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9

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 **IN RE WALGREEN CO. WAGE**
13 **AND HOUR LITIGATION**

Case No. 11-cv-07664-PSG (FFMx)

CLASS ACTION

**DECLARATION OF MOLLY A.
DESARIO, ESQ. IN SUPPORT OF
PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: September 29, 2014

Time: 1:30 p.m.

Judge: Honorable Philip S. Gutierrez

14 Consolidated Cases:

15 **WILSON v. WALGREEN CO.**

Case No. 11-cv-07664-PSG (FFMx)

16 **HODACH v. WALGREEN CO.**

Case No. 12-cv-07491-PSG (FFMx)

17 **JEROMINSKI v. WALGREEN CO.**

Case No. 12-cv-10134-PSG (FFMx)

18 **BROWN v. WALGREEN CO.**

Case No. 12-cv-08574-PSG (FFMx)

19 **PETERSON v. WALGREEN CO.**

Case No. 13-cv-07290-PSG (FFMx)

20 **GINDI v. WALGREEN CO.**

Case No. 13-cv-01154-PSG (FFMx)

21 **HANNA v. WALGREEN CO.**

Case No. 13-cv-02412-PSG (FFMx)

22 **SHANINIAN v. WALGREEN CO.**

Case No. 13-cv-03576-PSG (FFMx)

23 **MCDOWELL v. WALGREEN CO.**

Case No. 13-cv-01028-PSG (FFMx)

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1 I, Molly A. DeSario, do hereby declare as follows:

2 1. I am an attorney-at-law, licensed to practice in all jurisdictions of this
3 State, and I am a Senior Associate Attorney with the law offices of Scott Cole &
4 Associates, APC (“SCA”), attorneys-of-record and lead counsel for the Plaintiff class
5 in the above-entitled proceeding.

6 2. I make these statements based on personal knowledge, would so testify if
7 called as a witness at trial, and have personal knowledge of the foregoing. I make this
8 declaration in support of Plaintiffs’ Motion for an Order (1) Granting Final Approval
9 of Class Action Settlement and (2) Entering Judgment of Dismissal with Prejudice.

10 **PROCEDURAL HISTORY AND SETTLEMENT NEGOTIATIONS**

11 3. Plaintiffs Wilson and Martin filed the first of these consolidated actions
12 in May 2011 in San Francisco County Superior Court (Case No. CGC-11-510950).
13 Defendant Walgreen Co. (“Walgreen” or “Defendant”) removed the case to the United
14 States District Court for the Northern District of California asserting original
15 jurisdiction under 28 U.S.C. §§ 1332(d)(2) (the Class Action Fairness Act of 2005)
16 and removal jurisdiction under 28 U.S.C. §§ 1441(a) and 1446, then transferred the
17 matter to this Court on September 14, 2011.

18 4. Since the filing of the *Wilson* action, eight additional wage and hour
19 actions on behalf of various classes of Walgreen’s California retail workers were filed
20 in several California state and federal courts. Ultimately, SCA moved for and this
21 Court consolidated all related actions, appointing SCA as Lead Counsel and BNB
22 (attorneys for the second-filed *Hodach* action) as Liaison Counsel.

23 5. Throughout the lives of these various cases, the parties engaged in
24 vigorous motion work and exchanged voluminous discovery. The parties battled
25 motions to dismiss and to amend pleadings several times. The parties fought over the
26 preservation of evidence (e.g., video surveillance records), basic discovery requests
27 such as Plaintiffs’ requests for several site inspections, objections to and efforts to
28 limit the scope of the numerous depositions taken, and the disclosure of putative class

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1 member contact information (requiring SCA to bring a motion to compel and
2 mandating a lot of time and effort to reach the workers on that list, and even more
3 time and effort to locate persons not included on the partial list ordered by the Court).

4 6. Even tasks that are, in Class Counsel's experience, merely lightly-
5 uncontested in other matters, seemed to routinely demand lengthy negotiations here.
6 On multiple occasions, Plaintiffs were forced to file requests for deadline extensions
7 because negotiations for things such as stipulations to extend them continued ad
8 nauseam.

9 7. In the Summer of 2013, as an alternative to continuing to incur the
10 substantial costs and facing the uncertainties inherent in litigation of this magnitude,
11 the parties agreed to explore settlement. On July 17, 2013, the parties attended a full-
12 day mediation session – which lasted until approximately 11:00 p.m. – with well-
13 known and respected mediator David Rotman.

14 8. The parties left that session unable to reach a deal, with Plaintiffs
15 demanding substantial additional information from Walgreen to independently
16 evaluate the representations made during that mediation. Over the next month,
17 Walgreen produced a sizable amount of additional information and documents to
18 Plaintiffs' counsel, which Plaintiffs' counsel carefully reviewed and analyzed before
19 the parties returned for a second day of mediation with Mr. Rotman on August 19,
20 2013.

21 9. Indeed, during just that month alone, SCA focused nearly all of its
22 remaining available resources and numerous members of its support and attorney staff
23 on reviewing and analyzing those documents and conducting independent research,
24 and calling upon several other of the various plaintiffs' lawyers, all in an effort to
25 prepare for the next day of mediation.

26 10. After the August 19th session of arm's length negotiations – which lasted
27 until 2:00 a.m. the following morning – the parties reached an agreement, at least in
28 ///

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1 principle, to settle the claims in all nine pending actions, making available a
2 settlement fund of \$23 million.

3 11. However, the negotiations did not end there; following some additional
4 **seven months** of contentious, bilateral negotiations on many settlement terms, during
5 which time SCA launched an outreach campaign aimed at putting strong pressure on
6 Walgreen to settle, or provide the information needed for trial should settlement talks
7 fail (including creating, hosting and launching a case-specific website, implementing a
8 Facebook ad campaign, and engaging in a telephone call campaign to Class
9 Members), the parties finally reached an agreement as to the precise terms of
10 settlement.

11 12. By March 3, 2014, Lead and Liaison Counsel, on the one hand, and
12 Defendant and its attorneys, on the other hand, had executed the Settlement
13 Agreement now before this Court.

14 13. In addition to the \$23 million in monetary relief provided through the
15 Settlement, Class Members can benefit from policy changes Class Counsel believe
16 were implemented in response to this suit – steps which Class Counsel commends
17 Walgreens for taking, whether or not those steps were legally necessary. For instance,
18 Plaintiffs and Class Members have informed Class Counsel that Walgreen modified
19 its meal period waiver policies for various positions, such that many Class Members
20 can now take an off-duty lunch off the premises.

21 **COUNSEL'S EVALUATION OF THE SETTLEMENT**

22 14. Based on discussions with the named plaintiffs, interviews of numerous
23 Class Members, depositions, and the review of extensive documentary evidence
24 produced by Walgreen, both formally and informally in the course of litigation and
25 settlement negotiations, Class Counsel assessed the potential strength and value of the
26 class claims being released by the proposed Settlement.

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28 ///

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1 15. Class Counsel has analyzed and evaluated the merits of Plaintiffs' claims
2 against Walgreen, Walgreen's defenses, and the impact of the Settlement on Plaintiffs
3 and the Class Members.

4 16. While Class Counsel believes that Plaintiffs' claims are strong in various
5 respects, other factors must be taken into account. The potential denial of class
6 certification, the length and risks of trial and other normal perils of litigation,
7 examined through a lens ever-changing as each new legal precedent emerges, as well
8 as Walgreen's affirmative defenses, the prospect of a potential adverse ruling on
9 summary judgment, the lengthy process of establishing specific damages, and various
10 other delays and potential appeals all impact the value of the case at any given time.

11 17. Class Counsel was well aware that Walgreen was prepared to
12 aggressively pursue all available defenses to class certification and to liability. Taking
13 these factors into account, Class Counsel assessed the strength of this case and
14 believes that the Settlement is fair and reasonable.

15 18. The risk of Plaintiffs recovering nothing was exacerbated by Walgreen's
16 aggressive approach to litigation, wherein it persistently fought all aspects of liability.
17 The trend of recent cases denying certification and/or dismissing claims on summary
18 judgment (and a likely desire to send a message to future would-be litigants that
19 Walgreen was a tough litigation adversary) naturally emboldened Walgreen to take
20 this case to trial.

21 19. Each of the well-qualified Plaintiffs' counsel believes this is a great
22 settlement, and each is well-qualified to know the difference, as demonstrated by the
23 various declarations already filed in this litigation. For example, Class Counsel (SCA)
24 possesses extensive knowledge and expertise in the legal issues affecting the Class, is
25 acutely aware of the risks attendant to class action litigation, and is well-suited to
26 evaluate the Settlement. SCA alone has litigated well over a hundred wage and hour
27 class actions, many being against retail drug store chains such as Walgreen, and many
28 involving the claims alleged herein. In fact, in 2009, SCA settled a very similar case

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1 against Walgreen (alleging meal break and bag check violations on behalf of its
2 California assistant managers) for \$7.5 million. *See Kelly v. Walgreen Co.*, San
3 Francisco County Superior Court Case No. CGC-07-464347. Class Counsel's in-depth
4 knowledge of this area of law, combined with the years of discovery in this particular
5 case more than adequately supports its opinion that the Settlement is fair and
6 reasonable.

7 20. Based on its expertise in this area of the law, Class Counsel (and all
8 remaining counsel) strongly supports the Settlement as fair, adequate, reasonable, and
9 in the best interests of the class.

10 **WORK PERFORMED BY COUNSEL**

11 21. Since the inception of these consolidated actions, the litigation has been
12 driven by the first-filed case, *Wilson*. Since its filing in 2011, Lead Counsel has
13 worked diligently to prosecute the class claims, engaging in significant discovery,
14 leading depositions, representing the Class before this Court, conducting calls with the
15 attorneys for the newer-filed cases, working with Defendant to coordinate the
16 mediation sessions which ultimately yielded the instant Settlement and taking a lead
17 role in every respect since.

18 22. At the beginning of the litigation, SCA strategically amended its
19 Complaint on two separate occasions, keeping the case alive despite Walgreen's
20 motions to dismiss. This Court rejected four of Walgreen's six stated grounds for
21 dismissal. Only claims released by prior settlement and those for which Plaintiffs
22 lacked standing to prosecute were dismissed. SCA also successfully opposed an *ex*
23 *parte* application for a protective Order seeking to limit SCA's ability to communicate
24 with the Class.

25 23. Throughout the course of the litigation, SCA propounded extensive
26 written discovery including scores of document requests and special interrogatories
27 and held numerous meet and confer sessions with Walgreen to resolve disputes.

28 ///

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1 24. Through discovery, lengthy meet and confer sessions, supplemental
2 discovery, motions to compel and motions to clarify orders compelling discovery,
3 SCA obtained many categories of documents revealing the company's policies and
4 procedures as well as contact information for hundreds of Class Members.

5 25. SCA also took calculated measures to prepare its motion for class
6 certification. SCA conducted an extensive telephone campaign, obtaining dozens of
7 declarations from Class Members. SCA also conducted in-person inspections of
8 Walgreen stores, took FRCP Rule 30(b)(6) witness depositions, defended depositions,
9 and otherwise amassed the data needed for its since-prepared motion for class
10 certification.

11 **EXHIBITS**

12 26. A true and correct copy of the fully-executed "Joint Stipulation of
13 Settlement and Release" ("Settlement") is attached hereto and marked as **Exhibit**
14 **"A."** An addendum to the Settlement, included with Exhibit "A," excludes Plaintiff
15 Hanna's pending workers' compensation claims from his general release of liability
16 against Walgreen and is signed by Lead Counsel, Liaison Counsel, Plaintiff Hanna
17 and his counsel, and Defendant and its counsel.

18 27. Attached hereto and marked as **Exhibit "B"** is a true and correct copy of
19 the Declaration of Lisa Leininger on Behalf of Administrator with Respect to Claim
20 Forms, Requests for Exclusion and Objections.

21
22 I declare, under penalty of perjury under the laws of the United States and the
23 State of California that the foregoing is true and correct.

24
25 Executed this 2nd day of September, 2014 at Oakland, California.

26
27
28 /s/ Molly A. DeSario
Molly A. DeSario, Esq.

EXHIBIT A

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16 Lead Counsel and Attorneys
17 For Representative Plaintiffs
And the Plaintiff Class(es)

18 UNITED STATES DISTRICT COURT
19 CENTRAL DISTRICT OF CALIFORNIA

20 IN RE WALGREEN CO. WAGE
21 AND HOUR LITIGATION

Case No. 11-cv-07664-PSG (FFMx)
CLASS ACTION

22 Related Cases:

23 JOINT STIPULATION OF
SETTLEMENT AND RELEASE

24 WILSON v. WALGREEN CO.
HODACH v. WALGREEN CO.
25 BROWN v. WALGREEN CO.
JEROMINSKI v. WALGREEN CO.
GINDI v. WALGREEN CO.
26 HANNA v. WALGREEN CO.
SHANINIAN v. WALGREEN CO.
27 McDOWELL v. WALGREEN CO.
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Case No. 13-cv-02412-PSG (FFMx)
Case No. 13-cv-03576-PSG (FFMx)
Case No. 13-cv-01028-PSG (FFMx)
Case No. 13-cv-07290-PSG (FFMx)

1 This Joint Stipulation of Settlement and Release is made and entered into
2 between Plaintiffs George Wilson ("Wilson"), Tanarica Martin ("Martin"), Rene
3 Hodach ("Hodach"), Winston Bolls ("Bolls"), Alicia Arenas ("Arenas"), Brenda
4 Brown ("B. Brown"), Geoffrey Peterson ("Peterson"), Brandon Miller ("Miller"),
5 Brenton Pacheco ("Pacheco"), Shane Jerominski ("Jerominski"), Emad Gindi
6 ("Gindi"), Michael Hanna ("Hanna"), Kevork Shahinian ("Shahinian"), Chris
7 McDowell ("McDowell"), Gustavo Villavelazquez ("Villavelazquez"), and Devon
8 Brown ("D. Brown") (collectively, "Class Representatives" or "Plaintiffs")
9 individually and on behalf of the Classes defined herein and Defendant Walgreen
10 Co. ("Defendant"), (together, the "Parties").

11
12 **I. DEFINITIONS**

13
14 1. "Action" means the Complaint, styled as *In Re Walgreen Co. Wage*
15 *And Hour Litigation; Related Cases: Wilson v. Walgreen Co., Hodach v. Walgreen*
16 *Co., Brown v. Walgreen Co., Jerominski v. Walgreen Co., Gindi v. Walgreen Co.,*
17 *Hanna v. Walgreen Co., Shahinian v. Walgreen Co., McDowell v. Walgreen Co.,*
18 *and Peterson v. Walgreen Co.*

19
20 2. "Defendant" means Walgreen Co. and all of its respective former and
21 present parents, subsidiaries, and affiliated entities and their officers, directors,
22 employees, partners, predecessors, insurers, shareholders, and agents, and any
23 other successors, assigns, or legal representatives.

24
25 3. "Claims Administrator" means CPT Group, Inc.
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27
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1 4. “Claims Period” means a period of thirty (30) calendar days from the
2 date the Claims Administrator mails the Settlement Documents to Class Members.

3
4 5. “Class 1” means all persons who are, have been, or will be employed
5 by Defendant during the Class Period in a Class 1 Covered Position.

6
7 6. “Class 2” has been established for purposes of distribution of the
8 Labor Code § 2802 Fund, and means all persons who are, have been, or will be
9 employed by Defendant during the Class Period in a Class 2 Covered Position.

10
11 7. “Class 1 Covered Position” means:

12
13 (a) All persons employed by Walgreens in its California retail
14 stores as Management Trainees (“MGTs”) and Assistant Managers
15 Non-registered (“AMNs”) during the period of May 13, 2007 through
16 November 4, 2009 (the class cutoff in *Kelly v. Walgreens*, Case No.
17 CGC 07-464347) and who timely opted out of the class settlement in
18 *Kelly v. Walgreens*.

19
20 (b) All persons who were hired, promoted, demoted or transferred
21 into the MGT and AMN position in Walgreens’ California retail
22 stores after November 4, 2009 (the class cutoff in *Kelly v. Walgreens*)
23 but prior to May 7, 2010 (release cutoff in *Kelly v. Walgreens*).

24
25 (c) All persons who have been or are employed by Walgreens in its
26 California retail stores as MGTs, AMNs and ASM-Ts during the
27 period May 7, 2010 through Preliminary Approval.

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(d) All persons who were employed by Walgreens in its California retail stores in the position of “Pharmacist” (including Walgreens Pharmacist Job Codes RXOH, RXMH, RXA, RPH, RPMH, RPNH, RPRH, RPX, RPT, RPOH, RPSH) during the period of May 13, 2007 through January 14, 2008 (the class cutoff in *Kasten-Garoutte v. Walgreens*, Case No. CIV 457876), and who timely opted out of the class settlement in *Kasten-Garoutte v. Walgreens*.

(e) All persons who were hired, promoted, demoted or transferred into the Pharmacist position in Walgreens’ California retail stores after January 14, 2008 (the class cutoff in *Kasten-Garoutte v. Walgreen*), but prior to August 28, 2008 (release cutoff in *Kasten-Garoutte v. Walgreen*).

(f) All persons who have been or are employed by Walgreens in its California retail stores as Pharmacists during the period of August 28, 2008 through Preliminary Approval.

(g) All persons who have been or are employed by Walgreens in an hourly or non-exempt position other than those identified in (a)-(f) above in its California retail stores at any time during the period of May 13, 2007 through Preliminary Approval.

8. “Class 2 Covered Position” means:

1 (a) All persons who have been or are employed by Walgreens in an
2 hourly non-exempt position in its California retail stores at any time
3 during the period of May 13, 2007 through Preliminary Approval.
4

5 (b) All persons who have been or are employed by Walgreens as
6 Store Managers in its California retail stores at any time during the
7 period May 13, 2007 through Preliminary Approval.
8

9 9. "Class Member" means each individual person eligible to participate
10 in the Settlement who is a member of Class 1 and/or Class 2.
11

12 10. "Class Period" means the time period from May 13, 2007 through
13 Preliminary Approval, and as otherwise specified in paragraph 7 with respect to the
14 MGT, AMN and Pharmacist positions.
15

16 11. "Class Representatives' Released Claims" refers to the claims
17 released in paragraph 49 herein.
18

19 12. "Consent to Join Settlement and Claim Form" means either
20 Walgreens' proposed Claim Form attached hereto as Exhibit 2 or Plaintiffs'
21 proposed Claim Form attached hereto as Exhibit 5, whichever is approved by the
22 Court.
23

24 13. "Complaint" means the operative Consolidated Amended Class
25 Action Complaint filed by Lead Class Counsel on or about January 30, 2014.
26
27
28

1 14. “Compensable Work Weeks” means all full or partial weeks worked
2 by Class Members in the Class 1 and 2 Covered Positions during the Class Period
3 based on Defendant’s records.

4
5 15. “Court” means the United States District Court, Central District of
6 California.

7
8 16. “Defendant’s Counsel” means Seyfarth Shaw LLP.

9
10 17. “Request for Exclusion” means either Walgreens’ proposed Exclusion
11 Form attached hereto as Exhibit 3 or the Exclusion option described in Plaintiffs’
12 proposed Notice of Pendency attached hereto as Exhibit 4, whichever is approved
13 by the Court.

14
15 18. “Final Approval” means the date the Court enters an order granting
16 final approval of the Settlement.

17
18 19. “Final Judgment” means the Order Granting Final Approval of Class
19 and Collective Action Settlement and Judgment entered by the Court.

20
21 20. “Final Settlement Share” for a Qualified Claimant means: 1) As to the
22 Net Settlement Amount less the Labor Code § 2802 Fund, the percentage
23 calculated by dividing the Qualified Claimant’s Compensable Work Weeks by the
24 Total Class Work Weeks for the portion of the Net Settlement Amount allocable to
25 the Qualified Claimant’s position(s) as set forth in paragraph 62; and 2) As to the
26 Labor Code § 2802 Fund, the percentage calculated by dividing the Qualified
27 Claimant’s Compensable Work Weeks by the Total Class Work Weeks.

1 21. "Gross Settlement Amount" is the sum of Twenty-Three Million U.S.
2 Dollars (\$23,000,000.00) which represents the maximum amount payable in this
3 Settlement by Defendant, which includes, without limitation, attorney's fees of up
4 to twenty-eight percent (28%) of the Gross Settlement Amount; litigation costs,
5 with respect to which Walgreens will not oppose a request of up to \$75,000.00,
6 subject to satisfactory written proof thereof to the Court; all costs of claims
7 administration (including, but not limited to, all preparation of all tax
8 documentation and calculations and Class Action Fairness Act notices); the
9 \$80,000.00 pool for Service Enhancement Payments for the sixteen Class
10 Representatives; the \$30,000.00 Private Attorneys General Act, Labor Code §
11 2698, *et seq.* ("PAGA") payment; and all legally required withholding and
12 employer taxes on the settlement payments. Beyond the Gross Settlement Amount,
13 Defendant shall not owe any further monies to the Settling Class Members or to
14 the State of California based upon the claims made in the Action.

15
16 22. "Labor Code § 2802 Fund" is the sum of \$1.5 million from the Net
17 Settlement Amount designated for the settlement of Labor Code § 2802 claims.
18 There shall be no "floor" or minimum payout from the Labor Code § 2802 Fund.
19 Any funds not claimed from the Labor Code § 2802 Fund shall remain the property
20 of Defendant.

21
22 23. "Lead Class Counsel" means the law firm of Scott Cole & Associates,
23 APC. Lead Class Counsel is authorized to enter into the Stipulation pursuant to the
24 Court's Orders Consolidating the Related Cases and appointing Scott Cole &
25 Associates as Lead Counsel. Lead Class Counsel represents that all Plaintiffs'
26 Counsel for the Related Cases approve this Settlement. Through their signatures,
27 the Class Representatives represent that their counsel consent to the terms of this
28

1 Settlement and will abide by the terms thereof. All counsel agree only Lead Class
2 Counsel will file papers related to this Settlement on behalf of the Class
3 Representatives, Plaintiffs' Counsel and/or the Class Members.
4

5 24. "Net Settlement Amount" is the portion of the Gross Settlement
6 Amount available for distribution to Qualified Claimants on a claims-made basis.
7 It equals the Gross Settlement Amount less all court approved attorney's fees and
8 litigation costs and Service Enhancement Payments to the Class Representatives;
9 all claims administration expenses; seventy-five percent (75%) of the \$30,000.00
10 PAGA payment; and all legally required withholding and employer taxes on
11 settlement payments. The Labor Code § 2802 Fund shall also be deducted from
12 the Net Settlement Amount. Defendant will pay at least 50% of the Net Settlement
13 Amount less the Labor Code § 2802 Fund. In the event that Class Members do not
14 claim a minimum of 50% of the Net Settlement Amount, the difference between
15 the claimed amount and 50% of the Net Settlement Amount shall be distributed pro
16 rata to the Class Members who submitted claims, in accordance with the allocation
17 set forth in paragraph 62. Any funds that are not claimed beyond the 50% floor
18 shall remain the property of Defendant. Regardless of the claims rate, all legally
19 required withholding and employer taxes shall be paid out of the Net Settlement
20 Amount less the Labor Code § 2802 Fund.
21

22 25. "Notice of Pendency" means either Walgreens' Notice of Pendency of
23 Class Action and Collective Action and Opportunity to Opt-In, Proposed
24 Settlement, and Hearing Date for Court Approval attached as Exhibit 1 or
25 Plaintiffs' Notice of Pendency of Class Action and Collective Action and
26 Opportunity to Opt-In, Proposed Settlement, and Hearing Date attached as Exhibit
27 4.
28

1 26. "Preliminary Approval" means the date the Court approves this
2 Stipulation and the exhibits thereto, and enters an order providing for notice to
3 Class Members, a procedure for submitting claims, an opportunity to opt out of the
4 Class, an opportunity to submit timely objections to the Settlement, and setting a
5 hearing for Final Approval of the Settlement.

