# <u>COURT-ORDERED LEGAL NOTICE</u> UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

# If you purchased brand or generic Truvada or Atripla directly from the manufacturer, you may receive a payment from a class action settlement. Under the settlement, Gilead agreed to pay \$246,750,000 into a Settlement Fund.

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

- A proposed settlement ("Settlement") has been reached in a class action lawsuit (KPH Healthcare Services, Inc. v. Gilead Sciences, Inc., No. 3:20-cv-06961-EMC (N.D. Cal.), coordinated with In re HIV Antitrust Litigation (formerly called Staley v. Gilead Sciences, Inc.), No. 3:19-cv-02573-EMC (N.D. Cal.)). The lawsuit alleges that Gilead engaged in a variety of allegedly anticompetitive conduct that caused Direct Purchasers to pay too much for drugs used to treat or prevent HIV. Gilead denies any wrongdoing.
- Generally, the Settlement includes entities that purchased Truvada, Atripla, or their generic equivalents directly from a brand or generic manufacturer from February 1, 2018 until September 27, 2022 ("the Direct Purchaser Classes").
- This lawsuit and Settlement concern only Direct Purchasers, which are typically pharmaceutical wholesalers.
- The lawsuit was filed against Gilead Sciences, Inc.; Gilead Holdings, LLC; Gilead Sciences, LLC; Gilead Sciences Ireland UC; Bristol-Myers Squibb Company; and E. R. Squibb & Sons, L.L.C. The proposed Settlement is only with Gilead Sciences, Inc.; Gilead Holdings, LLC; Gilead Sciences, LLC; Gilead Sciences Ireland UC (collectively, "Gilead").
- This Settlement resolves the claims against Gilead. A previous settlement resolved the claims against Bristol-Myers Squibb Company and E. R. Squibb & Sons, L.L.C (collectively, "BMS").
- If you are a member of either or both of the Direct Purchaser Classes, your legal rights will be affected whether you act or don't act. Please read this notice carefully.
- The full text of the Settlement is available for inspection at www.HIVDirectPurchaserClass.com. This notice is intended to provide a convenient summary of the Settlement. In the event of any inconsistency between this notice and the terms of the Settlement, the terms of the Settlement will control.

YOUR LEGAL RIGHTS AND OPTIONS		
SUBMIT A CLAIM	If you are a member of either or both of the Direct Purchaser Classes, you may file a claim by obtaining and submitting a Claim Form. This is the only way to receive a payment. The deadline is January 1, 2024.	
OBJECT	You may write to the Court about why you do not like the Settlement. The objection deadline is December 28, 2023.	
	Additionally, you may ask to go to the Final Approval Hearing and speak in Court about the fairness of the Settlement.	
	If you object to the Settlement, you are still a member of the Direct Purchaser Classes and you must file a claim to receive a payment.	
DO NOTHING	If you do nothing, you will not receive any payment. You will be bound by the releases contained in the Settlement and will not be able to file or continue to pursue your own lawsuit.	

- These rights and options are explained in this notice.
- If you do not act by the deadline to object, you will lose your right to object.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after the period to appeal has expired and/or all appeals have been resolved. Please be patient.

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### **BASIC INFORMATION**

#### 1. WHAT IS THIS LAWSUIT ABOUT?

This lawsuit is a class action known as *KPH Healthcare Services*, *Inc.* v. *Gilead Sciences*, *Inc.*, No. 3:20-cv-06961 ("the Lawsuit" or "the Action"). The lawsuit has been coordinated with *In re HIV Antitrust Litigation* (formerly called *Staley v. Gilead Sciences*, *Inc.*), No. 3:19-cv-02573-EMC (N.D. Cal.). Judge Edward M. Chen of the United States District Court for the Northern District of California is overseeing the lawsuit.

The Lawsuit alleges that Gilead violated federal antitrust laws by conspiring to delay generic competition and charge supracompetitive prices. Gilead denies these allegations.

No court or other authority has found that Gilead engaged in any wrongdoing.

