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6 Attorneys for Defendants  
7 CVS PHARMACY, INC.; CORAM SPECIALTY  
INFUSION SERVICES, L.L.C.  
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10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **COUNTY OF MERCED**

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

14 Plaintiff,

15 vs.

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

19 Defendants.

Case No. 22CV-03434

Assigned to: Hon. Brian McCabe

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

Action Filed: October 21, 2022

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

9 **I. DEFINITIONS**

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

12 2. “Plaintiff” means Serena Pellegrino.

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

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

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

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

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

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

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

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

26 11. “Class Claims” means all wage and hour claims, rights, demands, liabilities and  
27 causes of action of every nature and description made or which could have been made on behalf

1 of Class Members based on the facts or claims plead in the operative Complaint which occurred  
2 during the Class Period, including but not limited to, claims based on the following categories of  
3 allegations during the Class Period: (a) all claims for unpaid minimum wages; (b) all claims for  
4 unpaid overtime; (c) all claims for meal period violations; (d) all claims for rest period violations;  
5 (e) all claims for failure to provide accurate, itemized, or otherwise proper wage statements; (f) all  
6 claims for failure to timely pay wages during employment, including at or after termination of  
7 employment; (g) all claims for failure to reimburse business expenses; (h) all claims for failure to  
8 maintain accurate and complete payroll records; (i) all claims asserted through California  
9 Business & Professions Code §17200 et seq. arising out of the aforementioned claims; (j) all  
10 claims asserted through California Labor Code sections 2699 *et seq.* (the Private Attorneys  
11 General Act of 2004 (“PAGA”) arising out of the aforementioned claims; (k) all other claims for  
12 penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs,  
13 restitution, equitable relief, or additional damages that allegedly arise out of the aforementioned  
14 claims. The Class Claims specifically include claims arising under the California Labor Code,  
15 including, without limitation, §§ 90.5, 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512,  
16 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698-2699.5,  
17 Cal. Business & Professions Code §§ 17200, et seq., California Civil Code sections 3287(b) and  
18 3289, and Cal. Code of Civil Procedure § 1021.5, and any derivative claims based on such  
19 alleged violations, including those under any applicable California Industrial Welfare  
20 Commission Wage Order.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 **II. LITIGATION BACKGROUND**

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

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

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

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

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

6     **III.     JURISDICTION AND VENUE**

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

11     **IV.     TERMS OF SETTLEMENT**

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

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

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

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

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

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

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

- 10 (a) From the Gross Settlement Amount, Class Counsel may seek from the  
11 Court a maximum of \$105,000.00 (35%) of the Gross Settlement Amount  
12 in attorneys' fees in addition to actual litigation costs of up to \$22,000.00  
13 for serving as Class Counsel, which CVS will not oppose.
- 14 (b) From the Gross Settlement Amount, Plaintiff may seek from the Court  
15 Service Enhancement not to exceed \$10,000.00 for her efforts and service  
16 leading to this Settlement, which CVS will not oppose.
- 17 (c) From the Gross Settlement Amount, the Parties agree to allocate the  
18 payment of Settlement Administration Expenses in a reasonable amount,  
19 which amount shall not exceed \$20,000.00.
- 20 (d) If the Court approves a lesser amount of attorney's fees, litigation costs,  
21 Service Enhancements, or Settlement Administration Expenses than those  
22 sought by Plaintiff and/or Class Counsel, any amount disallowed by the  
23 Court shall be added to the Net Settlement Amount and apportioned  
24 equally to Participating Class Members.
- 25 (e) From the Gross Settlement Amount, the Parties agree to allocate  
26 \$40,000.00 to the PAGA Payment as follows: (1) the \$30,000.00 LWDA  
27 Penalty Amount, and (2) the \$10,000.00 PAGA Employee Payment on a

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

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

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

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

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

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

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

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

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

4    **V.    SETTLEMENT ADMINISTRATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

18 71. **Uncashed Settlement Checks.** Participating Settlement Employees who are sent  
19 Settlement payments shall have at least one hundred and eighty (180) calendar days after mailing  
20 by the Settlement Administrator to cash their settlement checks and will be so advised of such  
21 deadline. If any Participating Settlement Employees do not cash their checks within that period,  
22 those checks will become void. Twenty (20) days after the 180th day elapses, the Parties shall  
23 report to the Court the total amount that was actually paid to Participating Settlement Employees  
24 who cashed their check(s). Funds represented by Settlement checks returned as undeliverable and  
25 checks remaining uncashed for more than one hundred and eighty (180) calendar days after  
26 issuance shall be sent to the State Controller's Office under the Unclaimed Property Law Statutes.  
27

1 **VI. NOTICE OF SETTLEMENT**

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

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

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

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

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

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

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

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

23         78. In connection with such waiver and relinquishment, Plaintiff hereby acknowledges  
24 that she or her attorneys may hereafter discover claims or facts in addition to, or different from,  
25 those which they now know or believe to exist, but that Plaintiff expressly agrees to fully, finally  
26 and forever settle and release any and all claims, known or unknown, suspected or unsuspected,  
27 which exist or may exist on her behalf against Released Parties at the time of execution of the

1 Settlement Agreement, including, but not limited to, any and all claims relating to or arising from  
2 Plaintiff's employment with CVS or the cessation of that employment. Plaintiff and Defendants  
3 further acknowledge, understand and agree that this representation and commitment is essential to  
4 each Party and that this Settlement Agreement would not have been entered into were it not for  
5 this representation and commitment.

