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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

In re LONGS DRUG STORES CORP.
SHAREHOLDER LITIGATION

) Lead Case No. C-08-02093

) CLASS ACTION

) This Document Relates To:

) FINAL JUDGMENT AND ORDER OF
) DISMISSAL WITH PREJUDICE

) ALL ACTIONS.

) DATE: March 19, 2009

) TIME: 8:30 a.m.

) DEPT: 7

) DATE ACTION FILED: 08/19/08

1 This matter came before the Court for hearing pursuant to the Order of this Court, dated
2 December 10, 2008, on the application of the parties for approval of the settlement set forth in the
3 Stipulation of Settlement dated November 14, 2008 (the “Stipulation”). The Court having considered
4 all matters submitted to it at the hearing and otherwise; and the Court having considered all papers filed
5 and proceedings had herein and otherwise being fully informed in the premises and good cause
6 appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

7 1. This Judgment incorporates by reference the definitions in the Stipulation and, unless
8 otherwise set forth herein, all terms used herein shall have the same meanings as set forth in the
9 Stipulation.

10 2. This Court has jurisdiction over the subject matter of the Action and over all parties to
11 the Action, including all members of the Settlement Class.

12 3. Pursuant to §382 of the California Code of Civil Procedure, the Court hereby certifies,
13 for purposes of effectuating this settlement only, a Settlement Class of all Persons who held shares of
14 Longs Drug Stores Corporation (“Longs”) common stock and their successors-in-interest and
15 transferees, immediate and remote, at any time from August 12, 2008 through October 30, 2008.
16 Excluded from the Settlement Class are Defendants, the immediate families of the Individual
17 Defendants, and any person, firm, trust, corporation or other entity related to or affiliated with any of
18 the Defendants, and those Persons who timely and validly requested exclusion from the Settlement
19 Class (*see* Exhibit 1 attached hereto).

20 4. With respect to the Settlement Class, this Court finds and concludes that: (a) the
21 members of the Settlement Class are so numerous that joinder of all Settlement Class members in the
22 Action is impracticable; (b) there are questions of law and fact common to the Settlement Class which
23 predominate over any individual questions; (c) the claims of the Plaintiffs are typical of the claims of
24 the Settlement Class; (d) the Plaintiffs and their counsel have fairly and adequately represented and
25 protected the interests of all of the Settlement Class members; and (e) a class action is superior to other
26 methods for the fair and efficient adjudication of the matter.

1 5. Pursuant to California Rules of Civil Procedure, this Court hereby approves the
2 settlement set forth in the Stipulation and finds that said settlement is, in all respects, fair, reasonable,
3 and adequate to the Settlement Class.

4 6. The Action and all claims contained therein are hereby dismissed with prejudice on the
5 merits. The Parties are to bear their own costs, except as otherwise provided in the Stipulation.

6 7. Upon the Effective Date, Plaintiffs and each member of the Settlement Class shall be
7 deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released,
8 discharged, settled, relinquished, and dismissed with prejudice on the merits any and all claims
9 (including “Unknown Claims” as defined in ¶10 hereof), demands, losses, rights, causes of action,
10 liabilities, obligations, judgments, suits, matters and issues of any kind or nature whatsoever for
11 damages, injunctive relief, or any other remedies, that have been asserted, could have been asserted, or
12 in the future could or might be asserted by any Settlement Class member in the Action or in any court,
13 tribunal, forum or proceeding (including, but not limited to, any claims arising under federal, state or
14 foreign law, common law, statute, rule, or regulation relating to alleged fraud, breach of any duty,
15 negligence, violation of the federal securities law, or otherwise), whether individual, class, direct,
16 derivative, representative, legal, equitable or any other type or in any other capacity, against any and all
17 Defendants and/or their respective affiliates, parent entities, subsidiaries (including the directors and
18 officers of such affiliates, parents and subsidiaries), spouses, immediate families, associates, divisions,
19 any entity in which a Defendant has a controlling interest, any trust of which any Defendant is the
20 settlor or which is for the benefit of any Defendant and/or member(s) of his or her immediate family,
21 and each and all of the respective past, present or future officers, directors, managing directors,
22 controlling stockholders, agents, principals, associates, representatives, employees, attorneys,
23 underwriters, financial or investment advisors, advisors, consultants, accountants, auditors, investment
24 bankers, commercial bankers, lenders, trustees, engineers, agents, insurers, co-insurers and reinsurers,
25 trustees, general or limited partners or partnerships, joint ventures, limited liability companies,
26 members, heirs, executors, personal or legal representatives, estates, administrators, predecessors,
27 successors and assigns of any of the foregoing (collectively, the “Released Persons”) that have arisen,
28 could have arisen, arise now or hereafter arise from, or relate in any manner to, the allegations, facts,

