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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF KERN

DANIEL ALCOSER, individually, and on behalf of other similarly situated employees,

Plaintiff,

vs.

CVS PHARMACY, INC.; GARFIELD BEACH CVS, L.L.C.; CVS HEALTH CORPORATION; LONGS DRUG STORES CALIFORNIA, LLC; and DOES 1 through 25, inclusive,

Defendants.

Case No. 26CUB02765

Honorable Gregory A. Pulskamp
Department Division J

DECLARATION OF ANNABEL BLANCHARD IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Date:	December 4, 2026
Time:	8:30 a.m.
Dept.:	J
Complaint Filed:	July 17, 2026
Trial Date:	Not Set

DECLARATION OF ANNABEL BLANCHARD

I, Annabel Blanchard, declare and state as follows:

1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a member of Blackstone Law, APC ("Class Counsel"), attorneys of record for Plaintiff Daniel Alcoser ("Plaintiff"). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

Experience and Adequacy of Blackstone Law, APC

2. Blackstone Law, APC was started in February 2018, representing plaintiffs in individual and representative employment litigation. The firm has grown exponentially over the past eight-plus years, now maintaining over thirty highly pedigreed attorneys working on almost exclusively labor and employment class actions, California Labor Code Private Attorney General Act of 2004 ("PAGA") cases, and individual matters, with roughly 15% of the firm focused on other complex general litigation matters. Below is a summary of the experience and qualifications of the attorneys from Blackstone Law, APC who primarily have been responsible for the representation of Plaintiff in connection with the resolution of the above-captioned matter.

3. Jonathan M. Genish is the founder of Blackstone Law, APC. He received his law degree from Benjamin N. Cardozo School of Law and was admitted to the California State Bar in 2008. During law school, he clerked at the litigation firm Oved & Oved, LLP and was published several times in various small publications. Upon graduation, he was rehired by Freedman & Taitelman, LLP as an associate and remained employed there from September 2008 through August 2015. During his tenure, he managed hundreds (perhaps thousands) of complex litigation cases, ranging from employment, corporate, entertainment, and general business litigation matters, though his primary area of expertise was employment, both single plaintiff and representative actions. On the vast majority of those cases, he was the only or primary attorney managing the case and thus obtained extensive experience. In that capacity, he conducted wage and hour and wrongful termination labor and employment intakes; was the primary contact for all clients; took and defended hundreds (if not thousands) of depositions; propounded and responded to all discovery; prepared and opposed all motions and pleadings, including dispositive and certification motions; strategized on all cases;

attended all hearings; attended all mediations; coordinated with class action administrators; prepared and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all other intricate facets of litigation. During that time, he represented a wide range of clients from sole proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of the cases he managed were highly publicized, with articles written about them in the Los Angeles Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has regularly honored him as a Southern California Rising Star since 2012.

4. Barbara DuVan-Clarke is a 16-year litigator who joined Blackstone in September 2022 as a Senior Trial Attorney and Team Lead, building on her entire career of litigating single-plaintiff employment, catastrophic injury, and class/PAGA matters with well-known plaintiff-side wage and hour law firms in Los Angeles. She earned her Bachelor of Arts degree from the University of California at Los Angeles in 2003 and then obtained her Juris Doctorate from Case Western Reserve University in Cleveland, Ohio in 2007. Ms. DuVan-Clarke also maintains leadership roles in the California Employment Lawyers' Association ("CELA") and other organizations.

5. Danielle GruppChang is a senior associate attorney. She graduated from California Polytechnic University San Luis Obispo in 2013, with a Bachelor of Arts degree in Political Science with a minor in Communication Studies. She then obtained her Juris Doctorate from University of California Law San Francisco (formerly known as University of California Hastings College of the Law), graduating in 2016, and was admitted to the California State Bar in January 2017. She has practiced exclusively plaintiff's side labor and employment class and representative action law from 2017 through the present.

6. P.J. Van Ert is an accomplished attorney who joined Blackstone in 2023, after having worked at an employment litigation firm for 2 years, and prior to that, having served as a District Attorney for over 13 years. In that role, she was a prolific trial attorney, and it is my understanding that she tried over 50 jury trials to verdict. She graduated from University of California at Davis in 2000, with a Bachelor of Arts degree, and from University of California at Los Angeles School of Law with a Juris Doctorate in 2004. She was admitted to the State Bar of California in December 2004.

7. Alexandra Rose joined Blackstone Law, APC, from a highly reputable employment

law firm. Ms. Rose graduated from the University of California, Los Angeles with a Bachelor of Arts degree in 2016 and from New England Law | Boston with a Juris Doctor degree in 2019. She was admitted to the State Bar of California in December of 2019 and the State Bars of New York and New Jersey in 2023. Ms. Rose is additionally licensed in all federal district courts of California. Ms. Rose has worked on many wage and hour class action and PAGA representative matters, and her work has included, inter alia, researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances. Ms. Rose manages the post-settlement department at Blackstone. In that capacity, Ms. Rose oversees and handles over 100 wage-and-hour putative class actions and/or representative actions under PAGA, that are in settlement.

8. I joined Blackstone Law, APC, a highly reputable employment law firm. I graduated from University of California at Berkeley with a Bachelor of Arts degree in 2001, and from Southwestern University School of Law with a Juris Doctorate in 2008. I was admitted to the State Bar of California in December of 2008. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, *inter alia*, researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances.

9. Blackstone Law, APC, has been counsel of record on several class action and PAGA actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

Procedural History of the Action

10. On December 16, 2022, Claimant Steven Keller ("Keller") provided written notice to the California Labor and Workforce Development Agency ("LWDA") by online submission and to defendants CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., and CVS Health Corporation by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3 of the specified provisions of the California Labor Code alleged to have been violated by Defendants, initiating LWDA Case No. LWDA-CM-924854-22. A true and correct copy of the written notice is attached hereto as **Exhibit 2.**

11. On July 17, 2026, Plaintiff filed a Class Action Complaint in the action entitled *Daniel*

Alcoser v. CVS Pharmacy, Inc., et al., Kern County Superior Court Case No. 26CUB02765 ("Action"), against Defendants CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., Longs Drug Stores California, L.L.C., and CVS Health Corporation ("Defendants" or "CVS"), thereby commencing a putative class action against Defendants.

12. On September 15, 2026 Plaintiff and Keller submitted an amended written notice to the LWDA and Defendants. The amended written notice of September 15, 2026 is referred to as the "PAGA Letter." A true and correct copy of the PAGA Letter is attached hereto as **Exhibit 3**.

13. Plaintiff will file a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action, which adds a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 et seq. ("PAGA"). The Operative Complaint alleges eleven (11) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premium payments in lieu thereof, failure to timely pay wages during employment, failure to provide one day's rest in seven, failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq*. based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations.

14. On May 10, 2023, Plaintiff's Counsel and Defendants' Counsel participated in a formal mediation conducted by Tripper Ortman Esq. ("Mediator"), a neutral and respected mediator with extensive experience in complex wage and hour matters. The Action did not reach a settlement at mediation. Through ongoing negotiations, and with the assistance of the Mediator's evaluations, Plaintiff and Defendants (the "Parties") ultimately were able to reach an agreement to resolve this dispute on a class and representative basis. The Parties then worked diligently to negotiate and memorialize the terms in a long form settlement agreement.

15. On September 23, 2026, the Parties executed the Class and PAGA Settlement Agreement and Release ("Settlement" or "Settlement Agreement"). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 4**.

Summary of the Terms of the Settlement Agreement

16. For settlement purposes only, the Parties have agreed to certification of a class of Class Members as to all Class Claims asserted in the Action. The Class is defined as "all current and former CVS employees who were given the title 'store manager' and classified as exempt employees in California at any time during the Class Period." The Class Period is defined as the period from December 20, 2018, through September 15, 2022. Based on information provided by Defendants, it is estimated that there are a total of six hundred seventy-six (676) Class Members.

17. The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of Two Million Dollars ($2,000,000), exclusive of employer-side payroll taxes. The Gross Settlement Amount is a common fund and includes Class Counsel's attorneys' fees and actual litigation costs, Settlement Administration Expenses, the PAGA Payment, Class Settlement Payments to Participating Class Members, and the Service Enhancement to Plaintiff. The Gross Settlement Amount includes Class Counsel's fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, i.e., Seven Hundred Thousand Dollars ($700,000), Class Counsel's actual litigation costs and expenses not to exceed Twenty-Five Thousand Dollars ($25,000), Settlement Administration Expenses not to exceed Thirty Thousand Dollars ($30,000), a Service Enhancement to Plaintiff not to exceed Seven Thousand Five Hundred Dollars ($7,500), and a PAGA Payment in the amount of Fifty Thousand Dollars ($50,000). After these estimated deductions, the Net Settlement Amount currently available for Participating Class Members is estimated to be One Million One Hundred Eighty-Seven Thousand Five Hundred Dollars ($1,187,500). Twenty-five percent (25%) of the PAGA Payment, or Twelve Thousand Five Hundred Dollars ($12,500), will be distributed to PAGA Employees on a pro rata basis based on the number of Pay Periods each PAGA Employee was employed by Defendants during the PAGA Period. "PAGA Employees" means all current and former CVS employees who were given the title of "store manager" and were classified as an exempt employee in California at any time during the PAGA Period. The PAGA Period is defined as the period from October 16, 2021, through September 15, 2022. "Settlement Employees" refers to all Class Members and all PAGA Employees. "Participating Settlement Employees" means all Participating Class Members and all PAGA Employees.

18. The Net Settlement Amount will be distributed to all Class Members who do not opt out of the Class Claims portion of the Settlement, referred to as "Participating Class Members," on a pro rata basis. The Settlement Administrator will calculate each Participating Class Member's Class Settlement Payment based on each Participating Class Member's relative percentage of Workweeks in the Class Period, as reflected in CVS's internal records. "Workweek" means any week in which a Class Member was employed by Defendants during the Class Period, and each Class Member will be credited with at least one Workweek. The pro rata share of the Net Settlement Amount that each Participating Class Member may be eligible to receive under the Class Settlement will be calculated by the Settlement Administrator in accordance with the Settlement Agreement.

19. The PAGA Employee Payment will be distributed to each PAGA Employee on a pro rata basis, based on the number of Pay Periods each PAGA Employee was employed by Defendants during the PAGA Period. The Settlement Administrator will calculate each PAGA Employee's share based on each PAGA Employee's relative percentage of Pay Periods in the PAGA Period, as reflected in CVS's internal records. "Pay Period" means any pay period in which a PAGA Employee was employed by Defendants during the PAGA Period. The pro rata share of the PAGA Employee Payment that each PAGA Employee may be eligible to receive under the PAGA Settlement will be calculated by the Settlement Administrator in accordance with the Settlement Agreement.

20. Each Class Settlement Payment to Participating Class Members will be allocated as twenty-five percent (25%) wages, fifty percent (50%) penalties, and twenty-five percent (25%) interest. The PAGA Employee Payments will be allocated entirely to penalties. Plaintiff and Participating Class Members will be responsible for their own payroll and income taxes on the wage portion of the Class Settlement Payments, and those amounts will be withheld by the Settlement Administrator before checks are issued. CVS will separately fund the employer-side tax contributions required by law.

21. The Settlement Agreement is a non-reversionary and non-claims made settlement. The Net Settlement Amount will be fully distributed to Participating Class Members, and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement Agreement. No money will revert to Defendants.

22. Each settlement check issued to a Participating Settlement Employee will remain valid for one hundred eighty (180) calendar days after mailing. If a Participating Settlement Employee does not cash their check within that 180-day period, the check will become void. Funds associated with Settlement checks that are returned as undeliverable or remain uncashed for more than one hundred eighty (180) calendar days after issuance will be sent to the State Controller's Office under the Unclaimed Property Law Statutes.

The Settlement is Reasonable

Informed Arms-Length Negotiations

23. The Parties' settlement negotiations were at all times made at arm's-length and were adversarial. The Settlement was reached following a full day of mediation with a highly respected mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in additional negotiations in order to finalize the long-form agreement presently before the Court.

24. The Parties engaged in informal investigation and discovery and exchanged information before reaching the Settlement. Prior to mediation Defendant produced its company policies and procedures, as well as a sampling of time and pay data for putative class members. The parties also met and conferred on numerous occasions over issues relating to the pleadings, jurisdiction, and the production of documents and data prior to and after the mediation. Under the Settlement Agreement, CVS will provide the Settlement Administrator with Settlement Employee Data identifying Settlement Employees and reflecting the respective number of Workweeks each Class Member worked during the Class Period and the number of Pay Periods each PAGA Employee worked during the PAGA Period. The Settlement Administrator will calculate Class Settlement Payments and PAGA Employee Payments based on CVS's internal records. The Settlement Agreement further reflects that the settlement resulted from lengthy, intensive, arm's-length negotiations between the Parties.

25. This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and weaknesses of the claims and the potential class-wide damages.

26. Based on the information exchanged, the Parties extensively briefed issues regarding class certification and liability and provided their analyses to the Mediator who helped the Parties

debate the strengths and weakness of their respective positions. At all times, Plaintiff was willing and prepared to litigate this matter through class certification and trial if the Parties had been unable to reach a favorable resolution.

Estimate of Potential Value of Claims

27. Class Counsel analyzed all available data and estimated Defendants' maximum potential exposure to be approximately $30,820,206.20, assuming the litigation was successful at trial on all claims at issue and every employee had a violation for each claim on every shift worked. This total maximum value was then discounted at varying levels based on factors such as the likelihood of obtaining class certification, prevailing at trial, and other attendant risks. Plaintiff used an hourly rate of $39.30 to calculating damages; this average hourly rate was arrived at by taking the average salary of $82,027.82 per year, dividing that by 2,087 hours in the year.

28. For the Court's convenience, Plaintiff has prepared the following table which reflects both the total maximum value and the reasonable settlement value of the Action after discounting for risk and other factors.

Claim	Maximum Value	Value after discounting for risks of certification	Value after discounting for risks of prevailing on the merits, including but not limited the underlying misclassification theory	Value after discounting for the risk of the Court not finding willfulness
Off the Clock Work	$2,515,750.20	$628,937.50	$157,234.38	
Unpaid Meal Period Premiums	$12,578,751.00	$3,144,687.75	$943,406.33	
Unpaid Rest Period Premiums	$12,578,751.00	$3,144,687.75	$943,406.33	
Waiting Time Penalties	$1,575,144.00	$393,786.00	$98,446.50	$24,611.63
Failure to Provide One Day's Rest in Seven	$699,400.00	$174,850.00	$43,712.50	

Failure to Provide Accurate Wage Statements	$699,400.00	$174,850.00	$43,712.50	
Failure to Reimburse Necessary Business Expenses	$173,010.00	$43,252.50	$10,813.13	
Civil Penalties pursuant to PAGA	$720,900.00	$180,225.00 (*discounted for lack of efficiency risk)*	$45,056.25	$11,264.06

29. As indicated by the table above, after discounting for the attendant risks, costs, and time required by further litigation and taking the Action to trial, the reasonable settlement value of the Action is $2,211,953.03.

