

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Pellegrino, et al. v. CVS Pharmacy, Inc., et al., Superior Court of the State of California, County of Merced,
Case No. 22CV-03434 (“Action”)

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

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

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class and representative action lawsuit (the “Action”) between a former employee (“Plaintiff”) and Defendants CVS Pharmacy, Inc., and Coram Specialty Infusion Services, LLC (“Defendants” or “CVS”).

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

A hearing regarding final approval of the proposed Settlement will be held before the Honorable Brian McCabe on September 4, 2024, at 8:15 a.m. in Courtroom 8 of the Merced County Superior Court, 627 West 21st Street, Merced, California 95340, to determine whether the Settlement is fair, adequate, and reasonable (“Final Approval Hearing”). As a Class Member, you are eligible to receive an individual Class Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

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

Questions? Contact the Settlement Administrator toll free at 1-(888) 529-0468

Who is affected by this proposed Settlement?

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

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

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

What is this case about?

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

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

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

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

Who are the attorneys representing the Parties?

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

Class Counsel

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

What are the Settlement terms?

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

Individual Class Settlement Payments. After deduction from the Gross Settlement Amount for Class Counsel’s attorneys’ fees and costs, the Service Enhancement to Plaintiff, the payment to the LWDA for PAGA penalties, the PAGA Employee

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

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

If applicable, the Pay Periods you worked as an outside sales exempt PAGA Employee in California during the PAGA Period will be calculated based on Defendants' records. If you feel that you were not credited with the correct number of Pay Periods worked during the PAGA Period – which is from March 3, 2021 through August 21, 2023 - you may submit evidence to the Settlement Administrator ***no later than 60 days after mailing the Class Notice (“Response Deadline”)*** with documentation to establish the number of Pay Periods you claim to have actually worked during the PAGA Period.

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

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

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

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

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Settlement Class Member.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Enhancement, Settlement Administration Costs, and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to \$105,000 (35%) of the Gross Settlement Amount and reimbursement of reasonable litigation costs, not to exceed \$22,000, incurred in the Action.

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

What claims are being released by the proposed Settlement?

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

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

Released PAGA Claims: Effective on the date when Defendants fully fund the entire Gross Settlement Amount (including all employer payroll taxes owed on the wage portion of the Class Settlement Payments) Plaintiff, on behalf of herself, the State of California and all PAGA Employees, release the Released Parties from the Released PAGA Claims. No PAGA Employee may opt out of this release. The Released PAGA Claims include all claims against Defendants during the PAGA Period seeking civil penalties under PAGA that Plaintiff in her capacity as proxy for the State of California, the LWDA, and as a private attorney general acting on behalf of herself and the PAGA Employees, stated or could have been stated based on the facts alleged in the Action based on the allegations in the Complaint and LWDA Notice, including but not limited to claims for PAGA civil penalties based on the Class Claims, and that occurred during the PAGA Period (again, March 3, 2021 through August 21, 2023).

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

What are my options in this matter?

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

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

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

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate, you may object to it. To object, you may appear in person (including by telephone) at the Final Approval Hearing, have an attorney object for you, or mail a written statement of objection (“Notice of Objection”) to the Settlement Administrator at: Pellegrino v. CVS Pharmacy, Inc., c/o CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. If you submit a written objection, the Notice of Objection must be postmarked ***no later than 60 days after mailing of Class Notice*** and set forth the following: (1) the name of the case and case number (shown on page 1 of this Notice), (2) your full name, address, and last four digits of his or her social security number, (3) the factual and legal basis for any objection, (4) the name and address of your counsel if you are represented by counsel for purposes of objecting, and (5) indicate whether you intend to appear at the Final Approval Hearing and seek to be heard at the Final Approval Hearing. Be sure to personally sign your objection. The Parties shall file responses to any Notices of Objection before the Final Approval Hearing. If you do not object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. ***Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of the Released Class Claims set forth above, unless the Court does not grant final approval of the Settlement.***

OPTION B. Request to Be Excluded from the Settlement and Receive No Money from the Class Settlement Payment.

If you do not want to be part of the Settlement, you must sign and return the attached “Request for Exclusion” to the Settlement Administrator at Pellegrino v. CVS Pharmacy, Inc., c/o CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. In order to be valid, your Request for Exclusion must include your name, address, telephone number and the last four digits of your social security number (to confirm your identity and make certain that only persons requesting exclusion are removed from the Settlement), along with a statement indicating your desire to be excluded from the Settlement, like the following:

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

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

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

The Court will hold the Final Approval Hearing to decide whether the Settlement is fair, reasonable, and adequate on September 4, 2024, at 8:15 a.m. in Courtroom 8 of the Merced County Superior Court, 627 West 21st Street, Merced, California 95340. The Final Approval Hearing may be continued without further notice. You need not attend the Final Approval Hearing to receive a Class Settlement Payment and PAGA Employee Payment.

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

Questions? Contact the Settlement Administrator toll free at 1-(888) 529-0468

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

It is your responsibility to maintain your current address with the Settlement Administrator, Pellegrino v. CVS Pharmacy Inc., c/o CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. If you move, you should send a letter updating your address to Pellegrino v. CVS Pharmacy Inc., c/o CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. Maintaining your current address with the Settlement Administrator is the best way to ensure that you receive your settlement checks.

How can I get additional information?

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

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