plan, policy, or bonus program. Defendants retain the right to
6 modify the language of its benefit plans, policies and bonus programs to effect this intent, and to
7 make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours
8 worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable
9 plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any
10 other purpose, and that additional contributions or benefits are not required by this Settlement
11 Agreement.

12 107. **Integration.** This Settlement Agreement contains the entire agreement between
13 the Parties relating to the settlement and transaction contemplated hereby, and all prior or
14 contemporaneous agreements, understandings, representations, and statements, whether oral or
15 written and whether by a Party or such Party's legal counsel, are merged herein. No rights
16 hereunder may be waived except in writing.

17 108. **No Prior Assignments.** This Settlement Agreement shall be binding upon and
18 inure to the benefit of the Parties hereto and their respective heirs, trustees, executors,
19 administrators and successors. The Parties hereto represent, covenant, and warrant that they have
20 not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or
21 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
22 action or rights herein released and discharged except as set forth herein.

23 **XVII. COUNTERPARTS**

24 109. **Counterparts.** This Settlement Agreement may be executed in counterparts with
25 signatures transmitted by facsimile or as an electronic image (including DocuSign) of the original
26 signature. When each Party has signed and delivered at least one such counterpart, each
27 counterpart shall be deemed an original, and, when taken together with other signed counterparts,

1 shall constitute one Settlement Agreement, which shall be binding upon and effective as to all
2 Parties. A facsimile signature or electronic image shall have the same force and effect as the
3 original signature.

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5 **SIGNATURES TO FOLLOW**
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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Serena Pellegrino

Dated: 10 / 09 / 2023

Serena Pellegrino

**DEFENDANTS CVS PHARMACY, INC. AND
CORAM SPECIALTY INFUSION SERVICES,
LLC**

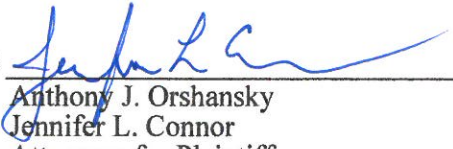
Dated: 10/9/2023.


Name: John J. Shea
Title: Senior Legal Counsel

1 APPROVED AS TO FORM.

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3 Dated: 10/10/2023

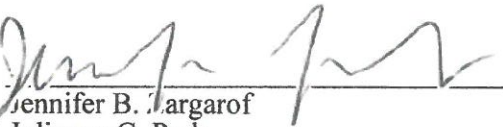
COUNSELONE, P.C.

4
5 By: 

6 Anthony J. Orshansky
7 Jennifer L. Connor
8 Attorneys for Plaintiff

9
10
11 Dated: October 9, 2023

MORGAN, LEWIS & BOCKIUS LLP

12
13 By: 

14 Jennifer B. Margarof
15 Julianne G. Park
16 Attorneys for Defendants
17 CVS PHARMACY, INC.; CORAM
18 SPECIALTY INFUSION SERVICES,
19 L.L.C.

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EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Serena Pellegrino v. CVS Pharmacy, Inc., et al., Superior Court of the State of California, County of Merced,
Case No. 22CV-03434

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU WERE EMPLOYED AS AN EXEMPT EMPLOYEE UNDER THE OUTSIDE SALES EXEMPTION FOR CORAM SPECIALTY INFUSION SERVICES, LLC IN CALIFORNIA AT ANY TIME DURING THE PERIOD OF OCTOBER 21, 2018 TO AUGUST 21, 2023, THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class and representative action lawsuit entitled *Serena Pellegrino v. CVS Pharmacy, Inc., et al.*, Superior Court of the State of California, County of Merced, Case No. 22CV-03434 (the “Action”) between Plaintiff Serena Pellegrino (“Plaintiff”) and Defendants CVS Pharmacy, Inc., and Coram Specialty Infusion Services, LLC (“Defendants” or “CVS”).

The purpose of this Notice of Proposed Class Action Settlement (“Class Notice”) is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing regarding final approval of the proposed Settlement will be held before the Honorable Brian McCabe on [REDACTED], at [REDACTED], in Courtroom 8 of the Merced County Superior Court, 627 West 21st Street, Merced, California 95340, to determine whether the Settlement is fair, adequate, and reasonable (“Final Approval Hearing”). As a Class Member, you are eligible to receive an individual Class Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendants for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	You have the option to pursue separate legal action against Defendants about the claims in the Action (in court or in arbitration, as applicable). If you exclude yourself from the Settlement (also called “opting out”), you will give up your right to receive your individual Class Settlement Payment (described below), although you will still receive your pro-rata share, if any, of the PAGA Employee Payment (also described below). If you exclude yourself, you retain any right to pursue a separate legal action against Defendants regarding the claims in this Action. If you want to exclude yourself, you must do so by submitting a written Exclusion Request by the Response Deadline set forth below.
OBJECT	To object to the Settlement, you may mail a written explanation of why you don’t like the Settlement to the Settlement Administrator, appear at the final approval hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit an Exclusion Request if you wish to object.
CHALLENGE THE CALCULATION OF WORKWEEKS/PAY PERIODS	Your individual Class Settlement Payment depends on how many qualifying Workweeks you worked during the Class Period, and your individual PAGA Employee Payment, if any, depends on how many qualifying Pay Periods you worked during the PAGA Period. The number of qualifying Workweeks and/or Pay Periods you worked according to Defendants’ records is stated on

	the Settlement Payment Information Sheet accompanying this Notice. If you disagree with this number(s), you must challenge it by the Response Deadline as set forth below.
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Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Settlement Class”):

All current and former employees classified as exempt under the outside sales exemption who worked for Coram Specialty Infusion Services, LLC, in the state of California, at any time during the period of October 21, 2018 through August 21, 2023 (“Class Period”).