30. As explained briefly above, the total maximum value of the Action indicated in the table above (i.e., $31,541,106.20) would require Plaintiff to prove that every class member suffered a violation of each cause of action on every single shift they worked. This amount shows the theoretical maximum amount of damages as opposed to the realistic potential value of the Action. The theoretical total maximum value was then reasonably discounted based on challenges facing the likelihood of obtaining class certification, prevailing at trial, and other attendant risks.

Specific Risks Considered

31. Although the investigation and information discovered supports Plaintiff's contentions, Defendants raised potential defenses and other circumstances that impacted the risk of proceeding on a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter the Settlement.

32. Defendants raised potential defenses and other circumstances that impacted the risk of proceeding on a class-wide basis. Specifically, Defendants emphasized that several of the Class Members had signed arbitration agreement with class waivers. Defendants also argued that Plaintiff would not be able to establish that the Class Members were misclassified as exempt and raised the inherent difficulties in establishing misclassification (such as highly individualized circumstances, Class Members managed different locations with different layouts, employee counts, and customer

needs). Plaintiff noted and argued that despite the variations between store locations, the exemption analysis was the same: employees given the title and classification of Exempt Store Manager were not able to spend the majority of their time performing exempt tasks. Therefore, Plaintiff believed that he would be successful in a motion for class certification regarding the exemption issue. However, Defendants argued that, even if a class was certified based on the issue of exemption, Plaintiff and Class Members still may not recover any damages on their meal and rest period claims, given that Class Members had the opportunity to take these breaks, and Defendants need only provide meal and rest periods. Defendants further argued that Plaintiff would not be able to adequately substantiate damages, due to the lack of time records given the Class Members were classified as exempt and did not maintain time records. Moreover, Defendants argued that Plaintiff would not be able to prove typicality and commonality. Defendants maintained that each store had individualized circumstances which contributed to the allocation of job duties between exempt tasks (such as interfacing with district offices, hiring, payroll, staffing, managing inventory) and non-exempt tasks (such as manning cash registers, interfacing with customers, and restocking shelves, among other tasks) and hours worked by the putative class members. Consideration of these risks factored into Plaintiffs' calculation of the reasonable settlement value of the Action, the negotiations, and ultimately the decision to enter the Settlement.

33. Class Counsel is aware of Defendants' defenses and arguments and has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those risks specific to misclassification cases, as well as general those involved in class and/or representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted in the Action, Defendants' defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement discussions, the documents produced in informal discovery, as well as the evaluations of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

34. Defendants denied and continue to deny any liability and wrongdoing of any kind associated with the claims alleged in the Action and further deny that class certification is appropriate for any purpose other than the Settlement. Defendants believe that they would ultimately prevail in

the Action. Defendants proffered defenses to both certification and to the merits of Plaintiff's claims. Defendants contended, in addition to their arguments listed above regarding typicality and damages, that their policies and practices fully complied with California law, that their Store Managers were properly classified as exempt, that misclassification claims were particularly ill-suited for class treatment, and that the majority of the putative class was bound by arbitration agreements containing a class action waiver. Further, as with all class actions, these complex cases raise difficult management and proof issues and, accordingly, there is a significant risk that the Court may deny class certification.

35. Class Counsel also recognized that, even if Plaintiff was able to show that the Class was misclassified as exempt and prevailed at class certification, proving the amount of wages and premiums due to each Class Member would be an expensive, time-consuming, and frankly uncertain proposition. In order to prove liability and damages, Class Counsel would need to request and analyze thousands of additional pages of documents, obtain contact information for additional putative Class Members, contact, interview, depose, and/or obtain declarations from them, and obtain multiple additional witness declarations at great expense and risk. Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current employer. On the other hand, Defendants would be more likely be able to obtain the cooperation of their employees. Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals would substantially delay any recovery by the Class.

36. Class Counsel also separately considered the risks of proceeding with the PAGA claims and the potential liability Defendants could face from those claims as part of the global resolution. The PAGA claims were based on the same alleged wage-and-hour violations underlying the Action and the PAGA Letter, including alleged failure to pay wages for all hours worked, failure to pay overtime, meal and rest break violations, failure to timely pay wages during employment, failure to provide one day's rest in seven, wage statement violations, failure to pay wages at termination, and failure to reimburse business expenses. Defendants denied Plaintiff's claims, asserted that Settlement Employees were properly classified and paid, maintained that no liability existed, and reserved all rights to challenge the claims on procedural, merits, and factual grounds if the Settlement did not become effective. Class Counsel therefore considered the risk that Defendants would raise the same

defenses to the PAGA claims that they asserted against Plaintiff's underlying wage-and-hour claims, including challenges to liability, proof, manageability, and the amount of any civil penalties. Class Counsel also considered the risk that any award of cumulative civil penalties could be substantially reduced based on arguments regarding proportionality, good faith, and the alleged frequency of violations. Class Counsel further considered that approval of the PAGA settlement would require a finding that the PAGA settlement provides genuine and meaningful relief consistent with PAGA's underlying public-enforcement purpose.

37. Accordingly, after considering these factors, Class Counsel concluded that it was in the best interest of the State of California and the PAGA Employees to enter into the Settlement and to allocate Fifty Thousand Dollars ($50,000) of the Gross Settlement Amount toward the PAGA claims, with 75% ($37,500) allocated to the LWDA and 25% ($12,500) allocated to PAGA Employees on a pro rata basis. This PAGA allocation represents approximately 2.5% of the Two Million Dollar ($2,000,000) Gross Settlement Amount. The Settlement also provides relief consistent with the public policy objectives of PAGA because the Parties will ask the Court to approve the PAGA portion of the Settlement as providing genuine and meaningful relief consistent with PAGA's purpose of benefitting the public.

38. Class Counsel considered the risks of further litigating the Action, including the significant additional resources that would be expended by both Parties and the Court if the Action did not settle, as litigating a class action through class certification, trial, and/or appeals is lengthy and expensive. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the case (such as the arbitration agreements and underlying misclassification theory), applicable case law and regulations, costs and expenses of further litigation and certification, and risks of records, and applied appropriate discounts for them.

39. The foregoing discussion confirms that the amount of the Settlement is adequate in light of Plaintiff's allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability

to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter at this stage. Class Counsel also recognized the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation, as well as the real possibility of obtaining no recovery for the class. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

40. Therefore, as stated above, Class Counsel estimated that the maximum settlement value, if Plaintiff was successful at trial on all of the claims, prior to applying any adjustments for the risks Plaintiff faced in certifying his claims and then succeeding on those claims post-certification, is $31,541,106.20. The reasonable settlement value, after taking into account the risks discussed above is $2,211,953. Therefore, the Gross Settlement Amount of $2,000,000 represents 90.4% of the risk-adjusted value of the claims

41. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate. The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of California and is within the accepted range of recoveries for this type of litigation given the inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further litigation.

Service Enhancement

42. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Service Enhancement of Seven Thousand Five Hundred Dollars ($7,500). This Service Enhancement is eminently reasonable given the time and effort Plaintiff spent on this case, and the benefit to the Class Members as a result of Plaintiff's actions. Notice of the requested Service Enhancement is disclosed to the Class Members in the Class Notice.

Attorneys' Fees and Costs

43. The attorneys' fees requested by Class Counsel are in line with the common fund requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to Seven Hundred Thousand Dollars ($700,000), equal to thirty-five percent (35%) of the Gross Settlement Amount, and actual litigation costs and expenses in an amount not to exceed

Twenty-Five Thousand Dollars ($25,000), to be paid from the Gross Settlement Amount subject to Court approval. The Gross Settlement Amount is Two Million Dollars ($2,000,000). Class Counsel has borne the risks and costs of litigation and will not receive any compensation unless recovery is obtained.

44. The effectiveness of Blackstone Law, APC's prosecution of this matter, has translated into tangible monetary benefits. The Settlement provides a $2,000,000 Gross Settlement Amount, including payments to Participating Class Members and a $50,000 PAGA Payment, with $37,500 allocated to the LWDA and $12,500 allocated to PAGA Employees. Participating Class Members will receive pro rata payments based on their relative Workweeks during the Class Period, and payments will be distributed within seven court days after Defendants fund the Settlement. The Settlement also avoids the risks, costs, and delay of continued litigation, including Defendants' reserved rights to challenge the claims, class certification, representative treatment, and the merits if the Settlement does not become effective. These benefits support finality now rather than additional years of litigation through certification, trial, and possible appeal.

45. Class Counsel has litigated this matter for an extended period of time and was actively preparing this matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of the legal services provided, the time incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the requested Class Counsel's Attorneys' Fees and Litigation Costs is disclosed to the Class Members in the Class Notice.

Notice to the Class

46. The Parties have agreed to retain Apex Class Action LLC as the Settlement Administrator to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Apex Class Action LLC to handle these procedures and serve as the Settlement Administrator. Within thirty (30) calendar days after preliminary approval, Defendants will provide the Settlement Administrator with the Settlement Employee Data, including relevant information regarding Settlement Employees' dates of employment and the number of Workweeks and Pay Periods worked during the applicable Settlement Period. The Settlement Administrator will

estimate each Class Member's recovery from the Net Settlement Amount, prepare and mail Class Notices with estimated Class Settlement Payment amounts and estimated PAGA Employee Payment amounts, receive Requests for Exclusion and objections, provide reports to counsel and the Court, determine and pay the final amounts due, account for employee-side payroll taxes on the wages portion of Class Settlement Payments, prepare and deliver necessary tax reporting documents, and carry out other related tasks under the Settlement Agreement. The Settlement Administrator will calculate Class Settlement Payments based on Participating Class Members' relative Workweeks during the Class Period and PAGA Employee Payments based on PAGA Employees' relative Pay Periods during the PAGA Period, as reflected in CVS's records. Within seven (7) court days after Defendants fund the Settlement Administrator will distribute checks to all Participating Settlement Employees, pay Plaintiff's Service Enhancement, issue the LWDA payment, pay Class Counsel's attorneys' fees and costs, and pay the Settlement Administration Expenses.

47. I am not aware of an alternative method of providing notice to the Class which would result in a higher likelihood of actual notice. The original source of the mailing addresses is from each Class Member, who provided the information to Defendants. As a fail-safe to this highly reliable method, skip tracing will be performed, if necessary.

Notice of Settlement to the LWDA

48. In accordance with California Labor Code section 2699(s)(2), on October 2, 2026, 2026, a copy of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's website. A true and correct copy of the email from the LWDA confirming receipt is attached hereto as **Exhibit 5**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 5, 2026, at Los Angeles, California

A. Blanchard

Annabel Blanchard

EXHIBIT 1

- *Luis A. Romero v. Thyssenkrupp Materials, LLC*, Los Angeles County Superior Court, Case No. 24STCV03007, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Luis Ramirez, et al. v. TMI Automotive Products Inc., et al.*, Riverside County Superior Court, Case No. CVRI2304340, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Yrene Diaz, et al. v. Macadi Cleaning Corporation*, Los Angeles County Superior Court, Case No. 21STCV33823, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ingrid Ruano v. Box Express Manufacturing*, Los Angeles County Superior Court, Case No. 23STCV17209, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Lakeysha Vaughn, et al. v. Den-Mat Holdings, LLC, et al.*, Santa Barbara County Superior Court, Case No. 24CV01042, approved as counsel in final settlement of wage and hour class action.
- *Carla Recinos Castillo, et al. v. Radiant Services Corp., et al.*, Los Angeles County Superior Court, Case No. 22STCV37683, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Eduardo Venegas v. Ionis Pharmaceuticals, Inc.*, Los Angeles County Superior Court, Case 24STCV12702, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Marissa Riemann v. Quantum Design, Inc., et al.*, San Diego County Superior Court, Case No. 24CU009870C, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jossue Morentin, et al. v. Andros Engineering Corporation*, Kern County Superior Court, Case No. BCV-25-101034, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Urbano Zavala Lopez v. Food for Life*, Riverside County Superior Court, Case No. CVRI2305901, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Demaris Masadas v. California Dinner Entertainment, LLC dba Pirate's Dinner Adventure*, Orange County Superior Court, Case No. 30-2023-01354556-CU-OE-CXC, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Laura Abarca v. Skirball Cultural Center*, Los Angeles County Superior Court, Case No. 24STCV07567, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Frank Breckenridge v. Pacific Material Handling Solutions, Inc.*, Alameda County Superior Court, Case No. 24CV070227, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Gina Harris v. Arhaus, LLC, et al.*, Los Angeles County Superior Court, Case No. 24STCV24656, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Debra McDonald v. LFCU Financial Services, LLC dba Logix Federal Credit Union, et al.*, Los Angeles County Superior Court, Case No. 24STCV16050, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Victoria Esquivel v. Hamlet Karapetian, DMD, Inc. dba Friendly Smiles Dental Group, et al.*, Santa Barbara County Superior Court, Case No. 24CV03582, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Gabriela Guerrero, et al. v. SAR California Holdco Inc. dba Sarku Japan*, Kern County Superior Court, Case No. BCV-23-104255, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Roman Ramirez Gallegos, et al. v. Dolex Dollar Express, Inc.*, Los Angeles County

Superior Court, Case No. 23STCV21872, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Ismael Mercado, et al. v. Natural Alternatives International, Inc.*, San Diego County Superior Court, Case No. 37-2023-00052115-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcella Holmes, et al. v. Pacifica Hotel Company*, San Luis Obispo County Superior Court, Case No. 23CV-0681, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Daniel Pereira, et al. v. L.N. Curtis and Sons*, Alameda County Superior Court, Case No. 24CV101859, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Dillan Burghart, et al. v. Watermark Services, IV, LLC*, Alameda County Superior Court, Case No. 23CV035212, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Kasim Hakimi v. Catalent Pharma Solutions, LLC*, Alameda County Superior Court, Case No. 24CV087209, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cesar Ibarra v. Leuen, Inc. dba The Original Pantry Café*, Los Angeles County Superior Court, Case No. 23STCV017182, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Sharon Baker v. OPARC*, Los Angeles County Superior Court, Case No. 24STCV11229, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Basilia Villa Magaña v. CJKANTRG PA, LLC*, Los Angeles County Superior Court, Case No. 23STCV25886, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexis Stuart-Drinnen v. DiCarlo's Italian Cafe, LLC, et al.*, San Bernardino County

Superior Court, Case No. CIVSB2313579, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Monique Duong v. Boardwalk IG Management, LLC*, Orange County Superior Court, Case No. 30-2023-01334565-CU-OE-CXC, approved as counsel in final settlement of wage and hour class action.
- *Peter J. Gutierrez v. Univar Solutions USA Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV26851, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Steve Robles v. Avery Products Corporation*, Orange County Superior Court, Case No. 30-2024-01390483-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Dianna Flores v. Capitol Distribution Company LLC dba Capitol Food Company*, Los Angeles County Superior Court, Case No. 24STCV20477, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mark Trahan v. Celebrity Casinos, Inc. dba Crystal Casino*, Los Angeles County Superior Court, Case No. 25STCV30655, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jamie Ramires, et al. v. Bright Star Schools*, Los Angeles Superior Court, Case No. 23STCV15490, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alesia Williams v. Altamed Health Services Corp.*, Los Angeles Superior Court, Case No. 23STCV15413, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Moreno v. Kern Regional Center*, Kern County Superior Court, Case No. BCV-24-103353, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jonathan Cruz-Pulido v. Central Valley Meat Co., Inc., et al.*, Los Angeles County

Superior Court, Case No. 24STCV13660, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Gregorio Pineda, et al. v. Orthopaedic Hospital dba Orthopaedic Institute for Children and Luskin Orthopaedic Institute for Children, et al.*, Los Angeles County Superior Court, Case No. 24STCV01618, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *John Price v. Fort Point Beer Company*, San Francisco County Superior Court, Case No. CGC-23-610592, approved as counsel in final settlement of wage and hour class and PAGA action.
- *David Jason Quiñones, et al. v. J-M Manufacturing Company Inc. dba JM Eagle*, Los Angeles County Superior Court, Case No. 23STCV16439, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Laila Droubi, et al. v. GSF Properties, Inc.*, Kern County Superior Court, Case No. BCV-24-100950, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rowena Ray v. Sierra Central Credit Union*, Butte County Superior Court, Case No. 24CV02890, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Hamid Kondori, et al. v. Mission Imports, et al.*, Orange County Superior Court, Case No. 30-2022-01295280-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Johnny Rivas v. Buckingham Property Management*, Kings County Superior Court, Case No. 23CU0355, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Manuel Hernandez v. DHC PS Holdings LLC, et al.*, Alameda County Superior Court, Case No. 24CV079333, approved as counsel in final settlement of wage and

hour class and PAGA action.