6
7 27. "Qualified Claimant" means a Class Member who has timely
8 submitted a completed Consent to Join Settlement and Claim Form to the Claims
9 Administrator.

10
11 28. "Settlement Documents" means either Walgreens' proposed Notice
12 of Pendency (Exhibit 1) Consent to Join Settlement and Claim Form (Exhibit 2),
13 and Exclusion Form (Exhibit 3), or Plaintiffs' proposed Notice of Pendency
14 (Exhibit 4) and Claim Form (Exhibit 5), whichever is approved by the Court.

15
16 29. "Settlement Effective Date" means the first day following the last of
17 the following occurrences:

18
19 a. The date and time to appeal or seek permission to appeal or
20 seek other judicial review of the entry of Final Judgment has expired with no
21 appeal or other judicial review having been taken or sought; or

22
23 b. If an appeal or other judicial review has been taken or sought,
24 the date the Final Judgment is finally affirmed by an appellate court with no
25 possibility of subsequent appeal or other judicial review, or the date the appeal(s)
26 or other judicial review are finally dismissed with no possibility of subsequent
27 appeal or other judicial review.

1 30. The "Settlement Period" is May 13, 2007 through the date that the
2 Court grants Final Approval of the settlement for all claims. During the Settlement
3 Period, the Settling Class Members are barred from making any claims released
4 herein. The Parties will request that the Court, in its preliminary approval of this
5 settlement, enjoin Class Members from initiating or prosecuting any proceeding on
6 any claim to be released pursuant to this Stipulation, unless and until the Class
7 Member has opted out of the Settlement.

8
9 31. "Settling Class Members" means all Class Members who do not
10 submit a valid Request for Exclusion to the Claims Administrator as to all state and
11 all federal non-FLSA claims and all Class Members who submit a valid Consent to
12 Join Settlement and Claim Form as to FLSA claims.

13
14 32. "Settling Parties" means Defendant and Settling Class Members.

15
16 33. "Stipulation" or "Settlement" means this Joint Stipulation of
17 Settlement and Release.

18
19 34. "Total Class Work Weeks" means the aggregate of Compensable
20 Work Weeks for all Class Members.

21
22 **II. RECITALS**

23
24 35. The Complaint includes the following Related Cases:

25
26 A. *George Wilson, Tanarica Martin v. Walgreen Co.*, Case No.
27 CV11-7664-PSG-FFMx;

- 1 B. *Rene Hodach, Winston Bolls v. Walgreen Co.*, Case No. CV12-
2 7491 PSG-FFMx;
3
4 C. *Brenda Brown v. Walgreen Co.*, Case No. CV12-8574 PSG-
5 FFMx;
6
7 D. *Emad Gindi v. Walgreen Co.*, Case No. CV13-001154 PSG-
8 FFMx;
9
10 E. *Shane Jerominski, Alicia Arenas v. Walgreen Co.*, Case No.
11 CV12-10134 PSG-FFMx;
12
13 F. *Michael Hanna v. Walgreen Co.*, Case No. CV13-0214 PSG-
14 FFMx;
15
16 G. *Geoffrey Peterson, Brandon Miller, Brenton Pacheco v.*
17 *Walgreen Co.*, Case No. 13-cv-07290-PSG-FFMx;
18
19 H. *Kevork Shahinian v. Walgreen Co.*, Case No. CV13-03576
20 PSG-FFMx; and
21
22 I. *Chris McDowell, Gustavo Villavelazquez, Devon Brown v.*
23 *Walgreen Co.*, Case No. CV13-1028 PSG-FFMx.
24

25 On August 1, 2013, Plaintiffs filed a Consolidated Complaint entitled *In re*
26 *Walgreen Co. Wage and Hour Litigation* pursuant to a July 2, 2013 order by Judge
27 Phillip S. Gutierrez of the United States District Court in case No. CV11-7664-
28

1 PSG-FFMx. Scott Cole & Associates, APC has been appointed lead counsel and
2 Blumenthal, Nordrehaug and Bhowmik has been appointed liaison counsel in the
3 Action. Scott Cole & Associates, APC filed an Amended Consolidated Complaint
4 in the Action on January 30, 2014 (previously defined as "Complaint"). The
5 Complaint will be expressly incorporated as part of the Action that is being settled
6 by the Parties in this Settlement.

7
8 36. Plaintiffs allege various state wage and hour law claims, including
9 claims for overtime, off-the-clock work and unpaid wages, failure to provide meal
10 and rest periods, itemized wage statements, and all monies due upon termination,
11 as well as violations of the FLSA. Plaintiffs contend that the Action is appropriate
12 for class and collective action treatment. Defendant denies any liability or
13 wrongdoing of any kind associated with the Action, and contends that, for any
14 purpose other than settlement, the Action is not appropriate for class or collective
15 action treatment pursuant to Rule 23 of the Federal Rules of Civil Procedure or 29
16 U.S.C. § 216(b), respectively. Defendant further contends that it has complied with
17 all state wage and hour laws and with the FLSA. Neither this Settlement, nor any
18 Final Judgment in this Settlement, shall constitute an admission of any form of
19 wrongdoing or liability on the part of Defendant or the accuracy of any allegation
20 raised in the Action. This Settlement is entered into in compromise of disputed
21 claims. Plaintiffs and Defendant intend, by their actions pursuant to this
22 Settlement, merely to avoid the expense, delay, uncertainty, and burden of
23 litigation. This Settlement and any related court documents or orders may not be
24 cited or otherwise admitted as evidence of liability or that class certification is
25 appropriate. There has been no final determination by any Court as to the merits of
26 the Action or whether it is certifiable, other than for settlement purposes only.

1 37. Plaintiffs and their counsel, including Lead Class Counsel, are
2 informed and aware of the pending appeal of the trial court's order denying class
3 certification of claims against Walgreens alleging meal period violations and
4 derivative claims in *Walgreen Company Overtime Cases, Included Actions:*
5 *Collins v. Walgreen Co., Cayabyab v. Walgreen Co, Jarve v. Walgreen Co.,* and
6 *Sather v. Walgreen Company*, JCCP No. 4511. Plaintiffs and their counsel are
7 further aware and informed that the claims for meal period violations and
8 derivative claims in JCCP.No. 4551 and the related appeal, overlap, in part, with
9 the those in the Action.

10
11 38. On July 17, 2013 and August 19, 2013, the Parties participated in full
12 day mediation sessions with mediator David Rotman in San Francisco, California.
13 With the assistance of Mr. Rotman, and following months of additional
14 negotiation, the Parties reached this Settlement. All terms of the Parties' settlement
15 are contained within this Stipulation. At all times, the Parties' settlement
16 negotiations have been non-collusive, adversarial, and at arm's length.

17
18 39. Lead Class Counsel represents that it has conducted a thorough
19 investigation into the facts of this case, and has diligently pursued an investigation
20 of the Class Members' claims against Defendant, including interviewing Class
21 Members and analyzing the results, reviewing relevant documents, and researching
22 the applicable law and the potential defenses. Based on its own independent
23 investigation and evaluation, Lead Class Counsel is of the opinion that the
24 Settlement is fair, reasonable, and adequate and is in the best interest of the Class
25 Members in light of all known facts and circumstances, including the risk of loss
26 and significant delay and defenses asserted by Defendant.

27
28

1 40. The entry of Final Judgment shall, dismiss with prejudice all claims set
2 forth in paragraphs 46-49 below and bar all Settling Class Members from pursuing
3 those released claims. Defendant and Lead Class Counsel agree to cooperate and
4 take all steps necessary and appropriate to obtain Preliminary and Final Approval
5 of this Settlement, to effectuate its terms, and to secure entry of Final Judgment.
6 Plaintiffs' Counsel for the Related Cases agree that only Lead Class Counsel will
7 file papers related to this Settlement on behalf of the Class Representatives,
8 Plaintiffs' Counsel and/or the Class Members. If and once the Court conditionally
9 certifies the Class(es) at Preliminary Approval, no Plaintiffs' Counsel will contact
10 Class Members (other than their own Class Representative/clients), except as
11 provided in paragraphs 67 and 68 below.

12
13 **III. TERMS OF SETTLEMENT**

14
15 41. Settlement Sum:

16
17 a. The total amount to pay the timely and valid claims of the Class
18 Members is the \$23,000,000.00 Gross Settlement Amount less the sums set forth at
19 (1) through (5) of this subparagraph: (1) attorney's fees not to exceed
20 \$6,440,000.00, and litigation costs, subject to Court approval, with respect to
21 which Walgreens agrees not to oppose an amount of up to \$75,000.00, subject to
22 the provisions in paragraph 21; (2) a pool of up to \$80,000.00 in Service
23 Enhancement Payments to be divided among the sixteen Class Representatives,
24 subject to Court approval; (3) a reasonable amount to the Claims Administrator to
25 administer the Settlement, estimated at this time to be approximately \$190,000.00;
26 (4) the sum of \$30,000.00, 75% of which is to be paid to the California Labor
27 Workforce Development Agency as civil penalties pursuant to California Labor
28

1 Code Section 2699(i) and (j); (5) all legally required withholding and employer
2 taxes on settlement payments. Under no circumstances will Defendant make
3 settlement or any other payments pursuant to this Settlement totaling in excess of
4 \$23,000,000.00.

5
6 b. This is a "claims-made" settlement. Each Class 1 Member shall
7 be entitled to a share of the Net Settlement Amount based on his/her total number
8 of Compensable Work Weeks in the Class Member's Covered Position as further
9 described in paragraph 62. Each Class 2 Member shall be entitled to a share of the
10 Net Settlement Amount based on his/her total number of Compensable Work
11 Weeks. Each Class Member may participate in the Settlement only if he/she
12 submits a valid and timely Consent to Join Settlement and Claim Form. Each Class
13 Member may elect not to participate in the Settlement by timely submitting a
14 Request for Exclusion. If a Class Member does neither of the above, he/she cannot
15 participate in the monies paid out under the Settlement but will still be bound by
16 the terms of the Settlement as to his/her state law and non-FLSA federal claims if it
17 is granted final approval by the Court.

18
19 42. Attorney's Fees and Costs. Subject to Court approval, and paragraph
20 64, *infra*, Lead Class Counsel will receive from the Settlement Sum \$6,440,000.00,
21 which represents twenty-eight percent (28%) of the Gross Settlement Amount, in
22 attorney's fees, and costs and expenses incurred to compensate Lead Class Counsel
23 and all counsel in the Related Cases for the work already performed in this case
24 and all work remaining to be performed in documenting the Settlement, securing
25 Court approval of the Settlement, administering the Settlement, ensuring that the
26 Settlement is fairly implemented and obtaining dismissal with prejudice of the
27 Action. Walgreens agrees not to oppose a request for costs of up to \$75,000,
28

1 subject to the conditions stated in paragraph 21. Lead Class Counsel will decide
2 the allocation of fees and costs among Plaintiffs' Counsel in the Related Cases. If
3 the Court awards Class Counsel less than twenty-eight percent (28%) of the
4 Settlement Sum as fees or less than the \$75,000.00 in costs that Walgreens agrees
5 not to oppose, the residual shall be added to the Net Settlement Amount and
6 distributed on a pro rata basis to Qualified Claimants. Defendant will issue IRS
7 Forms 1099 to Lead Class Counsel reflecting payment of attorney's fees and costs.
8

9 43. Service Enhancement Payments to Class Representatives.

10 Conditioned upon all of the Class Representatives' execution of the general release
11 in paragraph 49 of this Stipulation in favor of Defendant, Defendant agrees to pay
12 a total of \$80,000.00 to be divided among the Class Representatives as Service
13 Enhancement Payments for their services as Class Representatives, in addition to
14 any payment they each may otherwise receive as Class Members. The Service
15 Enhancement Payment will be allocated among Class Representatives as follows:
16 George Wilson \$9,500, Tanarica Martin \$9,500, Rene Hodach \$7,000, Winston
17 Bolls \$7,000, Alicia Arenas \$7,000, Shane Jerominski \$8,000, Brenda Brown
18 \$6,000, Geoffrey Peterson \$6,000, Brandon Miller \$5,000, Brenton Pacheco
19 \$6,000, Emad Gindi \$2,000, Michael Hanna \$2,000, Kevork Shahinian \$2,000,
20 Chris McDowell \$1,000, Gustavo Villavelazquez \$1,000, and Devon Brown
21 \$1,000. If the Court awards the Class Representatives less than a total of
22 \$80,000.00, the residual shall be added to the Net Settlement Amount and
23 distributed on a pro rata basis to Qualified Claimants. Defendant will issue IRS
24 Forms 1099 to the Class Representatives for their Service Enhancement Payments.
25

26 44. Conditional Certification of the Classes. The Parties stipulate to the
27 conditional certification of the Classes as defined herein for settlement purposes
28

1 only. As set forth in paragraph 56, this provision is void and all terms of this
2 Settlement are void if this Settlement is not approved by the Court. The Parties
3 further stipulate that, for settlement purposes only, Scott Cole and Associates, APC
4 may be appointed Lead Class Counsel and Plaintiffs may be appointed as Class
5 Representatives. Defendant's stipulation to this settlement class shall not be
6 construed as an admission or acknowledgement of any kind that any class should
7 be certified or given class or collective action treatment.

8
9 45. Tax Treatment. Of the amounts to be paid to Qualified Claimants for
10 all released claims, except for payments made to Qualified Claimants from the
11 Labor Code § 2802 Fund, the Parties agree that, for purposes of this settlement,
12 one-third is allocated to civil penalties, one-third is allocated to interest, and one-
13 third is allocated to wages and subject to withholding by Defendant. The Class
14 Representatives and Qualified Claimants shall be exclusively liable for any and all
15 non-employer tax liability, and should consult with their tax advisors concerning
16 the tax consequences of the payments they receive under the Settlement.

17
18 46. Released State and Federal Law Claims By Class Members. Upon
19 Final Approval by the Court of this Settlement, and except as to the right to
20 enforce the terms and conditions of this Stipulation, all Class Members who have
21 timely returned a valid Consent to Join Settlement and Claim Form hereby fully
22 release Defendant and all of its present and former parent companies, subsidiaries,
23 affiliates, divisions, predecessors, successors, assigns, joint ventures, and all of
24 their shareholders, officers, directors, employees, agents, servants, registered
25 representatives, attorneys, insurers, successors and assigns, and any other persons
26 acting by through, under or in concert with any of them ("Releasees"), from any
27 and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs,
28

1 expenses, attorney's fees, damages, action or causes of action of whatever kind or
2 nature, whether known or unknown, contingent or accrued, that are alleged, related
3 to or that reasonably could have arisen out of the same facts alleged in the
4 Complaint, and each Related Case, including, but not limited to all wage-hour and
5 wage-hour related claims under federal and state law for unpaid wages, unpaid
6 overtime, liquidated damages, meal and rest period violations, conversion of
7 wages, seventh-consecutive day of work California Labor Code violations, record-
8 keeping violations, "waiting-time" penalties, indemnity and reimbursement of
9 business expenses, and all derivative claims and PAGA penalties, up to and
10 including the earlier of the date of Final Approval by the Court or August 19, 2014.
11 This Release shall include without limitation, claims that were raised, or that
12 reasonably could have been raised, under the applicable Wage Orders and
13 California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204,
14 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174,
15 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802 as well as claims under Business
16 and Professions Code § 17200, *et seq.*, and/or Labor Code § 2698, *et seq.*, based on
17 alleged violations of these Labor Code provisions, and the Fair Labor Standards
18 Act, 29 U.S.C. § 201, *et seq.*, except that Store Managers will release only claims
19 that were alleged or could have been alleged under Labor Code § 2802 for
20 reimbursement of business of expenses, and any and all claims derivative thereto,
21 including claims under Labor Code § 2698, *et seq.* This Settlement is conditioned
22 upon the release by all Settling Class Members of any claim under Labor Code §
23 2699, and upon covenants by all members that they will not participate in any
24 proceeding seeking penalties under Labor Code § 2699. This release shall be
25 effective from May 13, 2007 through the earlier of Final Approval or August 19,
26 2014.

27
28

1 47. Released State Law and Non-FLSA Claims By Class Members. Upon
2 Final Approval by the Court of this Settlement, and except as to the right to
3 enforce the terms and conditions this Stipulation, all Class Members (except those
4 who submit a valid Request for Exclusion) hereby fully release Defendant and all
5 Releasees from any and all claims, debts, liabilities, demands, obligations,
6 penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of
7 action of whatever kind or nature, whether known or unknown, contingent or
8 accrued, that were alleged or that reasonably could have arisen out of the same
9 facts alleged in the Complaint, and the Related Cases, including, but not limited to
10 all wage-hour and wage-hour related non-FLSA claims under federal law and state
11 law claims for unpaid wages, unpaid overtime, liquidated damages, unlawful
12 deductions from wages, conversion of wages, record-keeping violations, seventh-
13 consecutive day of work California Labor Code violations, indemnity and
14 reimbursement of business expenses, meal period or rest period violations,
15 "waiting time" penalties, and all derivative claims and PAGA penalties, up to and
16 including the earlier of the date of Final Approval by the Court or August 19, 2014.
17 This Release shall include without limitation, claims that were raised, or that
18 reasonably could have been raised, under the applicable Wage Orders and Labor
19 Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510,
20 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800,
21 2802, as well as claims under Business and Professions Code § 17200 *et seq.*,
22 and/or Labor Code § 2698 *et seq.* based on alleged violations of these Labor Code
23 provisions, except that Store Managers will release only claims that were alleged or
24 could have been alleged under Labor Code § 2802 for reimbursement of business
25 of expenses, and any and all claims derivative thereto, including claims under
26 Labor Code § 2698, *et seq.* This Settlement Agreement is conditioned upon the
27 release by all members of the Settlement Class of any claim under Labor Code §
28

1 2699, and upon covenants by all members that they will not participate in any
2 proceeding seeking penalties under Section 2699. This release shall be effective
3 from May 13, 2007 through the earlier of Final Approval or August 19, 2014.
4

5 48. Waiver of California Civil Code § 1542. With regard to claims that
6 were alleged or that reasonably could have arisen out of the same facts alleged in
7 the Complaint, and the Related Cases, the Settling Class Members waive all rights
8 and benefits afforded by section 1542 of the California Civil Code, and do so
9 understanding the significance of that waiver. Section 1542 provides:

10
11 A general release does not extend to claims which the creditor does
12 not know or suspect to exist in his or her favor at the time of
13 executing the release, which if known by him or her must have
14 materially affected his or her settlement with the debtor.

15 49. Class Representatives' Released Claims. The Class Representatives
16 hereby fully and finally release and discharge Defendant from any and all claims,
17 whether known or unknown, arising during the period from the beginning of their
18 respective dates of employment with Walgreens to the date on which the Class
19 Representative executes this Stipulation ("Class Representative Release Period"),
20 whether under federal, state and/or local law, statute, ordinance, regulation,
21 common law, or other source of law; whether or not such claims are in the nature
22 of claims for damages, unpaid wages, premium pay, deductions, unreimbursed
23 business expenses, waiting-time penalties, or other penalties for overtime, missed
24 meal periods, missed rest breaks, and other alleged wage-and-hour violations;
25 attorneys' fees or injunctive relief; and whether sounding in contract or tort. The
26 Class Representatives' Released Claims include, but are not limited to, claims
27 arising from or dependent on the Title VII of the Civil Rights Act of 1964, 42
28 U.S.C. § 2000e, *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101, *et*

1 *seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et*
2 *seq.*; the Age Discrimination in Employment Act, as amended; the Fair Labor
3 Standards Act, 29 U.S.C. § 201, *et seq.*; the Civil Rights Act of 1991; 42 U.S.C. §
4 1981; Executive Order 11246; Executive Order 11141; the Rehabilitation Act of
5 1973; the Equal Pay Act; Federal Employee Polygraph Protection Act; the National
6 Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the
7 Genetic Nondiscrimination Act of 2008; the California Fair Employment and
8 Housing Act, including Government Code Sections 12900, *et seq.*; the California
9 Family Rights Act; the California Pregnancy Disability Act; and the California
10 Labor Code; any applicable California Industrial Welfare Commission order; and
11 all of their implementing regulations; claims arising from or dependent on federal
12 or local laws or regulations prohibiting discrimination or harassment in employment
13 or otherwise, or enforcing express or implied contracts, requiring employers to deal
14 fairly or in good faith, or restricting an employer's right to terminate employees,
15 wrongful discharge, wrongful termination in violation of public policy, constructive
16 termination, retaliation, defamation, conspiracy, infliction of emotional distress
17 (intentional or negligent), invasion of privacy, assault, battery, physical or personal
18 injury, emotional distress, fraud, negligent misrepresentation, misrepresentation, or
19 any other tort, or any law, such as California Business & Professions Code Section
20 17200. Notwithstanding the foregoing, nothing in this Settlement releases any
21 claims that cannot be released as a matter of law. Nothing in this Agreement shall
22 affect or interfere with any Class Representative's right to participate, cooperate,
23 initiate or assist in an investigation or proceeding conducted within Walgreens or by
24 any government agency (including but not limited to the Equal Employment
25 Opportunity Commission), oversight board, commission or other regulatory or
26 investigative body. However, each Class Representative is waiving any right to
27 receive any individual remedy, such as money damages, in connection with any
28

1 such investigation or proceeding, including but not limited to any judicial action
2 brought on any Class Representative's behalf by any government agency, with the
3 exception of George Wilson in connection with his "EEOC Charge" as described
4 below.

5
6 Class Representatives George Wilson, Rene Hodach, Brenda Brown, and
7 Michael Hanna acknowledge that, before signing this Release, they have twenty-
8 one (21) calendar days to consider it. These Class Representatives further
9 understand that they may sign this Release at any time before the expiration of the
10 21-day consideration period. These Class Representatives agree and understand
11 that they may revoke this Agreement and their waiver of Age Discrimination in
12 Employment Act and Fair Employment and Housing Act claims within seven (7)
13 calendar days after their execution of it, and that the Agreement shall not become
14 effective or enforceable until at least seven (7) calendar days after the date on
15 which they sign below. Any revocation must be in writing and delivered by hand
16 or certified mail to Diana Tabacopoulos, Seyfarth Shaw LLP, 2029 Century Park
17 East, Suite 3300, Los Angeles, CA 90067. Failure to revoke within seven (7)
18 calendar days will result in the waiver being permanent. If any of these Class
19 Representatives revoke within seven (7) calendar days, the entire Agreement is
20 voidable by Defendant as set forth in paragraph 56.

21
22 In addition, as to the Class Representatives' Released Claims, the Class
23 Representatives shall be deemed to have expressly waived and relinquished, to the
24 fullest extent permitted by law, the provisions, rights, and benefits they may
25 otherwise have had relating to the Class Representatives' Released Claims
26 pursuant to Section 1542 of the California Civil Code, which provides as follows:
27
28

1 A general release does not extend to claims which the
2 creditor does not know or suspect to exist in his or her
3 favor at the time of executing the release, which if known
4 to him or her must have materially affected his or her
5 settlement with the debtor.