According to Defendants’ records, you are a member of the Settlement Class (a “Class Member”).

What is this case about?

In the Action, Plaintiff Serena Pellegrino (“Plaintiff”) allege on behalf of herself and the Settlement Class that Defendants: (1) failed to pay minimum wages; (2) failed to provide rest breaks; (3) failed to provide meal periods; (4) failed to pay overtime wages; (5) failed to furnish accurate itemized wage statements; (6) failed to timely pay all wages during employment, including at or after termination of employment; (7) failed to reimburse business expenses; (8) failed to maintain accurate payroll records; (9) violated California’s Unfair Competition Law, California Business and Professions Code section 17200 et seq.; and (10) violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.]. Plaintiff seeks unpaid wages, actual damages, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Defendants deny all liability and are confident they have strong legal and factual defenses to these claims. However, Defendants recognize the risks, distractions, and costs associated with litigation. Defendants contend that their conduct is and has been lawful at all times relevant and that Plaintiff’s claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s-length negotiations between Plaintiff and Defendants (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable. Plaintiff also believe this Settlement is in the best interests of all Settlement Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendants’ defenses.

Who are the attorneys representing the Parties?

The Court has granted preliminary approval of the Settlement and has appointed the lawyers bringing the Class Action to serve as “Class Counsel” to represent all Class Members affected by the Settlement. The attorneys representing the Class Members are:

Class Counsel

ANTHONY J. ORSHANSKY
anthony@counselonelinegroup.com
COUNSELONE, P.C.
9301 Wilshire Boulevard, Suite 650
Beverly Hills, California 90210
Telephone: (310) 277-9945
Facsimile: (424) 277-3727

What are the Settlement terms?

Subject to final Court approval, Defendants will pay \$300,000 (the “Gross Settlement Amount”) for: (a) Class Settlement Payments to Class Members who do not request to be excluded from the Settlement (“Participating Class Members”); (b) the Court-approved Service Enhancement to Plaintiff; (c) the Court-approved attorneys’ fees and costs to Class Counsel; (d) the costs of administering the Settlement; (e) payment to the State of

California Labor and Workforce Development Agency (“LWDA”) for PAGA penalties; and (f) the PAGA Employee Payment to the PAGA Employees.

Individual Class Settlement Payments. After deduction from the Gross Settlement Amount for Class Counsel’s attorneys’ fees and costs, the Service Enhancement to Plaintiff, the payment to the LWDA for PAGA penalties, the PAGA Employee Payment to the PAGA Employees, and the costs of administering the Settlement, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendants will make an individual Class Settlement Payments to each Participating Class Member who does not ask to be excluded from the Settlement. The Net Settlement Amount shall be divided among all Participating Class Members on a pro rata basis based upon the total number of qualifying Workweeks each respective Participating Class Member who worked for Coram Specialty Infusion Services, LLC, as exempt under the outside sales exemption, in California during the Class Period. Your estimated individual Class Settlement Payment is listed on the **Settlement Payment Information Sheet** accompanying this Notice.

Workweeks you worked as an outside sales exempt Class Member in California during the Class Period will be calculated based on Defendants’ records. If you feel that you were not credited with the correct number of Workweeks worked during the Class Period – which is from October 21, 2018 through August 21, 2023 - you may submit evidence to the Settlement Administrator ***no later than 60 days after mailing the Class Notice (“Response Deadline”)*** with documentation to establish the number of Workweeks you claim to have actually worked during the Class Period.

If applicable, the Pay Periods you worked as an outside sales exempt PAGA Employee in California during the PAGA Period will be calculated based on Defendants’ records. If you feel that you were not credited with the correct number of Pay Periods worked during the PAGA Period – which is from March 03, 2021 through August 21, 2023 - you may submit evidence to the Settlement Administrator ***no later than 60 days after mailing the Class Notice*** with documentation to establish the number of Pay Periods you claim to have actually worked during the PAGA Period.

DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS. The Parties and Settlement Administrator will promptly evaluate the evidence submitted and discuss in good faith how many Workweeks and/or Pay Periods should be credited. If the Parties and Settlement Administrator do not reach agreement, the Court will make the final decision as to how many weeks are credited. The outcome of any decision made will be reported to you. **A pre-printed optional Dispute Form is attached to this Notice for your convenience.**

For tax reporting purposes, the payments to Participating Class Members will be allocated 25% as wages, 50% as penalties, and 25% as interest. The wage portion of the individual Class Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the individual Class Settlement Payments. The portion of the Class Settlement Payments allocated to penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC. Any taxes owed on that other miscellaneous income will be the responsibility of each Participating Class Member receiving those payments. The employer’s share of any payroll taxes will be separately paid by Defendants. All PAGA Employee Payments will be allocated entirely to penalties and reported on IRS Form 1099-MISC.

Any amount paid to Participating Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendants, unless otherwise required by law.

