

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

DOUGLAS MOSSE, an individual, on behalf of
himself and all others similarly situated,
Plaintiff,

v.

CVS CAREMARK CORPORATION, a Delaware
corporation; GARFIELD BEACH CVS, L.L.C., a
California limited liability company; and DOES 1
through 100, inclusive,
Defendants.

Case No. BC 387082

Honorable Elihu M. Berle

[Complaint Filed: March 11, 2008]

NOTICE TO CLASS OF PROPOSED SETTLEMENT

To: Current and former CVS employees who worked as Store Manager in California at any time during the period of March 11, 2004 to December 16, 2011.

IMPORTANT - THIS NOTICE MAY AFFECT YOUR RIGHTS - PLEASE READ IT CAREFULLY

Defendants CVS Caremark Corporation and Garfield Beach CVS, LLC (collectively "CVS") have identified you as someone who is eligible to participate in the Settlement described in this Notice. Plaintiff Douglas Mosse ("Plaintiff") and CVS entered into a Settlement Agreement that fully sets forth the terms of the Settlement. The purpose of this Notice is to summarize some of the terms of the Settlement Agreement. In the event there are any conflicts between this Notice and the Settlement Agreement, the terms of the Settlement Agreement shall govern. You may request a copy of the full Settlement Agreement by contacting the Claims Administrator at (877) 221-4910.

I. Case Description

On March 11, 2008, Plaintiff filed a Complaint against CVS in the Superior Court of the State of California for the County of Los Angeles, Case No. BC 387082 (the "Action"). Plaintiff brought the lawsuit seeking to form a class action that would include himself and other CVS Store Managers. The Court did not rule on Plaintiff's request to form a class action. Instead, the parties have agreed to this settlement.

Individuals are eligible to participate in this settlement if they were employed as a Store Manager in California: (i) by Garfield Beach CVS, L.L.C. between March 11, 2004 and December 16, 2011; or (ii) between February 22, 2009 and December 16, 2011 by Longs Drug Stores California, L.L.C. Certain individuals who previously reached settlements with CVS are not included in the Settlement.

Plaintiff alleged that CVS failed to pay overtime and compensate him and other Store Managers for all hours worked, provide proper itemized statements, and/or provide meal and rest breaks. Plaintiff sought compensation and statutory penalties for these alleged unlawful policies, as well as reasonable attorneys' fees and costs for bringing this suit.

CVS completely denies all wrongdoing and legal liability arising out of any claims alleged in the Action. CVS is settling these claims as a compromise and reserves the right to object to any claim if the Settlement fails for any reason.

II. Why Should You Read This Notice?

CVS's records show that you may be entitled to share in the funds to be made available for settlement of a class action. You are not being sued. However, your rights may be affected by the legal proceedings in this action. This Notice summarizes your rights pursuant to the Settlement.

There was a hearing on December 19, 2011 in the Superior Court of California, County of Los Angeles, at which Judge Elihu M. Berle preliminarily approved the Settlement and conditionally certified a class action against Defendant CVS for settlement purposes only. You have received this Notice because records indicate that you were employed as a Store Manager within the class period, and are therefore a "Settlement Class Member" pursuant to the parties' Settlement. The Court must finally approve the terms of the Settlement described below as fair and reasonable to the class. **You may get money from the Settlement**, but only if you submit a valid and timely Claim Form as indicated below.

On March 15, 2012 at 10:00 a.m., the Court will conduct a hearing to decide whether to finally approve the Settlement. As part of this determination, the Court will also decide what amount is to be paid to the Plaintiffs' attorneys for attorneys' fees and costs, the named Plaintiff to compensate him for the time and effort he has spent on the case, as well as the payment to the Claims Administrator.