6 Excluded from the Class Representatives' Released Claims are the claims in
7 Winston Bolls' pending civil litigation in San Francisco Superior Court, Case No.
8 CGC-12-520581 ("San Francisco Litigation"), and the claims in George Wilson's
9 pending EEOC charge, EEOC Number 480-2014-00460 ("EEOC Charge"). Bolls
10 hereby represents that, other than his San Francisco Litigation, he has no other
11 charges or cases or proceedings pending against Walgreens. Wilson hereby
12 represents that, other than his EEOC Charge and his pending civil litigation in Los
13 Angeles Superior Court, Case No. BC451864, currently on appeal in the Second
14 Appellate District, Case No. B246290 ("Los Angeles Litigation on Appeal"), he
15 has no other charges or cases or proceedings pending against Walgreens, with the
16 exception of his Workers' Compensation Claim no. 30141651059-0001. Wilson
17 hereby agrees to dismiss his Los Angeles Litigation on Appeal with prejudice
18 within ten business days of Final Approval and agrees to postpone any court dates
19 or filings in his Los Angeles Litigation on Appeal until after Final Approval.
20 Wilson agrees to dismiss the Los Angeles Litigation on Appeal forthwith in the
21 event Wilson is unable to postpone any Court dates or filings that will result in
22 Walgreens having to incur any time on the Los Angeles Litigation on Appeal. All
23 other Class Representatives hereby represent that other than this action, they have
24 no other charges or cases or proceedings pending against Walgreens.

25 50. Objections. All objections to the settlement by anyone, including
26 Class Members, must be filed with the Court and served upon counsel listed in
27 paragraph 74 by no later than thirty (30) calendar days after the mailing of the
28 Settlement Documents, notwithstanding any argument regarding non-receipt of the

1 notice. Class Members who fail to file and serve timely written objections in this
2 manner shall be deemed to have waived any objections and shall be foreclosed
3 from making any objection to the Settlement.
4

5 51. Requests for Exclusion from the Settlement. Class Members who
6 wish to be excluded from the Settlement must submit an Exclusion Form within
7 the Claims Period. Exclusion Forms that are post-marked after the Claims Period
8 will be rejected, and Class Members submitting untimely Exclusion Forms shall be
9 bound by the Settlement and its releases but will not be considered Qualified
10 Claimants as set forth herein for settlement distribution purposes.
11

12 52. Eligibility for Settlement Payments. Qualified Claimants intending to
13 claim their Final Settlement Share shall mail to the Claims Administrator a
14 completed Consent to Join Settlement and Claim Form postmarked no later than
15 the thirtieth day of the Claims Period. Qualified Claimants to whom the Claims
16 Administrator re-mails the Settlement Documents pursuant to paragraph 58 of this
17 Stipulation shall be eligible to receive their Final Settlement Share if they submit
18 their Consent to Join Settlement and Claim Form to the Claims Administrator
19 postmarked by the deadline printed on the re-mailed form, which will be fifteen
20 (15) calendar days after the date of re-mailing and/or the expiration of the Claims
21 Period, whichever date is later. Only Qualified Claimants who have timely
22 submitted completed Consent to Join Settlement and Claim Forms and have not
23 opted out of the Settlement will be eligible to receive their Final Settlement Share.
24 Class Members who have not timely submitted completed Consent to Join
25 Settlement and Claim Forms, or who have not filed timely Exclusion Forms, will
26 still be bound by the Settlement and its releases, but will not be entitled to receive
27 payment of their share of the Settlement Sum.
28

1 53. Court Approval of the Settlement. Lead Class Counsel shall be
2 responsible for preparing and filing the Motion for Preliminary Approval of the
3 Settlement and the Motion for Final Approval of the Settlement. Lead Class
4 Counsel will provide Defendant at least seven (7) business days to review and
5 propose revisions to these motions.

6
7 A. If the Settlement receives preliminary approval from the Court,
8 the Final Approval hearing shall be scheduled to occur within thirty (30) calendar
9 days following the end of the Claims Period, or at the earliest date available to and
10 proposed by the Court.

11
12 B. Prior to the Final Approval hearing, Lead Class Counsel will
13 submit a proposed Final Order (i) finding the Settlement fair, reasonable, and in the
14 best interests of Class Members, (ii) approving Lead Class Counsel's application
15 for an award of attorney's fees and costs, (iv) approving the Class Representatives'
16 application for Service Enhancement Payments, (v) approving the PAGA payment,
17 (vi) approving payment of claims administration fees, and (vii) for a final order
18 dismissing with prejudice the Complaint against Defendant and releasing and
19 barring any further actions by Class Members who do not opt out of the settlement
20 as to all state law and non-FLSA federal law claims and releasing and barring any
21 further action by Class Members who submit a Consent to Join Settlement and
22 Claim Form as to all FLSA claims.

23
24 54. Motion for Attorneys' Fees and Costs. Lead Class Counsel shall file a
25 Motion for Attorneys' Fees and Costs at least two weeks prior to the expiration of
26 the deadline for Class Members to file objections to the Settlement.

1 55. Right to Revoke. Defendant retains the right to void this Stipulation
2 and all of its provisions within fifteen (15) calendar days after expiration of the
3 Claims Period if twenty five (25) or more of eligible Class Members opt out of the
4 Settlement by filing a timely Request for Exclusion as described in paragraph 51.
5

6 56. Termination of Settlement Agreement. If the conditions of the
7 Settlement set forth in this Stipulation are not satisfied, or if Defendant voids the
8 Settlement under paragraph 55 above, or if the Court does not dismiss the Action
9 via entry of Final Judgment as provided for in this Stipulation, or if appellate
10 review is sought and on such review the Court's decision is materially modified or
11 reversed, or, if one or more of the terms of the Settlement are not approved or the
12 Stipulation with respect to one or more such terms is materially modified or
13 reversed, then this Stipulation shall be voidable. If this Stipulation is terminated,
14 revoked, or canceled pursuant to its terms, the Parties to this Stipulation shall be
15 deemed to have reverted to their respective statuses as of the date and time
16 immediately prior to the execution of this Stipulation. Except as provided herein,
17 this Stipulation shall not be capable of being canceled or terminated following the
18 Settlement Effective Date.
19

20 **IV. CLAIMS ADMINISTRATION**
21

22 57. Claims Administrator Duties. The Claims Administrator shall
23 perform, without limitation, the following duties: (a) using the data provided by
24 Defendant to prepare the Consent to Join Settlement and Claims Forms;
25 (b) mailing the Settlement Documents to Class Members by First Class U.S. Mail;
26 (c) tracking returned Consent to Join Settlement and Claim Forms and Requests
27 for Exclusion; (d) notifying Defendant and Lead Class Counsel of timely and
28

1 untimely claims; (e) calculating the amounts due to each Class Member pursuant to
2 the Settlement; (f) notifying Defendant and Lead Class Counsel of any disputes
3 regarding claims by the Class Members; (g) allowing Defendant and Lead Class
4 Counsel to comment on any disputes regarding claims by the Class Members, as
5 set forth in paragraph 60 of this Stipulation, and making a final decision which will
6 be binding on the Parties and the Class Members and non-appealable; (h) preparing
7 and mailing all tax forms to Qualified Claimants by First Class U.S. Mail; and (i)
8 providing all required notices under the Class Action Fairness Act. The Claims
9 Administrator will provide to Lead Class Counsel and to Defendant's Counsel the
10 number of Class Members who (a) object to the Settlement, (b) request exclusion
11 from the Settlement, or (c) otherwise express any opposition to the Settlement,
12 within five (5) calendar days of such occurrence.

13
14 58. Provision of Confidential Database. Defendant shall provide to the
15 Claims Administrator, within thirty (30) calendar days following the Court's
16 approval of the Settlement Documents, a confidential database of all Class
17 Members, including last known addresses, dates of employment in the Covered
18 Positions, and social security numbers. This database shall be based on
19 Defendant's payroll and other business records. This database will be maintained
20 as strictly confidential and used by the Claims Administrator for the sole purpose
21 of administering the Settlement herein. It shall not be shared with Lead Class
22 Counsel or any other counsel.

23
24 59. Mailing of Settlement Documents. Within twelve (12) business days
25 after the Claims Administrator receives the confidential database, the Claims
26 Administrator shall mail the Settlement Documents by First Class U.S. Mail. The
27 Claims Administrator will use the United States Postal Service National Change of
28

1 Address List to verify the accuracy of all addresses before the initial mailing date
2 to ensure that the Settlement Documents are sent to all Class Members at the
3 addresses most likely to result in immediate receipt of them. It will be conclusively
4 presumed that if an envelope so mailed has not been returned within thirty (30)
5 calendar days of the mailing that the Class Member received the Settlement
6 Documents. With respect to returned envelopes, the Claims Administrator will
7 perform one routine skip trace procedure to obtain a current address and re-mail,
8 by First Class U.S. Mail, the Settlement Forms with a new Claims Period deadline
9 pursuant to paragraph 52 to such address within five (5) business days of the
10 receipt of the returned envelope. Defendant reserves the sole right to request that
11 the Claims Administrator send a reminder notice to Class Members after the initial
12 mailing.

13
14 60. Challenges to Class Members' Employment Data. In calculating
15 each individual Class Member's share of the settlement, Defendant's records
16 regarding the employment of Class Members shall be presumed to be correct.
17 Class Members who challenge Defendant's records must submit a challenge in
18 writing to the Claims Administrator and will bear the burden of proof, i.e., a Class
19 Member who fails to provide written proof will have his or her challenge denied.
20 All such challenges must be received within the Claims Period in which Class
21 Members must submit claims. Defendant will then have ten (10) business days to
22 investigate the challenge and determine whether any additional amount is owed to
23 the Class Member making the challenge. In no case will a challenge to
24 employment data result in a payment by Defendant in excess of the Gross
25 Settlement Amount.

1 61. Status of Claims Administration and List of Qualified Claimants.

2 Within thirty (30) calendar days after the expiration of the Claims Period, the
3 Claims Administrator shall provide to Lead Class Counsel and Defendant's
4 Counsel a declaration summarizing the results of the class notice mailing process
5 that shall include, among other things, the number of Claim Forms mailed, the
6 number of timely Claim Forms received, and the number of Requests for Exclusion
7 received. This declaration shall also confirm the Claims Administrator's total costs
8 and expenses incurred in the administration of this case, including a reasonable
9 estimate of the costs and expenses needed to complete the mailing of final
10 payments to Qualified Claimants and administration of the Settlement. When and
11 if the Court grants Final Approval of the Settlement, the Claims Administrator
12 shall promptly provide Defendant with a final list of all Qualified Claimants who
13 timely submitted a valid Claim Form and did not opt out of the Settlement.

14
15 62. Calculation of Final Settlement Share. After expiration of the Claims
16 Period and the resolution of any challenges to employee data pursuant to
17 paragraph 60 above, the Claims Administrator will calculate the pro rata settlement
18 payments to Qualified Claimants based on each Qualified Claimant's Compensable
19 Work Weeks and Covered Position. The Net Settlement Amount less the Labor
20 Code § 2802 Fund shall be allocated among Class 1 Covered Positions and their
21 respective number of Compensable Work Weeks as follows: Pharmacist positions
22 = 32%; MGT/HEXA/ASM/SFL positions = 23%; Pharmacy Staff positions = 16%;
23 all other non-exempt staff position = 29%. The Claims Administrator will provide
24 Lead Class Counsel and Defendant with a spreadsheet showing how settlement
25 amounts were calculated, but this document shall not contain the names or other
26 identifying information about individual Qualified Claimants.

27
28

1 63. Distribution of Final Payments to Qualified Claimants. No money
2 will be distributed to any Qualified Claimant until expiration of the Settlement
3 Effective Date. Thereafter, the Claims Administrator shall mail to each Qualified
4 Claimant his or her final payment within twelve (12) business days by First Class
5 U.S. Mail. Within ten (10) business days after the mailing of the Final Payments to
6 Qualified Claimants, the Claims Administrator shall provide Lead Class Counsel
7 and Defendant's Counsel a written confirmation of this mailing. Walgreens shall
8 wire the funds for such payments to the Claims Administrator seven (7) business
9 days after the Settlement Effective Date.

10
11 64. Payment of Costs and Attorneys' Fees and Service Enhancement
12 Payments. No attorney's fees, costs, or Service Enhancement Payments will be
13 distributed until expiration of the Settlement Effective Date. Thereafter, the Claims
14 Administrator shall (a) retain all attorneys' fees, in an amount allowed by the Court
15 not to exceed \$6,440,000.00, and awarded costs, until such time as Lead Class
16 Counsel provides CPT and Walgreens with a stipulation signed by Lead Class
17 Counsel and all counsel in the Related Cases stating that they have reached an
18 agreement as to the division of all attorney's fees and costs; and (b) distribute the
19 Class Representatives' Service Enhancement Payments in an amount not to exceed
20 \$80,000.00 collectively. In the event that the Court (or any appellate court) awards
21 less than the amount requested for attorneys' fees and/or costs, or less than the
22 amount requested as the Service Enhancement Payments, only the awarded
23 amounts shall be paid, and any remaining or unawarded portion of the requested
24 fee, cost, and/or Service Enhancement Payments shall be added to the Net
25 Settlement Amount. Walgreens shall wire the funds for attorney's fees, costs and
26 enhancement payments to the Claims Administrator seven (7) business days after
27 the Settlement Effective Date. Lead Class Counsel and all other counsel in the
28

1 Related Cases in the Action agree that all awarded attorneys' fees may be sent to
2 CPT for distribution as specified above and that in no event will Walgreens be
3 responsible for payment of any attorneys' fees to any counsel except as set forth in
4 this Stipulation.

5
6 **V. MISCELLANEOUS PROVISIONS**

7
8 65. Covenants and Representations by the Signatories to the Settlement.

9
10 A. The Class Representatives are not aware of any other legal
11 actions against Walgreens alleging claims that overlap with the claims released in
12 this agreement aside from the cases set out in paragraph 49. If they become aware
13 of such actions, the Class Representatives covenant that, to the extent those claims
14 overlap with the claims released in paragraph 49 of this Stipulation, and arose
15 during the applicable release period, they will not participate in those actions and
16 will opt out of those actions.

17
18 B. The Class Representatives agree that at no time will they,
19 verbally or in writing, defame or make disparaging remarks or encourage, solicit,
20 induce or entice others to make disparaging remarks about Walgreens.

21
22 C. The Class Representatives agree to direct all requests for
23 references from Walgreens to the designated Walgreens number for employment
24 references, 1-800-367-5690 (for employees); 900-555-9679 (for prospective
25 employers), which, consistent with normal practices, will disclose only dates of
26 employment and last position held during the tenure of their employment at
27 Walgreens.

1 D. The Class Representatives, except for Wilson, Hodach and
2 Hanna, agree that they will not seek re-employment with Defendant or its
3 successors or affiliated entities. Wilson, Hanna and Hodach agree that if and when
4 their employment with Defendant terminates they will thereafter not seek re-
5 employment with Defendant or its successors or affiliated entities. Wilson, Hanna
6 and Hodach further agree that they will voluntarily execute a revocation of their
7 on-duty meal period agreements with Defendant upon Final Approval, effective on
8 the date of Final Approval.

9
10 E. As set forth in paragraph 68, the Class Representatives agree
11 not to disclose the terms of the Settlement except to their immediate family
12 members, attorneys and tax advisors after advising these people of the
13 confidentiality provision, and to the extent necessary in court papers or if required
14 by legal process.

15
16 F. Within ten (10) calendar days of the Settlement Effective Date,
17 the Class Representatives who are no longer employed by Defendant on the
18 Settlement Effective Date shall return all Walgreens property in their possession,
19 custody or control, including without limitation, equipment, telephones, credit
20 cards, keys, pagers, tangible proprietary information, documents, computers and
21 computer discs, personal data assistants, files and data, which they prepared or
22 obtained during the course of their employment.

23
24 G. Walgreens will not retaliate against any Class Representative or Class
25 Member with respect to their decision to participate or not participate in the
26 Settlement.

1 66. Drafting. The Parties hereto agree that the terms and conditions of
2 this Stipulation are the result of lengthy, intensive, arm's-length negotiations
3 between the Parties and that neither Party shall be considered the "drafter" of this
4 Stipulation for purposes of having terms construed against that Party. Lead Class
5 Counsel represent that Plaintiffs' Counsel for the Related Cases approve this
6 Settlement. Through their signatures, the Class Representatives represent that their
7 counsel consent to the terms of this Settlement and will abide by the terms thereof.
8

9 67. Class Information Confidential. Names of Class Members and their
10 allocation amounts shall be kept strictly confidential by the Claims Administrator,
11 who will not release such information to Lead Class Counsel and will only file
12 such information under seal if necessary. Notwithstanding this provision, if a Class
13 Member or Class Representative asks his or her counsel or Lead Class Counsel to
14 request information about the computation of his or her settlement payment, the
15 Claims Administrator may provide contact information and/or information
16 regarding Defendant's computation of the individual Class Member's or Class
17 Representative's settlement payment to Lead Class Counsel or the Class
18 Representative's counsel to allow counsel to respond to such inquiries. Lead Class
19 Counsel, on behalf of itself and counsel in the Related Cases, agrees that any
20 information they receive or have received in connection with this Settlement,
21 including but not limited to computational information provided to Lead Class
22 Counsel or counsel in the Related Cases pursuant to the Settlement, may be used
23 for this Action only, and may not be used for any purpose or in any other action or
24 proceeding.
25

26 68. Non-Disclosure. The Class Representatives and Lead Class Counsel
27 agree not to disclose the terms of this Settlement except in court papers, or if
28

1 required by legal process. Notwithstanding the foregoing, after Preliminary
2 Approval, Lead Class Counsel may disclose the terms of the Settlement in
3 response to Class Member or Class Representative inquiries, and/or may provide
4 court-filed documents to Class Members or Class Representatives who request
5 such documents. Neither the Class Representatives nor Lead Class Counsel nor
6 counsel for any of the Plaintiffs, shall publicize, directly or indirectly, or cause to
7 be publicized, directly or indirectly, the discussions resulting in or the existence of
8 this Settlement or its terms, in any type of mass media or social media, including
9 but not limited to, speeches, press conferences, press releases, interviews,
10 television or radio broadcasts, newspapers, messages on the Internet, Lead Class
11 Counsels' website or any other website of any kind, except that Scott Cole &
12 Associates, APC may state on its website that "the case has been settled" and
13 provide a short and plain description of the claims alleged in the Action, subject to
14 the approval of Defendant. Lead Class Counsel confirms that as of February 28,
15 2014, it has stopped contacting Walgreens' employees in connection with the
16 Lawsuit and has deleted its Facebook posting from or about February 13, 2014,
17 which such posting referred to "asking the Court to approve this case as a class
18 action," and that it maintains no other such postings. Neither the contact with
19 Walgreens' employees nor the Facebook posting was authorized by Walgreens.
20 Scott Cole & Associates, APC agrees to remove all other language on its website
21 referring to the Action and to Defendant, other than the name of the case(s),
22 Plaintiffs' claims and the fact that Defendant denies those claims. Specifically,
23 Scott Cole & Associates, APC agrees to remove from its website, within five (5)
24 days of Preliminary Approval, the following language:

25
26 "Apparently undeterred by our previous action, Walgreen
27 allegedly continues to subject its employees to
28

1 uncompensated security searches and deny them meal
2 and rest periods in violation of California Law. Scott
3 Cole & Associates filed this case seeking redress for
4 these violations on behalf of all of Walgreen's California
5 hourly retail workers.”

6
7 Prior to Plaintiffs' submission of their Motion for Preliminary Approval of
8 the Class Settlement, Lead Class Counsel, the Class Representatives and their
9 counsels shall maintain confidentiality of the terms of this Settlement and shall not
10 disclose its contents to anyone except as necessary to effectuate the administration
11 of this agreement.

12
13 Breach of this provision shall entitle Defendant, in the exercise of its sole
14 discretion, to nullify the Settlement at any time before Final Approval by the
15 Court. Should any Class Representative or his/her counsel(s) at any time breach
16 this provision, that Class Representative shall forfeit to Defendant the full amount
17 of his or her enhancement payment. Without limitation by the foregoing,
18 Defendant also may enforce this provision through an action for injunctive relief
19 without the necessity of a bond. The Class Representatives waive any obligation by
20 Defendant to file a bond in connection with any such action.

21
22 The Class Representatives and Lead Class Counsel agree not to respond to
23 any press inquiries concerning the Settlement except to refer reporters to the papers
24 filed with the District Court.

25
26 69. Uncashed Settlement Checks. Settlement checks issued to Qualified
27 Claimants pursuant to this Stipulation shall remain negotiable for a period of one
28

1 hundred eighty (180) calendar days from the date of mailing. The funds associated
2 with any checks not properly or timely negotiated shall escheat to the State of
3 California, pursuant to law. Qualified Claimants who fail to negotiate their
4 check(s) within the specified time limit shall, like all Settling Class Members,
5 remain bound by the Settlement and its releases.

6
7 70. Return and/or Destruction of Confidential Settlement Materials.

8 Within ten (10) calendar days of the Settlement Effective Date, the Class
9 Representatives and all Plaintiffs' Counsel in the Related Cases shall return and/or
10 destroy all documents produced to them for settlement purposes in this Action,
11 except for one archival copy, which should be returned and/or destroyed at the
12 expiration of the time period set forth in the Confidentiality Agreement entered by
13 the Court on January 20, 2012.

14
15 71. Cooperation. The Parties agree to cooperate fully with one another to
16 accomplish and implement the terms of this Settlement. Such cooperation shall
17 include, but not be limited to, execution of such other documents and the taking of
18 such other action as may reasonably be necessary to fulfill the terms of this
19 Stipulation. The Parties shall use their best efforts, including all efforts
20 contemplated by this Stipulation and any other efforts that may become necessary
21 by Court order, or otherwise, to effectuate this Stipulation and the terms set forth
22 herein.

23
24 72. No Impact on Benefit Plans. Neither the Settlement nor any amounts
25 paid under the Settlement will modify any previously credited hours or service
26 under any employee benefit plan, policy, vacation or bonus program sponsored by
27 Defendant, except the Walgreens Profit Sharing Retirement Plan, if applicable.