Settlement checks will remain valid for 180 days from issuance. If a settlement check remains uncashed after 180 days, the Settlement Administrator shall distribute the value of the uncashed checks to the State of California Controller pursuant to the Unclaimed Property Law, Code of Civil Procedure section 1500, et seq. with the identity of the Participating Class Members to whom the funds belong to be held for them. The Settlement Administrator shall void any tax documents issued to Participating Class Members who did not cash their checks within 180 days of issuance. In such event, the Participating Class Members will remain bound by the terms of the Settlement and all Court orders.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax

consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Settlement Class Member.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Enhancement, Settlement Administration Costs, and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to \$105,000.00 (35%) of the Gross Settlement Amount and reimbursement of reasonable litigation costs, not to exceed \$22,000, incurred in the Action. In addition, Class Counsel will ask the Court to authorize Class Representative Service Enhancement in a total amount of up to \$10,000 to Plaintiff Serena Pellegrino for her efforts in bringing the case on behalf of the Class and executing a broader general release. The Parties estimate that the cost of administering the Settlement will not exceed \$20,000. A payment in the amount of \$30,000 will also be made to the LWDA for its share of PAGA penalties, which represents 75% of the \$40,000 set aside for payment under PAGA; the remaining \$10,000 ("PAGA Employee Payment") of the \$40,000 allocated to PAGA penalties shall be distributed pro rata to those Class Members ("PAGA Employees") who worked for Coram Specialty Infusion Services, LLC, as exempt under the outside sales exemption, in the state of California at any time during the period of March 3, 2021 to August 21, 2023 ("PAGA Period"); the pro-rata distribution shall be based on the number of pay periods each PAGA Employee worked during the PAGA Period.

What claims are being released by the proposed Settlement?

Released Class Claims: Effective on the date when Defendants fully fund the entire Gross Settlement Amount (including all employer payroll taxes on the wage portion of the Class Settlement Payments), and except as to such rights or claims as may be created by the Settlement, Plaintiff and all Participating Class Members release Defendants CVS Pharmacy, Inc., Coram Specialty Infusion Services, LLC, and their affiliates, divisions, subsidiaries, parents, predecessors, any merged entity or merged entities and/or its or their present and former officers, partners, directors, managers, supervisors, employees, attorneys, agents, shareholders and/or successors, assigns, trustees, heirs, administrators, executors, representatives and/or principals thereof ("Released Parties") from the Released Class Claims. Released Class Claims include all wage and hour claims, rights, demands, liabilities and causes of action of every nature and description made or which could have been made on behalf of Class Members based on the facts or claims plead in the operative Complaint which occurred during the Class Period, including, but not limited to, claims based on the following categories of allegations during the Class Period: (a) all claims for unpaid minimum wages; (b) all claims for unpaid overtime; (c) all claims for meal period violations; (d) all claims for rest period violations; (e) all claims for failure to provide accurate, itemized, or otherwise proper wage statements; (f) all claims for failure to timely pay wages during employment, including at or after termination of employment; (g) all claims for failure to reimburse business expenses; (h) all claims for failure to maintain accurate and complete payroll records; (i) all claims asserted through California Business & Professions Code §17200 et seq. arising out of the aforementioned claims; (j) all claims asserted through California Labor Code sections 2699 et seq. (the Private Attorneys General Act of 2004 ("PAGA")) arising out of the aforementioned claims; (k) all other claims for penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, or additional damages that allegedly arise out of the aforementioned claims.

The Released Class Claims specifically include claims arising under the California Labor Code, including, without limitation, §§ 90.5, 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698-2699.5, Cal. Business & Professions Code §§ 17200, et seq., California Civil Code sections 3287(b) and 3289, and Cal. Code of Civil Procedure § 1021.5, and any derivative claims based on such alleged violations, including those under any applicable California Industrial Welfare Commission Wage Order. The time period of this release is the Class Period (again, October 21, 2018 through August 21, 2023).

Released PAGA Claims: Effective on the date when Defendants fully fund the entire Gross Settlement Amount (including all employer payroll taxes owed on the wage portion of the Class Settlement Payments) Plaintiff, on behalf of herself, the State of California and all PAGA Employees, release the Released Parties from the Released PAGA Claims. No PAGA Employee may opt out of this release. The Released PAGA Claims include all claims against Defendants during the PAGA Period seeking civil penalties under PAGA that Plaintiff in her capacity as

proxy for the State of California, the LWDA, and as a private attorney general acting on behalf of herself and the PAGA Employees, stated or could have been stated based on the facts alleged in the Action based on the allegations in the Complaint and LWDA Notice, including but not limited to claims for PAGA civil penalties based on the Class Claims, and that occurred during the PAGA Period (again, March 3, 2021 through August 21, 2023).

The Class Representative further agrees to a general release of all claims against Defendants during the Class Period, and agrees to waive her rights under Civil Code Section 1542 (“Plaintiff’s Released Claims”).

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Settlement Class and receive a Class Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), remaining in the Settlement Class, you may also object to the Settlement, as explained below.

If you remain in the Settlement Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Class Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Settlement Class and be eligible to receive a Class Settlement Payment, **you do not need to take any action.** By remaining in the Settlement Class and receiving a Class Settlement Payment, you consent to the release of the Released Class Claims described above.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate, you may object to it. To object, you may appear in person (including by telephone) at the Final Approval Hearing, have an attorney object for you, or mail a written statement of objection (“Notice of Objection”) to the Settlement Administrator at [REDACTED]. If you submit a written objection, the Notice of Objection must be postmarked ***no later than 60 days after mailing of Class Notice*** and set forth the following: (1) the name of the case and case number (shown on page 1 of this Notice), (2) your full name, address, and last four digits of his or her social security number, (3) the factual and legal basis for any objection, (4) the name and address of your counsel if you are represented by counsel for purposes of objecting, and (5) indicate whether you intend to appear at the Final Approval Hearing and seek to be heard at the Final Approval Hearing. Be sure to personally sign your objection. The Parties shall file responses to any Notices of Objection before the Final Approval Hearing. If you do not object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. ***Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of the Released Class Claims set forth above, unless the Court does not grant final approval of the Settlement.***

OPTION B. Request to Be Excluded from the Settlement and Receive No Money from the Class Settlement Payment. If you do not want to be part of the Settlement, you must sign and return the attached “Request for Exclusion” to the Settlement Administrator at [REDACTED]. In order to be valid, your Request for Exclusion must include your name, address, telephone number and the last four digits of your social security number (to confirm your identity and make certain that only persons requesting exclusion are removed from the Settlement), along with a statement indicating your desire to be excluded from the Settlement, like the following:

“I WISH TO BE EXCLUDED FROM THE CLASS IN THE ‘PELLEGRINO v. CVS’ CLASS ACTION LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT.”