III. What Am I Giving Up In Connection With The Settlement?

All Settlement Class Members who do not exclude themselves from the Settlement will be subject to the following “State Law” release of claims regardless of whether they submit a Claim Form and receive a Settlement Payment:

All wage-and-hour claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, arising prior to the date of Final Approval of this Class Settlement Agreement, which were or could have been alleged for the Released Parties’ alleged failure to pay overtime and regular wages, provide meal and rest breaks, and provide accurate wage statements, including but not limited to the following: (1) any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, which are or could be the basis of claims that CVS failed to compensate Plaintiffs for all hours worked in accordance with California law, including claims: (a) that CVS misclassified the Class Members as exempt from overtime compensation and failed to pay all regular and/or overtime wages due; (b) that CVS did not provide Plaintiffs all meal periods required by California law; (c) that CVS did not authorize and permit rest breaks required by California law; (d) that CVS owes penalties (including, but not limited to, waiting time penalties), interest, restitution, attorneys’ fees, or damages of any kind based on a failure to comply with any California wage and hour laws, at any times on or before the last day of the Class Period (whether based on California state wage and hour law or contract); and/or (e) that CVS did not provide Plaintiffs with proper itemized pay statements as required by applicable laws; (2) the causes of action asserted in the Action, including any and all claims for alleged failure to pay overtime and compensate Plaintiffs for all hours worked and claims for alleged failure to provide Plaintiffs with proper itemized statements and/or to provide meal and rest breaks and, as related to the foregoing, for alleged unlawful, unfair and/or fraudulent business practices under California Business and Professions Code § 17200, et seq.; and (3) any and all penalties pursuant to the Labor Code Private Attorney’s General Act (“PAGA”) of 2004.

Thus, if you submit a Claim Form you will be subject to the above State Law release. Additionally, if you do nothing (meaning, you do not either exclude yourself from the Settlement or submit a Claim Form), you will still be subject to the above State Law release even though you will not receive a settlement payment.

All Settlement Class Members who timely submit a Claim Form will also be deemed to have opted into the action for purposes of the Fair Labor Standards Act and, as to those Settlement Class Members, the Released Claims include any “Federal Law” claims that the Settlement Class Member may have under the Fair Labor Standards Act, 29 U.S.C. §§ 201, et seq. as amended including, without limitation, The Portal to Portal Act of 1947, 29 U.S.C. §§ 251 et seq.

IV. What Are My Options?

Participate in the Settlement	Participate in the Settlement by completing a Claim Form and return it to the Claims Administrator with a postmark of no later than February 27, 2012. <u>You will receive a settlement payment if, and only if, you timely submit a Claim Form.</u> If the proposed Settlement is approved by the Court and you have submitted a Claim Form, you will be held to have released all Federal Law and State Law claims as set forth in Section III, above.
Object to the Settlement	If you wish to object to the Settlement, you must submit an objection stating why you object to the Settlement by February 27, 2012. You may both object to the Settlement and participate in it, but you must timely file your Claim Form if you wish to receive any money from this Settlement. If you object to the Settlement, you will still be subject to State Law and Federal Law releases if you timely return a Claim Form, or just the State Law release if you do not timely return a Claim Form.
Exclude Yourself from the Settlement	If you wish to exclude yourself from the Settlement, you must submit a request for exclusion by February 27, 2012. If you submit a request for exclusion, you will not be bound by the terms of the Settlement and will not be subject to any release. If you submit a request for exclusion you will <u>not</u> receive any money pursuant to the Settlement. Also, if you submit a request for exclusion you will not be able to object to the Settlement. If you submit both a Claim Form and a request for exclusion, your request for exclusion will be disregarded.
Do Nothing	If you do nothing, you will be subject to the State Law release but not the Federal Law release. Additionally, you will <u>not</u> receive any money pursuant to the Settlement.

V. Who Represents the Parties?

Attorneys for Named Plaintiff & the Settlement Class Members are (“Class Counsel”):

ARIAS OZZELLO & GIGNAC LLP

Mike Arias
Mark A. Ozzello
Mikael H. Stahle
6701 Center Drive West, Suite 1400
Los Angeles, California 90045
Telephone: (310) 670-1600
Facsimile: (310) 670-1231

Attorneys for CVS are:

SIDLEY AUSTIN LLP

Douglas R. Hart
555 West Fifth Street, Suite 4000
Los Angeles, California 90013
Telephone: (213) 896-6000
Facsimile: (213) 896-6600

VI. How Much Can I Expect to Receive If I Timely Submit a Claim Form?

CVS has agreed to make a Total Maximum Potential Settlement Payment of Nine Million Nine Hundred and Ninety Eight Thousand Nine Hundred and Sixty Four Dollars and Forty Two Cents (\$9,998,964.42) for the Settlement of the Action. Prior to the calculation or payment of any Settlement Awards, deductions from the Total Maximum Potential Settlement Payment will be made to cover the reasonable attorneys' fees and costs incurred by Class Counsel, an incentive award the Named Plaintiff for serving as class representative, settlement administration costs, the employer's share of applicable payroll taxes, and a payment to the Labor and Workforce Development Agency. The amount remaining after these deductions shall be used to calculate the Gross Settlement Awards to be paid to Plaintiffs who submit timely Claim Forms. The Gross Settlement Awards will be based on each Settlement Class Member's rate of pay and the number of workweeks that he or she was employed by: (i) Garfield Beach CVS, L.L.C. from March 18, 2004 to the date of Final Approval; and/or (ii) Longs Drug Stores California, L.L.C. from February 22, 2009 to the date of Final Approval.

The parties estimate that, if you timely submit a proper Claim Form, you will receive a Settlement Award that is no less than «GrossSettlementAward», minus applicable deductions. Your actual Settlement Award may be higher than this estimate depending upon the number of Settlement Class Members who submit Claim Forms and the Court's rulings regarding Attorneys' Fees, Costs, the Incentive Award to the Named Plaintiff, and the Settlement Administration costs.

The Gross Settlement Awards will be paid to Settlement Class Members after deduction of applicable tax withholdings (the “Settlement Awards”). The Settlement Awards will be allocated as follows: Twenty percent (20%) of each Settlement Class Member's Gross Settlement Award shall be considered wages (“Wage Component”), sixty percent (60%) shall be considered interest, and twenty percent (20%) shall be considered penalties (the interest and penalties portions shall hereinafter be referred to as the “Non-Wage Component”). From each Settlement Class Member's Wage Component, payroll deductions will be made for state and federal withholding taxes, and any other applicable payroll deductions, owed by the Settlement Class Member as a result of the payment, resulting in a “Net Wage Component.” No withholding shall be made on the Non-Wage Component of the settlement. The Net Wage Component shall be added to the Non-Wage Component, resulting in each Settlement Class Member's Settlement Award.

Settlement Class Members will have the opportunity, should they disagree with CVS's records regarding their dates of employment as a Store Manager to provide documentation and/or an explanation to show contrary employment dates. If there is a dispute or contrary evidence, the Claims Administrator will consult with the Parties to determine whether an adjustment is warranted.

NOTE: YOU WILL ONLY GET MONEY FROM THE SETTLEMENT IF YOU SUBMIT A VALID CLAIM FORM. It is your responsibility to ensure the Claims Administrator has timely received your Claim Form. You may contact the Claims Administrator at the toll free number listed at the bottom of this page to ensure it has been received. It is also your responsibility to keep a current address on file with the Claims Administrator to ensure receipt of your Settlement Award. If you fail to keep your address current, you may not receive the Settlement Award.

VII. How Do I Object or Exclude Myself From the Settlement

If you do not wish to be bound by this Settlement, you must send to the Claims Administrator a “Request for Exclusion from the Settlement” post marked no later than February 27, 2012. The Request for Exclusion from Settlement Should state, “I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE LOS ANGELES COUNTY SUPERIOR COURT CASE NO. BC 387082. I UNDERSTAND THAT BY REQUESTING TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE SETTLEMENT.” If you submit a request for exclusion from the Settlement, you will not receive a settlement payment and will not be able to object to the Settlement.

Send the Request for Exclusion directly to Mosse v. CVS Caremark Corp., et al., Claims Administrator, c/o Desmond, Marcello & Amster, P.O. Box 451999, Los Angeles, CA 90045. The Judgment following approval of the Settlement by the Court **will bind all Plaintiffs who do not request exclusion** to the Settlement. You cannot both exclude yourself from the Settlement and receive a settlement payment. If you submit both a request for exclusion and a Claim Form, your request for exclusion shall be null and void.