- *Daniel He, et al. v. Bay Photo Lab Inc., et al.*, Los Angeles County Superior Court, Case No. 24STCV05682, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Leonard Moore v. Truepill, Inc.*, Alameda County Superior Court, Case No. 23CV047001, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Colton Ray v. Papé Machinery, Inc., et al.*, Humbolt County Superior Court, Case No. CV2402126, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Elba Garcia v. South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc.*, Los Angeles County Superior Court, Case No. 24STCV04382, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Miguel Avila v. Weber Metals, Inc.*, Los Angeles County Superior Court, Case No. 24STCV04071, approved as counsel in final settlement of wage and hour class action.
- *Hector Cornejo v. Renovo Solutions, LLC*, Los Angeles County Superior Court, Case No. 23STCV27376, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Juan Campos-Ledezma, et al. v. Institute for Environmental Health, Inc.*, Stanislaus County Superior Court, Case No. CV-23-006693, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jeanne Boudreau v. Intelliswift Software, Inc.*, San Francisco County Superior Court, Case No. CGC-23-611128, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Munguia v. Moog Inc.*, Los Angeles County Superior Court, Case No.

24STCV11688, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Francisco Javier Sanchez, Jr. v. Jim Crawford Construction Company, Inc.*, Fresno County Superior Court, Case No. 24CECG01421, approved as counsel in final settlement of wage and hour class action.
- *Jose Ramirez v. A.J. Kirkwood & Associates, Inc.*, San Diego County Superior Court, Case No. 24CU012580C, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Kirstie Deveaux, et al. v. Motorola Solutions, Inc.*, Santa Clara County Superior Court, Case No. 23CV427798, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Geri Gates, et al. v. SD & A Teleservices, Inc.*, Los Angeles County Superior Court, Case No. 23STCV29390, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Bryan Zuniga v. Inova Diagnostics, Inc., et al.*, San Diego County Superior Court, Case No. 37-2023-00055201-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ivorya Geneve v. Mikuni Restaurant Group, Inc.*, Contra Costa County Superior Court, Case No. C23-02732, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Amira Fakira, et al. v. CSL Plasma, Inc.*, Alameda County Superior Court, Case No. 23CV057131, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Vadim Savin, et al. v. Fleetlogix Inc.*, San Diego County Superior Court, Case No. 37-2023-00051984-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Grace Weissmuller, et al. v. Astrix Technology, LLC*, Los Angeles County Superior

Court, Case No. 21STCV45436, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Gabriel Perez, et al. v. Kimberlite Corporation, et al.*, Alameda County Superior Court, Case No. 24CV073959, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Armida Marquez v. The Nielsen Company (US), LLC*, Los Angeles County Superior Court, Case No. 23STCV06394, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Sergio Valdez v. Ampere Computing, LLC, et al.*, Santa Clara County Superior Court, Case No. 24CV438808, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mario Mendoza v. Mingei International, Inc.*, San Diego County Superior Court, Case No. 37-2024-00015385-CU-OE-CTL, approved as counsel in final settlement of wage and hour class action.
- *Vivian Huynh v. Technical Safety Services, LLC*, Alameda County Superior Court, Case No. 23CV053505, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Connor Brown v. Bi-Rite Management Services LLC, et al.*, San Francisco County Superior Court, Case No. CGC-24-611385, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Joshua Gilmore v. Golden Bolt, LLC*, Los Angeles County Superior Court, Case No. 24STCV11281, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tony Jones v. Saddle Creek Corporation dba Saddle Creek Logistics Services*, Orange County Superior Court Case No. 30-2024-01379065-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Armida Burton v. Mercury Mission Systems, LLC*, Los Angeles County Superior

Court, Case No. 24STCV02628, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Triada Pallidou v. TJB Geary's, LLC dba Geary's Beverly Hills*, Los Angeles County Superior Court, Case No. 24STCV15627, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Joey Ruiz, et al. v. Southern Tire Mart, LLC*, Los Angeles County Superior Court, Case No. 24STCV12037, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Salomon Garcia, et al. v. Atlas Freight Forwarding, Inc.*, San Diego County Superior Court, Case No. 37-2022-00039724-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Chardriana Jean v. Woodruff-Sawyer & Co.*, Alameda County Superior Court, Case No. 24CV102594, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Stephanie Leon v. Fulgent Therapeutics, LLC, et al.*, Los Angeles County Superior Court, Case No. 24STCV14168, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Emma Romero v. Charles Abbott Associates, Inc.*, San Bernardino County Superior Court, Case No. CIVSB2322374, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Karen Hartstein v. Hyatt Corporation*, Los Angeles County Superior Court, Case No. 20STCV15895, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Michael Casas, et al. v. Encorr Sheets, LLC*, San Bernardino County Superior Court, Case No. CIVSB2319925, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Quincy O'Neal v. Included Health, Inc., formerly known as Grand Rounds Health,*

Inc., San Francisco County Superior Court, Case No. CGC-23-608391, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Javario Datrail Luna v. A-Check America, Inc., et al.*, Riverside County Superior Court, Case No. CVRI2306180, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Kevin Werner, et al. v. Greystar Management Services, LP, et al.*, Los Angeles County Superior Court, Case No. 23STCV08498, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jully Mullings v. Antelope Ambulance Service*, Los Angeles County Superior Court, Case No. 23STCV30241, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Maria Martina Aleman v, Holding Hands OPCO LLC dba Holding Hands, Inc.*, Los Angeles County Superior Court, Case No. 24STCV25240, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jesus Herrera v. Reeve Store Equipment Company*, Los Angeles County Superior Court, Case No. 22STCV04239, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Vanessa Vazquez v. Cliffs Resort LLC*, San Luis Obispo County Superior Court, Case No. 24CV-0025, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Javier Hernandez, Jr. v. DGDG 1, LLC, et al.*, Santa Clara County Superior Court, Case No. 23CV416770, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Juan Manuel Munoz v. MGA Entertainment, Inc.*, Los Angeles County Superior Court, Case No. 23STCV06386, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Mayra Campos Molina, et al. v. Harbor Hotels, LLC*, Los Angeles County Superior Court, Case No. 23STCV10683, approved as counsel in final settlement of wage and hour class and PAGA action.
- *William Sykes, IV, et al. v. Wente Bros.*, Alameda County Superior Court, Case No. 23CV048758, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Padilla, et al. v. WEHO Hospitality Sunset, LLC*, Los Angeles County Superior Court, Case No. 23STCV01072, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Marvin Morales v. Skurka Aerospace, Inc.*, Los Angeles County Superior Court, Case No. 24STCV12893, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Krug, et al. v. EKC Enterprises, Inc.*, Kern County Superior Court, Case No. BCV-23-103975, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Joseph Amyot v. Silverthorn Resort, Inc.*, Shasta County Superior Court, Case No. 23CV-0203487, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marissa Hartman v. Napa LP Hospitality Corporation*, Napa County Superior Court, Case No. 23CV00116, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Lesly Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court, Case No. 23STCV27972, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alma Lopez, et al. v. Advanced Manufacturing and Development, Inc.*, Mendocino County Superior, Case No. 23CV000673, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Brittni Aghedo, et al. v. Villa Esperanza Services*, Los Angeles County Superior Court, Case No. 23STCV27362, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Robin Jennings v. Mizuho Orthopedic Systems, Inc. dba Mizuho OSI*, Alameda County Superior Court, Case No. 24CV070891, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jonathan Martin v. Atlas Digital, LLC*, Los Angeles County Superior Court, Case No. 23STCV30498, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cynthia Molt v. Los Angeles Film School, LLC*, Los Angeles County Superior Court, Case No. 23STCV30757, approved as counsel in final settlement of wage and hour class and PAGA action.
- *William Ramirez v. Employer Solutions Staffing Group LLC*, Los Angeles County Superior Court, Case No. 23STCV24735, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Anu Verma v. SingerLewak LLC*, Los Angeles County Superior Court, Case No. 24STCV11344, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Toby Lanzarin, et al. v. Building Material Distributors, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00330343-CU-OE-GDS, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Kassandra Herndon, et al. v. Agreeya Solutions, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0002783, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Damon Siler, et al. v. Call-The-Car dba Call the Car*, Los Angeles County Superior Court, Case No. 24STCV07514, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Daniel Ochoa-Lopez v. CorTech West Staffing, LLC, et al.*, Los Angeles County Superior Court, Case No. 23STCV19480, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court, Case No. 30-2023-01356309-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Antonio Quintero v. Weyerhaeuser NR Company*, Los Angeles County Superior Court, Case No. 23STCV02624, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cristo Hernandez v. Eldorado National (California), Inc.*, Riverside County Superior Court, Case No. CVRI2201056, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rigoberto Tecaliz v. National Restaurant Inc. dba Black Bear Diner*, San Diego County Superior Court, Case No. 37-2023-00046906-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cecilia Estrada v. The Roman Catholic Archbishop of Los Angeles*, Los Angeles County Superior Court, Case No. 24STCV07184, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Davis v. JAJ Roofing dba Citadel Roofing and Solar*, Sacramento County Superior Court, Case No. 23CV011004, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Aurelio Aguilar v. Supreme Car Wash, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29696, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Aaron Coffey v. Catalina Channel Express, Inc.*, Los Angeles County Superior Court, Case No. 21STCV41396, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0006866, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court, Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court, Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court, Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcos Ojendiz, et al. v. Jonathan Louis International*, Los Angeles County Superior Court, Case No. 21STCV35253, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court, Case No. 24CV062913, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No.

23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Sitara Nayabkhil v. San Francisco SPCA (dba SFSPCA), a California 501(c)(3) non-profit organization*, San Francisco County Superior Court, Case No. CGC-23-609950, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No. 24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Odalys Montejo v. Team Nissan LLC*, Ventura County Superior Court, Case No. 2023CUOE017853, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Christa Morton, et al. v. PSI Services, LLC*, Fresno County Superior Court, Case No. 24CECG00039, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class

and PAGA action.

- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and

hour action pursuant to PAGA.

- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.,* San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.,* Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.,* Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.,* Orange

County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Samia Salazar Yunis v. Sharif Jewelers,* Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics,* Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 2

BLACKSTONE LAW

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December 16, 2022

PAGA Claim Notice Via Online Electronic Submission
California Labor & Workforce Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814
https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html

RE: ***Steven Keller v. CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., CVS Health Corporation, et al.***

Dear Representative:

This office represents Steven Keller ("Claimant") with respect to his claims under the California Labor Code against CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., and CVS Health Corporation (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as "Employer"). This letter is being sent simultaneously to Employer by certified mail.

Employer employed Claimant from approximately 1991 to December 7, 2022. For many of these years, Claimant was misclassified as exempt because Claimant was employed under the "manager" title. However, Claimant's day-to-day duties were less than 50% managerial in nature, and more than 50% non-managerial in nature for years. Thus, Claimant *should* have been employed as a non-exempt, hourly-paid employee. Employer is aware of this misclassification, and began to pay Claimant and all Aggrieved Employees on an hourly, non-exempt basis starting on or about September 18, 2022, though, as described, *infra*, Employer continued to violate California law as it applied to the wages of Claimant and the Aggrieved Employees, inclusive of managers who were misclassified and paid salary through the end of their employment with Employer, managers who were misclassified and paid salary until a certain point, and then paid as non-exempt, hourly employees (as was Claimant), and managers who were always paid as hourly, non-exempt employees.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act

of 2004, California Labor Code section 2698, *et seq*. ("PAGA"). Claimant is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt, as well as those misclassified as salary and/or exempt, employees with job titles that included the words "manager," "lead," "supervisor," and/or "assistant" who worked for Employer in the State of California during the relevant statutory period ("Aggrieved Employees", as used throughout this PAGA Claim Notice). This letter is being sent in compliance with California Labor Code section 2699.3, and shall serve as Claimant's notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employer violated several of California's wage and hour laws during Claimant's employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders ("IWC Wage Order"). The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employer has engaged in unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and the applicable IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and the applicable IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employer regularly required Claimant and other Aggrieved Employees to perform work off-the-clock as Claimant and other Aggrieved Employees worked day and night, and often through each day of the week, week in and week out. The off-the-clock work took many forms. When Claimant and the Aggrieved Employees were misclassified, they simply were not paid for many hours worked in a day, despite that Claimant and the Aggrieved employees often worked seven-day work weeks for various routine tasks such as inventorying, stocking, taking calls or other electronic communications all day and night for routine matters, working through periods that should have been provided for meals or rest, etc.

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Even after Claimant and the Aggrieved Employees were switched to an hourly, non-exempt basis on or about September 18, 2022, Claimant and the Aggrieved Employees were routinely required to perform off-the-clock work on a regular basis and at all hours, as described, *supra*.

In addition, even when applying an hourly, non-exempt system of payment to Claimant and the Aggrieved Employees, Employer utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) as it related to Claimant and Aggrieved Employees.