A pre-printed optional Request for Exclusion form is attached to this Notice for your convenience. Your Request for Exclusion must then be ***signed by you*** and ***postmarked no later than 60 days after mailing of Class Notice***. If you do not submit a signed Request for Exclusion on time (as evidenced by the postmark), your Request for Exclusion will be rejected, you will be deemed a Participating Class Member, and you will be bound by the release of Released Class Claims as described above and all other terms of the Settlement. You will still receive your pro-rata portion of the PAGA Employee Payment.

What is the next step in the approval of the Settlement?

The Court will hold the Final Approval Hearing to decide whether the Settlement is fair, reasonable, and adequate on [REDACTED], at [REDACTED], in Courtroom 8 of the Merced County Superior Court, 627 West 21st Street, Merced, California 95340. The Final Approval Hearing may be continued without further notice. You need not attend the Final Approval Hearing to receive a Class Settlement Payment.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment will be posted on a website created by the Settlement Administrator for this case for a period of 90 days following the entry of that Order in the Court record, in compliance with California Rules of Court, rule 3.771. That website is: [REDACTED].

Class Settlement Payments will be mailed to Participating Class Members after the Court grants Final Approval of the Settlement. If the Court grants Final Approval, there may be appeals. If there are any appeals, resolving them could take some time, so please be patient.

It is your responsibility to maintain your current address with the Settlement Administrator, [REDACTED]. If you move, you should send a letter updating your address to [REDACTED]. Maintaining your current address with the Settlement Administrator is the best way to ensure that you receive your Class Settlement Payment.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Complaint and the Class and PAGA Action Settlement Agreement and Release, which are posted on the Settlement Administrator's website. These documents and all other records relating to the Action are available for inspection and/or copying at the Civil Records Office of the Merced County Superior Court. You may also request a copy of the Settlement Agreement from Class Counsel, at the addresses listed above.

**PLEASE DO NOT CONTACT THE COURT, CVS, OR CVS'S COUNSEL
FOR INFORMATION REGARDING THIS SETTLEMENT.**

REQUEST FOR EXCLUSION FROM CLASS ACTION SETTLEMENT

Serena Pellegrino v. CVS Pharmacy, Inc., et al., Superior Court of the State of California, County of Merced,
Case No. 22CV-03434

What is this form for?

Fill out and sign this form ONLY IF you do not want to receive funds from this class action settlement and do not want to release any claims. If you exclude yourself, you will not receive any money from Class Settlement Payments. You cannot opt out of the PAGA Employee Payment, and you will receive your pro-rata portion of the PAGA Employee Payment, if any, even if you submit this Request for Exclusion from Class Action Settlement.

When must this be sent?

You must mail this so that it is postmarked no later than [Insert Date]. If you mail it so that it is postmarked after [Insert Date], then this exclusion will be deemed invalid and you will be bound to the terms of the settlement.

Where should this be mailed to?

Mail this completed form to [REDACTED].

I WISH TO BE EXCLUDED FROM THE CLASS IN THE *PELLEGRINO v. CVS* CLASS ACTION LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT.

I confirm that I was employed by CVS Pharmacy, Inc., and/or Coram Specialty Infusion Services, LLC and worked as an hourly employee within the State of California at any time between October 21, 2018 through May 23, 2023. I confirm that I received a notice of the proposed settlement in this action. I have decided to be excluded from the class and I have decided not to participate in the proposed settlement. I will/have sought the advice of counsel with respect to the applicable statute of limitations.

Name: _____

Address: _____

Telephone: _____

Last Four Social Security Number: _____

Signature _____ Date: _____

NOTICE OF OBJECTION TO CLASS ACTION SETTLEMENT

Serena Pellegrino v. CVS Pharmacy, Inc., et al., Superior Court of the State of California, County of Merced,
Case No. 22CV-03434

What is this form for?

If you believe the proposed Settlement is not fair, reasonable, or adequate, you may object to it by filling out this form. You are not excluding yourself from the settlement by submitting this form.

When must this be sent?

You must mail this so that it is postmarked no later than [Insert Date].

Where should this be mailed to?

Mail this completed form to [].

Please state: (1) your full name, address, and dates of employment, (2) the basis for any objection, and (3) the name and address of your counsel if you are represented by counsel for purposes of objecting.

Name: _____

Address: _____

Telephone: _____

Last Four Social Security Number: _____

Signature _____ Date: _____

SETTLEMENT PAYMENT INFO SHEET

Serena Pellegrino v. CVS Pharmacy, Inc., et al.
SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF MERCED
(CASE NO. 22CV-03434)

TO ALL CLASS MEMBERS DEFINED AS:

All current and former employees classified as exempt under the outside sales exemption who worked for Coram Specialty Infusion Services, LLC within the State of California at any time from October 21, 2018 through August 21, 2023 ("Class" or "Class Members").

The Class Period is October 21, 2018 through August 21, 2023.