1 Such amounts will not form the basis for additional contributions to, benefits
2 under, or any other monetary entitlement under Defendant sponsored benefit plans,
3 policies, vacation or bonus programs, except the Walgreens Profit Sharing
4 Retirement Plan, if applicable. The payments made under the terms of this
5 Stipulation shall not be applied retroactively, currently, or on a going forward
6 basis, as salary, earnings, wages, or any other form of compensation for the
7 purposes of any Defendant benefit plan, policy, vacation or bonus program, except
8 the Walgreens Profit Sharing Retirement Plan, if applicable. Defendant retains the
9 right to modify the language of its benefit plans, policies, vacation and bonus
10 programs to effect this intent, and to make clear that any amounts paid pursuant to
11 this Settlement are not for "hours worked," "hours paid," "hours of service," or any
12 similar measuring term as defined by applicable plans, policies and bonus
13 programs for purposes of eligibility, vesting, benefit accrual, or any other purpose,
14 and that additional contributions or benefits are not required by this Stipulation.
15

16 73. Class Action Fairness Act. Within the time required by law after the
17 filing of this Stipulation with the Court for preliminary approval, the Claims
18 Administrator, on behalf of Defendant, shall serve upon the appropriate state
19 official of each state in which a Class Member resides and the appropriate federal
20 official, a notice of the proposed settlement consisting of the documents and
21 information required by 28 U.S.C. Section 1715(b): (a) a copy of the complaint
22 and any materials filed with the complaint and any amended complaints; (b) notice
23 of any scheduled judicial hearing in the class action; (c) the proposed notification
24 to Class Members of exclusion rights and the proposed settlement; (d) the
25 proposed class action settlement; (e) any settlement or other agreement
26 contemporaneously made between the Parties' attorneys; (f) any final judgment;
27 (g) the names of Class Members who reside in each state and the estimated
28

1 proportionate share of the claims of such members to the entire settlement to that
2 state's appropriate official (if feasible), or a reasonable estimate of the number of
3 Class Members residing in each state and the estimated proportionate share of the
4 claims of such members to the entire settlement; and (h) any written judicial
5 opinion relating to the materials described in items (a) through (h). If any state or
6 federal officials and/or agencies make any objection to the Settlement, no
7 payments of any kind shall be made under this Settlement until such objections
8 have been resolved and the time to appeal any resolution has expired.

9
10 74. Notices. Unless otherwise specifically provided herein, all notices,
11 demands, or other communications given hereunder shall be in writing and shall be
12 deemed to have been duly given as of the third business day after mailing by
13 United States certified mail, return receipt requested, addressed as follows

14
15 To the Class:
16 Scott Edward Cole
17 SCOTT COLE & ASSOCIATES, APC
18 1970 Broadway, Ninth Floor
Oakland, California 94612

19 To Walgreens:
20 Diana Tabacopoulos
21 SEYFARTH SHAW LLP
22 2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021

23
24 75. Modification. This Stipulation may not be changed, altered, or
25 modified, except in writing signed by Lead Class Counsel and Defense Counsel
26 and approved by the Court. This Stipulation may not be discharged except by
27 performance in accordance with its terms or by a writing used by Lead Class
28

1 Counsel and Defense Counsel. This Stipulation shall be binding upon and inure to
2 the benefit of the Parties hereto and their respective heirs, trustees, executors,
3 administrators, successors, and assigns.

4
5 76. Governing Law. The rights and obligations of the parties hereunder
6 shall be construed and enforced in accordance with, and shall be governed by, the
7 laws of the State of California, without regard to principles of conflict of laws.

8
9 77. Severability. If any provision of this Stipulation or the application
10 thereof is held invalid, such invalidation shall not affect other provisions or
11 applications of this Stipulation and to this end the provisions of this Stipulation are
12 declared to be severable.

13
14 78. Counterparts. Because the proposed Classes have not yet been
15 certified, and the members of the proposed Classes are so numerous, the Parties
16 agree that it is impossible or impractical to have each Class Member sign this
17 Stipulation. It is agreed that, for purposes of seeking Court approval of the
18 Settlement, this Stipulation may be executed on behalf of the proposed Class by
19 Lead Class Counsel. The Parties may execute this Stipulation in any number of
20 counterparts, and a facsimile signature shall have the same force and effect as an
21 original.

22
23 79. Integration. This Stipulation contains the entire agreement of the
24 Parties relating to settlement of the Action and all prior or contemporaneous
25 agreements, understandings, representations and statements, whether oral or in
26 writing, are merged in this Stipulation.

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IN WITNESS WHEREOF, this Stipulation of Settlement and Release is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

DATED: Feb. 28, 2014

SCOTT COLE & ASSOCIATES, APC

By 

Scott Cole
Molly A. DeSario
Lead Class Counsel
and Attorneys for Plaintiffs
GEORGE WILSON, TANARICA
MARTIN, CHRIS MCDOWELL,
GUSTAVO VILLAVELAZQUEZ and
DEVON BROWN

DATED: 2/28/14


George Wilson, Plaintiff

DATED: _____

Tanarica Martin, Plaintiff

DATED: _____

Chris McDowell, Plaintiff

DATED: _____

Gustavo Villavelazquez, Plaintiff

DATED: _____

Devon Brown, Plaintiff

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DATED: Feb. 28, 2014

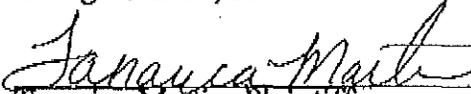
SCOTT COLE & ASSOCIATES, APC

By 
Scott Cole
Molly A. DeSario
Lead Class Counsel
and Attorneys for Plaintiffs
GEORGE WILSON, TANARICA
MARTIN, CHRIS MCDOWELL,
GUSTAVO VILLAVELAZQUEZ and
DEVON BROWN

DATED: _____

George Wilson, Plaintiff

DATED: 03/03/14


Tanarica Martin, Plaintiff

DATED: _____

Chris McDowell, Plaintiff

DATED: _____

Gustavo Villavelazquez, Plaintiff

DATED: _____

Devon Brown, Plaintiff

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DATED: Feb. 28, 2014

SCOTT COLE & ASSOCIATES, APC

By 
Scott Cole
Molly A. DeSario
Lead Class Counsel
and Attorneys for Plaintiffs
GEORGE WILSON, TANARICA
MARTIN, CHRIS MCDOWELL,
GUSTAVO VILLAVELAZQUEZ and
DEVON BROWN

DATED: _____

George Wilson, Plaintiff

DATED: _____

Tanarica Martin, Plaintiff

DATED: _____

Chris McDowell, Plaintiff

DATED: 3-13-2014


Gustavo Villavelazquez, Plaintiff

DATED: _____

Devon Brown, Plaintiff

1 IN WITNESS WHEREOF, this Stipulation of Settlement and Release is
2 executed by the Parties and their duly authorized attorneys, as of the day and year
3 herein set forth.

4 DATED: Feb. 28, 2014

SCOTT COLE & ASSOCIATES, APC

6 By 

7 Scott Cole
8 Molly A. DeSario
9 Lead Class Counsel
10 and Attorneys for Plaintiffs
11 GEORGE WILSON, TANARICA
12 MARTIN, CHRIS MCDOWELL,
13 GUSTAVO VILLAVELAZQUEZ and
14 DEVON BROWN

12 DATED: _____

George Wilson, Plaintiff

13 DATED: _____

Tanarica Martin, Plaintiff

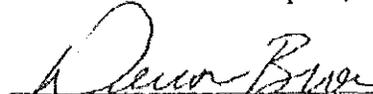
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Chris McDowell, Plaintiff

15 DATED: _____

Gustavo Villavelazquez, Plaintiff

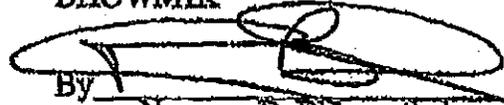
16 DATED: 2/28/14

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18 Devon Brown, Plaintiff

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DATED: 2/28/14

BLUMENTHAL NORDREHAUG & BHOWMIK



By Norman B. Blumenthal
Attorneys for Plaintiffs
RENE HODACH and WINSON BOLLS

DATED: 3/3/14



Rene Hodach, Plaintiff

DATED: _____

Winston Bolls, Plaintiff

DATED: _____

COUNSELONE, PC

By Anthony Orshansky
Attorneys for Plaintiff
BRENDA BROWN

DATED: _____

Brenda Brown, Plaintiff

DATED: _____

AEQUITAS LAW GROUP

By Ronald Bae
Attorneys for Plaintiff
EMAND GINDI

DATED: _____

Emad Gindi, Plaintiff

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DATED: 2/28/14

BLUMENTHAL NORDREHAUG & BHOWMIK

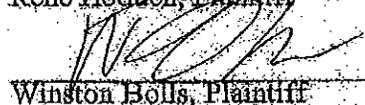


By Norman B. Blumenthal
Attorneys for Plaintiffs
RENE HODACH and WINSON BOLLS

DATED: _____

Rene Hodach, Plaintiff

DATED: 3/2/14


Winston Bolls, Plaintiff

DATED: _____

COUNSELONE, PC

By Anthony Orshansky
Attorneys for Plaintiff
BRENDA BROWN

DATED: _____

Brenda Brown, Plaintiff

DATED: _____

AEQUITAS LAW GROUP

By Ronald Hae
Attorneys for Plaintiff
EMAD GINDI

DATED: _____

Emad Gindi, Plaintiff

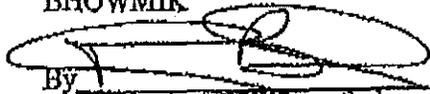
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JOINT STIPULATION OF SETTLEMENT AND RELEASE

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DATED: 2/28/14

BLUMENTHAL NORDREHAUG & BHOWMIK



By Norman B. Blumenthal
Attorneys for Plaintiffs
RENE HODACH and WINSON BOLLS

DATED: _____

Rene Hodach, Plaintiff

DATED: _____

Winston Bolls, Plaintiff

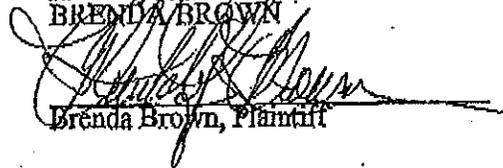
DATED: 3/10/14

COUNSELONE, PC

By 

Anthony Orshansky
Attorneys for Plaintiff
BRENDA BROWN

DATED: 3-11-14



Brenda Brown, Plaintiff

DATED: _____

AEQUITAS LAW GROUP

By Ronald Bac

Attorneys for Plaintiff
EMAND GINDI

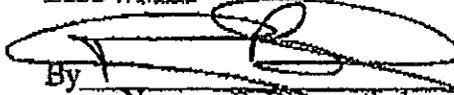
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Emad Gindi, Plaintiff

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DATED: 2/28/14

BLUMENTHAL NORDREHAUG & BHOWMIK



By Norman B. Blumenthal
Attorneys for Plaintiffs
RENE HODACH and WINSON BOLLS

DATED: _____

Rene Hodach, Plaintiff

DATED: _____

Winston Bolls, Plaintiff

DATED: _____

COUNSELONE, PC

By _____

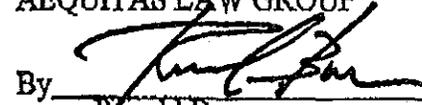
Anthony Orshansky
Attorneys for Plaintiff
BRENDA BROWN

DATED: _____

Brenda Brown, Plaintiff

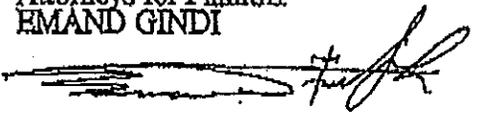
DATED: 3/10/14

AEQUITAS LAW GROUP



By Ronald Bae
Attorneys for Plaintiff
EMAND GINDI

DATED: 03/07/2014



Emad Gindi, Plaintiff

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DATED: 4-18-14

AIMAN-SMITH & MARCY

By 
Carey James / Hallie VonRöck
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____

Shane Jerominski, Plaintiff

DATED: _____

Alicia Arenas, Plaintiff

DATED: _____

MARCARIAN LAW FIRM

By _____
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____

Michael Hanna, Plaintiff

DATED: _____

ACKERMANN & TILAJEF PC

By _____
Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____

Geoffrey Peterson, Plaintiff

DATED: _____

Brandon Miller, Plaintiff

DATED: _____

Brenton Pacheco, Plaintiff

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DATED: _____

AIMAN-SMITH & MARCY

By _____

Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: 4/10/14

Shane Jerominski
Shane Jerominski, Plaintiff

DATED: _____

Alicia Arenas, Plaintiff

DATED: _____

MARCARIAN LAW FIRM

By _____

Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____

Michael Hanna, Plaintiff

DATED: _____

ACKERMANN & TILAJEF PC

By _____

Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____

Geoffrey Peterson, Plaintiff

DATED: _____

Brandon Miller, Plaintiff

DATED: _____

Brenton Pacheco, Plaintiff

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DATED: _____ AIMAN-SMITH & MARCY

By _____
Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____ Shane Jerominski, Plaintiff

DATED: 4-9-14 _____
Alicia Arenas
Alicia Arenas, Plaintiff

DATED: _____ MARCARIAN LAW FIRM

By _____
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____ Michael Hanna, Plaintiff

DATED: _____ ACKERMANN & TILAJEF PC

By _____
Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____ Geoffrey Peterson, Plaintiff

DATED: _____ Brandon Miller, Plaintiff

DATED: _____ Brenton Pacheco, Plaintiff

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DATED: _____

AIMAN-SMITH & MARCY

By _____

Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____

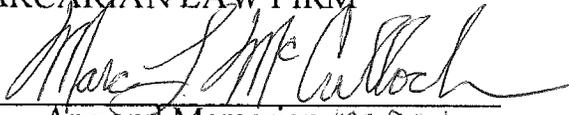
Shane Jerominski, Plaintiff

DATED: _____

Alicia Arenas, Plaintiff

DATED: 4/8/14

MARCARIAN LAW FIRM

By 

Armond Marcarian MARC L.
Attorneys for Plaintiff McCULLOCH
MICHAEL HANNA

DATED: _____

Michael Hanna, Plaintiff

DATED: _____

ACKERMANN & TILAJEF PC

By _____

Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____

Geoffrey Peterson, Plaintiff

DATED: _____

Brandon Miller, Plaintiff

DATED: _____

Brenton Pacheco, Plaintiff

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DATED: _____ AIMAN-SMITH & MARCY

By _____
Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____ Shane Jerominski, Plaintiff

DATED: _____ Alicia Arenas, Plaintiff

DATED: _____ MARCARIAN LAW FIRM

By _____
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: 5/2/2014 _____
MICHAEL HANNA
Michael Hanna, Plaintiff

DATED: _____ ACKERMANN & TILAJEF PC

By _____
Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____ Geoffrey Peterson, Plaintiff

DATED: _____ Brandon Miller, Plaintiff

DATED: _____ Brenton Pacheco, Plaintiff

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DATED: _____

AIMAN-SMITH & MARCY

By _____

Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____

Shane Jerominski, Plaintiff

DATED: _____

Alicia Arenas, Plaintiff

DATED: _____

MARCARIAN LAW FIRM

By _____

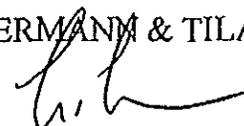
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____

Michael Hanna, Plaintiff

DATED: 3/4/14

ACKERMANN & TILAJEF PC

By  _____

Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____

Geoffrey Peterson, Plaintiff

DATED: _____

Brandon Miller, Plaintiff

DATED: _____

Brenton Pacheco, Plaintiff

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DATED: _____ AIMAN-SMITH & MARCY
By _____
Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____ Shane Jerominski, Plaintiff

DATED: _____ Alicia Arenas, Plaintiff

DATED: _____ MARCARIAN LAW FIRM
By _____
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____ Michael Hanna, Plaintiff

DATED: _____ ACKERMANN & TILAJEF PC
By _____
Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: 03/05/2014 _____
Geoffrey J. Peterson
Geoffrey Peterson, Plaintiff

DATED: _____ Brandon Miller, Plaintiff

DATED: _____ Brenton Pacheco, Plaintiff

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DATED: _____ AIMAN-SMITH & MARCY
By _____
Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____ Shane Jerominski, Plaintiff

DATED: _____ Alicia Arenas, Plaintiff

DATED: _____ MARCARIAN LAW FIRM

By _____
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____ Michael Hanna, Plaintiff

DATED: _____ ACKERMANN & TILAJEF PC

By _____
Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

DATED: _____ Geoffrey Peterson, Plaintiff

DATED: 3/4/14 _____
Brandon Miller
Brandon Miller, Plaintiff

DATED: _____ Brenton Pacheco, Plaintiff

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DATED: _____

AIMAN-SMITH & MARCY

By _____
Carey James
Attorneys for Plaintiffs
SHANE JEROMINSKI and ALICIA
ARENAS

DATED: _____

Shane Jerominski, Plaintiff

DATED: _____

Alicia Arenas, Plaintiff

DATED: _____

MARCARIAN LAW FIRM

By _____
Armond Marcarian
Attorneys for Plaintiff
MICHAEL HANNA

DATED: _____

Michael Hanna, Plaintiff

DATED: _____

ACKERMANN & TILAJEF PC

By _____
Craig Ackermann
Attorneys for Plaintiffs
GEOFFREY PETERSON, BRANDON
MILLER AND BRENTON PACHECO

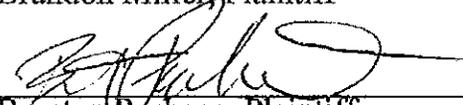
DATED: _____

Geoffrey Peterson, Plaintiff

DATED: _____

Brandon Miller, Plaintiff

DATED: 3/5/2014


Brenton Pacheco, Plaintiff

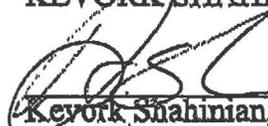
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DATED: 3/29/14

MARLIN & SALTZMAN

By 
Stanley Saltzman
Attorneys for Plaintiff
KEVORK SHAHINIAN

DATED: 3/19/2014


Kevork Shahinian, Plaintiff

DATED: _____

SEYFARTH SHAW LLP

By _____
Diana Tabacopoulos
Attorneys for Defendant
WALGREEN CO.

DATED: _____

Deidra L. Byrd
Walgreen Co.

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DATED: _____

MARLIN & SALTZMAN

By _____
Stanley Saltzman
Attorneys for Plaintiff
KEVORK SHAHINIAN

DATED: _____

Kevork Shahinian, Plaintiff

DATED: 28 February 2014.

SEYFARTH SHAW LLP

By  _____
Diana Tabacopoulos
Attorneys for Defendant
WALGREEN CO.

DATED: _____

Deidra L. Byrd
Walgreen Co.

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DATED: _____

MARLIN & SALTZMAN

By _____
Stanley Saltzman
Attorneys for Plaintiff
KEVORK SHAHINIAN

DATED: _____

Kevork Shahinian, Plaintiff

DATED: _____

SEYFARTH SHAW LLP

By _____
Diana Tabacopoulos
Attorneys for Defendant
WALGREEN CO.

DATED: 2/28/2014



Deidra L. Byrd
Walgreen Co.

EXHIBIT 1

**NOTICE OF PENDENCY OF CLASS AND COLLECTIVE ACTION AND OPPORTUNITY TO OPT
IN, PROPOSED SETTLEMENT AND HEARING DATE**

*United States District Court Central District of California
In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)*

A federal court has authorized this notice. This is not a solicitation.

If you are or were employed in California by Walgreen Co. (“Walgreens” or “Defendant”) in its retail stores in a position(s) and during the time periods below, then you might be a member of Class 1 and/or Class 2 and entitled to monetary recovery from a class action settlement.

Class 1:

- (a) All persons employed as a Management Trainee (“MGT”) or Assistant Manager Non-registered (AMN) and/or Assistant Manager-Trainee (“ASM-T”) during the period May 7, 2010 through [Preliminary Approval].
- (b) All persons who became an MGT or AMN during the period November 5, 2009 and May 6, 2010.
- (c) All persons employed as an MGT and/or AMN during the period of May 13, 2007 through November 4, 2009 and who timely opted out of the class settlement in *Kelly v. Walgreens*.
- (d) All persons employed as a Pharmacist (including Walgreens Pharmacist Job Codes RXOH, RXMH, RXA, RPH, RPMH, RPNH, RPRH, RPX, RPT, RPOH, RPSH) during the period of August 28, 2008 through [Preliminary Approval].
- (e) All persons who became a Pharmacist after January 14, 2008, but prior to August 28, 2008.
- (f) All persons who were employed as a Pharmacist during the period of May 13, 2007 through January 14, 2008 and who timely opted out of the class settlement in *Kasten-Garoutte v. Walgreens*.
- (g) All persons who have been or are employed by Walgreens in an hourly or non-exempt position, other than those identified in (a)-(f) above, during the period of May 13, 2007 through [Preliminary Approval].

Class 2:

- (a) All persons employed in an hourly or non-exempt position during the period of May 13, 2007 through [Preliminary Approval].
- (b) All persons employed as a Store Manager at any time during the period May 13, 2007 through [Preliminary Approval].

IMPORTANT: YOU MUST SIGN & MAIL THE ENCLOSED CLAIM FORM BY [DATE] TO RECEIVE YOUR SHARE OF THE SETTLEMENT.

- PLEASE READ THIS NOTICE CAREFULLY.

Pursuant to the order of the United District Court, Central District of California issued _____, 2014, YOU ARE HEREBY NOTIFIED AS FOLLOWS: A settlement has been reached between the parties in the lawsuit pending in the United States District Court, Central District of California (“Court”) on behalf of the two classes identified above. You have received this notice because Walgreens’ records indicate that you worked as a non-exempt or hourly employee or as a Store Manager in California during the periods identified above (collectively, “Class Period”). This notice is designed to advise you of how you can participate in this settlement and your rights under the settlement.

Summary of Your Legal Rights and Options in this Settlement	
SUBMIT A CLAIM FORM	Submit a Claim Form no later than _____, 2014 and receive your share of the settlement. Release certain claims under state and federal law.
EXCLUDE YOURSELF	Submit an Exclusion Form, receive no settlement payment and retain your right to pursue both state and federal claims against Walgreens in a separate lawsuit at your own expense.
OBJECT	Submit a written objection to the Court if you disagree with the proposed settlement.
DO NOTHING	Submit neither a Claim Form nor an Exclusion Form. Receive no settlement payment. Release certain claims under state and federal law, but not Fair Labor Standards Act claims.

BACKGROUND OF THE SETTLEMENT

On July 2, 2013, the United States District Court consolidated several pending putative class actions against Walgreens brought by current and former employees¹. On or about January 30, 2014, Plaintiffs filed a First Amended Consolidated Complaint alleging claims for (1) Failure to provide meal and rest periods; (2) Failure to Pay Wages and Overtime; (3) Failure to Provide Accurate Itemized Wage Statements; (4) Failure to Keep Accurate Payroll Records; (5) Failure to Provide Wages on Termination; (6) Failure to Reimburse Business Expenses; (6) Unfair Competition in Violation of California Business and Professions Code §§ 17200 *et seq.*; (7) Violation of the California Private Attorneys General Act of 2004 (“PAGA”), California Labor Code § 2699; and (8) Violation of the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, *inter alia*. The First Amended Consolidated Complaint is referred to as the “Lawsuit.”

¹ *Wilson v. Walgreen Co., Hodach v. Walgreen Co., Brown v. Walgreen Co. Jerominski v. Walgreen Co., Gindi v. Walgreen Co., Hanna v. Walgreen Co., Shahinian v. Walgreen Co., McDowell v. Walgreen Co., Peterson v. Walgreen Co.*

Walgreens denies that it violated the law in any manner described in the Lawsuit. The Court has not entered judgment or determined that Walgreens engaged in any wrongdoing alleged in the Lawsuit. As a result of extensive settlement negotiations, the parties entered into a Joint Stipulation of Settlement and Release ("Settlement Agreement").

The Settlement Agreement has been given preliminary approval by the Court. If you are part of Class 1 and/or Class 2 (referred to collectively as "Class Members"), then you have the opportunity to participate in the settlement and receive a payment. The "Settling Class Members" are all individuals who are Class Members who fail to timely and properly opt out of the settlement provided for in the Settlement Agreement with respect to the state law and federal non-FLSA claims and all individuals who are Class Members of Class 1 who submit valid Claims Forms with respect to the claims under the FLSA.