Employer also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employer failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay. This is particularly the case for Claimant and the Aggrieved Employees who were improperly misclassified and paid as salaried employees, and were not paid overtime ever, or until September 18, 2022, or later. Even after Employer changed Claimant and Aggrieved Employees were reclassified as hourly non-exempt employees, for example when they were still required to do off-the-clock work. Employer failed to pay Claimant and Aggrieved Employees for all work performed at the overtime rate for all manner of tasks performed on a regular basis, as described, *supra*.

As a result of the foregoing practices, Employer has failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employer violated the applicable IWC Wage Orders as well as California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties section of the applicable IWC Wage Order; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employer failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employer to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employer regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employer's management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employer failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employer failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employer failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employer required Claimant and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during meal periods, which included responding to telephone calls or other communications at all hours of the day and night, every day of the week; (7) Employer prohibited Claimant and other Aggrieved Employees from leaving their assigned work areas during meal periods; and (8) Employer's policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

As employees with "manager" styled titles, Claimant and the Aggrieved Employees were required to be unofficial "utility players", fill ins for clerks, cashiers, and other floor people, who routinely were not available in sufficient force because of Employer's policies to understaff their workplace locations, and also in specific routine situations where other store employees of Claimant and the Aggrieved Employees were not available for routine duties or tasks. Said requirement was a policy and practice that resulted in Claimant and the Aggrieved Employees either missing meal periods, or at best, getting brief opportunities to eat or use the restroom, utterly non-compliant with California law in that said meal periods, when available at all, were late, short, interrupted, and almost certainly did not allow Claimant or the Aggrieved Employees a meaningful opportunity to leave the premises or otherwise truly be duty free for the meal period.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties paragraph of the applicable IWC Wage Order; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes must for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employer failed to authorize and permit Claimant and other Aggrieved Employees to take legally compliant 10-minute rest periods. Employer required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.,* 2 Cal.5th 257 (2016).

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free rest periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employer's management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employer failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employer failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employer failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employer required Claimant and other Aggrieved Employees to remain on-call and respond to work-related

requests at all times, including during rest periods, which included responding to telephone calls or other communications at all hours of the day and night, every day of the week; (7) Employer prohibited Claimant and other Aggrieved Employees from leaving their assigned work areas during rest periods; and (8) Employer's policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free rest periods.

As employees with "manager" styled titles, Claimant and the Aggrieved Employees were required to be unofficial "utility players", fill ins for clerks, cashiers, and other floor people, who routinely were not available in sufficient force because of Employer's policies to understaff their workplace locations, and also in specific routine situations where other store employees of Claimant and the Aggrieved Employees were not available to complete routine tasks. Said requirement was a policy and practice that resulted in Claimant and the Aggrieved Employees either missing rest periods, or at best, getting brief opportunities to eat or use the restroom, utterly non-compliant with California law in that said rest periods, when available at all, were late, short, interrupted, and almost certainly did not allow Claimant or the Aggrieved Employees a meaningful opportunity to leave the premises or otherwise truly be duty free for the rest period.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employer violated the applicable IWC Wage Orders sand California Labor Code sections 226.7, and 1198. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties section of the applicable IWC Wage Order; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employer has failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia,* overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employer violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employer violated California Labor Code section 226(a). Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employer has failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d). Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties section of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employer. These costs include but are not limited to: (1) usage of personal cell phones, personal computers, and personal internet, for work-related purposes; (2) significant unreimbursed mileage accrued by Claimant and Aggrieved Employees as they completed various tasks for Employer requiring them to use their personal vehicles and make trips; and (3) purchase of small petty items for other employees for Employer's workplace (*e.g.*, necessary items for the break room in Employer's workplace). Accordingly, Employer violated the applicable IWC Orders and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO PROVIDE ONE DAY'S REST IN SEVEN

California Labor Code section 551 states that "[e]very person employed in any occupation of labor is entitled to one day's rest therefrom in seven." Cal. Lab. Code section 552 prohibits and employer from "caus[ing] his employees to work more than six days in seven."

In *Mendoza v. Nordstrom, Inc.* (2017) 2 Cal. 5th 1074, the Court addressed unsettled questions relating to employees' guaranteed day of rest under the California Labor Code, noting the following:

1. Employees are entitled to one day of rest for each workweek (as defined by the employer), rather than one rest day in every consecutive seven-day period. [*Mendoza v. Nordstrom, Inc.*, *supra*, 2 Cal.5th at p.1078.] The California Labor Code refers to a week or workweek as a "fixed and regularly recurring period." This can be Sunday to Saturday, or Monday to Sunday, not a rolling period of any seven consecutive days. [*Id.* at p. 1084.] This means that an employee could essentially work more than six consecutive days without a day of rest if the days of work stretch across more than one workweek. This "week-by-week" interpretation can be best understood by dividing the calendar month into seven-day blocks (such as Monday to Sunday). If an employee takes a day of rest early in the workweek (Tuesday) and then another rest day late in the next workweek (Sunday), that employee will essentially work eleven consecutive days without a rest day. This is not per se prohibited under the law. [*Id.* at p. 1080.] The court explained that for every calendar month, an employee is guaranteed no less than one day of rest for every seven days worked. Therefore, rest days need not fall on every seventh day, but can be spaced out differently in a calendar month, "so long as the number of rest days received by the employee amounts to the number of calendar days divided by seven." [*Id.* at p. 1086.]

2. Employees who work six-hour shifts or less on every day of the given workweek are not entitled to a rest day. [*Mendoza v. Nordstrom, Inc.*, *supra*, 2 Cal.5th at p. 1078.] However, this applies only if the employee never works a shift of more than six hours in any day of the given week. Also, the day of rest guarantee does not apply "when the total hours of employment do not exceed 30 hours in any week." [*Id.* at p. 1084.]

3. Finally, an employer "causes" an employee to go without a day of rest "when it induces the employee to forgo rest to which he or she is entitled." [*Mendoza v. Nordstrom, Inc.*, *supra*, 2 Cal.5th at p. 1078.] An employee can, however, independently choose not to take a day of rest and an employer is not prohibited from allowing or permitting the employee to do so. [*Id.*] "An employer may not encourage its employees to forgo rest or conceal the entitlement to rest, but is not liable simply because an employee chooses to work a seventh day." [*Id.* at p. 1091.]

Further, the California Code of Regulations, Title 8 ("Cal. Code Regs.") provide for the amounts at which employees should be paid when working on the seventh day in the manner proscribed by Cal. Lab. Codes 551 and 552, and further clarified by *Mendoza*. For example, Cal. Code Reg. section 11170 for miscellaneous employees section 4 provides:

4. Daily Overtime - General Provisions

> The following overtime provisions are applicable to employees eighteen (18) years of age or over and to employees 16 or 17 years of age who are not required by law to attend school, and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:
>
> (A) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and
>
> (B) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.
>
> (C) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

At times during the one year prior to the filing of this letter, Claimant and other Aggrieved Employees were subjected to numerous situations where they were not afforded one day's rest in seven, and, per the further guidance provided in from the *Mendoza* case, Claimant and other Aggrieved Employees were sometimes required to work two or three weeks straight without a single day off. For example, during major inventory review periods, which happened approximately twice a year, Claimant and the Aggrieved Employees could expect to work for approximately twenty-one (21) days in a row with no day off. As another example, during seasonal adjustment periods (e.g., when Valentine's Day displays were replaced with Easter displays, or when Halloween displays were replaced with Thanksgiving/Christmas displays), Claimant and the Aggrieved Employees could be expected to work for at least fourteen (14) to twenty-one (21) days in a row without a day off. Of course, because of the issues with Claimant and the Aggrieved Employees being called outside of their shifts on a daily and weekly basis, Claimant and the Aggrieved Employees did some amount of work for Employer, on information and belief, every day of the relevant time period without complete days off where the Claimant and the Aggrieved Employees were completely relieved of all duties.

Based on these violations, Claimant will seek civil penalties under PAGA, Labor Code § 2698, *et seq.,* on behalf of the LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

9. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Claimant and Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employer's practices of requiring Claimant and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employer failed to pay Claimant or the Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employer also failed to pay Claimant or the Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employer violated California Labor Code sections 201 and 202.

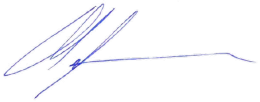
Claimant and the Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

Employer is in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq*., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employer for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employer's alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW



Alexander K. Spellman, Esq.

Cc: By U.S. Certified Mail, Return Receipt Requested

CVS Pharmacy, Inc.
1 CVS Drive
Woonsocket, RI 02895

Garfield Beach CVS, L.L.C.
1 CVS Drive
Woonsocket, RI 02895

CVS Health Corporation
1 CVS Drive
Woonsocket, RI 02895

EXHIBIT 3

BLACKSTONE LAW

8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211
Phone: (310) 622-4278
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Annabel Blanchard
ablanchard@blackstonepc.com

September 9, 2026

THIRD AMENDED PAGA Claim Notice Via Online Electronic Submission
California Labor & Workforce Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814
https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html

RE: ***Steven Keller & Daniel Alcoser v. CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., CVS Health Corporation, Longs Drug Stores California, L.L.C. et al. – THIRD AMENDED PAGA Notice***

Dear Representative:

On December 16, 2022, pursuant to the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.*, ("PAGA"), our office provided notice to the California Labor and Workforce Development Agency ("LWDA") on behalf of Steven Keller ("Claimant" or "Keller") that Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under PAGA with respect to his claims under the California Labor Code against CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., CVS Health Corporation, and Longs Drug Stores California, L.L.C. (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as "Employer").

We write to inform you of this amended notice to include an additional claimant, Daniel Alcoser ("Alcoser"), to this notice. Together, Daniel Alcoser and Steven Keller are referred to as the "Claimants."

This letter is being sent simultaneously to Employer by certified mail.

Employer employed Keller from approximately 1991 to December 7, 2022. For many of these years, Keller was misclassified as exempt because Keller was employed under the "manager" title. However, Keller's day-to-day duties were less than 50% managerial in nature, and more than 50% non-managerial in nature for years. Thus, Keller *should* have been employed as a non-exempt, hourly-paid employee.

Employer employed Alcoser from approximately March 2020 through approximately February 2024 as a Store Manager, then a Store Team Leader, and finally as a Pharmacy Technician. Alcoser and other Aggrieved Employees performed duties including, but not limited to, managing schedules, stocking shelves, cleaning stores and back rooms, managing inventory, responding to calls and electronic communications, assisting customers, filling in for clerks, cashiers, and floor employees, and performing other non-managerial work. This, Alcoser ***should*** have been employed as a non-exempt, hourly-paid employee.

For much of the relevant period, Employer misclassified Claimants and other Aggrieved Employees as exempt because they were employed under job titles that included "manager," "lead," "supervisor," "store manager," "store team leader," and/or "assistant manager." In reality, Claimants' and Aggrieved Employees' day-to-day duties were less than 50% managerial in nature and more than 50% non-managerial in nature. Thus, Claimants and Aggrieved Employees should have been classified and paid as non-exempt, hourly employees.

Employer is aware of this misclassification, and began to pay Claimants and all Aggrieved Employees on an hourly, non-exempt basis starting on or about September 18, 2022, though, as described, *infra*, Employer continued to violate California law as it applied to the wages of Claimants and the Aggrieved Employees, inclusive of managers who were misclassified and paid salary through the end of their employment with Employer, managers who were misclassified and paid salary until a certain point, and then paid as non-exempt, hourly employees (as were Claimants), and managers who were always paid as hourly, non-exempt employees.

Claimants are seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt, as well as those misclassified as salary and/or exempt, employees with job titles that included the words "manager," "lead," "supervisor," and/or "assistant" who worked for Employer in the State of California during the relevant statutory period ("Aggrieved Employees", as used throughout this Amended PAGA Claim Notice). This letter is being sent in compliance with California Labor Code section 2699.3, and shall serve as Claimants' notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employer violated several of California's wage and hour laws during Claimants' employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders ("IWC Wage Order"). The claims made on behalf of Claimants and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employer has engaged in unlawful practices which resulted in the failure to pay Claimants

and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and the applicable IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and the applicable IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employer regularly required Claimants and other Aggrieved Employees to perform work off-the-clock as Claimants and other Aggrieved Employees worked day and night, and often through each day of the week, week in and week out. The off-the-clock work took many forms. When Claimants and the Aggrieved Employees were misclassified, they simply were not paid for many hours worked in a day, despite the fact that Claimants and the Aggrieved employees often worked seven-day work weeks for various routine tasks such as inventorying, stocking, taking calls or other electronic communications all day and night for routine matters, working through periods that should have been provided for meals or rest, etc.

Even after Claimants and the Aggrieved Employees were switched to an hourly, non-exempt basis on or about September 18, 2022, Claimants and the Aggrieved Employees were routinely required to perform off-the-clock work on a regular basis and at all hours, as described, *supra*.

In addition, even when applying an hourly, non-exempt system of payment to Claimants and the Aggrieved Employees, Employer utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) as it related to Claimants and Aggrieved Employees.

Employer also failed to accurately record the actual time worked by Claimants and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimants and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employer failed to pay overtime to Claimants and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay. This is particularly the case for Claimants and the Aggrieved Employees who were improperly misclassified and paid as salaried employees, and were not paid overtime ever, or until September 18, 2022, or later. Even after Employer changed Claimants and Aggrieved Employees were reclassified as hourly non-exempt employees, for example when they were still required to do off-the-clock work. Employer failed to pay Claimants and Aggrieved Employees for all work performed

at the overtime rate for all manner of tasks performed on a regular basis, as described, *supra*.

As a result of the foregoing practices, Employer has failed to pay Claimants and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employer violated the applicable IWC Wage Orders as well as California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties section of the applicable IWC Wage Order; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employer failed to provide Claimants and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimants and other Aggrieved Employees were required by Employer to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimants and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employer regularly required Claimants and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Claimants and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employer's management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employer failed to adequately inform and train Claimants and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employer failed to adequately inform and train Claimants and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employer failed to ensure that there was

adequate staffing to allow Claimants and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employer required Claimants and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during meal periods, which included responding to telephone calls or other communications at all hours of the day and night, every day of the week; (7) Employer prohibited Claimants and other Aggrieved Employees from leaving their assigned work areas during meal periods; and (8) Employer's policy and culture prevented Claimants and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

As employees with "manager" styled titles, Claimants and the Aggrieved Employees were required to be unofficial "utility players", fill ins for clerks, cashiers, and other floor people, who routinely were not available in sufficient force because of Employer's policies to understaff their workplace locations, and also in specific routine situations where other store employees of Claimants and the Aggrieved Employees were not available for routine duties or tasks. Said requirement was a policy and practice that resulted in Claimants and the Aggrieved Employees either missing meal periods, or at best, getting brief opportunities to eat or use the restroom, utterly non-compliant with California law in that said meal periods, when available at all, were late, short, interrupted, and almost certainly did not allow Claimants or the Aggrieved Employees a meaningful opportunity to leave the premises or otherwise truly be duty free for the meal period.