YOUR ESTIMATED INDIVIDUAL CLASS SETTLEMENT PAYMENT:

Your individual Class Settlement Payment is currently estimated at \$ [REDACTED]. You have been identified as a Class Member. Your estimated award is based on your pro-rata percentage of the Net Settlement Amount based on your membership in the Class relative to all Class Members. Your estimated pro-rata share may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement. The Net Settlement Amount to be distributed to all Class Members who do not opt-out of the Settlement is currently estimated to be \$ [REDACTED].

YOUR NUMBER OF QUALIFYING WORKWEEKS:

As a Class Member, your pro-rata percentage is further dependent on your individual qualifying Workweeks worked as a percentage of the total number of Workweeks worked by all Class Members during the Class Period. "Workweeks" means a week worked in job position(s) classified as exempt under the outside sales exemption between October 21, 2018 through August 21, 2023 and during which you were employed by Coram Specialty Infusion Services, Inc. in California according to Defendants' payroll records. Defendants' payroll records show that during the Class Period (between October 21, 2018 through August 21, 2023), you had a total number of [REDACTED] Workweeks.

YOUR ESTIMATED PAGA PAYMENT – IF APPLICABLE:

If you are a Class Member during the PAGA Period – March 03, 2021 through August 21, 2023 – you will also be entitled to a pro rata Pay Period share of the PAGA Payment for that time period, irrespective of whether or not you request exclusion.

You [have/have not] been identified as entitled to a Pay Period share of the PAGA Payment. Your individual PAGA Payment is currently estimated at \$ [REDACTED]. Defendants' payroll records show that during the PAGA Period (between October 21, 2018 through _____), you had a total number of [REDACTED] Pay Periods.

YOU DO NOT NEED TO DO ANYTHING IN ORDER TO RECEIVE MONEY UNDER THE SETTLEMENT.

WORKWEEK(S)/PAY PERIOD(S) DISPUTE FORM

If you believe the total number of your Workweeks and/or Pay Periods worked during the Class Period or PAGA Period (listed above) is accurate, you do not need to take any further action to receive your payment.

TO CHALLENGE YOUR NUMBER OF WEEKS OR PAY PERIODS WORKED AS AN EMPLOYEE CLASSIFIED AS EXEMPT UNDER THE OUTSIDE SALES EXEMPTION FOR CORAM SPECIALTY INFUSION SERVICES, LLC IN CALIFORNIA DURING THE CLASS PERIOD OR PAGA PERIOD, THE SETTLEMENT PAYMENT INFO SHEET AND THIS WORKWEEK(S)/PAY PERIOD(S) DISPUTE FORM MUST BE SIGNED AND POSTMARKED NO LATER THAN [DATE].

FORM TO DISPUTE YOUR NUMBER OF WORKWEEKS/PAY PERIODS

Important:

1. You do NOT have to complete this part of the Dispute Form if the total number of your Workweeks/Pay Periods worked as stated above is accurate.
2. If you do submit this form, it is strongly recommended that you keep proof of timely mailing of this form until receipt of your settlement payment.
3. If you change your mailing address, please provide your new mailing address to the Settlement Administrator. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

Check the box below ONLY if you wish to challenge the total number of your Workweeks or Pay Periods as stated above. All fields on this Dispute Form must be complete for your challenge to be accepted:

- ☐ I wish to challenge the total number of my Workweeks and/or Pay Periods. I have included a written statement detailing what I believe to be the correct number of weeks or pay periods that I worked as an exempt employee under the outside sales exemption for Coram Specialty Infusion Services, LLC in California during the Class Period or PAGA Period. I have also included information and/or documentary evidence that support my challenge. I understand that by submitting this challenge I authorize the Settlement Administrator to review Defendants' records and determine the validity of my challenge.

Signature

Name of Class Member _____ [preprinted]

Class Member ID Number (from address label): _____ [preprinted]

I believe that the correct number of weeks that I worked as an outside sales exempt employee for Coram Specialty Infusion Services, LLC in California during the Class Period (between October

21, 2018 through August 21, 2023) is: _____;
and/or

I believe that the correct number of pay periods that I worked as an outside sales exempt employee for Coram Specialty Infusion Services, LLC in California during PAGA Period (between March 03, 2021 through August 21, 2023) is: _____.

The following is a statement of my reasons and documentation to support this number of Workweeks and/or Pay Periods worked:

[Attach documentation and use separate page(s) as necessary]

Mail to:

insert address

EXHIBIT B

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF MERCED**

SERENA PELLEGRINO, on behalf of herself
and others similar situated,

Plaintiff,

vs.

CVS PHARMACY, INC., a Rhode Island
corporation; CORAM SPECIALTY
INFUSION SERVICES, L.L.C., a Delaware
limited liability company; and DOES 1
through 100, inclusive,

Defendants.

Case No. 22CV-03434

Assigned to: Hon. Brian McCabe

CLASS ACTION

**[PROPOSED] FINAL ORDER AND
JUDGMENT APPROVING CLASS AND
PAGA SETTLEMENT AGREEMENT
AND RELEASE**

Action Filed: October 21, 2022

1 **TO ALL PARTIES AND THEIR COUNSEL OF RECORD:**

2 On _____, at _____, the Motion for Final Approval of Class
3 and PAGA Settlement came before this Court, the Honorable Brian McCabe presiding. The Court
4 having considered the papers submitted in support of the Motion, HEREBY ORDERS THE
5 FOLLOWING:

6 1. All terms used herein shall have the same meaning as defined in the Class and PAGA
7 Action Settlement Agreement and Release (the "Settlement").