#### 2. WHAT IS A CLASS ACTION?

In a class action, one or more people or entities called "named plaintiffs" or "class representatives" (in this case, KPH Healthcare Services, Inc. a/k/a Kinney Drugs, Inc. or "KPH") sues on behalf of people and entities with similar claims. These people and entities are called a "Class" or "Class Members." One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

#### 3. ARE YOU PART OF THE DIRECT PURCHASER CLASSES?

You are part of the Direct Purchaser Classes if you are a person or entity in the United States or its territories that purchased Truvada, Atripla, or their generic equivalents directly from a brand or generic manufacturer of those drugs at any time from February 1, 2018 until September 27, 2022.

Excluded from the Classes are certain Gilead, BMS and Janssen entities; government entities; Retailer Plaintiffs (Walgreen Co.; The Kroger Co.; Albertsons Companies, Inc.; H-E-B, L.P.; Rite Aid Corporation; Rite Aid Hdqtrs. Corp.; and CVS Pharmacy, Inc.); United Healthcare Services Inc.; and the judges in this case, their court personnel, and members of their immediate families.

#### THE SETTLEMENT

#### 4. WHAT DOES THE SETTLEMENT PROVIDE?

To settle the Action, Gilead agreed to pay \$246,750,000 into a Settlement Fund. In exchange, KPH will ask the Court to dismiss the Action against Gilead with prejudice. The Direct Purchaser Class Members will release all claims alleged in the Action and/or that could have been alleged in the Action (or arising out of substantially the same subject matter), assigned or otherwise, including all claims relating in any way to the alleged delay of generic Truvada and Atripla.

This Settlement is not intended to release any claims arising in the ordinary course of business between Direct Purchaser Class Members and Gilead under the Uniform Commercial Code, the laws of negligence, product liability, implied warranty, contract, express warranty, or personal injury.

Gilead will release all claims related to the allegations made in letters to KPH's assignor, McKesson, dated June 2, 2021 and others, relating to alleged noncompliance with ADR provisions contained in the McKesson-Gilead distribution agreement.

Direct Purchaser Class Members and Gilead will release any and all provisions, rights, and/or benefits conferred by: (a) Section 1542 of the California Civil Code; (b) § 17200, et seq., of the California Business and Professions Code; and/or (c) any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to either provision. Direct Purchaser Class Members and Gilead also will release any known or unknown, foreseen or unforeseen, suspected or unsuspected, contingent or non-contingent claim that is the subject matter of the above releases, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts, and which arise out of the facts, occurrences, transactions, or other matters alleged or asserted in the Action or letters referenced above.

The Settlement Fund may be reduced or the Settlement may be terminated if a certain percentage of Direct Purchaser Class Members exclude themselves from the Classes. The Settlement also may be terminated if the Court rejects the Settlement. If the Settlement is terminated, the lawsuit will proceed against Gilead as if a settlement had not been reached.

#### 5. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of KPH or Gilead. Instead, both sides have agreed to settle. If the Court approves the Settlement, the parties will avoid the costs and uncertainty of a trial, and Class Members will be eligible to receive a payment from the Settlement. The Settlement does not mean that any law was broken or that Gilead did anything wrong. Gilead denies all legal claims in this case. KPH and its lawyers think the Settlement is best for everyone who has been affected.

#### **SETTLEMENT PAYMENTS**

#### 6. HOW CAN YOU GET A PAYMENT FROM THE SETTLEMENT?

To retain your right to seek a payment from this Settlement, you must submit a Claim Form on or before January 1, 2024.

If you have been identified as a Direct Purchaser Class Member based on available transactional data, you will receive a Claim Form with pre-populated information that you can correct or supplement. If you believe you are a Direct Purchaser Class Member, but you do not receive such a Claim Form, you can obtain one from the settlement website (www.HIVDirectPurchaserClass.com).

You may complete your Claim Form online at the settlement website (www.HIVDirectPurchaserClass.com), or you may print a copy, fill it out, and send it by U.S. Mail to the Claims Administrator. The Claim Form includes more detailed instructions.

#### 7. HOW MUCH WILL YOU RECEIVE FROM THE SETTLEMENT?

The net settlement fund—the Settlement Fund, plus interest accrued, minus the costs of notice and claims administration (estimated at \$55,220 and capped at \$60,000) and any attorneys' fees (a maximum of 33 \(^{1}\)3\% of the Gilead Settlement Fund, or \$82,250,000), costs and expenses not to exceed \$4 million, and a representative plaintiff service award of \$40,000 approved by the Court—will be allocated to Direct Purchaser Class Members based on their proportionate unit volume share of brand and generic purchases made during the Claim Period (February 1, 2018 – September 27, 2022), with greater weight assigned to brand purchases to reflect the fact that the alleged damages for brand purchases are greater than those for generic purchases.

At this time, it is unknown how much money each Direct Purchaser Class Member will receive. It will depend on the number of Direct Purchaser Class Members that submit Claim Forms and the number of qualifying purchases made by each of those Direct Purchaser Class Members.

If the Court grants final approval to the Settlement, claims will be paid after the period to appeal has expired and/or all appeals have been resolved.

#### 8. WHAT WILL YOU GIVE UP IN EXCHANGE FOR THE SETTLEMENT?

Members of the Direct Purchaser Classes will be bound by all future orders in this case and will be bound by the release as described in Question 4.

More information about the release may be found in the Settlement Agreement, which is available on the settlement website (www.HIVDirectPurchaserClass.com).

#### THE LAWYERS REPRESENTING THE CLASSES

#### 9. DO YOU HAVE A LAWYER IN THIS CASE?

The Court appointed the following attorneys as Co-Lead Class Counsel or "Class Counsel":

Dianne M. Nast Michael L. Roberts

NastLaw LLC Roberts Law Firm US, PC

1101 Market Street, Suite 2801 1920 McKinney Avenue, Suite 700

Philadelphia, PA 19107 Dallas, TX 75201

Telephone: (215) 923-9300 Telephone: (501) 952-8558

Email: dnast@nastlaw.com Email: mikeroberts@robertslawfirm.us

Class Counsel are experienced in handling similar cases against other companies.

#### 10. HOW WILL THE LAWYERS BE PAID?

If the Court approves the Settlement, the lawyers will seek reimbursement for litigation costs and expenses up to \$4 million, attorneys' fees up to 33 \(^{1}\)3\% of the Gilead Settlement Fund (a maximum of \$82,250,000), and payment of \$40,000 as a service award to the class representative, KPH, in recognition of its assistance with developing and pursuing the case.

If the Court grants the lawyers' requests, these payments will be made from the Settlement Fund. You will not have to pay these lawyers out of your own pocket.

The lawyers' motion for their costs and expenses award, attorneys' fees, and the class representative service award will be filed with the Court and made available for download or viewing on or before November 23, 2023 at www.HIVDirectPurchaserClass.com.

#### WHAT ARE YOUR OPTIONS?

As outlined on Page 2, and as described below, Direct Purchaser Class Members have three options: (1) submit a claim; (2) object to the Settlement; and/or (3) do nothing. The deadline for each option is listed in this notice. If you do not act by the deadline for an option, you will lose your legal right to exercise that option.

#### 11. OPTION 1 – SUBMIT A CLAIM

You can request a payment from the Settlement by submitting a Claim Form. Information about how to do this, and the effect of doing this, is outlined in the "Settlement Payments" section on Page 4.

Your Claim Form must be submitted online or postmarked by January 1, 2024. If your Claim Form is not submitted online or postmarked by that date, you will lose the ability to get a payment from this Settlement.

#### 12. OPTION 2 – OBJECT TO THE SETTLEMENT

If you are a member of the Direct Purchaser Classes, you may tell the Court what, if anything, you do not like about the Settlement and/or Class Counsel's requests for an award of attorneys' fees, reimbursement of costs and expenses, and a class representative service award by filing an objection. The Court will consider your views before making a decision.

To object to the Settlement, you must file a written objection with the Court. Your objection must include the following:

- 1. Case name and number: *KPH Healthcare Services, Inc. v. Gilead Sciences, Inc.*, Case No. 3:20-cv-06961, coordinated with *In re HIV Antitrust Litig.* (formerly called *Staley v. Gilead Sciences, Inc.*), No. 3:19-cv-02573-EMC (N.D. Cal.).
- 2. Your legal name, headquarters address, and place of incorporation (if applicable).
- 3. Information identifying you as a Direct Purchaser Class Member.
- 4. The specific reasons why you object to the Settlement or any part of it, accompanied by legal support.
- 5. The identity of all counsel representing you, if any, and whether each may appear at the Final Approval Hearing.
- 6. Whether you are requesting permission to speak at the Final Approval Hearing.
- 7. A list of all persons who will be called to testify in support of the objection at the Final Approval Hearing.
- 8. Your signature, or the signature of your duly-authorized attorney or other duly-authorized representative.
- 9. All documents or writings you want the Court to consider.

You may file an objection by: (1) mailing the objection to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102; (2) filing the objection electronically via the Court's ECF system; or (3) filing the objection in person at any location of the United States District Court for the Northern District of California.

Your objection must be filed by December 28, 2023. If your written objection is not filed by that date, you will lose the ability to object to the Settlement.

If you object, you will remain a member of the Direct Purchaser Classes, so in order to retain your right to seek a payment from the Settlement, you also must file a Claim Form by January 1, 2024, as addressed above.

#### 13. OPTION 3 – DO NOTHING

If you are a Direct Purchaser Class Member and you do nothing, you will remain in the Direct Purchaser Classes and be bound by all orders in this lawsuit. You will also give up the right to seek a share of the Settlement, to object to the Settlement, to speak at the hearing about the Settlement, or to be part of another lawsuit against Gilead for any and all claims released by this Settlement Agreement.

#### FINAL APPROVAL HEARING

#### 14. WHAT IS A FINAL APPROVAL HEARING?

At the Final Approval Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider Class Counsel's request for reimbursement of costs and expenses and payment of attorneys' fees and a class representative's service award. If there are objections, the Court will consider them at that time.

After the hearing, the Court will decide whether to grant final approval to the Settlement. It is unknown how long this decision will take.

#### 15. WHEN IS THE FINAL APPROVAL HEARING?

The Court will conduct the Final Approval Hearing at the United States District Court for the Northern District of California, San Francisco Courthouse, Courtroom 5 – 17<sup>th</sup> Floor, 450 Golden Gate Avenue, San Francisco, CA 94102.

The Court has scheduled the Final Approval Hearing for January 18, 2024 at 1:30 p.m. Pacific Time, but the date and time may change without further notice to the Direct Purchaser Classes. For updated information on the hearing, you may check the settlement website, contact Class Counsel, or access the court docket for this case as described in the "Getting More Information" section on Page 8.

#### 16. DO YOU HAVE TO ATTEND THE HEARING?

You do not need to attend the Final Approval Hearing. Class Counsel will answer any questions the Court may have.

If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, to the proper address, and it complies with the other requirements provided in this notice, the Court will consider it.

But if you want to attend, you are welcome to do so at your own expense. You may also pay another lawyer to attend for you, but you will be responsible for hiring and paying that lawyer.

#### 17. MAY YOU SPEAK AT THE HEARING?

If you object to the Settlement, you may ask the Court for permission to speak at the hearing. Your objection must include a request to speak, be timely submitted, and comply with the other requirements provided in this notice.

Your objection submission must include information or materials responsive to all nine of the items listed in the "Option 2 - Object to the Settlement" section on Pages 6-7, including not only your identifying information and the reasons for your objection, but also the identification of all counsel representing you and all persons who may appear and/or testify at the hearing, as well as copies of all documents or writings you want the Court to consider.

Ultimately, the Court will decide who will be allowed to speak at the hearing.

#### **GETTING MORE INFORMATION**

#### 18. HOW DO YOU GET MORE INFORMATION?

This notice summarizes the proposed Settlement. The precise terms and conditions of the Settlement are detailed in the Settlement Agreement. If there are any inconsistencies between this notice and the terms of the Settlement Agreement, the terms of the Settlement Agreement will control.

the You view Settlement (1) visiting the settlement website can Agreement by: (www.HIVDirectPurchaserClass.com); (2) calling Class Counsel ((501) 821-5575); (3) accessing the Court docket for this case, for a fee, through the Court's PACER system at https://ecf.cand.uscourts.gov or a visit to the Clerk of Court at the address listed above between 9:00 a.m. and 4:00 p.m. on Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.