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties paragraph of the applicable IWC Wage Order; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes must for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employer failed to authorize and permit Claimants and other Aggrieved Employees to take legally compliant 10-minute rest periods. Employer required Claimants and other Aggrieved

Employees to work through rest periods. Claimants and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimants and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimants and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.,* 2 Cal.5th 257 (2016).

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Claimants and other Aggrieved Employees from taking timely, complete and duty-free rest periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employer's management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employer failed to adequately inform and train Claimants and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employer failed to adequately inform and train Claimants and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employer failed to ensure that there was adequate staffing to allow Claimants and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employer required Claimants and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during rest periods, which included responding to telephone calls or other communications at all hours of the day and night, every day of the week; (7) Employer prohibited Claimants and other Aggrieved Employees from leaving their assigned work areas during rest periods; and (8) Employer's policy and culture prevented Claimants and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free rest periods.

As employees with "manager" styled titles, Claimants and the Aggrieved Employees were required to be unofficial "utility players", fill ins for clerks, cashiers, and other floor people, who routinely were not available in sufficient force because of Employer's policies to understaff their workplace locations, and also in specific routine situations where other store employees of Claimants and the Aggrieved Employees were not available to complete routine tasks. Said requirement was a policy and practice that resulted in Claimants and the Aggrieved Employees either missing rest periods, or at best, getting brief opportunities to eat or use the restroom, utterly non-compliant with California law in that said rest periods, when available at all, were late, short, interrupted, and almost certainly did not allow Claimants or the Aggrieved Employees a meaningful opportunity to leave the premises or otherwise truly be duty free for the rest period.

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with

California law. Accordingly, Employer violated the applicable IWC Wage Orders sand California Labor Code sections 226.7, and 1198. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties section of the applicable IWC Wage Order; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employer has failed to timely pay all wages earned because Claimants and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia,* overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employer violated California Labor Code section 204(a).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimants and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimants and other Aggrieved Employees also failed to include the name of the legal

entity that employed Claimants and the Aggrieved Employees. Accordingly, Employer violated California Labor Code section 226(a). Claimants and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employer has failed to maintain accurate records relating to Claimants and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d). Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; the penalties section**Error! Reference source not found.** of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimants and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employer. These costs include but are not limited to: (1) usage of personal cell phones, personal computers, and personal internet, for work-related purposes; (2) significant unreimbursed mileage accrued by Claimants and Aggrieved Employees as they completed various tasks for Employer requiring them to use their personal vehicles and make trips; and (3) purchase of small petty items for other employees for Employer's workplace (*e.g.*, necessary items for the break room in Employer's workplace). Accordingly, Employer violated the applicable IWC Orders **Error! Reference source not found.** and California Labor Code sections 2800 and 2802. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO PROVIDE ONE DAY'S REST IN SEVEN

California Labor Code section 551 states that "[e]very person employed in any occupation of labor is entitled to one day's rest therefrom in seven." Cal. Lab. Code section 552 prohibits and

employer from "caus[ing] his employees to work more than six days in seven."

California Labor Codes 850 – 856 further provide guidance for employees at stores that sell "at retail drugs and medicines or to compound physicians' prescriptions" performing any work "in any store, dispensary, pharmacy, laboratory, or office" (see, e.g., Cal. Lab. Codes sections 850 – 851). Cal Lab. Code section 852 provides that "The employer shall apportion the periods of rest to be taken by an employee so that the employee will have one complete day of rest during each week."

In *Mendoza v. Nordstrom, Inc.* (2017) 2 Cal. 5th 1074, the Court addressed unsettled questions relating to employees' guaranteed day of rest under the California Labor Code, noting the following:

1. Employees are entitled to one day of rest for each workweek (as defined by the employer), rather than one rest day in every consecutive seven-day period. [*Mendoza v. Nordstrom, Inc.*, *supra*, 2 Cal.5th at p.1078.] The California Labor Code refers to a week or workweek as a "fixed and regularly recurring period." This can be Sunday to Saturday, or Monday to Sunday, not a rolling period of any seven consecutive days. [*Id.* at p. 1084.] This means that an employee could essentially work more than six consecutive days without a day of rest if the days of work stretch across more than one workweek. This "week-by-week" interpretation can be best understood by dividing the calendar month into seven-day blocks (such as Monday to Sunday). If an employee takes a day of rest early in the workweek (Tuesday) and then another rest day late in the next workweek (Sunday), that employee will essentially work eleven consecutive days without a rest day. This is not per se prohibited under the law. [*Id.* at p. 1080.] The court explained that for every calendar month, an employee is guaranteed no less than one day of rest for every seven days worked. Therefore, rest days need not fall on every seventh day, but can be spaced out differently in a calendar month, "so long as the number of rest days received by the employee amounts to the number of calendar days divided by seven." [*Id.* at p. 1086.]

2. Employees who work six-hour shifts or less on every day of the given workweek are not entitled to a rest day. [*Mendoza v. Nordstrom, Inc.*, *supra*, 2 Cal.5th at p. 1078.] However, this applies only if the employee never works a shift of more than six hours in any day of the given week. Also, the day of rest guarantee does not apply "when the total hours of employment do not exceed 30 hours in any week." [*Id.* at p. 1084.]

3. Finally, an employer "causes" an employee to go without a day of rest "when it induces the employee to forgo rest to which he or she is entitled." [*Mendoza v. Nordstrom, Inc.*, *supra*, 2 Cal.5th at p. 1078.] An employee can, however, independently choose not to take a day of rest and an employer is not prohibited from allowing or permitting the employee to do so. [*Id.*] "An employer may not encourage its employees to forgo rest or conceal the entitlement to rest, but is not liable simply because an employee chooses to work a seventh day." [*Id.* at p. 1091.]

Further, the California Code of Regulations, Title 8 ("Cal. Code Regs.") provide for the amounts at which employees should be paid when working on the seventh day in the manner proscribed by Cal. Lab. Codes 551 and 552, and further clarified by *Mendoza*. For example, Cal. Code Reg. section 11170 for miscellaneous employees section 4 provides:

4. Daily Overtime - General Provisions

> The following overtime provisions are applicable to employees eighteen (18) years of age or over and to employees 16 or 17 years of age who are not required by law to attend school, and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:
>
> (A) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and
>
> (B) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.
>
> (C) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

During the one year prior to the filing of this letter, Employer was a retail drug store, and both Claimants and other Aggrieved Employees performed work as foreseen by Cal. Lab. Codes 850 – 856. At times during the one year prior to the filing of this letter, Claimants and other Aggrieved Employees were subjected to numerous situations where they were not afforded one day's rest in seven, and, per the further guidance provided in from the *Mendoza* case, Claimants and other Aggrieved Employees were sometimes required to work two or three weeks straight without a single day off. For example, during major inventory review periods, which happened approximately twice a year, Claimants and the Aggrieved Employees could expect to work for approximately twenty-one (21) days in a row with no day off. As another example, during seasonal adjustment periods (e.g., when Valentine's Day displays were replaced with Easter displays, or when Halloween displays were replaced with Thanksgiving/Christmas displays), Claimants and the Aggrieved Employees could be expected to work for at least fourteen (14) to twenty-one (21) days in a row without a day off. Of course, because of the issues with Claimants and the Aggrieved Employees being called outside of their shifts on a daily and weekly basis, Claimants and the Aggrieved Employees did some amount of work for Employer, on information and belief, every day of the relevant time period without complete days off where the Claimants and the Aggrieved Employees were completely relieved of all duties.

Based on these violations, Claimants will seek civil penalties under PAGA, Labor Code § 2698, *et seq.,* on behalf of the LWDA, against Employer if authorized to file a representative action

on behalf of the State of California.

9. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Claimants and Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employer's practices of requiring Claimants and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employer failed to pay Claimants or the Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employer also failed to pay Claimants or the Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employer violated California Labor Code sections 201 and 202.

Claimants and the Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

10. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc*. (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimants have standing, and intend, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Employee, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

Employer is in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq*., and

specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employer for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimants' intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employer's alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW, APC

A. Blanchard

Annabel Blanchard, Esq.

Cc: By E-Mail and U.S. Certified Mail, Return Receipt Requested

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Attorneys for CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., CVS Health Corporation, and Longs Drug Stores California, L.L.C.

EXHIBIT 4

Vinesign Document ID: AD80071C-2104-4FD9-9475-124BA28FBB72

CLASS AND PAGA ACTION SETTLEMENT AGREEMENT AND RELEASE

This Class and PAGA Action Settlement Agreement and Release is entered into by and between Plaintiff Daniel Alcoser, individually and on behalf of others similarly situated ("Plaintiff"), and Defendants CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., Longs Drug Stores California, L.L.C., and CVS Health Corporation ("Defendants" or "CVS") (collectively, the "Parties"). This Class and PAGA Action Settlement Agreement and Release shall be binding on Plaintiff, the current and former employees he seeks to represent, the Class and PAGA Employees, the State of California, and on Defendants, subject to the definitions, recitals, and terms set forth herein and the approval of the Court.

I. DEFINITIONS

1. "Action" means the lawsuit entitled *Daniel Alcoser v. CVS Pharmacy, Inc., et al.*, Case No. 26CUB02765, pending in the Superior Court of the State of California, for the County of Kern.

2. "Class Claims" means all claims for wages, benefits, and related penalties actually asserted or that could have been asserted in the Action on behalf of Class Members based on the facts alleged in the Action including but not limited to all of the following: (1) Failure to Pay Minimum Wages for All Hours Worked in Violation of the Industrial Welfare Commission Order (IWC) 8-2001, California Labor Code §§ 200-204, 226, 500, 510, 558, 1182.12, 1194, 1197, 1197.1, and 1198, and 8 CCR § 11070; (2) Failure To Pay Overtime Premium Pay in Violation of California Labor Code §§ 200-203, 226, 500, 510, 558, 1194, and 1198; (3) Meal Period Violations, California Labor Code §§ 226.7, 512, and 1198, and 8 CCR § 11070; (4) Rest Period Violations, California Labor Code §§ 226.7, and 1198, and 8 CCR § 11070; (5) Failure to Timely Pay Wages During Employment in Violation of California Labor Code §§ 204 and 210; (6) Failure to Provide One Day's Rest In Seven in Violation of California Labor Code §§ 551, 552, and 852; (7) Failure to Provide Accurate Itemized Wage Statements in Violation of California Labor Code § 226(a); (8) Failure to Pay Wages At Time of Termination in Violation of California Labor Code §§ 201-203 and 1194; (9) Failure to Reimburse Reasonable and Necessary Business Expenses In Violation of California Labor Code §§ 2800 and 2802; (10) Unfair Competition in Violation of Business &

The signed document can be validated at https://app.vinesign.com/Verify

Professions Code §§ 17200, *et seq.* based on the California Labor Code and Wage Order violations alleged; and (11) all damages, penalties, interest, attorneys' fees, costs, and other amounts recoverable under said claims under California law.

3. "Class Counsel" means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle L. GruppChang, P.J. Van Ert, Alexandra Rose, and Annabel Blanchard of Blackstone Law, APC.

4. "Class Member(s)" means all current and former CVS employees who were given the title "store manager" and classified as exempt employees in California at any time during the Class Period.

5. "Class Notice" shall mean the document attached hereto as **Exhibit A**.

6. "Class Period" means between December 20, 2018, and September 15, 2022.

7. "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.

8. "Complaint" means the operative complaint filed by Plaintiff in the Action.

9. "Court" means the Superior Court of the State of California, for the County of Kern.

10. "Date of Preliminary Approval" means the date the Court enters an order preliminarily approving this Settlement Agreement, and any exhibits hereto.

11. "Plaintiff" means Plaintiff Daniel Alcoser.

12. "Defendants" or "CVS" means CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., Longs Drug Stores California, L.L.C., and CVS Health Corporation.

13. "Parties" means collectively Plaintiff and Defendants, as defined herein.

14. "Defendants' Counsel" means Morgan Lewis & Bockius LLP.

15. "Effective Date" means the date the Final Approval Order and Judgment becomes binding. The Final Approval Order and Judgment becomes binding on the later of: (i) thirty (30) calendar days after entry of the Final Approval Order and Judgment if no appeal is filed; or (ii) if an appeal or motion to intervene is filed, the date of final resolution of any challenge to the Final Approval Order and Judgment, where the resolution affirms the Final Approval Order and

Judgment. The Effective Date cannot occur, and Defendants will not be obligated to fund this Settlement, unless and until there is no possibility of an appeal or further appeal (by anyone who has the right to, or claims to have the ability to, take an appeal) that could potentially prevent this Settlement Agreement from becoming final and binding.

16. "Fairness Hearing" means the hearing on Plaintiff's motion for judgment and final approval of this Settlement.

17. "Final Approval Order and Judgment" means the final order entered by the Court after the Fairness Hearing, approving the Settlement and entering judgment pursuant to this Settlement Agreement.

18. "Gross Settlement Amount" is the sum of Two Million Dollars ($2,000,000), which represents the maximum amount payable in this Settlement by Defendants, and includes: Class Counsel's attorneys' fees and actual litigation costs, Settlement Administration Expenses, the PAGA Payment, Class Settlement Payments to the Participating Class Members, and the Service Enhancement to the Plaintiff.

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

20. "LWDA PAGA Penalty Amount" is Thirty-Seven Thousand Five Hundred Dollars ($37,500) (which is 75% of the $50,000 PAGA Payment) allocated for civil penalties that will be paid to the LWDA.

21. "Net Settlement Amount" means is the portion of the Gross Settlement Amount eligible for distribution to Participating Class Members. It equals the Gross Settlement Amount less Class Counsel's attorneys' fees and actual litigation costs as ordered to be paid by the Court, Settlement Administration Expenses, the PAGA Payment, and the Service Enhancement to Plaintiff.

22. "Order Granting Preliminary Approval" means the Order entered by the Court preliminarily approving, *inter alia*, the terms and conditions of this Agreement, the manner and timing of providing notice to the Settlement Employees, and the time period for Class Members to opt-out of and/or make objections to the settlement of the Class Claims under this Settlement.

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

24. "PAGA Claims" means all claims for PAGA civil penalties that were stated or could have been stated based on the facts alleged in the Action and in the PAGA Letter, including but not limited to claims for PAGA civil penalties based on all of the following: (1) Failure to Pay Wages For All Hours Worked in Violation of the Industrial Welfare Commission Order (IWC) 8-2001, California Labor Code §§ 200-204, 226, 500, 510, 558, 1182.12, 1194, 1197, 1197.1, and 1198, and 12 CCR § 11040; (2) Failure To Pay Overtime Premium Pay in Violation of California Labor Code §§ 200-203, 226, 500, 510, 558, 558.1, 1194, 1194.2, and 1198 and IWC Wage Order 7-2001, § 3; (3) Meal and Rest Break Violations, California Labor Code §§ 226.7, 512, and 1198, and 12 CCR § 11040; (4) Failure to Timely Pay Wages During Employment in Violation of California Labor Code §§ 204 and 210; (5) Failure to Provide One Day's Rest In Seven in Violation of California Labor Code §§ 551, 552, and 852; (6) Failure to Provide Accurate Itemized Wage Statements in Violation of California Labor Code §§ 226, 226.3, 1174, and 1198 and Wage Order 7-2001; (7) Failure to Pay Wages At Time of Termination in Violation of California Labor Code §§ 201-203 and 1194; and (8) Failure to Reimburse Reasonable and Necessary Business Expenses In Violation of California Labor Code §§ 2800 and 2802 and IWC Wage Order 7-2001.