1 events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any
2 other matter, thing or cause whatsoever, or any series thereof, embraced by, involved in, referred to by,
3 set forth in, arising out of, or otherwise related to (i) any pleading filed in the Action that purports to
4 assert any claim, all of which are incorporated herein; (ii) any allegations made in the Action, whether
5 such allegations were set forth in a pleading filed with the Court or otherwise; (iii) the facts or
6 occurrences mentioned in the Action; (iv) the Acquisition, including the negotiations leading to the
7 Acquisition, the agreements and disclosures relating to the Acquisition, any compensation or other
8 payments made in connection with the Acquisition, and the consideration being paid pursuant to the
9 Acquisition; (v) the Schedule 14D-9 (including its amendments and supplements), the Schedule TO or
10 any other disclosures relating to the Acquisition; (vi) any Defendant's consideration of or discussions
11 regarding any alternative to the Acquisition; (vii) the manner in which Longs did or did not deal with
12 Walgreen Company ("Walgreen") in connection with Walgreen's alleged interest in purchasing Longs;
13 and/or (viii) any matter relating to the subject matter of the Action regarding breach of fiduciary duty or
14 failure to disclose material facts (collectively, the "Settled Claims"). The Settled Claims will not
15 include any claims (i) of any stockholder which has validly opted out of the Settlement pursuant to
16 applicable law, or (ii) arising from the performance or non-performance of the Settlement terms.

17 8. Plaintiffs and each member of the Settlement Class are hereby forever barred and
18 enjoined from commencing, prosecuting, instigating or in any way participating in the commencement
19 or prosecution of any action or proceeding asserting any Settled Claims against any Released Person(s).

20 9. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by
21 operation of this Judgment shall have, fully, finally, and forever released, relinquished and discharged
22 each and all claims (including, but not limited to, "Unknown Claims" as defined below), demands,
23 losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted
24 in the Action or any forum by the Released Persons or any of them or the successors and assigns of any
25 of them against Plaintiffs, Settlement Class members and Plaintiffs' Counsel which arise out of or relate
26 in any way to the institution, prosecution, assertion, settlement, or resolution of the Action (except for
27 claims to enforce the terms of the Stipulation and the Settlement).

1 10. “Unknown Claims” means any Settled Claims that Plaintiffs or any Settlement Class
2 members do not know or suspect to exist in his, her or its favor at the time of the release of the Released
3 Persons which, if known by him, her or it, might have affected his, her or its settlement with and release
4 of the Released Persons, or might have affected his, her or its decision(s) with respect to the settlement.
5 WITH RESPECT TO ANY AND ALL SETTLED CLAIMS, THE PARTIES HAVE STIPULATED
6 AND AGREED THAT UPON THE EFFECTIVE DATE, PLAINTIFFS AND THE DEFENDANTS
7 SHALL EXPRESSLY WAIVE, AND EACH OF THE SETTLEMENT CLASS MEMBERS SHALL
8 BE DEEMED TO HAVE, AND BY OPERATION OF THE JUDGMENT, SHALL HAVE,
9 EXPRESSLY WAIVED THE PROVISIONS, RIGHTS, AND BENEFITS CONFERRED BY ANY
10 LAW OF ANY STATE OR TERRITORY OF THE UNITED STATES, OR PRINCIPLE OF
11 COMMON LAW, WHICH IS SIMILAR, COMPARABLE OR EQUIVALENT TO CALIFORNIA
12 CIVIL CODE §1542, WHICH PROVIDES:

13 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
14 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR
15 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.

16 Plaintiffs and Settlement Class members may hereafter discover facts in addition to or different from
17 those that any of them now knows or believes to be true related to the subject matter of the Settled
18 Claims, but Plaintiffs shall expressly and each Settlement Class member, upon the date hereof, shall be
19 deemed to have, and by operation of Judgment shall have, fully, finally, and forever settled and released
20 any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or non-contingent,
21 disclosed or undisclosed, matured or unmatured, which now exist, or heretofore have existed upon any
22 theory of law or equity now existing or coming into existence in the future, including, but not limited to,
23 conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule,
24 without regard to the subsequent discovery or existence of such different or additional facts. Except for
25 claims to enforce the terms of the Stipulation and the Settlement, Defendants and the other Released
26 Persons shall expressly be deemed to have, and by operation of Judgment shall have, fully, finally and
27 forever released any and all claims with respect to Plaintiffs and Plaintiffs’ Counsel’s commencement,
28 prosecution, settlement or resolution of the Action, known or unknown, suspected or unsuspected,

1 contingent or non-contingent, disclosed or undisclosed, matured or unmatured, which now exist, or
2 heretofore have existed upon any theory of law or equity now existing or coming into existence in the
3 future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a
4 breach of any duty, law or rule, without regard to the subsequent discovery or existence of such
5 different or additional facts. The Parties have acknowledged, and Plaintiffs, the Settlement Class
6 members, and the Released Persons shall be deemed by operation of the Judgment to have
7 acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims was
8 separately bargained for and is a key element of the settlement of which these releases are a part.

9 11. The Notice of Pendency and Proposed Settlement of Class Action, which was
10 disseminated in accordance with the Order Preliminarily Approving Settlement and Providing for
11 Notice, was the best notice practicable under the circumstances and fully satisfied the requirements of
12 §382 of the California Code of Civil Procedure, California Rules of Court, Rule 3.766, due process, and
13 any other applicable law.

14 12. Neither the Stipulation nor the Settlement contained therein, nor any act performed or
15 document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be
16 deemed to be or may be used as a presumption, concession, or admission of, or evidence of, the validity
17 of any Settled Claim, or of any wrongdoing or liability of the Defendants, or (b) is or may be deemed to
18 be or may be used as a presumption, concession, or an admission of, or evidence of, any fault or
19 omission of any of the Defendants in any civil, criminal or administrative proceeding in any court,
20 administrative agency or other tribunal. Defendants may file the Stipulation and/or the Judgment from
21 this Action in any other action that has been or may be brought against them in order to support a
22 defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith
23 settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar
24 defense or counterclaim.

25 13. The Court hereby approves the attorneys’ fee and expense amount of \$1,750,000, and
26 finds that such fee and expense award is fair and reasonable. The awarded fees and expenses shall be
27 paid in accordance with and subject to the conditions set forth in the Stipulation.
28

1 14. Without affecting the finality of this Judgment in any way, this Court hereby retains
2 continuing jurisdiction over: implementation of this Settlement and all Parties hereto for the purpose of
3 construing, enforcing and administering the Stipulation.

4 15. The Court finds that during the course of the Action, the Parties and their respective
5 counsel at all times complied with the requirements of California Code of Civil Procedure §128.7.

6 16. In the event that the Settlement does not become effective in accordance with the terms
7 of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in
8 accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases
9 delivered in connection herewith shall be null and void to the extent provided by and in accordance with
10 the Stipulation. Additionally, if such event occurs, (a) the Released Persons do not waive their
11 argument that no class should be certified for trial purposes; and (b) any preliminary findings by the
12 Court with respect to class certification shall be null and void.

13 17. There is no just reason for delay in the entry of this Final Judgment and Order and
14 immediate entry by the Clerk of the Court is expressly directed pursuant to California Code of Civil
15 Procedure §§578, 579 and 664.6.

16 IT IS SO ORDERED.

17 DATED: March 26, 2009 _

Digitally signed by
David Flinn
Date: 2009.03.26
08:37:52 -07'00'

DAVID B. FLINN, SUPERIOR COURT JUDGE,
FOR THE HONORABLE BARRY BASKIN

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20 Submitted by:

21 COUGHLIN STOIA GELLER
22 RUDMAN & ROBBINS LLP
23 DARREN J. ROBBINS
24 RANDALL J. BARON
25 ELLEN GUSIKOFF STEWART
26 DAVID T. WISSBROECKER

s/ Randall J. Baron
RANDALL J. BARON

26 655 West Broadway, Suite 1900
27 San Diego, CA 92101
28 Telephone: 619/231-1058
619/231-7423 (fax)

1 BERNSTEIN LITOWITZ BERGER &
2 GROSSMANN LLP
3 BLAIR A. NICHOLAS
4 BRETT M. MIDDLETON
5 12481 High Bluff Drive, Suite 300
6 San Diego, CA 92130
7 Telephone: 858/793-0070
8 858/793-0323 (fax)

6 BERNSTEIN LITOWITZ BERGER &
7 GROSSMANN LLP
8 MARK LEOVITCH
9 1285 Avenue of the Americas, 38th Floor
10 New York, NY 10019
11 Telephone: 212/554-1400
12 212/554-1444 (fax)

10 Co-Lead Counsel for Plaintiffs

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