8 2. Consistent with the definitions provided in the Settlement, the term "Class Members"
9 shall mean all current and former employees classified as exempt under the outside sales exemption
10 who worked for Coram Specialty Infusion Services, LLC in California at any time during the period
11 of time between October 21, 2018 to August 21, 2023.

12 3. This Court has jurisdiction over the subject matter of this action and over all Parties
13 thereto, including all Participating Class Members.

14 4. The Court finds that the Settlement Class is properly certified as a class for settlement
15 purposes only.

16 5. The Class Notice provided to the Settlement Class conforms with the requirements of
17 California Code of Civil Procedure section 382, California Civil Code section 1781, California Rules
18 of Court 3.766 and 3.769, the California and United States Constitutions, and any other applicable
19 law, and constitutes the best notice practicable under the circumstances, by providing individual
20 notice to all Class Members who could be identified through reasonable effort, and by providing due
21 and adequate notice of the proceedings and of the matters set forth therein to the other Class
22 Members. The Class Notice fully satisfied the requirements of due process.

23 6. The Court finds the Settlement was entered into in good faith, that the Settlement is
24 fair, reasonable and adequate, and that the Settlement satisfies the standards and applicable
25 requirements for final approval of this class action settlement under California law, including the
26 provisions of California Code of Civil Procedure section 382 and California Rules of Court, Rule
27 3.769.

1 7. [___/ No] Participating Class Members have objected to the terms of the Settlement.
2 [Each of the objections are overruled.]

3 8. [___/ No] Class Members have requested exclusion from the Settlement Class. [The
4 Class Members who have requested exclusion from the Settlement Class are [names / listed in
5 Appendix A, attached hereto]. [These Class Members have thus been excluded, are not entitled to an
6 individual Class Settlement Payment, and are not bound by the Judgment.]

7 9. Upon entry of this Order, payment to the Participating Class Members shall be
8 effectuated pursuant to the terms of the Settlement.

9 10. In addition to any recovery that Plaintiff may receive under the Settlement as a
10 Settlement Employee, and in recognition of Plaintiff's efforts on behalf of the Settlement Class and
11 PAGA Employees, and in exchange for her executing a General Release of Defendants, the Court
12 hereby approves the payment of a service fee enhancement to Plaintiff Serena Pellegrino in the
13 amount of \$_____.

14 11. The Court approves the payment of attorneys' fees to Class Counsel in the sum of
15 \$_____ and the reimbursement of litigation expenses in the sum of \$_____.

16 12. The Court approves and orders payment in the amount of \$_____ to
17 [_____] for performance of its settlement administration services.

18 13. The Court approves the settlement of claims under the Labor Code Private Attorneys
19 General Act of 2004 (California Labor Code section 2698 *et seq.*) in the total amount of \$40,000.00.
20 The Court orders payment in the amount of \$30,000.00 to the State of California Labor and
21 Workforce Development Agency in compromise of claims under the Labor Code Private Attorneys
22 General Act of 2004 (California Labor Code section 2698 *et seq.*).

23 14. In accordance with California Rule of Court 3.771(b), the Parties are ordered to give
24 notice of this final Order and Judgment to all Settlement Class Members through the website
25 established by the Settlement Administrator for this Settlement.

26 15. Upon final approval by the Court of the Settlement and effective on the date when
27 Defendants fully fund the entire Gross Settlement Amount (including all employer payroll taxes on
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1 the wage portion of the Class Settlement Payments) and except as to such rights or claims as may be
2 created by the Settlement, Plaintiff and all Participating Class Members release Defendants CVS
3 Pharmacy, Inc. and Coram Specialty Infusion Services, LLC, and their affiliates, divisions,
4 subsidiaries, parents, predecessors, any merged entity or merged entities and/or its or their present and
5 former officers, partners, directors, managers, supervisors, employees, attorneys, agents, shareholders
6 and/or successors, assigns, trustees, heirs, administrators, executors, representatives and/or principals
7 thereof (“Released Parties”), from the Released Class Claims. Released Class Claims include all
8 wage and hour claims, rights, demands, liabilities and causes of action of every nature and description
9 made or which could have been made on behalf of Class Members based on the facts or claims plead
10 in the operative Complaint which occurred during the Class Period, including, but not limited to,
11 claims based on the following categories of allegations during the Class Period: (a) all claims for
12 unpaid minimum wages; (b) all claims for unpaid overtime; (c) all claims for meal period violations;
13 (d) all claims for rest period violations; (e) all claims for failure to provide accurate, itemized, or
14 otherwise proper wage statements; (f) all claims for failure to timely pay wages during employment,
15 including at or after termination of employment; (g) all claims for failure to reimburse business
16 expenses; (h) all claims for failure to maintain accurate and complete payroll records; (i) all claims
17 asserted through California Business & Professions Code §17200 et seq. arising out of the
18 aforementioned claims; (j) all claims asserted through California Labor Code sections 2699 *et seq.*
19 (the Private Attorneys General Act of 2004 (“PAGA”) arising out of the aforementioned claims; (k)
20 all other claims for penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation
21 costs, restitution, equitable relief, or additional damages that allegedly arise out of the aforementioned
22 claims. The Released Class Claims specifically include claims arising under the California Labor
23 Code, including, without limitation, §§ 90.5, 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512,
24 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698-2699.5, Cal.
25 Business & Professions Code §§ 17200, et seq., California Civil Code sections 3287(b) and 3289, and
26 Cal. Code of Civil Procedure § 1021.5, and any derivative claims based on such alleged violations,
27 including those under any applicable California Industrial Welfare Commission Wage Order. The
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1 time period of this release is the Class Period (*i.e.*, October 21, 2018 through _____).