25. "PAGA Employees" means all current and former CVS employees who were given the title of "store manager" and were classified as an exempt employee in California at any time during the PAGA Period.

26. "PAGA Employee Payment" is Twelve Thousand Five Hundred Dollars ($12,500) (which is 25% of the $50,000 PAGA Payment), and the portion of the PAGA Payment which is allocated for *pro rata* distribution to the PAGA Employees.

27. "PAGA Letter" means the PAGA notice submitted to the LWDA on December 16, 2022, initiating LWDA case no. LWDA-CM-924854-22, and any amendments thereto.

28. "PAGA Payment" means the Fifty Thousand Dollars ($50,000) of the Gross Settlement Amount allocated to the settlement of the PAGA Claims which is comprised of the LWDA PAGA Penalty Amount and the PAGA Employee Payment.

29. "PAGA Period" means the period between October 16, 2021, and September 15, 2022.

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

31. "Participating Settlement Employees" means all Participating Class Members and PAGA Employees.

32. "Pay Period" means any pay period in which a PAGA Employee was employed by Defendants during the PAGA Period.

33. "Released Class Claims" means the Class Claims that Participating Class Members are fully and irrevocably releasing the Released Parties from in exchange for the consideration provided by this Settlement Agreement, whether arising at law, in contract, or in equity, and whether for economic or non-economic damages, restitution, injunctive relief, penalties, or liquidated damages.

34. "Released PAGA Claims" means the PAGA Claims that Plaintiff, on behalf of himself, the State of California, and the PAGA Employees, is fully and irrevocably releasing the Released Parties from as provided by this Settlement Agreement.

35. "Released Parties" means CVS Pharmacy, Inc., Longs Drug Stores California LLC, Garfield Beach CVS, LLC, CVS Health Corporation, 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.

36. "Request for Exclusion" means a written request to opt out of the settlement of Class Claims in this Settlement completed by a Class Member and timely submitted to the Settlement Administrator as set forth in this Agreement.

37. "Service Enhancement" means the incentive payment to the Plaintiff, not to exceed Seven Thousand, Five Hundred Dollars ($7,500).

38. "Settlement Administrator" means Apex Class Action LLC.

39. "Settlement Administration Expenses" means those expenses incurred by the Settlement Administrator in effectuating the settlement.

40. "Settlement Agreement" means this Class and PAGA Action Settlement Agreement and Release.

41. "Settlement Employees" means all Class Members and PAGA Employees.

42. "Settlement Employee Data" means all information that CVS provides to the Settlement Administrator that identifies or can be used to identify Settlement Employees, including, without limitation, their names, addresses, employee numbers, and Social Security numbers, and the respective number of Workweeks each Class Member worked during the Class Period, and number of Pay Periods each PAGA Employee worked during the PAGA Period.

43. "Settlement Period" means the applicable Class Period and PAGA Period, as defined herein.

44. "Workweek" means any week in which a Class Member was employed by Defendants during the Class Period. Each Class Member shall be credited with at least one Workweek.

II. BACKGROUND

45. Plaintiff alleges that CVS improperly classified its exempt Store Manager employees because their day-to-day duties were less than 50% managerial in nature. Thus, Plaintiff asserts that he and the Class Members and PAGA Employees should have been employed as non-exempt, hourly-paid employees through the Settlement Period, and were not compensated for all regular and/or overtime hours worked, did not receive one day's rest in seven, and were not provided with meal and rest periods compliant with California law. In addition, Plaintiff alleges that CVS failed to provide Class Members and PAGA Employees with accurate wage statements, failed to provide final pay at termination in accordance with California law, and failed to reimburse all reasonable and necessary business expenses.

46. CVS denies Plaintiff's claims and asserts that, during all relevant times, Settlement Employees were properly classified as exempt employees, properly paid for all hours worked, and received all wages to which such Settlement Employees were entitled. CVS also

asserts that, at all times, Settlement Employees received wage statements that were compliant with the California Labor Code, were timely paid all wages as required under the California Labor Code, and that Settlement Employees who ended their employment with CVS during the Settlement Period were properly compensated for all wages due as required by California law and properly reimbursed for all reasonable and necessary business expenses. Consequently, CVS does not believe that any liability to Plaintiff or Settlement Employees exists, or that Plaintiff or Settlement Employees are entitled to any recovery. In addition, CVS contends that Plaintiff's claims are not suitable for class, collective, or representative treatment. CVS has agreed to resolve the Action via this Settlement Agreement, but to the extent this Settlement Agreement is deemed void or the Effective Date does not occur, CVS does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations in the Action upon all procedural, merit, and factual grounds, including, without limitation, the ability to challenge class and representative treatment on any grounds, the ability to compel some or all claims to individual arbitration, as well as asserting any and all other privileges and potential defenses.

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

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

III. JURISDICTION AND VENUE

49. This Court has jurisdiction over the Parties and the subject matter of this Action.

50. This Court will have continuing jurisdiction over the terms and conditions of this Class and PAGA Action Settlement Agreement and Release, until all payments and obligations provided for herein have been fully executed.

IV. TERMS OF SETTLEMENT

51. **Non-Admission**. Nothing in this Settlement Agreement, or any communications, papers, or orders related to this Settlement Agreement, shall be construed to be or deemed an admission by the Released Parties of any liability, culpability, or wrongdoing toward the Plaintiff,

the Settlement Employees, or any other person, and Defendants specifically disclaim any liability, culpability, or wrongdoing toward the Plaintiff, the Settlement Employees, or any other person, or that class certification or a representative action is appropriate in this or any other matter. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. This Settlement Agreement and any communications, papers, or orders related to the Settlement Agreement may not be cited or otherwise admitted as evidence of liability or that class certification is appropriate or that a representative action could ever be manageably tried before a court. There has been no final determination by any court as to whether a class should be certified, or whether the representative claims can manageably be adjudicated, other than for settlement purposes only. Furthermore, nothing in this Settlement shall be considered any form of waiver of any alternative dispute resolution provisions, including, but not limited to, those provisions in CVS's Arbitration of Workplace Legal Disputes program, or any other applicable alternative arbitration agreement and/or dispute resolution policy.

52. **Certification of Class Members as to Class Claims and Approval of Representative Action.** The Parties stipulate, for settlement purposes only, to the certification by the Court of a class of Class Members as to all Class Claims asserted in the Action for settlement purposes only. The Parties also stipulate to the approval by the Court of a PAGA representative action as to all PAGA Claims asserted in the Action for settlement purposes only. The Parties further stipulate that, for settlement purposes only, Blackstone Law, APC may be preliminarily and conditionally appointed as Class Counsel. CVS's stipulation to the certification of a class of Class Members and to a representative action for PAGA Employees shall not be construed as an admission or acknowledgment of any kind that any class should be certified or that any claims should be given class or representative action treatment.

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

b. The Settlement Agreement shall have no force or effect, other than the confidentiality and non-disclosure provisions and the non-admission provisions;

c. The Settlement Agreement shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

d. The preliminary certification of the class of Class Members and the approval of a representative action shall become null and void, and the fact that the Parties stipulated to the certification of Class Members and Class Claims, and to approval of representative treatment of the PAGA Claims, 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

e. 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.

53. **Settlement Allocation.** CVS agrees to pay a Gross Settlement Amount of Two Million Dollars ($2,000,000). CVS agrees to pay employer-side taxes associated with the Settlement separately, and in addition to the Gross Settlement Amount. 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 Seven Hundred Thousand Dollars ($700,000), which is equal to thirty-five percent (35%) of the Gross Settlement Amount in attorneys' fees in addition to actual litigation costs of up to Twenty-Five Thousand Dollars ($25,000) for serving as Class Counsel, which CVS will not oppose.

b. From the Gross Settlement Amount, Plaintiff may seek from the Court a Service Enhancement not to exceed $7,500 for his 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 $30,000.

d. If the Court approves attorneys' fees, litigation costs, a Service Enhancement, or Settlement Administration Expenses in an amount or amounts less 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 $50,000 to the PAGA Payment as follows: (1) 75% as the $37,500 LWDA Penalty Amount, and (2) the remaining 25% as the $12,500 PAGA Employee Payment to be distributed on a pro rata basis to each PAGA Employee, based on the number of Pay Periods each PAGA Employee was employed by Defendants during the PAGA Period. CVS shall provide the Settlement Administrator the number of Pay Periods worked by PAGA Employees during the PAGA Period. The number of Pay Periods worked by PAGA Employees shall be determined solely based on CVS's records. Each individual PAGA Employee Payment shall be treated as miscellaneous income, which shall be reported on an IRS 1099 without withholdings.

f. The Net Settlement Amount is the balance of the Gross Settlement Amount including interest accruing to it, after payments have been made for attorneys' fees and litigation expenses, Settlement Administration Expenses, Plaintiff's Service Enhancement, and the PAGA Payment (the LWDA PAGA Penalty Amount and the PAGA Employee Payment). Class Settlement Payments shall be allocated to the Participating Class Members for allegedly unpaid wages, overtime, premium wages, the Participating Class Members' share of payroll taxes, and related fees, interest, and penalties. The Net Settlement Amount shall be used to pay all Class Settlement Payments due to Participating Class Members based on their Workweeks in the Class Period.

54. **Objections by Participating Class Members to the Settlement of Class Claims**. Any Class Member who opts out of the settlement of the Class Claims may not object to the settlement. Any Class Member who does not opt out will become a Participating Class Member, and will still be bound by the Settlement even if s/he/they object to the Settlement and his/her/their objection is overruled. The procedure for submitting an objection is described in more detail in Paragraph 64, below.

55. **Opt Outs By Class Members from the Settlement of Class Claims**. Class Members who wish to "opt-out" of and be excluded from the settlement of the Class Claims must submit a written Request for Exclusion from the Class Claims aspects of the Settlement, as described in more detail in Paragraph 65, below. Even if a Settlement Employee opts out of the settlement of the Class Claims, if he/she/they are one of the PAGA Employees, he/she/they shall nonetheless be deemed to have fully, finally, and forever released the Released Parties from the PAGA Claims as set forth in full in Section VII, below.

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

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

58. **Entry of Judgment.** At the Fairness Hearing, the Parties will request that the Court, among other things: (a) certify the Class Members and Class Claims for purposes of settlement only; (b) enter a Final Approval Order and Judgment; (c) approve the settlement of the Class Claims as fair, adequate, reasonable, and binding on all Participating Class Members; (d) approve the settlement of the PAGA Claims as providing genuine and meaningful relief, consistent with the underlying purpose of the PAGA to benefit the public; (e) enter an order permanently enjoining all Participating Settlement Employees from pursuing and/or seeking to reopen claims that have been released by this Agreement; and (f) incorporate the terms of this Settlement Agreement into its Final Approval Order and Judgment.

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

V. SETTLEMENT ADMINISTRATION

60. **Summary of Duties**. The Settlement Administrator shall be responsible for: (a) estimating each Class Member's recovery from the Net Settlement Amount; (b) preparing and mailing Class Notices with estimated Class Settlement Payment amounts to all Class Members, and estimated PAGA Employee Payments to PAGA Employees, including taking appropriate steps to trace, update and locate any individual Settlement Employee whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated; (c) receiving and serving on Class Counsel, Defendants' Counsel, and the Court, any Requests for Exclusion, copies of written Objections, and any withdrawal and rescission statements from Class Members; (d) providing to Class Counsel and Defendants' Counsel a weekly report of activity; (e) establishing a toll-free telephone line and responding to inquiries and requests for information or assistance from Settlement Employees; (f) maintaining the Gross Settlement Amount account at a federally insured banking institution; (g) determining and paying the final amounts due to be paid to Participating Class Members after adjustment for funds due to Class Members who opt out of the settlement of Class Claims, and reduction for employee-side payroll taxes on the wages portion of the Class Settlement Payments; (h) preparing and delivering to Participating Settlement Employees necessary tax reporting documents, including Forms W-2 and 1099 where applicable, (i) reporting to Class Counsel, Defendants' Counsel, and the Court regarding the completion of the tasks identified in this paragraph; and (j) carrying out other related tasks in accordance with the terms of this Settlement Agreement.

61. **Use of Settlement Employee Data**. The Settlement Administrator has, and will maintain for as long as it accesses, processes, stores, or transmits any Settlement Employee Data supplied by CVS, a comprehensive, written information security program that complies with applicable law and industry best practices (the "Security Program"). The Security Program will apply to all locations, systems, devices and equipment used by the Settlement Administrator (or any vendors, subcontractors, or third parties retained by Administrator) to access, process, store, or transmit Settlement Employee Data ("Administrator Systems"), and it will include physical, administrative, and technical security controls that prevent unauthorized access to, disclosure of, loss of, or use of the Administrator Systems and the Settlement Employee Data that those

Administrator Systems process, store, or transmit. In the event that the Settlement Administrator suspects that any Administrator Systems or Settlement Employee Data that the Administrator Systems or the Settlement Administrator processes, stores, or transmits is subject to any suspected or actual unauthorized access, use, or disclosure, the Settlement Administrator will immediately notify counsel for CVS. The Settlement Administrator shall use Settlement Employee Data only to the extent necessary to administer the Settlement, shall securely delete Settlement Employee Data when no longer required for that purpose or by law, and shall not disclose Settlement Employee Data to any third party.

62. **Disputes Regarding Workweeks**. Class Members may dispute the Workweeks credited to them by submitting a written dispute to the Settlement Administrator, as described in the Class Notice.

63. **Other Disputes.** All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations contemplated by the Settlement Agreement have been fully executed.

64. **Objections**. Class Members may only object to the settlement of the Class Claims. The Settlement Administrator shall receive any written objections ("Objections") from Participating Class Members, and verify their timeliness. All Objections must be mailed to the Settlement Administrator no later than forty-five (45) days from the date of mailing of the Class Notice, and such deadline applies notwithstanding any argument regarding non-receipt of the Class Notice. The date of the postmark on the envelope containing the Objection shall be the exclusive means used to determine whether the Objection has been timely submitted. The Parties may file a response to any Objections submitted by Participating Class Members at or prior to the Fairness Hearing. Participating Class Members shall be permitted to withdraw their Objections in writing by submitting a withdrawal statement to the Settlement Administrator not later than one (1) business day prior to the Court's Fairness Hearing, or as otherwise ordered by the Court. Participating Class Members may also orally object at the Fairness Hearing, regardless of whether they have submitted a written Objection.