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

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

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

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

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

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



1 any derivative claims based on such alleged violations, including those under any applicable  
2 California Industrial Welfare Commission Wage Order.

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

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

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

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

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

- 28 (a) Preliminarily approving the settlement;



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

12 87. CVS shall provide to the Settlement Administrator the Settlement Employee Data

13 within twenty (20) calendar days after the date of Preliminary Approval. CVS shall submit this

14 information in electronic format as specified by the Settlement Administrator.

15 88. The Parties shall cooperate with each other and the Settlement Administrator

16 during the process of giving Settlement Employees notice and Class Members the opportunity to

17 opt out of the settlement of the Class Claims, in every way necessary and appropriate to assure

18 effective communication to individual Class Members of information concerning their rights and

19 obligations under this Settlement Agreement.

20 89. Class Counsel shall provide the Court in connection with the Motion for Final

21 Approval of the Settlement a declaration by the Settlement Administrator of due diligence and

22 proof of mailing of the Notice of Settlement required to be mailed to Class Members by this

23 Settlement Agreement, and of the delivery results of the Settlement Administrator's mailings

24 including tracing and re-mailing efforts.

25 **IX. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL**

26 90. Class Counsel will submit a proposed Final Order and Judgment for approval,

27 which shall include findings and orders:

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

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

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

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

23 92. The preliminary schedule for notice, approval, and payment procedures carrying  
24 out this Settlement is as follows. This schedule is only intended to summarize pertinent events as  
25 they relate to settlement administration; it does not modify any other provisions of this  
26 Agreement or otherwise alter the Parties’ obligations hereunder. The schedule may be modified  
27 depending on whether and when the Court grants necessary approvals and orders notice to the

1 class, and sets further hearings. In the event of such modification, the parties shall cooperate in  
2 order to complete the settlement procedures as expeditiously as reasonably practicable.

3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Within 20 days after the date of Preliminary Approval	CVS to provide the Settlement Administrator Settlement Employee Data, as well as any relevant information regarding their dates of employment and the number of workweeks and/or pay periods worked by Settlement Employees during the applicable Settlement Period.
	45 days after Preliminary Approval of Settlement	Settlement Administrator to complete any skip trace or other address searched for Settlement Employees, including updating any contact information.  Mailing by first class mail of Class Notice.
	60 days after mailing of Class Notice	Deadline for Class Members to opt-out, submit a workweek/pay period dispute, or object to the Settlement of the Class Claims.
	1 business day prior to the hearing on Final Approval	Last day for Class Members to rescind objections or opt-outs to the Settlement of the Class Claims.

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

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

**XI. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT**

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

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

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

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

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

12 **XII. CONFIDENTIALITY AND PUBLICITY**

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

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

1 **XIII. PARTIES' AUTHORITY**

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

4 **XIV. MUTUAL FULL COOPERATION**

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

15 **XV. NOTICES**

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

20 To Class Counsel:

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

28 To Defendants' Counsel:

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

1 300 S. Grand Avenue  
2 Twenty-Second Floor  
3 Los Angeles, CA 90071  
4 Tel: 213.612.2500  
5 Fax: 213.612.2501

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

8 **XVI. MISCELLANEOUS PROVISIONS**

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

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

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

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

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



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

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

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

## 23 **XVII. COUNTERPARTS**

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

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

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

**PLAINTIFF**

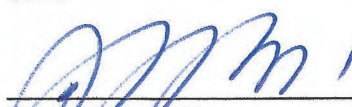
*Serena Pellegrino*

Dated: 10 / 09 / 2023

Serena Pellegrino

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

Dated: 10/9/2023.

  
Name: John J. Shea  
Title: Senior Legal Counsel

1 APPROVED AS TO FORM.

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Dated: 10/10/2023

COUNSELONE, P.C.

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By:



Anthony J. Orshansky  
Jennifer L. Connor  
Attorneys for Plaintiff

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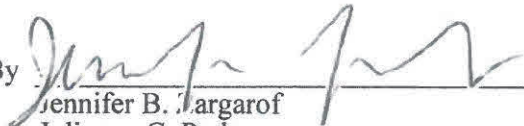
Dated: October 9, 2023

MORGAN, LEWIS & BOCKIUS LLP

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By:



Jennifer B. Margarof  
Julianne G. Park  
Attorneys for Defendants  
CVS PHARMACY, INC.; CORAM  
SPECIALTY INFUSION SERVICES,  
L.L.C.

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