2 16. Effective on the date when Defendants fully fund the entire Gross Settlement Amount
3 (including all employer payroll taxes on the wage portion of the Class Settlement Payments), all
4 Participating Class Members shall be and hereby are permanently barred from the initiation or
5 prosecution of any and all of the Released Class Claims under the terms of the Settlement.

6 17. Upon final approval by the Court of the Settlement and effective on the date when
7 Defendants fully fund the entire Gross Settlement Amount (including all employer payroll taxes owed
8 on the wage portion of the Class Settlement Payments) Plaintiff, on behalf of herself, the State of
9 California and all PAGA Employees, release the Released Parties from the Released PAGA Claims.
10 No PAGA Employee may opt out of this release. The Released PAGA Claims include all claims
11 against Defendants during the PAGA Period seeking civil penalties under PAGA that Plaintiff in her
12 capacity as proxy for the State of California, the LWDA, and as a private attorney general acting on
13 behalf of herself and the PAGA Employees, stated or could have been stated based on the facts
14 alleged in the Action based on the allegations in the Complaint and LWDA Notice, including but not
15 limited to claims for PAGA civil penalties based on the Class Claims, and that occurred during the
16 PAGA Period (*i.e.*, March 3, 2021 through August 21, 2023).

17 18. The expiration date of any instruments of payment issued by the Settlement
18 Administrator to Participating Class Members will be one hundred eighty (180) days from the date
19 such instruments are issued and sent. Any settlement checks remaining uncashed after one hundred
20 eighty (180) days shall cause that Participating Class Member's payment, plus interest that has accrued
21 thereon, to be distributed to the Controller of the State of California to be held pursuant to the
22 Unclaimed Property Law, California Civil Code section 1500 et seq., for the benefit of that class
23 member. The Parties agree that this disposition results in no "unpaid residue" under California Civil
24 Procedure Code section 384, as the entire Net Settlement Amount will be paid out to Participating
25 Class Members. In the event that an Participating Class Member Share is distributed to the Controller
26 of the State of California, the terms of the final judgment and the Release of Claims will nevertheless
27 be binding upon that Participating Class Member. Within two hundred (200) days after the date of

mailing of the instruments of payment, the Settlement Administrator shall provide to Class Counsel and Defendant's Counsel a verification/declaration signed under penalty of perjury that the Settlement Administrator has complied with this provision.

19. This Judgment is intended to be a final disposition of the Lawsuit in its entirety, and is intended to be immediately appealable.

JUDGMENT

In accordance with and for the reasons stated in the Final Approval Order, Judgment shall be entered whereby the Plaintiff and all Class Members shall take nothing from Defendants, except as expressly set forth in the Settlement, which was previously filed, as part of Plaintiff's Motion for Preliminary Approval of Class and PAGA Settlement.

Pursuant to California Code of Civil Procedure Section 664.6 and Rule 3.769(h) of the California Rules of Court, this Court reserves exclusive and continuing jurisdiction over this action, the Plaintiff, Class Members, and Defendants, for the purposes of:

- (a) Supervising the implementation, enforcement, construction, and interpretation of the Settlement, the Preliminary Approval Order, the plan of allocation, the Final Approval Order, and the Judgment; and
- (b) Supervising distribution of amounts paid under this Settlement.

IT IS SO ORDERED.

Dated: _____

Honorable Brian McCabe
Merced County Superior Court Judge

EXHIBIT C

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF MERCED

SERENA PELLEGRINO, on behalf of herself
and others similar situated,

Plaintiff,

vs.

CVS PHARMACY, INC., a Rhode Island
corporation; CORAM SPECIALTY
INFUSION SERVICES, L.L.C., a Delaware
limited liability company; and DOES 1
through 100, inclusive,

Defendants.

Case No. 22CV-03434

Assigned to: Hon. Brian McCabe

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS AND PAGA SETTLEMENT
AGREEMENT AND RELEASE**

Action Filed: October 21, 2022

1 Motion for Preliminary Approval of Class and Representative Action Settlement
2 (“Motion”) filed by Plaintiff Serena Pellegrino (“Plaintiff”) came on regularly for hearing on
3 _____. Having reviewed the Motion, the Declaration of _____ (“___ Decl.”) and
4 exhibits thereto, including the Class and PAGA Action Settlement Agreement and Release
5 (“Settlement Agreement”) (see ROA No. ___), and good cause appearing therefore, the Court
6 hereby finds and orders as follows:

7 1. The Motion concerns the following putative class and representative
8 action brought against Defendants CVS Pharmacy, Inc., and Coram Specialty Infusion Services,
9 LLC (collectively, “Defendants” or “CVS”).

10 2. On October 21, 2022, Plaintiff filed a putative class and representative action in
11 the Superior Court of the State of California, County of Merced, Case No. 22CV-03434, against
12 Defendants alleging that Defendants: (1) failed to pay minimum wages; (2) failed to provide rest
13 breaks; (3) failed to provide meal periods; (4) failed to pay overtime wages; (5) failed to furnish
14 accurate itemized wage statements; (6) failed to timely pay all wages during employment,
15 including at or after termination of employment; (7) failed to reimburse business expenses; (8)
16 failed to maintain accurate payroll records; (9) violated California’s Unfair Competition Law,
17 California Business and Professions Code section 17200 et seq.; and (10) violated provisions of
18 the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys
19 General Act of 2004 [Lab. Code § 2699, et seq.].

20 3. The Court finds on a preliminary basis that the \$300,000 Gross Settlement
21 Amount appears to be fair, adequate, and reasonable, falls within the range of reasonableness, and
22 therefore meets the requirements for preliminary approval. Further, the Court preliminarily
23 approves the following allocation of the Gross Settlement Amount of \$300,000: (a) Class
24 Counsel’s attorneys’ fees not to exceed \$105,000; (b) Class Counsel’s litigation costs not to
25 exceed \$22,000; (c) Plaintiff’s Service Enhancement not to exceed \$10,000; (d) Settlement
26 Administration Expenses not to exceed \$20,000; (e) the LWDA PAGA Penalty Amount of
27 \$30,000; and (f) the PAGA Employee Payment of \$10,000. All remaining balance of the Gross
28 Settlement Amount, or the Net Settlement Amount, shall be allocated to the Participating Class

1 Members based on their qualifying weeks worked in the Class Period.

2 4. Assuming this Settlement is finally approved and becomes effective, Participating
3 Class Members will release Defendants from all Released Class Claims for the Class Period
4 (October 21, 2018 to August 21, 2023). As set forth in detail in the Settlement Agreement, the
5 Release Class Claims include all wage and hour claims, rights, demands, liabilities and causes of
6 action of every nature and description made or which could have been made on behalf of Class
7 Members based on the facts or claims plead in the operative Complaint which occurred during the
8 Class Period, including, but not limited to, claims based on the following categories of allegations
9 during the Class Period: (a) all claims for unpaid minimum wages; (b) all claims for unpaid
10 overtime; (c) all claims for meal period violations; (d) all claims for rest period violations; (e) all
11 claims for failure to provide accurate, itemized, or otherwise proper wage statements; (f) all
12 claims for failure to timely pay wages during employment, including at or after termination of
13 employment; (g) all claims for failure to reimburse business expenses; (h) all claims for failure to
14 maintain accurate and complete payroll records; (i) all claims asserted through California
15 Business & Professions Code §17200 et seq. arising out of the aforementioned claims; (j) all
16 claims asserted through California Labor Code sections 2699 *et seq.* (the Private Attorneys
17 General Act of 2004 (“PAGA”) arising out of the aforementioned claims; (k) all other claims for
18 penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs,
19 restitution, equitable relief, or additional damages that allegedly arise out of the aforementioned
20 claims. The Released Class Claims specifically include claims arising under the California Labor
21 Code, including, without limitation, §§ 90.5, 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510,
22 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698-
23 2699.5, Cal. Business & Professions Code §§ 17200, et seq., California Civil Code sections
24 3287(b) and 3289, and Cal. Code of Civil Procedure § 1021.5, and any derivative claims based on
25 such alleged violations, including those under any applicable California Industrial Welfare
26 Commission Wage Order. The time period of this release is the Class Period (*i.e.*, October 21,
27 2018 through August 21, 2023).

1 5. Further, assuming this Settlement is finally approved and becomes effective, Plaintiff,
2 on behalf of herself, the State of California and all PAGA Employees, will release the Released
3 Parties from the Released PAGA Claims. No PAGA Employee may opt out of this release. The
4 Released PAGA Claims include all claims against Defendants during the PAGA Period seeking civil
5 penalties under PAGA that Plaintiff in her capacity as proxy for the State of California, the LWDA,
6 and as a private attorney general acting on behalf of herself and the PAGA Employees, stated or could
7 have been stated based on the facts alleged in the Action based on the allegations in the Complaint
8 and LWDA Notice, including but not limited to claims for PAGA civil penalties based on the Class
9 Claims, and that occurred during the PAGA Period (*i.e.*, March 3, 2021 through August 21, 2023).

10 6. The Court provisionally certifies for settlement purposes only the following class
11 (“Class”):
12 all current and former employees classified as exempt
13 under the outside sales exemption who worked for Coram
14 Specialty Infusion Services, LLC, in the state of California,
15 between October 21, 2018 to August 21, 2023.

14 7. The Court appoints Serena Pellegrino as the Class and PAGA Representative for
15 Settlement purposes.

16 8. The Court appoints CounselOne, P.C. and W. Employment Law, A.P.C. as Class
17 Counsel for Settlement purposes.

18 9. The Court appoints _____ as the Settlement Administrator.

19 10. The Parties are ordered to carry out the Settlement according to the terms of the
20 Settlement Agreement attached as Exhibit ____ to the _____ Declaration.

21 11. The Court approves, as to form and content the Notice of Proposed Class Action
22 Settlement (together with the opt-out, settlement payment info, and workweek/pay period dispute
23 forms) (“Class Notice”), attached as **Exhibit A** to this Order. The Court finds that the notice plan
24 is the best means practicable under the circumstances for providing notice to the Class Members,
25 and when contemplated, shall constitute due and sufficient notice of the class action, proposed
26 settlement, and the final approval hearing to all persons entitled to such notice, in full compliance
27 with due process and the notice requirements of Code of Civil Procedure § 877.6.

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12. The Court orders the following implementation schedule:

Last day for CVS to provide Settlement Administrator with Settlement Employee Data	_____ (20 days after the date of Preliminary Approval)
Last day for Settlement Administrator to mail Class Notice to Class Members	_____ (45 days after the date of Preliminary Approval)
Response Deadline	_____ (60 days after Class Notice is mailed)
Last day to file and serve Motion for Final Approval of Class Action Settlement	_____
Final Approval Hearing	_____ at _____ in Courtroom 8.

IT IS SO ORDERED.

DATED: _____

HON. BRIAN MCCABE
JUDGE OF THE SUPERIOR COURT