If you wish to object to the Settlement, you may mail to the Claims Administrator a document stating why you object to the Settlement. Your written objection must state your full name, address, and telephone number. The written objection must be mailed to Mosse v. CVS Caremark Corp., et al., Claims Administrator, c/o Desmond, Marcello & Amster, P.O. Box 451999, Los Angeles, CA 90045 no later than February 27, 2012. If, and only if, you have timely submitted an objection, you may also, if you wish, appear in person or through your own attorney at the Final Approval Hearing set for March 15, 2012 at 10:00 a.m. in Department 323 of the Los Angeles Superior Court, located at 600 S. Commonwealth Ave., Los Angeles, CA 90005, to discuss your objections with the Court and the parties. You may not object to the Settlement if you have excluded yourself from the Settlement. If you submit both a request for exclusion and an objection, your objection will not be considered by the Court.

IF YOU INTEND TO OBJECT TO THE SETTLEMENT, BUT WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT AMOUNT, YOU MUST ALSO TIMELY FILE YOUR CLAIM FORM AS STATED ABOVE. IF THE COURT APPROVES THE SETTLEMENT DESPITE ANY OBJECTIONS AND YOU HAVE NOT RETURNED YOUR CLAIM FORM, YOU WILL NOT RECEIVE ANY SETTLEMENT PROCEEDS.

If the proposed Settlement is approved by the Court and you have submitted a Claim Form, you will be held to have released all State Law and Federal Law claims, as set forth in the releases in Section III, above. If the proposed Settlement is approved by the Court and you have submitted a request for exclusion, you will not have released any claims and will not receive a settlement payment. If the proposed Settlement is approved by the Court and you have not submitted a Claim Form or a request for exclusion, you will have released State Law claims but you will not receive a settlement payment.

VIII. No Retaliation

Your decision as to whether or not to submit a Claim Form will in no way affect your employment with CVS.

IX. What Happens if the Settlement Does Not Get Finally Approved

The Settlement provides CVS with the right to cancel the Settlement if more than 7.5% of Settlement Class Members exclude themselves from the Settlement or if CVS is required, by the terms of the Settlement, to pay in excess of \$300,000 over and above the Total Maximum Potential Settlement Payment. It is also possible that the Court may not finally approve the Settlement. If either occurs, the Settlement will be null and void, no money will be paid, and no Settlement Class Member will be subject to any release of claims. Moreover, the Settlement Class will be dissolved, the case will revert to the form it was in prior to the Settlement, and the Court will be asked to decide whether Plaintiff's Motion for Class Certification should be granted or denied.

X. How Will The Attorneys and the Named Plaintiff For the Class Be Paid?

In addition to the amount of his own individual Settlement Award, the named Plaintiff, Douglas Mosse, will request from the Court an amount not to exceed Twenty Five Thousand Dollars (\$25,000). This payment will compensate Mr. Mosse for the time and effort he devoted to the case on behalf of the potential class and will be paid from the Total Maximum Potential Settlement Payment.

The attorneys for the Plaintiffs will request from the Court an amount not to exceed Two Million Nine Hundred and Twenty Thousand Dollars (\$2,920,000). This payment will cover both the attorney's fees of Class Counsel and the litigation costs and expenses incurred by Class Counsel in the prosecution of this action. The payment will be paid from the Total Maximum Potential Settlement Payment but was negotiated separate and apart from the Gross Settlement Fund, thereby not affecting the minimum amount that any Settlement Class Member will be guaranteed to receive.

XI. Additional Information

If you need more information or have any questions, you may call Class Counsel using the contact information listed above, or the Claims Administrator at the telephone number listed below. When calling, please refer to The Mosse/ CVS Settlement. Please do not telephone the Court or CVS for information about this Settlement or the claims process.

CVS Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, CA 90045
(877) 221-4910

Dated: January 12, 2012

Honorable Elihu M. Berle
Judge of the Superior Court, Los Angeles County