SUMMARY OF THE PROPOSED SETTLEMENT

I. THIS SETTLEMENT IS NOT AN ADMISSION OF LIABILITY.

The Settlement Agreement represents a compromise and settlement of highly disputed claims. Nothing contained in this Notice, nor the consummation of this settlement, is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on the part of Walgreens. Walgreens vigorously denies all of Plaintiffs' material allegations. Specifically, Walgreens denies that Plaintiffs and the Class Members are owed any compensation for alleged unpaid wages, overtime hours, off-the-clock work, business expenses, meal periods or rest periods, or any related claims, or interest or penalties of any kind.

Class Counsel believes that further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. Class Counsel cannot confidently predict how the various legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Class Counsel believes that the proposed settlement is fair, reasonable and adequate.

II. HOW WILL THE SETTLEMENT FUNDS BE DISTRIBUTED?

The total settlement paid by Walgreens to settle both Class 1 and Class 2 claims is \$23,000,000.00 ("Gross Settlement Amount"). From this sum, Plaintiffs will request the following deductions:

- Class Counsel attorneys' fees up to \$6,440,00.00 or 28% of the Gross Settlement Amount; and costs, in an amount authorized by the Court;
- All expenses of administering the settlement, reasonably estimated to be approximately \$190,000.00;
- A pool of up to \$80,000.00 for sixteen Class Representative's enhancement payments;
- All legally required employer withholding and employer taxes on the settlement payments; and
- \$30,000.00 for payment under PAGA (split \$22,500 to the State of California and \$7,500.00 to Class Members).

Assuming these requests are granted in full, the settlement fund for the Class Members, prior to deduction for employer withholding and employer taxes on the settlement payments, will be approximately \$16,000,000 ("Net Settlement Amount"). From the Net Settlement Amount, a sum of \$1,500,000 will be used to pay claims in connection with Class 2 (the Labor Code § 2802 Fund).

Walgreens will pay Qualified Claimants (defined below) pursuant to the Court-approved plan of distribution as described in the Settlement Agreement. This plan of distribution is based on the number of weeks each

Class Member worked as a non-exempt or hourly employee or as a Store Manager in California and which position(s) they held during the time periods set forth on page one of this notice ("Class Period"). To pay Class 1 claims, the Net Settlement Amount less the Labor Code § 2802 Fund shall be allocated as follows: Pharmacist positions = 32%; MGT/HEXA/ASM/SFL positions = 23%; Pharmacy Staff positions = 16%; all other non-exempt staff = 29%.

III. HOW WILL MY SHARE OF THE SETTLEMENT BE DETERMINED?

"Qualified Claimants" include all Class Members who submit a valid and timely Consent to Join Settlement and Claim Form ("Claim Form") (attached as Exhibit A) to the Settlement Administrator, CPT Group. The Claim Form states your dates of employment as a non-exempt or hourly employee in California or as a Store Manager in California and the number of weeks or partial weeks ("Work Weeks") you worked as a non-exempt or hourly employee or as a Store Manager in California while employed by Walgreens during the Class Period, as well as the approximate value of your claim. Walgreens' records will be determinative with respect to the dates Qualified Claimants were employed during the Class Period.

If you believe in good faith that the dates you were employed as a non-exempt or hourly employee or as a Store Manager in California during the Class Period are incorrect, you must return a Claim Form to CPT Group under penalty of perjury with documentation you believe demonstrates that those calculations are incorrect and authorizing CPT Group to review your records and related documents to determine such information. Any such claim must be received by _____ by _____, 2014 at the designated address for CPT Group.

Upon timely receipt of any such dispute of claim, CPT Group will review the pertinent records showing the dates you were employed by Walgreens in California as a non-exempt or hourly employee or as a Store Manager during the class period. Walgreens has agreed to make these records available for this purpose.

CPT Group will compute each Settling Class Member's settlement payment. In the event there is a dispute regarding such payment, counsel for the parties may stipulate to a compromise or stipulate to allow CPT Group to make the final decision.

YOUR RIGHTS AS A CLASS MEMBER

I. SUBMIT A CLAIM

If you wish to receive a payment under the settlement you must submit a timely Claim Form (enclosed as Exhibit A). By executing the Claim Form, you are consenting to the settlement and will be paid pursuant to the Settlement Agreement. The Claim Form must be signed, dated, completed and postmarked by _____ 2014, and sent to Walgreen Co. Class Action Settlement c/o CPT Group [INSERT ADDRESS].

II. REQUEST EXCLUSION FROM THE SETTLEMENT

If you do not wish to participate in the settlement then you may exclude yourself (i.e., "opt out") by completing the Exclusion Form (enclosed as Exhibit B). The Exclusion Form must be signed, dated, completed, and postmarked by _____, 2014 and sent to Walgreen Co. Class Action Settlement c/o CPT Group [INSERT ADDRESS].

Any person who files a complete and timely Exclusion Form will not be a member of the Settlement Class, will not be permitted to participate in any portion of the settlement, and will receive no payment from the settlement. Any such person, at their own expense, may pursue any claims he or she may have against Walgreens. However, if you execute and return both a Claim Form and an Exclusion Form, the Exclusion Form will be deemed void and you will be a member of the Settlement Class.

III. OBJECT TO THE SETTLEMENT

If you do not opt out of the settlement by submitting a valid and timely Exclusion Form, you may object to the settlement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the settlement and release with respect to your state law claims and non-FLSA federal claims, and you still must submit a Claim Form to receive a settlement payment no later than _____, 2014. To object, you must file a written objection and a notice of intention to appear at the Final Settlement Approval hearing, currently set for _____ p.m. on _____, 2014 with the Clerk of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012, and send copies to the following:

CLASS COUNSEL

Scott Edward Cole
SCOTT COLE & ASSOCIATES, APC
1970 Broadway, Ninth Floor
Oakland, California 94612
Telephone: (510) 891-9800

WALGREENS' COUNSEL

Diana Tabacopoulos
SEYFARTH SHAW LLP
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021
Telephone: (310) 201-5255

Any written objections must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates of your employment as a non-exempt or hourly employee or Store Manager at Walgreens in California. To be valid and effective, any objections to approve the settlement must be filed with the Clerk of the Court and served upon each of the above-listed attorneys no later than _____, 2014. **DO NOT TELEPHONE THE COURT.**

If you choose to file an objection to the terms of the Settlement Agreement, you may enter an appearance in propria persona (meaning you choose to represent yourself) or through your own attorney. To do so, you must file a Notice of Entrance of Appearance with the Clerk of the United States District Court, Central District of California and deliver copies to each of the attorneys listed above. Such Notice of Entrance of Appearance must be filed with the Court and delivered to the above attorneys no later than _____, 2014. You will then continue as a Settling Class Member either in propria persona or with representation by your own attorney, and you will be solely responsible for the fees and costs of your attorney. The final fairness hearing at which the Court will be asked to approve the settlement will be at _____ p.m. on _____, 2014, in Department 880 of the United States District Court, Central District of California located at 255 East Temple Street, Los Angeles, CA 90012, or such other later date as the Court may authorize.

IV. DO NOTHING

You have the option of "doing nothing" i.e., filing neither a Claim Form nor an Exclusion Form. However, if you do not file an Exclusion Form pursuant to the procedures above, then you will be deemed to have entered into the Release described below. With respect to Class 1, if you do not make a claim, then your portion of the settlement funds will be retained by Walgreens, provided that at least 50% of the Net Settlement Amount (less the Labor Code § 2802 Fund) is paid to Qualified Claimants. With respect to Class 2, if you do not make a claim, then your portion of the settlement funds will be retained by Walgreens regardless of the percent of the Labor Code § 2802 Fund that is paid to Qualified Claimants. If you are a current Walgreens employee, whether or not you make a claim will have no impact on your employment with Walgreens.

V. CHANGE OF ADDRESS

If you move after receiving this notice, if it was misaddressed or if for any reason you want your payment or future correspondence concerning this action and the settlement to be sent to a different address, you should

supply your current preferred address to the Settlement Administrator at the address listed above and to Class Counsel.

EFFECT OF THE SETTLEMENT

I. RELEASED RIGHTS AND CLAIMS

- A. Released State and Federal Law Claims By Class Members. Upon Final Approval by the Court of this Settlement Agreement, and except as to the right to enforce the terms and conditions of this Settlement Agreement, all Class Members who have timely returned a valid Consent to Join Settlement and Claim Form hereby fully release Defendant and all of its present and former parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint ventures, and all of their shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them (“Releasees”), from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and each Related Case, including, but not limited to all wage-hour and wage-hour related claims under federal and state law for unpaid wages, unpaid overtime, liquidated damages, meal and rest period violations, conversion of wages, seventh-consecutive day of work California Labor Code violations, record-keeping violations, “waiting-time” penalties, indemnity and reimbursement of business expenses, wage statement violations and all derivative claims and PAGA penalties, up to and including the date of Final Approval by the Court. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802 as well as claims under Business and Professions Code § 17200, *et seq.*, and/or Labor Code § 2698, *et seq.*, based on alleged violations of these Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*, except that Store Managers will release only claims that were alleged or could have been alleged under Labor Code § 2802 for reimbursement of business expenses, and any and all claims derivative thereto, including claims under Labor Code § 2698, *et seq.* This Settlement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Labor Code § 2699. This release shall be effective from May 13, 2007 through the earlier of Final Approval or August 19, 2014.

Released State Law Claims By Class Members. Upon Final Approval by the Court of this Settlement Agreement, and except as to the right to enforce the terms and conditions this Settlement Agreement, all Class Members (except those who submit a timely and valid Exclusion Form) hereby fully release Defendant and all Releasees from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, including, but not limited to all wage-hour and wage-hour related non-FLSA claims under federal law and state law claims for unpaid wages, unpaid overtime, liquidated damages, unlawful deductions from wages, conversion of wages, record-keeping violations, seventh-consecutive day of work California Labor Code violations, indemnity and reimbursement of business expenses, wage statement violations, meal period or rest period violations, “waiting time” penalties, and all derivative claims and PAGA penalties, up to and including the date of Final Approval by the Court. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and Labor Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802, as well as claims under Business and Professions Code § 17200 *et seq.*, and/or Labor Code § 2698 *et seq.* based on alleged violations of these Labor Code provisions, except that Store Managers will release only claims that were alleged or could have been alleged under Labor Code § 2802 for reimbursement of business of expenses, and any and all claims derivative thereto, including claims under Labor Code § 2698, *et seq.* This Settlement Agreement is conditioned upon the release by all members of the Settlement Class of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that

they will not participate in any proceeding seeking penalties under Section 2699. This release shall be effective from May 13, 2007 through the earlier of Final Approval or August 19, 2014.

Waiver of California Civil Code § 1542. With regard to claims released above and that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, the Settling Class Members waive all rights and benefits afforded by section 1542 of the California Civil Code, and do so understanding the significance of that waiver. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Settling Class Member acknowledges that this Agreement is meant to release claims that each Settling Class Member does not know or suspect to exist in his or her favor against the Releasees.

Class Representatives' Released Claims. Upon the Settlement Effective Date, the Class Representatives shall be deemed to have fully, finally, and forever released Defendant and all Releasees from all Class Representative's Released Claims through the date of Final Approval, except as noted in the Settlement Agreement. In addition, as to the Class Representatives' Released Claims, the Class Representatives shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits they may otherwise have had relating to the Class Representatives' Released Claims pursuant to Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known to him or her must have materially affected his or her settlement with the debtor.

The Class Representatives acknowledges that this Agreement is meant to release all claims known or unknown, contingent or non-contingent, that the Class Representatives have, including without limitation all claims asserted or that could have been asserted in the Lawsuit, and including claims that the Class Representatives do not know or suspect to exist in their favor against the Releasees.

B. These releases specifically exclude any claim (a) for vested benefits pursuant to the terms of any Walgreens employee benefit plan, in accordance with the terms of any such plan and applicable law; or (b) any claim that, as a matter of law, may not be released.

C. Walgreens will not use individual settlement payments to calculate any additional benefits including vacations, holiday pay, bonus pay or other compensation of any kind or employee welfare or retirement plan benefits, including all nonqualified and equity compensation plans, and individual settlement payments will not represent any modification of any Qualified Claimant's previously credited hours of eligibility or vesting service, compensation, or other eligibility or benefit determination criteria under any employee retirement or welfare benefit plan sponsored by Walgreens, including all nonqualified and equity compensation plans, except the Walgreens Profit Sharing Retirement Plan. Walgreens will not consider individual settlement payments as compensation for purposes of determining eligibility for or benefits under any employee retirement or welfare benefit plans, including all nonqualified and equity compensation plans or other plan sponsored by Walgreens or its predecessor, subsidiaries, parent companies or successors, except the Walgreens Profit Sharing Retirement Plan.

II. PAYMENT TO CLAIMANTS

If you make a timely and valid claim, payment under the settlement will occur after the judgment by the Court of Final Approval of the settlement is no longer appealable or if an appeal has been filed, the date on which the appeal upholding the Final Approval of this Settlement Agreement is final and no longer appealable. Currently, the Court's Final Approval hearing is set for _____, 2014.

WHAT IS THE NEXT STEP?

The Court will hold a Final Approval hearing in Department 880 of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012 on _____, 2014, at _____ a.m. to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees in the amount of \$6,440,000.00, reimbursement of expenses in the amount of up to \$75,000.00, settlement administrator costs, reasonably estimated to be approximately \$190,000, and up to an \$80,000 pool for service payments to the sixteen Class Representatives. Class Counsel's application will be on file with the Court no later than _____, 2014 and will be available for review after that date.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have timely filed an objection with the Court.

ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should consult the detailed Settlement Agreement, which is on file with the Clerk of the Court. In the event there is a conflict between this summary and the Settlement Agreement, the terms of the Settlement Agreement shall control. The pleadings and other records in this litigation, including that stipulation, may be examined at any time during regular business hours at the Office of the Clerk of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS

BY ORDER OF THE UNITED STATES DISTRICT COURT

DRAFT

CONSENT TO JOIN SETTLEMENT AND CLAIM FORM

United States District Court Central District of California

In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)

TO RECEIVE A SETTLEMENT PAYMENT YOU MUST COMPLETE, SIGN, AND MAIL THIS CONSENT TO JOIN SETTLEMENT AND CLAIM FORM ("CLAIM FORM") POSTMARKED ON OR BEFORE _____, 2014 TO: WALGREEN CO. SETTLEMENT ADMINISTRATOR, C/O [INSERT ADDRESS].

1. Please verify and/or complete any missing identifying information:

Name	Former Names (if any):
Address 1	_____
Address 2	_____
City, State, Zip Code	_____
Last four digits of Social Security Number: _____	

Name/Address Changes:

Telephone Number (Home): _____

Telephone Number (Work): _____

Telephone Number (Mobile): _____

INSTRUCTIONS

- (1) You must complete, sign, and mail this Claim Form to be eligible to receive a payment. If you wish to make a claim as a member of both Class 1 and Class 2, then you must sign on both signature lines.
- (2) If you move, please send the Settlement Administrator, CPT Group, your new address. It is your responsibility to keep a current address on file with CPT Group.
- (3) If you are eligible to receive a settlement payment, you should not expect to receive your payment for approximately 70 to 90 days after the Final Approval hearing of this Settlement, and after all rights to appeals are exhausted. This will not occur any earlier than approximately _____ 2014.

EXHIBIT A

**THIS CLAIM FORM MUST BE POSTMARKED NO LATER THAN _____, 2014. YOU MUST
TIMELY COMPLETE, SIGN, AND RETURN THIS PROOF OF CLAIM VIA U.S. MAIL TO
RECEIVE A SETTLEMENT PAYMENT**

2. Walgreens records indicate that you were employed as a non-exempt or hourly employee and/or as a Store Manager in California between _____ and [PRELIMINARY APPROVAL] According to Walgreens' records, you were employed in California in this position during the Period from approximately ____ to _____. Your number of Work Weeks in the position(s) of _____ is/are _____. Based upon this, the approximate amount you could receive is _____.

If you disagree with the calculations indicated above, you must attach documentation that supports your belief as to the term of your employment.

If you fail to provide satisfactory supporting documentation, then any claim you submit will be based solely on Walgreens' records as set forth above.

3. SUBMISSION TO JURISDICTION OF COURT: AGREEMENT WITH SETTLEMENT.

I have received the Notice of Pendency of Class and Collective Action and Opportunity to Opt In, Proposed Settlement and Hearing Date ("Notice"). I submit this Claim Form under the terms of the Settlement Agreement described in the Notice. I also submit to the jurisdiction of the United States District Court with respect to my claim as a Class Member, and for purposes of enforcing the release of claims stated in the Settlement Agreement. The full and precise terms of the proposed settlement are contained in the Settlement Agreement filed with the Court. I further acknowledge that I am bound by the terms of any court judgment that may be entered in this litigation.

4. NO EFFECT ON EMPLOYEE BENEFITS

I understand that Walgreens will not use the settlement payment to calculate any additional benefits including vacations, holiday pay, bonus pay or other compensation of any kind or employee welfare or retirement plan benefits, including all nonqualified and equity compensation plans, and that this settlement payment will not represent any modification of my previously credited hours of eligibility or vesting service, compensation, or other eligibility or benefit determination criteria under any employee retirement or welfare benefit plan sponsored by Walgreens, including all nonqualified and equity compensation plans, except the Walgreens Profit Sharing Retirement Plan. I understand that Walgreens will not consider the settlement payment compensation for purposes of determining eligibility for or benefits under employee retirement or welfare benefit plans, including all nonqualified and equity compensation plans, or other plan sponsored by Walgreens or its predecessor, subsidiaries, parent companies or successors, except the Walgreens Profit Sharing Retirement Plan.

5. RELEASE OF CLAIMS

- A. Released State and Federal Law Claims By Class Members. Upon Final Approval by the Court of the Settlement Agreement, and except as to the right to enforce the terms and conditions of the Settlement Agreement, all Class Members who have timely returned a valid Consent to Join Settlement and Claim Form hereby fully release Defendant and all of its present and former parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint ventures, and all of their shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them ("Releasees"), from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and each Related Case, including, but not limited to all wage-hour and wage-hour related claims under federal and state law for unpaid wages, unpaid overtime, liquidated damages, meal and rest period violations, conversion of wages, seventh-consecutive day of work California Labor Code violations, record-keeping violations, "waiting-time" penalties, indemnity and reimbursement of business expenses, wage

EXHIBIT A

statement violations, and all derivative claims and PAGA penalties, up to and including the date of Final Approval by the Court. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802 as well as claims under Business and Professions Code § 17200, *et seq.*, and/or Labor Code § 2698, *et seq.*, based on alleged violations of these Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.* This Settlement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Labor Code § 2698, *et seq.* This release shall be effective from May 13, 2007 through Final Approval.

Released State Law Claims By Class Members. Upon Final Approval by the Court of the Settlement Agreement, and except as to the right to enforce the terms and conditions the Settlement Agreement, all Class Members (except those who submit an Exclusion Form) hereby fully release Defendant and all Releasees from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, including, but not limited to all wage-hour and wage-hour related non-FLSA claims under federal law and state law claims for unpaid wages, unpaid overtime, liquidated damages, unlawful deductions from wages, conversion of wages, record-keeping violations, seventh-consecutive day of work California Labor Code violations, indemnity and reimbursement of business expenses, wage statement violations, meal period or rest period violations, "waiting time" penalties, and all derivative claims and PAGA penalties, up to and including the date of Final Approval by the Court. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and Labor Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802, as well as claims under Business and Professions Code § 17200 *et seq.*, and/or Labor Code § 2698 *et seq.* based on alleged violations of these Labor Code provisions. This Settlement Agreement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Section 2698. This release shall be effective from May 13, 2007 through Final Approval.

Waiver of California Civil Code § 1542. With regard to claims that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, the Settling Class Members waive all rights and benefits afforded by section 1542 of the California Civil Code, and do so understanding the significance of that waiver. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Class Representatives and each of the Settling Class Members acknowledge that this Agreement is meant to release claims that the Class Representative or Settlement Class member does not know or suspect to exist in his or her favor against the Releasees.

Notwithstanding the terms of paragraph 5 A, above, these releases specifically exclude, any claim (a) for vested benefits pursuant to the terms of any Walgreens employee benefit plan, in accordance with the terms of such plan and applicable law; or (b) any claim that, as a matter of law, may not be released.

6. IT IS YOUR RIGHT TO MAKE A CLAIM

EXHIBIT A

It is your right to make a claim if you so desire. If you are a current Walgreens employee, whether or not you make a claim will have no impact on your employment with Walgreens.

EXHIBIT A

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Exhibit A

EXHIBIT 2

7. DECLARATION UNDER PENALTY OF PERJURY

Class 1.

I agree [], disagree [] with the calculations set forth in paragraph 2 of the Claim Form.

I declare under penalty of perjury under the laws of the State of California that the information I have provided is true and accurate. Executed on this [date] ____ day of [month] _____, 2014, at [city] _____, [state] _____.

I consent to join the *In Re Walgreen Co. Wage and Hour Litigation* action (Case No. 11-cv-7664 PSG FFMx) pursuant to the Fair Labor Standards Act.

Executed on _____, 2014, at _____ (City), _____ (State).

(Signature)

[Printed name to be inserted prior to mailing]

[Barcode with Claimant Data]

[Only this page and cover page to be filed with the Court]

EXHIBIT A

Class 2.

CERTIFICATION OF ELIGIBILITY

Only individuals required to drive their car during the Class Period for Walgreens' benefit in connection with the performance of their duties for Walgreens (excluding your normal commute to and from Walgreens) and who were not reimbursed for all mileage may participate in Class 2. By signing below, you are attesting to the truth of the statement below under penalty of perjury (a criminal offense for making a false statement) that:

- I. You were required to drive your car for Walgreens' benefit in connection with the performance of your duties for Walgreens (excluding your normal commute); and
- II. You were not reimbursed for all of your mileage driven.

If you were not required to drive your car during the Class Period for Walgreens' benefit in connection with the performance of your duties for Walgreens, or you were reimbursed for all your mileage driven, you are NOT ELIGIBLE to participate in this Settlement and should not submit this Claim Form.

I certify, swear or affirm under penalty of perjury under the laws of the State of California, that it was necessary for me to drive my car for Walgreens' benefit in connection with the performance of my duties for Walgreens during the Class Period (excluding my normal commute), and I was not reimbursed for all of my mileage.

(Signature)

[Printed name to be inserted prior to mailing]

EXHIBIT A

EXHIBIT 3

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REQUEST FOR EXCLUSION FROM CLASS ACTION SETTLEMENT

United States District Court Central District of California

In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)

DO NOT SIGN OR SEND THIS DOCUMENT UNLESS YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT. IF YOU EXCLUDE YOURSELF, YOU WILL NOT RECEIVE ANY PAYMENT FROM THE SETTLEMENT.

THIS DOCUMENT MUST BE POSTMARKED NO LATER THAN _____, 2014. IT MUST BE SENT VIA REGULAR U.S. MAIL.

PLEASE MAIL THIS EXCLUSION FORM VIA REGULAR U.S. MAIL TO:

WALGREEN CO. SETTLEMENT ADMINISTRATOR, C/O CPT GROUP [INSERT ADMINISTRATOR ADDRESS]

IT IS MY DECISION NOT TO PARTICIPATE IN THE CLASS ACTION REFERRED TO BELOW, AND NOT TO BE INCLUDED IN THE CLASS OF PLAINTIFFS IN THAT ACTION. I UNDERSTAND THAT BY EXCLUDING MYSELF, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT AND ANY CLAIMS I HAVE WILL NOT BE RELEASED.

I confirm that I was employed by Walgreen Co. as a non-exempt or hourly employee or as a Store Manager in California between May 13, 2007 and [PRELIMINARY APPROVAL]. I confirm that I have received notice of the proposed settlement in this action. I have decided to be excluded from the class, and I have decided **not** to participate in the proposed settlement. I will/have sought the advice of counsel with respect to the applicable statute of limitations.

Dated: _____

(Signature)

(Social Security Number)

(Type or print name and former name(s))

(Telephone Number)

(Address)

(Dates of employment as a Walgreen Co. non-exempt or hourly employee or Store Manager.)

(Address continued)

EXHIBIT B

EXHIBIT 4

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**NOTICE OF PENDENCY OF CLASS/COLLECTIVE ACTION AND PROPOSED SETTLEMENT
AND HEARING DATE**

*United States District Court Central District of California
In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)*

If you are or were employed in California by Walgreen Co. (“Walgreens” or “Defendant”) in its retail stores in a position(s) and during the time periods below, then you might be a member of Class 1 and/or Class 2 and entitled to monetary recovery from a class action settlement.

Class 1:

- (a) All persons employed as a Management Trainee (“MGT”) or Assistant Manager Non-registered (AMN) and/or Assistant Manager-Trainee (“ASM-T”) during the period May 7, 2010 through [Preliminary Approval].
- (b) All persons who became an MGT or AMN during the period November 5, 2009 and May 6, 2010.
- (c) All persons employed as an MGT and/or AMN during the period of May 13, 2007 through November 4, 2009 and who timely opted out of the class settlement in *Kelly v. Walgreens*, Case No. CGC 07-464347.
- (d) All persons employed as a Pharmacist (including Walgreens Pharmacist Job Codes RXOH, RXMH, RXA, RPH, RPMH, RPNH, RPRH, RPX, RPT, RPOH, RPSH) during the period of August 28, 2008 through [Preliminary Approval].
- (e) All persons who became a Pharmacist after January 14, 2008, but prior to August 28, 2008.
- (f) All persons who were employed as a Pharmacist during the period of May 13, 2007 through January 14, 2008 and who timely opted out of the class settlement in *Kasten-Garoutte v. Walgreens*.
- (g) All persons who have been or are employed by Walgreens in an hourly or non-exempt position, other than those identified in (a)-(f) above, during the period of May 13, 2007 through [Preliminary Approval].

Class 2:

- (a) All persons employed in an hourly or non-exempt position during the period of May 13, 2007 through [Preliminary Approval].
- (b) All persons employed as a Store Manager at any time during the period May 13, 2007 through [Preliminary Approval].

IMPORTANT: YOU MUST SIGN & MAIL THE ENCLOSED CLAIM FORM BY [DATE] TO RECEIVE YOUR SHARE OF THE SETTLEMENT.

PLEASE READ THIS NOTICE CAREFULLY.

Deadline to respond: [DATE].

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WHY SHOULD I READ THIS NOTICE?

Pursuant to the order of the United District Court, Central District of California issued _____, 2014, YOU ARE HEREBY NOTIFIED AS FOLLOWS: A settlement has been reached between the parties in the lawsuit pending in the United States District Court, Central District of California (“Court”) on behalf of the two classes identified above. You have received this notice because Walgreens’ records indicate that you worked as a non-exempt or hourly employee or as a Store Manager in California during the periods identified above (collectively, “Class Period”). This notice is designed to advise you of how you can participate in this settlement and your rights under the settlement.

Summary of Your Legal Rights and Options in this Settlement	
DO NOTHING	Do nothing. Receive no payment. Release certain claims under state and federal law, but not Fair Labor Standards Act claims.
SUBMIT A CLAIM FORM	Submit a Claim Form and receive a share of the settlement. Release certain claims under state and federal law.
EXCLUDE YOURSELF	Submit a written Request for Exclusion, receive no money and retain your rights to pursue both state and federal claims against Walgreens in a separate action/proceeding at your own expense.
OBJECT	Submit a written objection to the Court. If you disagree with the proposed settlement, you may submit an objection.

WHAT IS THIS SETTLEMENT ABOUT?

On July 2, 2013, the United States District Court consolidated several pending putative class actions against Walgreens brought by current and former employees.¹ On or about January 30, 2014, Plaintiffs filed a First Amended Consolidated Complaint alleging claims for (1) Failure to provide meal and rest periods pursuant to California Labor Code § 226.7; (2) Failure to Pay Wages and Overtime; (3) Failure to Provide Accurate Itemized Wage Statements in Violation of California Labor Code § 226; (4) Failure to Provide Wages When Due in Violation of California Labor Code §§ 201, 202 and 203; (5) Failure to Reimburse Business Expenses; (6) Unfair Competition in Violation of California Business and Professions Code §§ 17200 *et seq.*; (7) Violation of the California Private Attorneys General Act of 2004 (“PAGA”), California Labor Code § 2699; and (8) Violation of the Fair Labor Standards Act, 29 U.S.C. § 201 *et. seq., inter alia*. The First Amended Consolidated Complaint is referred to as the “Lawsuit.” Walgreens denies that it violated the law in any manner described in the Lawsuit. The Court has not entered judgment or determined that Walgreens engaged in any wrongdoing alleged in the Lawsuit. As a result of extensive settlement negotiations, the parties entered into a Class Action Settlement Agreement and Stipulation (“Settlement Agreement”).

The Settlement Agreement has been given preliminary approval by the Court. If you are part of Class 1 and/or Class 2 (referred to collectively as “Class Members”), then you have the opportunity to participate in the settlement and receive a payment. The “Settling Class Members” are all individuals who are Class Members who fail to timely and properly opt out of the settlement provided for in the Settlement Agreement with respect to the state law and federal non-FLSA claims and all individuals who are Class Members of Class 1 who submit valid Claims Forms with respect to the claims under the FLSA.

¹ *Wilson v. Walgreen Co., Hodach v. Walgreen Co., Brown v. Walgreen Co., Jerominski v. Walgreen Co., Gindi v. Walgreen Co., Hanna v. Walgreen Co., Shahinian v. Walgreen Co., McDowell v. Walgreen Co., Peterson v. Walgreen Co.*

Deadline to respond: [DATE].

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WHY IS THERE A SETTLEMENT?

The Settlement Agreement represents a compromise and settlement of highly disputed claims. Nothing contained in this Notice, nor the consummation of this settlement, is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on the part of Walgreens. Walgreens vigorously denies all of Plaintiffs' material allegations. Specifically, Walgreens denies that Plaintiffs and the Class Members are owed any compensation for alleged unpaid wages, overtime hours, off-the-clock work, business expenses, meal periods or rest periods, or any related claims, or interest or penalties of any kind.

Class Counsel believes that further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. Class Counsel cannot confidently predict how the various legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Class Counsel believes that the proposed settlement is fair, reasonable and adequate.

HOW WILL THE SETTLEMENT MONEY BE DISTRIBUTED?

The total settlement paid by Walgreens to settle both Class 1 and Class 2 claims is \$23,000,000.00 ("Gross Settlement Amount"). From this sum, Plaintiffs will request the following deductions:

- Class Counsel attorneys' fees up to \$6,440,000 (28% of the Gross Settlement Amount); and costs up to \$150,000;
- All expenses of administering the settlement up to \$190,000;
- A pool of up to \$80,000.00 for sixteen Class Representative's service enhancement payments;
- All legally required employer withholding and employer taxes on the settlement payments; and
- \$30,000 for payment under PAGA (split \$22,500 to the State of California and \$7,500.00 to Class Members).

Assuming these requests are granted in full, the settlement fund for the Class Members, prior to deduction for employer withholding and employer taxes on the settlement payments, will be approximately \$16,117,500 ("Net Settlement Amount"). From the Net Settlement Amount, a sum of \$1,500,000 will be used to pay claims in connection with Class 2 (the Labor Code § 2802 Fund).

Walgreens will pay Qualified Claimants (defined below) pursuant to the Court-approved plan of distribution as described in the Settlement Agreement. This plan of distribution is based on the number of weeks each Class Member worked as a non-exempt or hourly employee or as a Store Manager in California and which position(s) they held during the time periods set forth on page one of this notice ("Class Period"). To pay Class 1 claims, the Net Settlement Amount less the Labor Code § 2802 Fund shall be allocated as follows: Pharmacist positions = 32%; MGT/HEXA/ASM/SFL positions = 23%; Pharmacy Staff positions = 16%; all other non-exempt staff = 29%.

HOW IS MY SHARE OF THE SETTLEMENT CALCULATED?

"Qualified Claimants" include all Class Members who submit a valid and timely Consent to Join Settlement and Claim Form ("Claim Form") (attached as Exhibit A) to the Settlement Administrator, CPT Group. The Claim Form states your dates of employment as a non-exempt or hourly employee in California or as a Store Manager in California and the number of weeks or partial weeks ("Work Weeks") you worked as a non-exempt or hourly employee or as a Store Manager in California while employed by Walgreens during the Class Period. Walgreens' records will be determinative with respect to the dates Qualified Claimants were employed during the Class Period.

Deadline to respond: [DATE].

DRAFT

WHAT ARE MY OPTIONS?

I. DO NOTHING

You have the option of “doing nothing” i.e., filing neither a Claim Form nor a Request for Exclusion. However, if you do not file a Request for Exclusion pursuant to the procedures below, then you will be deemed to have entered into the Release described below. With respect to Class 1, if you do not make a claim, then your portion of the settlement funds will be retained by Walgreens, provided that at least 50% of the Net Settlement Amount (less the Labor Code § 2802 Fund) is paid to Qualified Claimants. With respect to Class 2, if you do not make a claim, then your portion of the settlement funds will be retained by Walgreens regardless of the percent of the Labor Code § 2802 Fund that is paid to Qualified Claimants. If you are a current Walgreens employee, whether or not you make a claim will have no impact on your employment with Walgreens.

II. SUBMIT A CLAIM

If you wish to receive a payment under the settlement you must submit a timely Claim Form. By executing the Claim Form, you are consenting to the settlement and will be paid pursuant to the Settlement Agreement. The Claim Form must be signed, dated, completed and postmarked by _____ 2014, and sent to Walgreen Co. Class Action Settlement c/o CPT Group [INSERT ADDRESS].

III. REQUEST EXCLUSION FROM THE SETTLEMENT

If you do not wish to participate in the settlement then you may exclude yourself (i.e., “opt out”) by submitting a written Request for Exclusion that includes your name, address, last four digits of your social security number, and the following statement:

“I do not wish to participate in the Settlement of this case. I understand that I will receive no payment from the settlement and I will not release any claims against Walgreen Co.”

The Request for Exclusion must be signed, dated, and postmarked by _____, 2014 and sent to Walgreen Co. Class Action Settlement c/o CPT Group [INSERT ADDRESS].

Any person who files a complete and timely Request for Exclusion will not be a member of the Settlement Class, will be barred from participating in any portion of the settlement, and will receive no payment from the settlement. Any such person, at their own expense, may pursue any claims he or she may have against Walgreens. If you execute and return both a Claim Form and a Request for Exclusion, the Claim Form will be deemed void and you will not be a member of the Settlement Class.

IV. OBJECT TO THE SETTLEMENT

If you do not opt out of the settlement by submitting a valid and timely Request for Exclusion, you may object to the settlement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the settlement and release with respect to your state law claims and non-FLSA federal claims, and you still must submit a Claim Form to receive a settlement payment no later than _____, 2014. To object, you must file a written objection and a notice of intention to appear at the Final Settlement Approval hearing, currently set for _____ p.m. on _____, 2014 with the Clerk of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012, and send copies to the following:

CLASS COUNSEL

Scott Edward Cole
SCOTT COLE & ASSOCIATES, APC
1970 Broadway, Ninth Floor
Oakland, California 94612
Telephone: (510) 891-9800

WALGREENS’ COUNSEL

Diana Tabacopoulos
SEYFARTH SHAW LLP
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021
Telephone: (310) 201-5255

Deadline to respond: [DATE].

DRAFT

Any written objections must state each specific reason in support of your objection and any legal support in propria persona. Your objection must also state your full name, address, date of birth, and the dates of your employment as a non-exempt or hourly employee or Store Manager at Walgreens in California. To be valid and effective, any objections to approve the settlement must be filed with the Clerk of the Court and served upon each of the above-listed attorneys no later than _____, 2014. **DO NOT TELEPHONE THE COURT.**

If you choose to file an objection to the terms of the Settlement Agreement, you may enter an appearance in propria persona (meaning you choose to represent yourself) or through your own attorney. To do so, you must file a Notice of Entrance of Appearance with the Clerk of the United States District Court, Central District of California and deliver copies to each of the attorneys listed above. Such Notice of Entrance of Appearance must be filed with the Court and delivered to the above attorneys no later than _____, 2014. You will then continue as a Settling Class Member either in propria persona or with representation by your own attorney, and you will be solely responsible for the fees and costs of your attorney. The final fairness hearing at which the Court will be asked to approve the settlement will be at ___ p.m. on _____, 2014, in Department 880 of the United States District Court, Central District of California located at 255 East Temple Street, Los Angeles, CA 90012, or such other later date as the Court may authorize.

V. DISPUTES

If you believe in good faith that the dates you were employed as a non-exempt or hourly employee or as a Store Manager in California during the Class Period are incorrect, you must return a Claim Form to CPT Group under penalty of perjury with documentation that you believe demonstrates that those calculations are incorrect and authorizing CPT Group to review your records and related documents to determine such information. Any such claim must be received by CPT Group by _____, 2014 at the designated address for CPT Group.

Upon timely receipt of any such dispute of claim, CPT Group will review the pertinent records showing the dates you were employed by Walgreens in California as a non-exempt or hourly employee or as a Store Manager during the class period. Walgreens has agreed to make these records available for this purpose.

CPT Group will compute each Settling Class Member's settlement payment. In the event there is a dispute regarding such payment, counsel for the parties may stipulate to a compromise or stipulate to allow CPT Group to make the final decision.

VI. CHANGE OF ADDRESS

If you move after receiving this notice, if it was misaddressed or if for any reason you want your payment or future correspondence concerning this action and the settlement to be sent to a different address, you should supply your current preferred address to the Settlement Administrator at the address listed above and to Class Counsel.

WHAT CLAIMS ARE RELEASED AS PART OF THE SETTLEMENT?

A. Released State and Federal Law Claims By Class Members. Upon Final Approval by the Court of this Settlement Agreement, and except as to the right to enforce the terms and conditions of this Settlement Agreement, all Class Members who have timely returned a valid Consent to Join Settlement and Claim Form hereby fully release Defendant and all of its present and former parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint ventures, and all of their shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them ("Releasees"), from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and each Related Case, including, but not limited to all wage-hour and wage-hour related claims under federal and state law for unpaid wages, unpaid overtime, liquidated damages, meal and rest period violations, conversion of wages, seventh-consecutive day of work California Labor Code violations, record-keeping violations, "waiting-

Deadline to respond: [DATE].

DRAFT

time” penalties, indemnity and reimbursement of business expenses, wage statement violations and all derivative claims and PAGA penalties, up to and including the date of Final Approval by the Court. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 1174, 1182.12, 1194, 1194.2, 1198, 2800, 2802 as well as claims under Business and Professions Code § 17200, *et seq.*, and/or Labor Code § 2698, *et seq.*, based on alleged violations of these Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*, except that Store Managers will release only claims that were alleged or could have been alleged under Labor Code § 2802 for reimbursement of business of expenses, and any and all claims derivative thereto. This Settlement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2699, and upon covenants by all members that they will not participate in any proceeding seeking penalties under Labor Code § 2699. This release shall be effective from May 13, 2007 through the earlier of Final Approval or August 19, 2014.

Released State Law Claims By Class Members. Upon Final Approval by the Court of this Settlement Agreement, and except as to the right to enforce the terms and conditions this Settlement Agreement, all Class Members (except those who submit a timely and valid Request for Exclusion) hereby fully release Defendant and all Releasees from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, including, but not limited to all wage-hour and wage-hour related non-FLSA claims under federal law and state law claims for unpaid wages, unpaid overtime, liquidated damages, unlawful deductions from wages, conversion of wages, record-keeping violations, seventh-consecutive day of work California Labor Code violations, indemnity and reimbursement of business expenses, wage statement violations, meal period or rest period violations, “waiting time” penalties, and all derivative claims and PAGA penalties, up to and including the date of Final Approval by the Court. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and Labor Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 1174, 1182.12, 1194, 1194.2, 1198, 2800, 2802, as well as claims under Business and Professions Code § 17200 *et seq.*, and/or Labor Code § 2698 *et seq.* based on alleged violations of these Labor Code provisions, except that Store Managers will release only claims that were alleged or could have been alleged under Labor Code § 2802 for reimbursement of business of expenses, and any and all claims derivative thereto. This Settlement Agreement is conditioned upon the release by all members of the Settlement Class of any claim under Labor Code § 2699, and upon covenants by all members that they will not participate in any proceeding seeking penalties under Section 2699. This release shall be effective from May 13, 2007 through the earlier of Final Approval or August 19, 2014.

Waiver of California Civil Code § 1542. With regard to claims released above and that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, the Settling Class Members waive all rights and benefits afforded by section 1542 of the California Civil Code, and do so understanding the significance of that waiver. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Settling Class Member acknowledges that this Agreement is meant to release claims that each Settling Class Member does not know or suspect to exist in his or her favor against the Releasees.

B. These releases specifically exclude any claim (a) for vested benefits pursuant to the terms of any Walgreens employee benefit plan, in accordance with the terms of any such plan and applicable law; or (b) any claim that, as a matter of law, may not be released.

C. Walgreens will not use individual settlement payments to calculate any additional benefits including vacations, holiday pay, bonus pay or other compensation of any kind or employee welfare or retirement plan benefits, including all nonqualified and equity compensation plans, and individual settlement payments will not

Deadline to respond: [DATE].

DRAFT

represent any modification of any Qualified Claimant's previously credited hours of eligibility or vesting service, compensation, or other eligibility or benefit determination criteria under any employee retirement or welfare benefit plan sponsored by Walgreens, including all nonqualified and equity compensation plans, except the Walgreens Profit Sharing Retirement Plan. Walgreens will not consider individual settlement payments as compensation for purposes of determining eligibility for or benefits under any employee retirement or welfare benefit plans, including all nonqualified and equity compensation plans or other plan sponsored by Walgreens or its predecessor, subsidiaries, parent companies or successors, except the Walgreens Profit Sharing Retirement Plan.

WHAT IS THE NEXT STEP?

The Court will hold a **Final Approval Hearing** in Department 880 of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012 on _____, 2014, at ___ a.m. to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and reimbursement of costs and the service enhancement payments to the Class Representatives. Class Counsel's application for attorneys' fees and reimbursement of expenses will be on file with the Court no later than _____, 2014 and will be available for review after that date. Class Counsel are seeking approval of a total of not more than \$6,440,000.00 in attorneys' fees and not more than \$150,000 in costs incurred or to be incurred, and settlement administration costs in the amount of \$190,000. The Class Representatives are seeking service enhancement payments from a pool of \$80,000.00, as described above.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have timely filed an objection with the Court.

WHEN WILL I GET MY PAYMENT?

If you make a timely and valid claim, payment under the settlement will occur after the judgment by the Court of Final Approval of the settlement is no longer appealable or if an appeal has been filed, the date on which the appeal upholding the Final Approval of this Settlement Agreement is final and no longer appealable. Currently, the Court's Final Approval hearing is set for _____, 2014.

HOW CAN I GET ADDITIONAL INFORMATION?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should consult the detailed Class Action Settlement Agreement and Stipulation, which is on file with the Clerk of the Court. In the event there is a conflict between this summary and the Class Action Settlement Agreement and Stipulation, the terms of the Class Action Settlement Agreement and Stipulation shall control. The pleadings and other records in this litigation, including that stipulation, may be examined at any time during regular business hours at the Office of the Clerk of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS

BY ORDER OF THE UNITED STATES DISTRICT COURT

Deadline to respond: [DATE].

EXHIBIT 5

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CLAIM FORM AND CONSENT TO JOINT SETTLEMENT

United States District Court Central District of California
In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)

INSTRUCTIONS – Complete All Four Steps

- Step 1: Review and update your contact information in **Section 1**.
- Step 2: Read **Section 2** carefully.
- Step 3: Pick one option in **Section 3**.
- Step 4: **Mail** back this document by the **deadline**: [DATE].

SECTION 1 (Review and Update)

Info. on File:	Corrected Info.
Name	
Address 1	
Address 2	
City, State, Zip Code	

Last four digits of your Social Security Number: _____

Telephone Number (Home): _____

Telephone Number (Other): _____

Note: If you move *after* mailing back this Form, notify the Claims Administrator ASAP.

SECTION 2 (Read Carefully):

Calculation of Your Payment:

Walgreens records indicate that you were employed as a non-exempt or hourly employee and/or as a Store Manager in California between _____ and [PRELIMINARY APPROVAL]. According to Walgreens' records, you were employed in California in this position during the Period from approximately _____ to _____. Your number of Work Weeks in the position(s) of _____ is/are _____. Based upon this, the approximate amount you could receive is _____. If you disagree with this calculation, you must attach documentation that supports your belief regarding the term of your employment. If you fail to provide satisfactory supporting documentation, then any claim you submit will be based solely on Walgreens' records as set forth above.

Deadline to respond: [DATE].

Go To Next Page →

DRAFT

SECTION 3 (Either Sign the Claim Form, Request Exclusion, or Do Nothing)

Option 1: SIGN AND RETURN THIS CLAIM FORM

This Option settles and releases your claims. You will receive compensation.

You may sign the first line below if you want to participate in the Settlement and release your claims against Walgreen. You may also sign the second line below if you were required to drive your car during the class period in connection with the performance of your duties for Walgreen (excluding your normal commute to/from work), if you were not reimbursed for all mileage already.

I consent to join this lawsuit, pursuant to the Fair Labor Standards Act. I have read and understand the rights I am releasing and do so voluntarily and knowingly. I declare under penalty of perjury under the laws of the State of California that the information I have provided is true and accurate.

(Signature)

[Printed name to be inserted prior to mailing]

Executed on _____, 2014, at _____, _____.
(City) (State)

I declare under penalty of perjury that it was necessary for me to drive my car in connection with my duties for Walgreens during the Class Period, and I was not reimbursed for all of my mileage.

(Signature)

[Printed name to be inserted prior to mailing]

Option 2: SEND A WRITTEN REQUEST FOR EXCLUSION

If you do not wish to participate in the settlement then you may exclude yourself (i.e., "opt out") by submitting a written Request for Exclusion that includes your name, address, last four digits of your social security number, signature, the date, and the following statement:

"I do not wish to participate in the Settlement of this case. I understand that I will receive no payment from the settlement and I will not release any claims against Walgreen Co."

Option 3: DO NOTHING

You have the option of doing nothing (i.e., filing neither a Claim Form nor a Request for Exclusion). However, you will be deemed to have released your claims against Walgreens as described in the Release.

[Barcode with Claimant Data]

Deadline to respond: [DATE].

1 SEYFARTH SHAW LLP
Diana Tabacopoulos (SBN 128238)
2 E-mail: dtabacopoulos@seyfarth.com
Jill Porcaro (SBN 190412)
3 E-mail: jporcaro@seyfarth.com
2029 Century Park East, Suite 3500
4 Los Angeles, California 90067-3021
Telephone: (310) 277-7200
5 Facsimile: (310) 201-5219

6 SEYFARTH SHAW LLP
Candace Bertoldi (SBN 254725)
7 E-mail: cbertoldi@seyfarth.com
333 South Hope Street, Suite 3900
8 Los Angeles, California 90071-1406
Telephone: (213) 270-9600
9 Facsimile: (213) 270-9601

10 Attorneys for Defendant
WALGREEN CO.

11 SCOTT COLE & ASSOCIATES, APC
Scott Edward Cole (SBN 160744)
12 Molly A. DeSario (SBN 230763)
Jessica L. Campbell (SBN 280626)
1970 Broadway, Ninth Floor
13 Oakland, California 94612
Telephone: (510) 891-9800
14 Facsimile: (510) 891-7030
Email: scole@scalaw.com
15 Email: mdesario@scalaw.com
Email: jcampbell@scalaw.com

16 Lead Counsel and Attorneys
17 For Representative Plaintiffs
And the Plaintiff Class(es)

18 UNITED STATES DISTRICT COURT
19 CENTRAL DISTRICT OF CALIFORNIA

20 IN RE WALGREEN CO. WAGE
21 AND HOUR LITIGATION

Case No. 11-cv-07664-PSG (FFMx)
CLASS ACTION

22 Related Cases:

ADDENDUM TO JOINT
STIPULATION OF SETTLEMENT
AND RELEASE

23 WILSON v. WALGREEN CO.
24 HODACH v. WALGREEN CO.
BROWN v. WALGREEN CO.
25 JEROMINSKI v. WALGREEN CO.
GINDI v. WALGREEN CO.
26 HANNA v. WALGREEN CO.
SHANINIAN v. WALGREEN CO.
27 McDOWELL v. WALGREEN CO.
PETERSON V. WALGREEN CO.

Case No. 11-cv-07664-PSG (FFMx)
Case No. 12-cv-07491-PSG (FFMx)
Case No. 12-cv-08574-PSG (FFMx)
Case No. 12-cv-10134-PSG (FFMx)
Case No. 13-cv-01154-PSG (FFMx)
Case No. 13-cv-02412-PSG (FFMx)
Case No. 13-cv-03576-PSG (FFMx)
Case No. 13-cv-01028-PSG (FFMx)
Case No. 13-cv-07290-PSG (FFMx)

1 With this Addendum, the parties supplement paragraph 49 of the Joint
2 Stipulation of Settlement and Release with the following:

- 3 • Also excluded from the Class Representatives' Released Claims are
4 the claims in Plaintiff Michael Hanna's ("Hanna") workers'
5 compensation actions against Walgreens, Case Nos. 20080208881-
6 0001 (filed Feb. 6, 2008) and 30130633809-0001 (filed June 1, 2013).
7 Hanna hereby represents that, other than his pending workers'
8 compensation claims, he has no other charges or cases pending
9 against Walgreens.

10 IN WITNESS WHEREOF, this Addendum to Joint Stipulation of Settlement
11 and Release is executed by the Parties and their duly authorized attorneys, as of the
12 day and year herein set forth.

13
14 DATED: May 8, 2014 SCOTT COLE & ASSOCIATES, APC

15 By Molly A. DeSario
16 Scott Cole
17 Molly A. DeSario
18 Lead Class Counsel
19 and Attorneys for Plaintiffs
20 GEORGE WILSON, TANARICA
21 MARTIN, CHRIS MCDOWELL,
22 GUSTAVO VILLAVELAZQUEZ and
23 DEVON BROWN

24 DATED: _____
25 _____
26 George Wilson, Plaintiff

27 DATED: _____
28 _____
Tanmarica Martin, Plaintiff

DATED: _____
Chris McDowell, Plaintiff

DATED: _____
Gustavo Villavelazquez, Plaintiff

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DATED: _____

Devon Brown, Plaintiff

1 DATED: 5/8/14

BLUMENTHAL NORDREHAUG &
BHOWMIK

2 
3 By _____

Norman B. Blumenthal
Attorneys for Plaintiffs
RENE HODACH and WINSON BOLLS

4
5
6 DATED: _____

Rene Hodach, Plaintiff

7
8 DATED: _____

Winston Bolts, Plaintiff

9
10 DATED: _____

COUNSELONE, PC

11 By _____

Anthony Orshansky
Attorneys for Plaintiff
BRENDA BROWN

12
13
14 DATED: _____

Brenda Brown, Plaintiff

15
16 DATED: _____

AEQUITAS LAW GROUP

17
18 By _____

Ronald Bae
Attorneys for Plaintiff
EMAND GINDI

19
20
21 DATED: _____

Emad Gindi, Plaintiff

1 DATED: _____ AIMAN-SMITH & MARCY

2 By _____
3 Carey James
4 Attorneys for Plaintiffs
5 SHANE JEROMINSKI and ALICIA
6 ARENAS

6 DATED: _____
7 Shane Jerominski, Plaintiff

8 DATED: _____
9 Alicia Arenas, Plaintiff

10 DATED: 5/1/2014
11 MARCARIAN LAW FIRM
12 By Marc L. McCulloch
13 ~~Arnold Marcarian~~ MARC L.
14 Attorneys for Plaintiff MICHAEL HANNA McCULLOCH

15 DATED: 5/7/2014
16 MICHAEL W. HANNA
17 Michael Hanna, Plaintiff

17 DATED: _____ ACKERMANN & TILAJEF PC
18 By _____
19 Craig Ackermann
20 Attorneys for Plaintiffs
21 GEOFFREY PETERSON, BRANDON
22 MILLER AND BRENTON PACHECO

22 DATED: _____
23 Geoffrey Peterson, Plaintiff

24 DATED: _____
25 Brandon Miller, Plaintiff

26 DATED: _____
27 Brenton Pacheco, Plaintiff

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DATED: _____

MARLIN & SALTZMAN

By _____
Stanley Saltzman
Attorneys for Plaintiff
KEVORK SHAHINIAN

DATED: _____

Kevork Shahinian, Plaintiff

DATED: 8 May 2014

SEYFARTH SHAW LLP

By  _____
Diana Tabacopoulos
Attorneys for Defendant
WALGREEN CO.

DATED: _____

Deidra L. Byrd
Walgreen Co.

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DATED: _____

MARLIN & SALTZMAN

By _____
Stanley Saltzman
Attorneys for Plaintiff
KEVORK SHAHINIAN

DATED: _____

_____ Kevork Shahinian, Plaintiff

DATED: _____

SEYFARTH SHAW LLP

By _____
Diana Tabacopoulos
Attorneys for Defendant
WALGREEN CO.

DATED: 5-7-2014

Deidra L. Byrd
Deidra L. Byrd
Walgreen Co.

EXHIBIT B

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE WALGREEN CO. WAGE
AND HOUR LITIGATION

Case No. 11-cv-07665-PSG (FFMx)

CLASS ACTION

**DECLARATION OF LISA
LEININGER ON BEHALF OF
ADMINISTRATOR WITH RESPECT
TO CLAIM FORMS, REQUESTS FOR
EXCLUSION AND OBJECTIONS
SUBMITTED**

Date: September 29, 2014

Time: 1:30 p.m.

Judge: Honorable Philip S. Gutierrez

Consolidated Cases:

- WILSON v. WALGREEN CO.
- HODACH v. WALGREEN CO.
- JEROMINSKI v. WALGREEN CO.
- BROWN v. WALGREEN CO.
- PETERSON v. WALGREEN CO.
- GINDI v. WALGREEN CO.
- HANNA v. WALGREEN CO.
- SHANINIAN v. WALGREEN CO.
- MCDOWELL v. WALGREEN CO.

- Case No. 11-cv-07664-PSG (FFMx)
- Case No. 12-cv-07491-PSG (FFMx)
- Case No. 12-cv-10134-PSG (FFMx)
- Case No. 12-cv-08574-PSG (FFMx)
- Case No. 13-cv-07290-PSG (FFMx)
- Case No. 13-cv-01154-PSG (FFMx)
- Case No. 13-cv-02412-PSG (FFMx)
- Case No. 13-cv-03576-PSG (FFMx)
- Case No. 13-cv-01028-PSG (FFMx)

1 I, Lisa Leininger, declare as follows:

2 1. I am employed as a Case Manager for CPT Group, Inc. (“CPT”), the
3 Court-appointed class action claims administrator for *In Re Walgreen Co. Wage And*
4 *Hour Litigation*. As the Case Manager, I have personal knowledge of the facts stated
5 herein, and, if called upon to testify, I could and would testify competently to such
6 facts.

7 2. CPT has extensive experience in providing notice of class actions and
8 administering class action settlements. In the past 26 years, we have provided
9 notification and/or claims administration services in hundreds of class action cases.
10 Pursuant to the Settlement Agreement for this matter, CPT was responsible for (i)
11 printing and mailing the *Notice of Pendency of Class and Collective Action, Consent to*
12 *Join Settlement and Claim Form*, and *Request for Exclusion Form* (herein referred to
13 collectively as the “Settlement Documents”) to the Class Members; (ii) using the data
14 provided by Defendant to prepare the Consent to Join Settlement and Claim Forms;
15 (iii) tracking returned Consent to Join Settlement and Claim Forms and Requests for
16 Exclusion; (iv) notifying Defendant and Lead Class Counsel of timely and untimely
17 claims; (v) calculating the amounts due to each Class Member pursuant to the
18 Settlement; (vi) notifying Defendant and Lead Class Counsel of any disputes regarding
19 claims by the Class Members; (vii) allowing Defendant and Lead Class Counsel to
20 comment on any disputes regarding claims by the Class Members and make a final
21 decision which will be binding on the Parties and the Class Members and non-
22 appealable; (viii) preparing and mailing all tax forms to Qualified Claimants by First
23 Class U.S. Mail; (ix) providing all required notices under the Class Action Fairness
24 Act; and (x) performing such other tasks as set forth in the Agreement or as the Parties
25 mutually agree or that the Court orders.

26 3. On April 4, 2014, CPT mailed all required notices under the Class Action
27 Fairness Act.
28

1 4. CPT received the Court-approved text for the Settlement Documents from
2 Counsel on June 27, 2014.

3 5. CPT finalized a 4-page Notice, 4-page Consent to Join Settlement and
4 Claim Form, and 1-page Request for Exclusion Form. CPT received written approval
5 of the forms from both parties and a sufficient number were printed to mail to all Class
6 Members identified in the Class List. Attached hereto as Exhibit "A" is a true and
7 correct copy of the Settlement Documents.

8 6. On July 2, 2014, CPT received confidential data files from Defense
9 Counsel that contained names, last known mailing addresses, Social Security numbers,
10 phone numbers, and dates of employment in the Covered Positions for Class Members.
11 The mailing list contained Forty Three Thousand Seven Hundred Sixteen (43,716)
12 Class Members.

13 7. On August 12, 2014, CPT conducted a National Change of Address
14 (NCOA) search in an attempt to update the class list of addresses as accurately as
15 possible. A search of this database provides updated addresses for any individual who
16 has moved in the previous four years and notified the U.S. Postal Service of their
17 change of address.

18 8. The Settlement Documents were enclosed in envelopes with the names
19 and last known addresses printed on them. On July 21, 2014, the Settlement Documents
20 were mailed via U.S. first class mail to all Class Members. These Class Members had
21 30 days from the date of mailing to submit a claim, request exclusion, or object to the
22 Settlement; therefore the deadline was August 20, 2014.

23 9. On August 12, 2014, CPT mailed Settlement Documents to Two Hundred
24 Forty Two (242) additional Class Members who had previously been removed from the
25 Class List prior to mailing but who Defendant confirmed should be Class Members.
26 These additional Class Members had 30 days from the date of mailing to submit a
27 claim, request exclusion, or object to the Settlement; therefore the deadline is
28

1 September 11, 2014. The final mailing list thus contained Forty Three Thousand Nine
2 Hundred Fifty Eight (43,958) Class Members.

3 10. As of the date of this declaration, Five Hundred Ninety Four (594)
4 Settlement Documents have been returned to CPT as undeliverable. Those with a
5 forwarding address were forwarded promptly. For the Settlement Documents returned
6 from the post office without a forwarding address, CPT attempted to locate a current
7 mailing address using Accurint, one of the most comprehensive address databases
8 available for skip tracing. Within Five (5) business days of receipt of the returned
9 envelope, where a new address was found CPT re-mailed the Settlement Documents to
10 the current address, stating in such Settlement Documents the extended deadline to
11 submit a claim, pursuant to the Settlement Agreement. As of the date of this
12 declaration, One Hundred Eighty Six (186) Settlement Documents remain
13 undeliverable with no forwarding address and where no new address could be found
14 through skip trace.

15 11. CPT has received a total of Twelve Thousand Nine Hundred Thirty Four
16 (12,934) responses, of which Twelve Thousand Eight Hundred Thirteen (12,813) are
17 claims.

18 12. CPT has received One Hundred Twenty One (121) Requests for
19 Exclusion.

20 13. CPT has received no Objections to the Settlement.

21 14. There are Two Hundred Four (204) outstanding deficient claims and opt
22 outs.

23 15. There are Sixty Nine (69) outstanding disputes, as Class Members had the
24 opportunity to challenge Defendant's records. CPT has provided information to counsel
25 for Defendant regarding Five (5) of these disputes and will update the Class Members'
26 records accordingly if approved.

27 16. CPT has received Three Hundred Forty Eight (348) claims and requests
28 for exclusion postmarked after the August 20, 2014, claims deadline where the Class

1 Members were not entitled to an extended deadline. These are currently flagged as late
 2 in the claims database.

3 17. Eighty One (81) claims have been flagged invalid because they were
 4 duplicates of already valid claims.

5 18. In summary, if the deficient and late claims described above are accepted
 6 as valid claims, then as of the date of this declaration CPT will report a total of Twelve
 7 Thousand Seven Hundred Thirty Two (12,732) Valid Claimants. This represents
 8 28.96% of the class and falls within the typical range of responses seen in similar class
 9 actions.

10 19. Valid Claimants claimed the following workweeks by Class 1 Covered
 11 Position:

Class 1 Covered Position	Total Weeks	Weeks Claimed	% of Total Weeks Claimed	Total Amount Claimed	Average Claimed Amount
Pharmacist	625,282	449,281	71.85%	\$3,378,796.66	\$1,631.48
MGT/HEXA/ASM/SFL	586,268	402,702	68.69%	\$2,321,590.44	\$812.03
Pharmacy Staff	1,242,657	640,521	51.54%	\$1,211,912.23	\$381.58
Other Non-Exempt	2,998,533	1,260,248	42.03%	\$1,791,078.44	\$268.05
	5,452,740	2,752,752	50.48%	\$8,703,377.77	\$700.02

20 Therefore, the portion of the Net Settlement Amount less the Labor Code 2802
 21 Fund claimed is estimated to be \$8,703,377.77. This equates to 59.23% of the
 22 \$14,695,000.00 Net Settlement Amount and exceeds the 50% minimum payout. The
 23 highest claimed amount is estimated to be \$2,797.61 and the estimated average
 24 claimed amount is \$700.02.

25 20. The Valid Claimants claimed 1,773,900 Class 2 Workweeks of the total
 26 6,029,502 Class 2 Workweeks, which equates to 29.42% of the total Class 2
 27 Workweeks. Of the \$1,500,000 Labor Code 2802 Fund, the Class 2 Valid Claimants
 28

1 claimed an estimated amount of \$441,295.26, where the highest claimed amount is
2 estimated to be \$92.54 and the estimated average claimed amount is \$63.83.

3 21. CPT's estimated costs associated with the administration of this matter are
4 \$187,500. This includes all costs incurred to date, as well as estimated costs involved in
5 completing the settlement disbursement.

6
7 I declare under penalty of perjury of the laws of the United States of America
8 that the foregoing is true and correct.

9
10 Executed this 2nd day of September, 2014, at Irvine, California.

11 
12 _____
13 Lisa Leininger

EXHIBIT A

CONSENT TO JOIN SETTLEMENT AND CLAIM FORM

United States District Court Central District of California

In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)

TO RECEIVE A SETTLEMENT PAYMENT YOU MUST COMPLETE, SIGN, AND MAIL THIS CONSENT TO JOIN SETTLEMENT AND CLAIM FORM (“CLAIM FORM”) POSTMARKED ON OR BEFORE AUGUST 20, 2014, TO: WALGREEN CO. SETTLEMENT ADMINISTRATOR, C/O CPT GROUP, INC., 16630 ASTON, IRVINE, CALIFORNIA 92606, TELEPHONE: 1-855-969-8645.

1. Please verify and/or complete any missing identifying information:

CPT ID: «ID» * «ID» *

«EmployeeName»
 «Address1» «Address2»
 «City», «State» «Zip»
 «IMBarCode»

CORRECT NAME AND ADDRESS HERE:

 Home Telephone Number: (_____) _____ - _____
 Work Telephone Number: (_____) _____ - _____
 Mobile Telephone Number: (_____) _____ - _____

INSTRUCTIONS

- (1) You must complete, sign, and mail this Claim Form to be eligible to receive a payment. If you wish to make a claim as a member of both Class 1 and Class 2, then you must sign on both signature lines.
- (2) If you move, please send the Settlement Administrator, CPT Group, your new address. It is your responsibility to keep a current address on file with CPT Group.
- (3) If you are eligible to receive a settlement payment, you should not expect to receive your payment for approximately 70 to 90 days after the Final Approval hearing of this Settlement, and after all rights to appeals are exhausted. This will not occur any earlier than approximately February 2015.

THIS CLAIM FORM MUST BE POSTMARKED NO LATER THAN AUGUST 20, 2014. YOU MUST TIMELY COMPLETE, SIGN, AND RETURN THIS PROOF OF CLAIM VIA U.S. MAIL TO RECEIVE A SETTLEMENT PAYMENT.

2. Walgreens records indicate that you were employed as a non-exempt or hourly employee and/or as a Store Manager in California at some time during the Class Periods set forth in the Notice. According to Walgreens’ records, your dates of employment in California and Compensable Work Weeks in the following position(s) during this Period were as follows:

Position	Dates	Compensable Work Weeks
«sMGT»	«MGTsDates»	«MGTWeeks»
«sPharmacist»	«PharmacistsDates»	«PharmacistWeeks»
«sPharmacyStaff»	«PharmacyStaffsDates»	«PharmacyStaffWeeks»
«sNonExempt»	«NonExemptsDates»	«NonExemptWeeks»
«sClass2NonExempt»	«Class2NonExemptDates»	«Class2NonExemptWeeks»
«sClass2MGR»	«Class2MgrsDates»	«Class2MgrsWeeks»

Based upon this, the approximate amount you could receive as a Class 1 member is «Class1EstAmount». The approximate amount you could receive as a Class 2 member, provided you certify your eligibility under penalty of perjury, is «Class2EstAmount».

If you disagree with the calculations indicated above, you must attach documentation that supports your belief as to the term of your employment. If you fail to provide satisfactory supporting documentation, then any claim you submit will be based solely on Walgreens’ records as set forth above.

3. SUBMISSION TO JURISDICTION OF COURT: AGREEMENT WITH SETTLEMENT

I have received the Notice of Pendency of Class and Collective Action and Opportunity to Opt In, Proposed Settlement and Hearing Date (“Notice”). I submit this Claim Form under the terms of the Settlement Agreement described in the Notice. I also submit to the jurisdiction of the United States District Court with respect to my claim as a Class Member, and for purposes of enforcing the release of claims stated in the Settlement Agreement. The full and precise terms of the proposed settlement are contained in the Settlement Agreement filed with the Court. I further acknowledge that I am bound by the terms of any court judgment that may be entered in this litigation.

4. NO EFFECT ON EMPLOYEE BENEFITS

I understand that Walgreens will not use the settlement payment to calculate any additional benefits including vacations, holiday pay, bonus pay or other compensation of any kind or employee welfare or retirement plan benefits, including all nonqualified and equity

compensation plans, and that this settlement payment will not represent any modification of my previously credited hours of eligibility or vesting service, compensation, or other eligibility or benefit determination criteria under any employee retirement or welfare benefit plan sponsored by Walgreens, including all nonqualified and equity compensation plans, except the Walgreens Profit Sharing Retirement Plan. I understand that Walgreens will not consider the settlement payment compensation for purposes of determining eligibility for or benefits under employee retirement or welfare benefit plans, including all nonqualified and equity compensation plans, or other plan sponsored by Walgreens or its predecessor, subsidiaries, parent companies or successors, except the Walgreens Profit Sharing Retirement Plan.

5. **RELEASE OF CLAIMS**

A. Released State and Federal Law Claims by Class Members. Upon Final Approval by the Court of the Settlement Agreement, and except as to the right to enforce the terms and conditions of the Settlement Agreement, all Class Members who have timely returned a valid Consent to Join Settlement and Claim Form hereby fully release Defendant and all of its present and former parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint ventures, and all of their shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them (“Releasees”), from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and each Related Case, including, but not limited to all wage-hour and wage-hour related claims under federal and state law for unpaid wages, unpaid overtime, liquidated damages, meal and rest period violations, conversion of wages, seventh-consecutive day of work California Labor Code violations, record-keeping violations, “waiting-time” penalties, indemnity and reimbursement of business expenses, wage statement violations, and all derivative claims and PAGA penalties. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802 as well as claims under Business and Professions Code § 17200, *et seq.*, and/or Labor Code § 2698, *et seq.*, based on alleged violations of these Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.* This Settlement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Labor Code § 2698, *et seq.* This release shall be effective from May 13, 2007, through the earlier of Final Approval or August 19, 2014.

Released State and Non-FLSA Claims by Class Members. Upon Final Approval by the Court of the Settlement Agreement, and except as to the right to enforce the terms and conditions the Settlement Agreement, all Class Members (except those who submit an Exclusion Form) hereby fully release Defendant and all Releasees from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, including, but not limited to all wage-hour and wage-hour related non-FLSA claims under federal law and state law claims for unpaid wages, unpaid overtime, liquidated damages, unlawful deductions from wages, conversion of wages, record-keeping violations, seventh-consecutive day of work California Labor Code violations, indemnity and reimbursement of business expenses, wage statement violations, meal period or rest period violations, “waiting time” penalties, and all derivative claims and PAGA penalties. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and Labor Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802, as well as claims under Business and Professions Code § 17200 *et seq.*, and/or Labor Code § 2698 *et seq.* based on alleged violations of these Labor Code provisions. This Settlement Agreement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Section 2698. This release shall be effective from May 13, 2007, through the earlier of Final Approval or August 19, 2014.

Waiver of California Civil Code § 1542. With regard to claims that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, the Settling Class Members waive all rights and benefits afforded by section 1542 of the California Civil Code, and do so understanding the significance of that waiver. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Class Representatives and each of the Settling Class Members acknowledge that this Agreement is meant to release claims that the Class Representative or Settlement Class member does not know or suspect to exist in his or her favor against the Releasees.

Notwithstanding the terms of paragraph 5 A, above, these releases specifically exclude any claim (a) for vested benefits pursuant to the terms of any Walgreens employee benefit plan, in accordance with the terms of such plan and applicable law; or (b) any claim that, as a matter of law, may not be released.

6. **IT IS YOUR RIGHT TO MAKE A CLAIM**

It is your right to make a claim if you so desire. If you are a current Walgreens employee, whether or not you make a claim will have no impact on your employment with Walgreens.

Deadline to postmark a claim: August 20, 2014

Claim Form • Page 2 of 4

CPT ID: <ID>

Questions? Call the Walgreen Co. Settlement Administrator at 1-855-969-8645

Exhibit B

7. **DECLARATION UNDER PENALTY OF PERJURY**

Class 1

I agree [], disagree [] with the calculations set forth in paragraph 2 of the Claim Form.

I declare under penalty of perjury under the laws of the State of California that the information I have provided is true and accurate. Executed on this [date]_____ day of [month]_____, 2014, at [city]_____, [state]_____.

I consent to join the *In Re Walgreen Co. Wage and Hour Litigation* action (Case No. 11-cv-7664 PSG FFMx) pursuant to the Fair Labor Standards Act.

Executed on _____, 2014, at _____, _____.
(City) (State)

(Signature) (Print Name)

Class 2

CERTIFICATION OF ELIGIBILITY

Only individuals required to drive their car during the Class Period for Walgreens' benefit in connection with the performance of their duties for Walgreens (excluding your normal commute to and from Walgreens) and who were not reimbursed for all mileage may participate in Class 2. By signing below, you are attesting to the truth of the statement below under penalty of perjury (a criminal offense for making a false statement) that:

I. You were required to drive your car for Walgreens' benefit in connection with the performance of your duties for Walgreens (excluding your normal commute); and

II. You were not reimbursed for all of your mileage driven.

If you were not required to drive your car during the Class Period for Walgreens' benefit in connection with the performance of your duties for Walgreens, or you were reimbursed for all your mileage driven, you are NOT ELIGIBLE to participate in this Settlement and should not submit this Claim Form.

I certify, swear or affirm under penalty of perjury under the laws of the State of California, that it was necessary for me to drive my car for Walgreens' benefit in connection with the performance of my duties for Walgreens during the Class Period (excluding my normal commute), and I was not reimbursed for all of my mileage.

(Signature)

(Print Name)

(Date)

REQUEST FOR EXCLUSION FROM CLASS ACTION SETTLEMENT

United States District Court Central District of California

In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)

DO NOT SIGN OR SEND THIS DOCUMENT UNLESS YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT. IF YOU EXCLUDE YOURSELF, YOU WILL NOT RECEIVE ANY PAYMENT FROM THE SETTLEMENT.

THIS DOCUMENT MUST BE POSTMARKED NO LATER THAN AUGUST 20, 2014. IT MUST BE SENT VIA REGULAR U.S. MAIL.

PLEASE MAIL THIS EXCLUSION FORM VIA REGULAR U.S. MAIL TO:

WALGREEN CO. SETTLEMENT ADMINISTRATOR, C/O CPT GROUP, INC., 16630 ASTON, IRVINE, CALIFORNIA 92606.

IT IS MY DECISION NOT TO PARTICIPATE IN THE CLASS ACTION REFERRED TO BELOW, AND NOT TO BE INCLUDED IN THE CLASS OF PLAINTIFFS IN THAT ACTION. I UNDERSTAND THAT BY EXCLUDING MYSELF, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT AND ANY CLAIMS I HAVE WILL NOT BE RELEASED.

I confirm that I was employed by Walgreen Co. as a non-exempt or hourly employee or as a Store Manager in California between May 13, 2007, and June 26, 2014. I confirm that I have received notice of the proposed settlement in this action. I have decided to be excluded from the class, and I have decided **not** to participate in the proposed settlement. I will/have sought the advice of counsel with respect to the applicable statute of limitations.

Dated: _____

(Signature)

(Social Security Number)

(Type or print name and former name(s))

(Telephone Number)

(Address)

(Dates of employment as a Walgreen Co. non-exempt or hourly employee or Store Manager.)

(Address continued)

United States District Court Central District of California
 In Re Walgreen Co. Wage and Hour Litigation (Case No. 11-cv-7664 PSG-FFMx)

A federal court has authorized this notice. This is not a solicitation.

If you are or were employed in California by Walgreen Co. (“Walgreens” or “Defendant”) in its retail stores in a position(s) and during the time periods below, then you might be a member of Class 1 and/or Class 2 and entitled to monetary recovery from a class action settlement.

Class 1:

- (a) All persons employed as a Management Trainee (“MGT”) and/or Assistant Manager Non-registered (“AMN”) during the period of May 13, 2007 through November 4, 2009, and who timely opted out of the class settlement in Kelly v. Walgreens.
- (b) All persons who became an MGT or AMN during the period November 5, 2009 and May 6, 2010.
- (c) All persons employed as an MGT or AMN and/or Assistant Manager-Trainee (“ASM-T”) during the period May 7, 2010 through June 26, 2014.
- (d) All persons who were employed as a “Pharmacist” (including Walgreens Pharmacist Job Codes RXOH, RXMH, RXA, RPH, RPMH, RPNH, RPRH, RPX, RPT, RPOH, RPSH, MGHX) during the period of May 13, 2007 through January 14, 2008, and who timely opted out of the class settlement in Kasten-Garoutte v. Walgreens.
- (e) All persons who became a Pharmacist after January 14, 2008 but prior to August 28, 2008.
- (f) All persons employed as a Pharmacist during the period of August 28, 2008 through June 26, 2014.
- (g) All persons who have been or are employed by Walgreens in an hourly or non-exempt position, other than those identified in (a)-(f) above, during the period of May 13, 2007 through June 26, 2014.

Class 2:

- (a) All persons employed in an hourly or non-exempt position during the period of May 13, 2007 through June 26, 2014.
- (b) All persons employed as a Store Manager at any time during the period May 13, 2007 through June 26, 2014.

IMPORTANT: YOU MUST SIGN & MAIL THE ENCLOSED CLAIM FORM BY AUGUST 20, 2014, TO RECEIVE YOUR SHARE OF THE SETTLEMENT.

PLEASE READ THIS NOTICE CAREFULLY.

Pursuant to the order of the United District Court, Central District of California, entered June 26, 2014, YOU ARE HEREBY NOTIFIED AS FOLLOWS: A settlement has been reached between the parties in the lawsuit pending in the United States District Court, Central District of California (“Court”) on behalf of the two classes identified above. You have received this notice because Walgreens’ records indicate that you worked as a non-exempt or hourly employee or as a Store Manager in California during the periods identified above (collectively, “Class Period”). This notice is designed to advise you of how you can participate in this settlement and your rights under the settlement.

Summary of Your Legal Rights and Options in This Settlement	
SUBMIT A CLAIM FORM	Submit a Claim Form no later than August 20, 2014, and receive your share of the settlement. Release certain claims under state and federal law.
EXCLUDE YOURSELF	Submit an Exclusion Form, receive no settlement payment and retain your right to pursue both state and federal claims against Walgreens in a separate lawsuit at your own expense.
OBJECT	Submit a written objection to Counsel if you disagree with the proposed settlement.
DO NOTHING	Submit neither a Claim Form nor an Exclusion Form. Receive no settlement payment. Release certain claims under state and federal law, but not Fair Labor Standards Act claims.

BACKGROUND OF THE SETTLEMENT

On July 2, 2013, the United States District Court consolidated several pending putative class actions against Walgreens brought by current and former employees¹. On or about January 30, 2014, Plaintiffs filed a First Amended Consolidated Complaint alleging claims for (1) Failure to provide meal and rest periods; (2) Failure to Pay Wages and Overtime; (3) Failure to Provide Accurate Itemized Wage Statements; (4) Failure to Keep Accurate Payroll Records; (5) Failure to Provide Wages on Termination; (6) Failure to Reimburse Business Expenses; (7) Unfair Competition in Violation of California Business and Professions Code §§ 17200 *et seq.*; (8) Violation of the California Private Attorneys General Act of 2004 (“PAGA”), California Labor Code § 2699; and (9) Violation of the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, *inter alia*. The First Amended Consolidated Complaint is referred to as the “Lawsuit.”

Walgreens denies that it violated the law in any manner described in the Lawsuit. The Court has not entered judgment or determined that Walgreens engaged in any wrongdoing alleged in the Lawsuit. As a result of extensive settlement negotiations, the parties entered into a Joint Stipulation of Settlement and Release (“Settlement Agreement”).

The Settlement Agreement has been given preliminary approval by the Court. If you are part of Class 1 and/or Class 2 (referred to collectively as “Class Members”), then you have the opportunity to participate in the settlement and receive a payment. The “Settling Class Members” are all individuals who are Class Members who fail to timely and properly opt out of the settlement provided for in the Settlement Agreement with respect to the state law and federal non-FLSA claims and all individuals who are Class Members of Class 1 who submit valid Claims Forms with respect to the claims under the FLSA.

¹ *Wilson v. Walgreen Co., Hodach v. Walgreen Co., Brown v. Walgreen Co., Jerominski v. Walgreen Co., Gindi v. Walgreen Co., Hanna v. Walgreen Co., Shahinian v. Walgreen Co., McDowell v. Walgreen Co., Peterson v. Walgreen Co.*

SUMMARY OF THE PROPOSED SETTLEMENT**I. THIS SETTLEMENT IS NOT AN ADMISSION OF LIABILITY.**

The Settlement Agreement represents a compromise and settlement of highly disputed claims. Nothing contained in this Notice, nor the consummation of this settlement, is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on the part of Walgreens. Walgreens vigorously denies all of Plaintiffs' material allegations. Specifically, Walgreens denies that Plaintiffs and the Class Members are owed any compensation for alleged unpaid wages, overtime hours, off-the-clock work, business expenses, meal periods or rest periods, or any related claims, or interest or penalties of any kind.

Class Counsel believes that further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. Class Counsel cannot confidently predict how the various legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Class Counsel believes that the proposed settlement is fair, reasonable and adequate.

II. HOW WILL THE SETTLEMENT FUNDS BE DISTRIBUTED?

The total settlement paid by Walgreens to settle both Class 1 and Class 2 claims is \$23,000,000.00 ("Gross Settlement Amount"). From this sum, Plaintiffs will request the following deductions:

- Class Counsel attorneys' fees up to \$6,440,00.00 or 28% of the Gross Settlement Amount; and costs, in an amount authorized by the Court;
- All expenses of administering the settlement, reasonably estimated to be approximately \$190,000.00;
- A pool of up to \$80,000.00 for sixteen Class Representatives' enhancement payments;
- All legally required employer withholding and employer taxes on the settlement payments; and
- \$30,000.00 for payment under PAGA (split \$22,500 to the State of California and \$7,500.00 to Class Members).

Assuming these requests are granted in full, the settlement fund for the Class Members, prior to deduction for employer withholding and employer taxes on the settlement payments, will be approximately \$16,000,000 ("Net Settlement Amount"). From the Net Settlement Amount, a sum of \$1,500,000 will be used to pay claims in connection with Class 2 (the Labor Code § 2802 Fund).

Walgreens will pay Qualified Claimants (defined below) pursuant to the Court-approved plan of distribution as described in the Settlement Agreement. This plan of distribution is based on the number of weeks each Class Member worked as a non-exempt or hourly employee or as a Store Manager in California and which position(s) they held during the time periods set forth on page one of this notice ("Class Period"). To pay Class 1 claims, the Net Settlement Amount less the Labor Code § 2802 Fund shall be allocated as follows: Pharmacist positions = 32%; MGT/HEXA/ASM/SFL positions = 23%; Pharmacy Staff positions = 16%; all other non-exempt staff = 29%.

III. HOW WILL MY SHARE OF THE SETTLEMENT BE DETERMINED?

"Qualified Claimants" include all Class Members who submit a valid and timely Consent to Join Settlement and Claim Form ("Claim Form") to the Settlement Administrator, CPT Group. The Claim Form states your dates of employment as a non-exempt or hourly employee in California or as a Store Manager in California and the number of weeks or partial weeks ("Work Weeks") you worked as a non-exempt or hourly employee or as a Store Manager in California while employed by Walgreens during the Class Period, as well as the approximate value of your claim. Walgreens' records will be determinative with respect to the dates Qualified Claimants were employed during the Class Period.

If you believe in good faith that the dates you were employed as a non-exempt or hourly employee or as a Store Manager in California during the Class Period are incorrect, you must return a Claim Form to CPT Group under penalty of perjury with documentation you believe demonstrates that those calculations are incorrect and authorizing CPT Group to review your records and related documents to determine such information. Any such claim must be postmarked by August 20, 2014, at the designated address for CPT Group.

Upon timely receipt of any such dispute of claim, CPT Group will review the pertinent records showing the dates you were employed by Walgreens in California as a non-exempt or hourly employee or as a Store Manager during the class period. Walgreens has agreed to make these records available for this purpose.

CPT Group will compute each Settling Class Member's settlement payment. In the event there is a dispute regarding such payment, counsel for the parties may stipulate to a compromise or stipulate to allow CPT Group to make the final decision.

YOUR RIGHTS AS A CLASS MEMBER**I. SUBMIT A CLAIM**

If you wish to receive a payment under the settlement you must submit a timely Claim Form. By executing the Claim Form, you are consenting to the settlement and will be paid pursuant to the Settlement Agreement. The Claim Form must be signed, dated, completed and postmarked by August 20, 2014, and sent to Walgreen Co. Class Action Settlement c/o CPT Group, Inc., 16630 Aston, Irvine, California 92606, Telephone 1-855-969-8645.

II. REQUEST EXCLUSION FROM THE SETTLEMENT

If you do not wish to participate in the settlement then you may exclude yourself (i.e., "opt out") by completing the Exclusion Form. The Exclusion Form must be signed, dated, completed, and postmarked by August 20, 2014, and sent to Walgreen Co. Class Action Settlement c/o CPT Group, Inc., 16630 Aston, Irvine, California 92606.

Any person who files a complete and timely Exclusion Form will not be a member of the Settlement Class, will not be permitted to participate in any portion of the settlement, and will receive no payment from the settlement. Any such person, at their own expense, may pursue any claims he or she may have against Walgreens.

III. OBJECT TO THE SETTLEMENT

If you do not opt out of the settlement by submitting a valid and timely Exclusion Form, you may object to the settlement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the settlement and release with respect to your Questions? Call 1-855-969-8645

state law claims and non-FLSA federal claims, and you still must submit a Claim Form to receive a settlement payment no later than August 20, 2014. To object, you must mail a written objection and a notice of intention to appear at the Final Settlement Approval hearing, currently set for 1:30 p.m. on September 29, 2014, to the following:

CLASS COUNSEL

Scott Edward Cole
SCOTT COLE & ASSOCIATES, APC
1970 Broadway, Ninth Floor
Oakland, California 94612
Telephone: (510) 891-9800

WALGREENS' COUNSEL

Diana Tabacopoulos
SEYFARTH SHAW LLP
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021
Telephone: (310) 201-5255

Any written objections must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates of your employment as a non-exempt or hourly employee or Store Manager at Walgreens in California. To be valid and effective, any objections to approve the settlement must be mailed to each of the above-listed attorneys postmarked no later than August 20, 2014. **DO NOT TELEPHONE THE COURT.**

If you choose to file an objection to the terms of the Settlement Agreement, you may enter an appearance in propria persona (meaning you choose to represent yourself) or through your own attorney. To do so, you must mail a Notice of Entrance of Appearance to each of the attorneys listed above. Such Notice of Entrance of Appearance must be mailed to the above attorneys postmarked no later than August 20, 2014. You will then continue as a Settling Class Member either in propria persona or with representation by your own attorney, and you will be solely responsible for the fees and costs of your attorney. The final fairness hearing at which the Court will be asked to approve the settlement will be at 1:30 p.m. on September 29, 2014, in Department 880 of the United States District Court, Central District of California located at 255 East Temple Street, Los Angeles, CA 90012, or such other later date as the Court may authorize.

IV. DO NOTHING

You have the option of “doing nothing” i.e., filing neither a Claim Form nor an Exclusion Form. However, if you do not file an Exclusion Form pursuant to the procedures above, then you will be deemed to have entered into the Release described below. With respect to Class 1, if you do not make a claim, then your portion of the settlement funds will be retained by Walgreens, provided that at least 50% of the Net Settlement Amount (less the Labor Code § 2802 Fund) is paid to Qualified Claimants. With respect to Class 2, if you do not make a claim, then your portion of the settlement funds will be retained by Walgreens regardless of the percent of the Labor Code § 2802 Fund that is paid to Qualified Claimants. If you are a current Walgreens employee, whether or not you make a claim will have no impact on your employment with Walgreens.

V. CHANGE OF ADDRESS

If you move after receiving this notice, if it was misaddressed or if for any reason you want your payment or future correspondence concerning this action and the settlement to be sent to a different address, you should supply your current preferred address to the Settlement Administrator at the address listed above and to Class Counsel.

EFFECT OF THE SETTLEMENT**I. RELEASED RIGHTS AND CLAIMS**

A. Released State and Federal Law Claims By Class Members. Upon Final Approval by the Court of this Settlement Agreement, and except as to the right to enforce the terms and conditions of this Settlement Agreement, all Class Members who have timely returned a valid Consent to Join Settlement and Claim Form hereby fully release Defendant and all of its present and former parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint ventures, and all of their shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them (“Releasees”), from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and each Related Case, including, but not limited to all wage-hour and wage-hour related claims under federal and state law for unpaid wages, unpaid overtime, liquidated damages, meal and rest period violations, conversion of wages, seventh-consecutive day of work California Labor Code violations, record-keeping violations, “waiting-time” penalties, indemnity and reimbursement of business expenses, wage statement violations and all derivative claims and PAGA penalties. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802 as well as claims under Business and Professions Code § 17200, *et seq.*, and/or Labor Code § 2698, *et seq.*, based on alleged violations of these Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*, except that Store Managers will release only claims that were alleged or could have been alleged under Labor Code § 2802 for reimbursement of business expenses, and any and all claims derivative thereto, including claims under Labor Code § 2698, *et seq.* This Settlement is conditioned upon the release by all Settling Class Members of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Labor Code § 2699. This release shall be effective from May 13, 2007 through the earlier of Final Approval or August 19, 2014.

Released State and Non-FLSA Claims by Class Members. Upon Final Approval by the Court of this Settlement Agreement, and except as to the right to enforce the terms and conditions this Settlement Agreement, all Class Members (except those who submit a timely and valid Exclusion Form) hereby fully release Defendant and all Releasees from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, including, but not limited to all wage-hour and wage-hour related non-FLSA claims under federal law and state law claims for unpaid wages, unpaid overtime, liquidated damages, unlawful deductions from wages, conversion of wages, record-keeping violations, seventh-consecutive day of work California Labor Code violations, indemnity and reimbursement of business expenses, wage statement violations,

meal period or rest period violations, "waiting time" penalties, and all derivative claims and PAGA penalties. This Release shall include without limitation, claims that were raised, or that reasonably could have been raised, under the applicable Wage Orders and Labor Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 406, 510, 512, 551, 552, 558, 850-853, 1174, 1174.5, 1182.12, 1194, 1194.2, 1198, 2800, 2802, as well as claims under Business and Professions Code § 17200 *et seq.*, and/or Labor Code § 2698 *et seq.* based on alleged violations of these Labor Code provisions, except that Store Managers will release only claims that were alleged or could have been alleged under Labor Code § 2802 for reimbursement of business of expenses, and any and all claims derivative thereto, including claims under Labor Code § 2698, *et seq.* This Settlement Agreement is conditioned upon the release by all members of the Settlement Class of any claim under Labor Code § 2698, *et seq.* and upon covenants by all members that they will not participate in any proceeding seeking penalties under Section 2699. This release shall be effective from May 13, 2007 through the earlier of Final Approval or August 19, 2014.

Waiver of California Civil Code § 1542. With regard to claims released above and that were alleged or that reasonably could have arisen out of the same facts alleged in the Lawsuit, and the Related Cases, the Settling Class Members waive all rights and benefits afforded by section 1542 of the California Civil Code, and do so understanding the significance of that waiver. Section 1542 provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Settling Class Member acknowledges that this Agreement is meant to release claims that each Settling Class Member does not know or suspect to exist in his or her favor against the Releasees.

Class Representatives' Released Claims. Upon the Settlement Effective Date, the Class Representatives shall be deemed to have fully, finally, and forever released Defendant and all Releasees from all Class Representative's Released Claims through the date of Final Approval, except as noted in the Settlement Agreement. In addition, as to the Class Representatives' Released Claims, the Class Representatives shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits they may otherwise have had relating to the Class Representatives' Released Claims pursuant to Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known to him or her must have materially affected his or her settlement with the debtor.

The Class Representatives acknowledges that this Agreement is meant to release all claims known or unknown, contingent or non-contingent, that the Class Representatives have, including without limitation all claims asserted or that could have been asserted in the Lawsuit, and including claims that the Class Representatives do not know or suspect to exist in their favor against the Releasees.

B. These releases specifically exclude any claim (a) for vested benefits pursuant to the terms of any Walgreens employee benefit plan, in accordance with the terms of any such plan and applicable law; or (b) any claim that, as a matter of law, may not be released.

C. Walgreens will not use individual settlement payments to calculate any additional benefits including vacations, holiday pay, bonus pay or other compensation of any kind or employee welfare or retirement plan benefits, including all nonqualified and equity compensation plans, and individual settlement payments will not represent any modification of any Qualified Claimant's previously credited hours of eligibility or vesting service, compensation, or other eligibility or benefit determination criteria under any employee retirement or welfare benefit plan sponsored by Walgreens, including all nonqualified and equity compensation plans, except the Walgreens Profit Sharing Retirement Plan. Walgreens will not consider individual settlement payments as compensation for purposes of determining eligibility for or benefits under any employee retirement or welfare benefit plans, including all nonqualified and equity compensation plans or other plan sponsored by Walgreens or its predecessor, subsidiaries, parent companies or successors, except the Walgreens Profit Sharing Retirement Plan.

II. PAYMENT TO CLAIMANTS

If you make a timely and valid claim, payment under the settlement will occur after the judgment by the Court of Final Approval of the settlement is no longer appealable or if an appeal has been filed, the date on which the appeal upholding the Final Approval of this Settlement Agreement is final and no longer appealable. Currently, the Court's Final Approval hearing is set for September 29, 2014.

WHAT IS THE NEXT STEP?

The Court will hold a Final Approval hearing in Department 880 of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012 on September 29, 2014, at 1:30 p.m., to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees in the amount of \$6,440,000.00, reimbursement of expenses in the amount of up to \$75,000.00, settlement administrator costs, reasonably estimated to be approximately \$190,000, and up to an \$80,000 pool for service payments to the sixteen Class Representatives. Class Counsel's application will be on file with the Court no later than August 6, 2014, and will be available for review after that date.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have timely filed an objection with the Court.

ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should consult the detailed Settlement Agreement, which is on file with the Clerk of the Court. In the event there is a conflict between this summary and the Settlement Agreement, the terms of the Settlement Agreement shall control. The pleadings and other records in this litigation, including that stipulation, may be examined at any time during regular business hours at the Office of the Clerk of the United States District Court, Central District of California, located at 255 East Temple Street, Los Angeles, CA 90012.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS

BY ORDER OF THE UNITED STATES DISTRICT COURT