65. **Requests for Exclusion**. Class Members may only opt out of the settlement of the Class Claims. The Settlement Administrator shall receive any Requests for Exclusion from Class Members, and verify their timeliness and compliance with these terms. Any request to opt out (also known as a Request for Exclusion) must bear a post-mark within forty-five (45) days from the date of mailing of the Class Notice. The Request for Exclusion must include: (a) the Class Member's name; (b) a statement that the Class Member desires to exclude himself or herself from the case; and (c) the last four digits of the Class Member's Social Security number. If a Class Member submits a deficient Request for Exclusion, the Settlement Administrator shall notify the Class Member of the deficiency within five (5) business days of receipt. The Class Member shall have five (5) business days after the notice of deficiency is sent by the Settlement Administrator to cure said deficiencies. Otherwise, if his or her Request for Exclusion is not postmarked within 5 business days of the date of the notice of deficiency, his or her Request for Exclusion will be rejected. The date of the postmark on the envelope containing the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Requests for Exclusion must be exercised individually by a Class Member. Attempted group, class, or subclass Requests for Exclusion shall be ineffective and disregarded by the Settlement Administrator. Class Members submitting untimely or deficient Requests for Exclusion shall become Participating Class Members, shall be bound by the Settlement, and will receive a Class Settlement Payment.

66. **Final List of Participating Settlement Employee Payments**. When and if the Court enters the Final Approval Order and Judgment, and the Effective Date as defined herein has passed, the Settlement Administrator shall prepare a final list of all Participating Settlement Employees and their applicable estimated Class Settlement Payment and/or PAGA Employee Payment. The Settlement Administrator shall calculate applicable federal and state deductions for the Class Settlement Payment and shall include such information in the final list. The Settlement Administrator shall provide this list to CVS within five (5) court days after the Effective Date. For each Participating Settlement Employee on this list, the Settlement Administrator will issue checks payable to said Participating Settlement Employees.

67. **Calculation of Payments to Settlement Employees.** The Settlement Administrator will calculate pro rata Class Settlement Payments to Participating Class Members based on each Participating Class Member's relative percentage of Workweeks in the Class Period as reflected on CVS's internal records. In order to determine the pro rata share of the PAGA Employee Payment to each of the PAGA Employees, the Settlement Administrator will base the calculation off of each PAGA Employee's relative percentage of Pay Periods in the PAGA Period as reflected on CVS's internal records.

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

69. **Qualified Settlement Fund**. CVS shall provide payment to the Settlement Administrator within ten (10) court days after the Effective Date. The Settlement Administrator shall create a Qualified Settlement Fund ("QSF"), to be funded by Defendants and administered by the Settlement Administrator.

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

71. **Declaration of Settlement Administrator**. The Settlement Administrator shall provide a declaration of compliance, which will be filed with the Court and served on Class Counsel

and Defendants within thirty (30) calendar days of mailing the payments to Participating Settlement Employees, Plaintiff, and Class Counsel, or on such date as the Court may order.

72. **Uncashed Settlement Checks.** Participating Settlement Employees who are sent Settlement payments shall have one hundred and eighty (180) calendar days after mailing by the Settlement Administrator to cash their settlement checks, and will be so advised of such deadline. If any Participating Settlement Employees do not cash his/her/their check(s) within that 180-day period, those checks will become void. Five (5) court days after the 180th day elapses, the Parties shall report to the Court the total amount that was actually paid to Participating Settlement Employees who cashed their check(s). Funds associated with Settlement checks returned as undeliverable and checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be sent to the State Controller's Office under the Unclaimed Property Law Statutes.

VI. NOTICE OF SETTLEMENT

73. Within thirty (30) calendar days after the Date of Preliminary Approval by the Court, Defendants shall provide to the Settlement Administrator the Settlement Employee Data. As set forth in Paragraph 61, above, the Settlement Administrator shall keep this information confidential and secure from breach.

74. The Settlement Administrator shall prepare for mailing the Class Notice (**Exhibit A**, hereto). The Settlement Employee Data shall not be disclosed to Plaintiff, Class Counsel, or any other Settlement Employees without the written consent of Defendants.

75. Prior to mailing the Class Notices, the Settlement Administrator will update the Settlement Employee Data using the National Change of Address database and other available resources deemed suitable by the Settlement Administrator. Any returned envelopes from the initial mailing with forwarding addresses will be used by the Settlement Administrator to locate Settlement Employees and re-mail the Class Notice to the correct or updated address. The Settlement Administrator will use all appropriate tracing methods, including skip tracing, to ensure that the Class Notices are received by Settlement Employees. The Settlement Administrator shall also take

reasonable steps including skip tracing to locate any Settlement Employees whose Class Notice is returned as undeliverable.

76. The Parties agree that the procedures set forth in this section comply with due process requirements, constitute reasonable and the best practicable notice under the circumstances, and constitute an appropriate and sufficient effort to locate current addresses for Settlement Employees such that no additional efforts to do so shall be required. Any Settlement Employee who does not receive the Class Notice after these procedures have been followed will nonetheless be bound by this Settlement.

VII. RELEASE BY PARTICIPATING SETTLEMENT EMPLOYEES

77. **Release by Plaintiff and Participating Class Members**. As of the Effective Date and full funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiff and Participating Class Members release the Released Parties from the Released Class Claims.

78. The period of the Released Class Claims shall extend to the limits of the Class Period. The judgment entered as a result of this Settlement shall have res judicata effect to the fullest extent allowed by law. The definition of Released Class Claims shall not be limited in any way by the possibility that Plaintiff or Participating Class Members may discover new facts, legal theories or legal arguments not alleged in the Action but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released Class Claims. Any Class Member who submits a timely and valid Request for Exclusion to the settlement of the Class Claims will not be bound by the release of the Released Class Claims. However, if he/she/they is/are a PAGA Employee, then he/she/they will still be bound by the release of the Released PAGA Claims, regardless of opting out of the settlement of the Class Claims.

79. **Release of Released PAGA Claims.** As of the Effective Date and full funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiff, on behalf of himself, the State of California, and all PAGA Employees, releases the Released Parties from the Released PAGA Claims. No PAGA Employee may opt out of this release.

80. The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The judgment entered as a result of this Settlement shall have res judicata effect to the fullest extent allowed by law. The definition of Released PAGA Claims shall not be limited in any way by the possibility that Plaintiff may discover new facts, legal theories or legal arguments not alleged in the Action as to CVS but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released PAGA Claims.

81. **Additional Release of All Wage and Hour Claims by Plaintiff**. As of the Effective Date and full funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, the releases agreed upon by Plaintiff only (the "Additional Release") and made part of the Settlement shall include a release of Released Parties from all claims, actions, causes of action, lawsuits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or equity, known or unknown, which against the Released Parties, the Plaintiff and the Plaintiff's heirs, executors, administrators, successors, and assigns, may now have or hereafter later determine that they have or had upon, or by reason of, any cause or thing whatsoever relating to their employment or termination of employment, including, but not limited to, claims arising under the Americans With Disabilities Act, the National Labor Relations Act, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq*., as amended, but not limited to, breach of fiduciary duty and equitable claims to be brought under § 1132(a)(3) ("ERISA"), the Worker Adjustment and Retraining Notification Act, as amended, Title VII of the Civil Rights Act of 1964, the Vocational Rehabilitation Act of 1973, the Civil Rights Acts of 1866, 1871 and 1991, including Section 1981 of the Civil Rights Act, the Family and Medical Leave Act (to the extent permitted by law), the California Family Rights Act ("CFRA"), California's PAGA, Cal. Bus. and Prof. Code § 17200 *et seq*. ("UCL"), the California Labor Code, and/or any other federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute, regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim of retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or implied from any source), or any claim of

intentional or negligent infliction of emotional distress, tortious interference with contractual relations, wrongful or abusive or constructive discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care, breach of fiduciary duty or any action similar thereto against the Released Parties, including any claim for attorneys' fees, expenses or costs based upon any conduct up to and including the date of this Additional Release; provided, however, that Plaintiff does not waive any right to file an administrative charge with the Equal Employment Opportunity Commission ("EEOC") or the National Labor Relations Board ("NLRB"), subject to the condition that Plaintiff agrees not to seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and agrees that he understands that such limitation does not in any way restrict his ability to file and pursue such charge consistent with the confidentiality obligations set forth in this Settlement Agreement; and further provided, however, that Plaintiff does not waive any rights with respect to, or release Released Parties from, any claims for California Workers' Compensation benefits (except that Plaintiff hereby releases and waives any claims that, as a result of his termination, he is entitled to additional benefits or payments); and further provided, however, that Plaintiff does not release any claim for unemployment compensation benefits; and further provided, however, that Plaintiff does not release any claim that cannot be released by private contract, or for breach of the terms of the Settlement Agreement between Plaintiff and Defendants.

82. Nothing in this Additional Release shall prohibit or restrict Plaintiff from: (i) providing information to, or otherwise assisting in, an investigation by Congress, the Equal Employment Opportunity Commission or the NLRB, the Securities and Exchange Commission ("SEC") or any other federal regulatory or law enforcement agency or self-regulatory organization ("SRO"); (ii) testifying, participating, or otherwise assisting in a proceeding relating to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or any SRO; or (iii) complying with a lawful subpoena or other legal process, subject to the terms of the Settlement Agreement. If any of the provisions, terms, clauses, waivers or releases of claims and rights contained in this Additional Release are declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or rights shall be modified, if possible, in order to achieve, to the extent possible, the intentions of the

parties and, if necessary, such provisions, terms clauses, waivers and releases of claims and rights shall be deemed severable, such that all other provisions, terms, clauses and waivers and releases of claims and rights contained in this Additional Release shall remain valid and binding upon all Parties, provided, however, that, notwithstanding any other provision of this Additional Release, if any portion of the waiver or release of claims or rights is held to be unenforceable, Defendants may, at their option, seek modification or severance of such portion, or terminate the Settlement Agreement pursuant to Section XI.

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

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

(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.

84. CVS shall provide to the Settlement Administrator the Settlement Employee Data within thirty (30) calendar days after the Date of Preliminary Approval. CVS shall submit this information in electronic format as specified by the Settlement Administrator.

85. 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.

86. 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 Class Notice 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

87. Class Counsel will submit a proposed Final Approval Order and Judgment for the Court's signature and entry, which shall include findings and orders:

(a) Confirming that Plaintiff provided adequate notice to the LWDA of the PAGA portions of the Settlement;

(b) Approving the PAGA portions of the Settlement as providing genuine and meaningful relief, consistent with the underlying purpose of the PAGA to benefit the public;

(c) Approving the Settlement of the Class Claims, adjudging the terms thereof to be fair, reasonable and adequate, and directing that its terms and provisions be carried out;

(d) Approving the payment of a Service Enhancement to the Plaintiff;

(e) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; and

(f) Providing that the Court will retain jurisdiction to oversee administration and enforcement of the terms of the Settlement and the Court's orders.

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

(a) Should an appeal be taken from the Final Approval Order and Judgment approving the Settlement Agreement, all Parties will support the Final Approval Order and Judgment on appeal; and

(b) The Parties and Class Counsel will certify to the Court completion of all payments required to be made by this Settlement Agreement.

X. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT

89. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is as follows. This schedule is only intended to summarize pertinent events as they relate to settlement administration; it does not modify any other provisions of this Agreement or otherwise alter the Parties' obligations hereunder. The schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the 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 30 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 Pay Periods worked by Settlement Employees during the applicable Settlement Period.
14 days after receipt of the Settlement Employee Data	Settlement Administrator to complete any skip trace or other address search for Settlement Employees, including updating any contact information. Mailing by first class mail of Class Notice.
45 days after mailing of Class Notice	Deadline for Class Members to opt-out 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 to the settlement of the Class Claims.

Thirty (30) days after entry of the Court's order granting final approval of the Settlement Agreement unless an appeal and/or motion to intervene is timely filed. If an appeal or motion to intervene if filed, then "Effective Date" means the date of final resolution of any appeal from the order granting final approval of the Settlement Agreement where the resolution affirms the final approval order and judgment.	Effective Date
Within 5 court days after the Effective Date	Settlement Administrator to make the final calculation of payments to be distributed to the Participating Settlement Employees and provide CVS's 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 plus an amount sufficient to pay all employer-side taxes to the Settlement Administrator who will deposit said amount in a Settlement Administrator-established account at a federally insured banking institution.
Within 7 court days of CVS's transfer of Gross Settlement Amount to the Settlement Administrator	Settlement Administrator to distribute and pay: Settlement checks to all Participating Settlement Employees; LWDA PAGA Penalty Amount to the LWDA; the Service Enhancement approved by the Court to Plaintiff; Settlement Administration Expenses to itself; and the attorney's fees and litigation costs approved by the Court to Class Counsel.
180 days after issuance of Settlement checks	Expiration of Participating Settlement Employees' Settlement checks.
Within 10 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 a check for the funds associated with uncashed Settlement checks to the State Controller's Office, Unclaimed Property Division

XI. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT

90. 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) 5% or more of Class Members 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 Defendant); 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 his 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 his counsel's breach of the Settlement Agreement.

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

92. If any time period specified in the above three paragraphs passes before the party holding a right or option to request adjustment or rescind exercises that right or option, that party shall be deemed to have waived its right or option and the Settlement Agreement shall proceed on the terms specified herein.

93. Other than as specified above, this Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties hereto, and approved by

the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XII. CONFIDENTIALITY AND PUBLICITY

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

95. Plaintiff and Class Counsel agree not to disclose the terms of this Settlement, except in court papers, or if required by legal process, as necessary to effectuate and administer the terms of this Settlement, or for accounting or tax reporting purposes. Neither Plaintiff nor Class Counsel, directly or indirectly, shall issue a press release or hold a press conference about this Settlement. Plaintiff and Class Counsel, however, may publish information about the settlement in sufficiently generic terms so as not to specifically name the Parties. Plaintiff and Class Counsel agree not to respond to any press inquiries concerning the Settlement except to refer reporters to the papers filed with the Court. Class Counsel may refer to the Settlement, including but not limited to the case name and number, in any adequacy of counsel declarations, or related court filings, at any time in the future.

XIII. PARTIES' AUTHORITY

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

XIV. MUTUAL FULL COOPERATION

97. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the terms set forth herein. As soon as

practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and its counsel, take all necessary steps to secure the Court's preliminary and final approval of this Settlement Agreement.

XV. NOTICES

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

To Class Counsel:

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle L. GruppChang
P.J. Van Ert
Alexandra Rose
Annabel Blanchard
BLACKSTONE LAW, APC
8383 Wilshire Blvd., Suite 745
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jgenish@blackstonepc.com
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pjvanert@blackstonepc.com
arose@blackstonepc.com
ablanchard@blackstonepc.com

To Defendants' Counsel:

Jennifer B. Zargarof
MORGAN LEWIS & BOCKIUS LLP
300 S. Grand Avenue
Twenty-Second Floor
Los Angeles, CA 90071
Tel: 213.612.2500
Fax: 213.612.2501
jennifer.zargarof@morganlewis.com

99. 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

100. **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.

101. **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.

102. **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.

103. **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.

104. **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 will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy, or bonus program. Defendants retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to

make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

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

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

XVII. COUNTERPARTS

107. **Counterparts**. This Settlement Agreement may be executed in counterparts with signatures transmitted by facsimile or as an electronic image (including DocuSign) of the original signature. When each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties. A facsimile signature or electronic image shall have the same force and effect as the original signature.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 09/10/2026

Daniel Alcoser

Daniel Alcoser

DEFENDANTS CVS PHARMACY, INC.; GARFIELD BEACH CVS, LLC; LONGS DRUG STORES CALIFORNIA, LLC; AND CVS HEALTH CORPORATION

Dated: September 23, 2026

Ebonee Lewis
Vice President and Senior Legal Counsel, Labor & Employment

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

***Daniel Alcoser v. CVS Pharmacy, Inc. et al.*, Case No. 26CUB02765**

NOTICE OF CLASS ACTION SETTLEMENT

If you are or were employed by CVS Pharmacy, Inc. as an exempt "store manager" at any time between December 20, 2018 and September 15, 2022, you may be eligible to receive compensation from a class action settlement.

- A former employee of CVS Pharmacy, Inc. ("CVS") filed a wage and hour class action and representative action under California's Private Attorneys General Act ("PAGA") against CVS on behalf of himself and all other Class Members and PAGA Employees (as defined hereinbelow). CVS denies all allegations.
- The parties have reached a settlement that the Court has preliminarily approved on the grounds that the settlement is fair, reasonable, adequate, and in the best interests of the class members.

A court authorized this notice. This is not an advertisement.
This is not a lawsuit against you. You are not being sued.
But, your rights will be affected by this settlement.

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND GET AUTOMATIC PAYMENT	If you received this notice, you will automatically receive your share of the settlement, unless you exclude yourself from the settlement. You do not need to submit a claim form to receive this payment.
EXCLUDE YOURSELF	Get no class payment. This is the only option that allows you to ever be part of any other wage and hour lawsuit against CVS that involves the claims made in this case. But to pursue any claims individually, you will have to get your own attorney or represent yourself. The deadline to submit a request for exclusion is [date]. However, if you are a PAGA Employee (defined below), then even if you exclude yourself from the class settlement, you will still receive a portion of the PAGA settlement and will be bound by the release of PAGA claims.
OBJECT	If you so choose, you may object to the class settlement. The deadline to submit an objection is [date].

PLEASE READ THIS NOTICE CAREFULLY.

Your rights will be affected by this settlement.

1. Why did I get this notice?

You received this notice because CVS's business records indicate that you worked for CVS as an exempt store manager in California between December 20, 2018 and September 15, 2022. All current and former employees who fall within this definition are known as "Class Members." All current and former employees who worked for CVS as a salaried exempt store manager between October 16, 2021 and September 15, 2022 are also part of the settlement of claims for penalties under California Private Attorneys General Act ("PAGA") and known as "PAGA Employees."

2. Why should I read this notice?

This notice is to let you know that the parties in a class action and PAGA action filed against CVS have reached a tentative settlement. Under California law, a class action settlement must be reviewed by a judge via a two-step process: preliminary approval and final approval. On [preliminary approval], Judge Gregory A. Pulskamp of the Superior Court of California for the County of Kern preliminarily approved the terms of this proposed settlement and ordered this notice to be mailed to all class members. The Court will hold a Final Approval Hearing concerning the proposed settlement on [date] at [time]. This notice tells you about your rights to share in the settlement or to potentially exclude yourself (otherwise known as opting out) from the settlement.

3. What is this case about?

Plaintiff claims that CVS violated California wage and hour laws and unfair competition laws by improperly classifying store managers as exempt employees, failing to pay wages, including minimum and overtime wages, failing to provide compliant meal and rest periods or pay premium wages in lieu thereof, failing to provide one days' rest in seven days of work, failing to timely pay all wages due and owing to employees at the end of their employment or during employment, failing to provide accurate wage statements, failing to maintain payroll records, and failing to reimburse necessary business expenditures. Plaintiff filed a class action and a representative action under PAGA.

CVS denies all of these allegations and asserts it has fully complied with its legal obligations under California law. The Court has not made any determination about the strengths or weaknesses of the claims.

4. Who are the parties in this case?

Mr. Daniel Alcoser is the Plaintiff and Class Representative. CVS Pharmacy, Inc., Garfield Beach CVS, LLC, CVS Health Corporation, and Longs Drug Stores California, LLC are the Defendants. Plaintiff filed his PAGA action on behalf of the State of California.

5. Why did CVS agree to settle the case?

CVS agreed to settle the case only as a compromise because it wishes to finally, fully and completely resolve the dispute. By agreeing to the terms of the settlement, CVS does not admit any of the allegations in the case, that it has done anything wrong, or that any Class Member has suffered any damage. As such, CVS is not giving up its right to defend itself against any of the allegations involved in the lawsuit if this settlement fails for any reason.

6. How much is the settlement?

The Total Settlement Amount is $2,000,000, which will cover settlement payments to all Class Members and PAGA Employees, payment to California's Labor & Workforce Development Agency representing 75% of the penalties attributed to the PAGA settlement; settlement administration expenses, a class representative service enhancement to Plaintiff, and Class Counsel's attorneys' fees and costs.

YOU DO NOT NEED TO SUBMIT A CLAIM FORM IN ORDER TO RECEIVE YOUR SHARE OF THE SETTLEMENT.

Individual Class Settlement Payments will be paid from the Net Settlement Amount, which is the amount remaining after deductions from the Gross Settlement Amount for settlement administration expenses, a class representative service enhancement, the PAGA Payment, and Class Counsel's attorneys' fees and costs.

Each Participating Class Member (Class Members who do not request exclusion from the settlement) will receive a *pro rata* portion of the Net Settlement Amount based upon the respective number of workweeks that he or she worked during the Class Period, December 20, 2018 to September 15, 2022, as compared to the total number of workweeks that all other Participating Class Members worked during the Class Period. All PAGA Employees will receive a payment for their share of the PAGA settlement regardless of whether they request exclusion from the class settlement.

Workweeks include any weeks a Class Member was employed by Defendants during the Class Periods. Workweeks of Class Members who exclude themselves from the settlement will not be included in the total number of workweeks for purposes of calculating distribution of individual Class Settlement Payments.

Each individual Class Settlement Payment will be allocated as follows: 25% will be treated as unpaid wages, 50% will be treated as penalties, and 25% will be treated as interest. Each payment to PAGA Employees will be treated 100% as penalties. CVS will pay its share of applicable employer-side payroll taxes on the wages portion of the settlement payments separately and in addition to the Gross Settlement Amount. Participating Class Members are responsible for any taxes owing on the non-wage portion of their settlement payment.

IF YOU DO NOT WANT TO PARTICIPATE IN THE INDIVIDUAL CLASS SETTLEMENT PAYMENT PORTION OF THE SETTLEMENT, YOU MUST RETURN A REQUEST FOR EXCLUSION TO THE SETTLEMENT ADMINISTRATOR POSTMARKED AND/OR RECEIVED BY THE SETTLEMENT ADMINISTRATOR NO LATER THAN [RESPONSE DEADLINE].

7. How much will I receive from the settlement?

CVS's business records indicate that you worked ___ weeks during the period from December 20, 2018 through September 15, 2022, which is the relevant time period for the Class Claims and ___ weeks during the period of October 16, 2021 through September 15, 2022, which is the relevant time period for the PAGA Claims. If you do not opt-out of class portion of this Settlement, you will automatically be mailed a check for your pro rata share of the Net Settlement Amount, which will be based on your total workweeks stated in this Notice. The amount you will receive is estimated to be $_____. You will receive payment for the PAGA portion of the settlement regardless of whether you opt out of the class settlement.

If you disagree with your total workweeks as stated above, please contact the Settlement Administrator and provide the total number of relevant workweeks that you believe you worked as an exempt Store Manager from December 20, 2018 through September 15, 2022. You will need to submit supporting documentation of your claimed workweeks by sending them to the Settlement Administrator, postmarked by no later than [response deadline]. The Settlement Administrator will review your claim and all supporting documentation that you provide and then will notify you of the final determination via written correspondence.

8. What are my rights in this case?

If you wish to participate in the settlement and receive compensation, you do not need to submit a claim form. You will be mailed a payment automatically (unless you timely opt out) if the settlement becomes final.

If you do not wish to participate in the class settlement, you must request exclusion by sending the Settlement Administrator a written request for exclusion, postmarked on or before [response deadline]. **If you request exclusion, you will receive no money from the class settlement**. The settlement will also bind all Class Members who do not timely and properly request exclusion, absent good cause found by the Court.

If you wish to make an objection to the settlement, you may file a written statement stating your objection and the basis for your objection, along with any and all documents that support your objection, with the settlement administrator, which must be postmarked by [response deadline]. Written objections and supporting papers must (1) clearly identify the case name and number (*Alcoser v. CVS Pharmacy, Inc.,* Kern County Superior Court Case No. 26CUB02765, (2) your full name, signature, address, and telephone number, (3) a written statement of all grounds for the objection including any written documentation, (4) indicate whether the you are represented by counsel and, if so, identify such counsel and his/her email address, (5) indicate whether the you or your counsel intend to appear at the Final Approval Hearing, and (6) if you are represented by counsel, be signed by your attorney. Even if you do not timely submit an objection, you may still object to the settlement by appearing at the Final Approval Hearing. Even if you object to the settlement, you will still receive your pro rata share of the Net Settlement Amount if the Court approves the settlement, and any portion of the PAGA Payment you may be entitled to if you are a PAGA Employee.

The Court will hold the Final Approval Hearing at the Metropolitan Division Justice Building, 1415 Truxtun Avenue Division J, Bakersfield, California 93301, on _____ at _____ to determine whether the settlement should be finally approved as fair, reasonable, and adequate. **It is not necessary for you to appear at this hearing to participate in the settlement**.

9. What rights will I give up if I participate in this settlement?

If the settlement is approved, each Participating Class Member releases and discharges the Released Parties, including CVS, from certain claims and liabilities, as set forth below.

Participating Class Members will fully and finally release and discharge the Released Parties from any and all liability for the Released Class Claims, which covers the time period from December 20, 2018 through September 15, 2022. The Released Class Claims include any and all wage and hour claims that accrued up to the end of the Class Period and that have been or could have been asserted in the instant Action based on the allegations in the Complaint in this Action, including but not limited to, Failure to Pay Wages for All Hours Worked in Violation of the Industrial Welfare Commission Wage Orders and California Labor Code §§ 200-204, 226, 500, 510, 558, 118.2, 1194, 1197, 1197.1, 1198 abd 8 CRR § 11070; Failure To Pay Overtime Premium Pay in Violation of Labor Code §§ 200-203, 226, 500, 510, 558, 558.1, 1194, 1194.2, 1198 & IWC Wage Order 9-2001, § 3; Meal and Rest Break Violations California Labor Code §§ 200, 226.7, 512, 1198 and 8 CCR § 11070; Failure to Timely Pay Wages During Employment in Violation of Labor Code §§ 204 and 210; Failure to Provide One Day's Rest In Seven In Violation of Labor Code §§ 551, 552 and 852; Failure to Reimburse for Reasonable and Necessary Business Expenses §§ 227.3, 2800 and 2802; Failure to Provide Accurate Itemized Wage Statements in Violation of Labor Code §§ 226(a), 226.3, 558.1, 1174; Failure to Pay Wages At Time of Termination in Violation of California Labor Code §§ 201-203; Unfair Competition in Violation of Business & Professions Code §§ 17200, *et seq.*; any derivative claims based on such alleged violations, including those under the Fair Labor Standards Act ("FLSA") or any applicable California Industrial Welfare Commission Wage Order; related common law claims for conversion, other alleged tortious conduct, breach of contract, and misrepresentation; and any other derivative claims under California law including claims for statutory or civil penalties, liquidated damages, punitive damages, interest attorneys' fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief.

The Released Parties means CVS Pharmacy, Inc., Longs Drug Stores California LLC, Garfield Beach CVS, LLC, CVS Health Corporation, 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.

10. Is there a trial date set for this class action?

Currently, there is no trial date. If the settlement is not approved by the Court, the parties may proceed to trial.

11. Who are the attorneys representing the parties?

Class Counsel - Attorneys for Plaintiff/Class Representative Daniel Alcoser	**Attorneys for Defendants CVS, et al.**
Jonathan Genish Barbara DuVan-Clarke Danielle GruppChang P.J. Van Ert Alexandra Rose Annabel Blanchard BLACKSTONE LAW, APC 8383 Wilshire Boulevard, Suite 745 Beverly Hills, California 90211 Telephone: (310) 622-4278 Fax: (855) 786-6356	Jennifer B. Zargarof MORGAN, LEWIS & BOCKIUS, LLP 300 South Grand Avenue, Twenty-Second Floor Los Angeles, CA 90071-3132 Telephone: (213) 612-2500

12. How will the attorneys, class representative and settlement administrator be paid?

Class Counsel have been working on this case well before the case was filed on July 17, 2026. They will apply for the customary fee of up to 35% of the Total Settlement Amount (i.e., $700,000) and reimbursement of actual litigation costs incurred during the litigation which should not exceed $25,000. CVS will bear its own attorneys' fees and costs outside of this settlement. Class Counsel will further apply for a class representative service payment of $7,500 for Plaintiff to recognize Plaintiff's services to the class action, and for assuming the risk of paying the litigation costs incurred by Class Counsel and CVS in the event of an unsuccessful outcome in this case at trial or on appeal. Additionally, the Court-appointed Settlement Administrator's expenses (estimated to be approximately $30,000), associated with mailing and processing Class Members' claims will be deducted from the settlement fund.

13. What if I need additional information?

For a more detailed statement of the matters involved in the Action and the settlement, you may refer to the pleadings, the Class Action Settlement Agreement and Release, and other papers filed in the Action.
The case files in *Alcoser v. CVS* may be inspected by visiting the Court's website at:
https://www.kern.courts.ca.gov/. You can also contact Class Counsel with any question regarding the settlement.
All inquiries, opt-outs, or objections to the settlement, should be directed to:

[SETTLEMENT ADMINISTRATOR].
[ADDRESS]
[TELEPHONE]
[EMAIL]

Refer to the Alcoser v. CVS Class Action Settlement.

PLEASE DO NOT WRITE OR TELEPHONE THE COURT FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT
THE COURT HAS APPROVED THIS NOTICE.

EXHIBIT 5

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Fri 10/2/2026 4:22 PM
To Bany Funez <bfunez@blackstonepc.com>

[External Email].

10/02/2026 04:22:08 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 10/02/2026 04:22:08 PM your Proposed Settlement was successfully processed for case number LWDA-CM-924854-22

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm