

**STATE OF FLORIDA,
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LEGAL AFFAIRS**

**IN THE MATTER OF
CVS Pharmacy, Inc.**

Case No. L07-3-1011

ASSURANCE OF VOLUNTARY COMPLIANCE

The Office of the Attorney General, Department of Legal Affairs, State of Florida (“the Attorney General”), investigated the business practices of CVS Pharmacy, Inc. a Rhode Island Company (hereinafter referred to as "CVS"), pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Florida Statutes.

CVS is now prepared to enter into this Assurance of Voluntary Compliance, without any admission that it has violated the law and for the limited purpose of resolving the matters described herein only. The Attorney General, by and through the undersigned representative, and CVS agree to the provisions below pursuant to Section 501.207(6), Florida Statutes.

1. This agreement is made without trial or adjudication of fact or law and is being entered into for the sole purpose of resolving disputed claims without the necessity of protracted and expensive litigation.
2. This Agreement does not constitute evidence or an admission of any issues of fact by CVS or of any violation by CVS of any provision of Florida law.
3. This Agreement constitutes the full and final resolution of all civil claims between the Attorney General and CVS relating to CVS’ advertising and business practices under consideration by this investigation only.

STIPULATED FACTS

4. CVS is a Rhode Island company with retail operations across the United States. CVS conducts business in Florida via its numerous retail drug stores as well as over the internet.
5. CVS markets its products and services in newspaper and radio advertising, on signs at their stores, in the mail, on the Internet and through other common forms of advertisement and solicitation.
6. CVS has a promotion or program called the CVS Extra Care Rewards Program.
7. Customers who elect to sign up for the program are entitled to certain rewards, special offers, discount prices or other benefits.
8. Customers who participated in the Extra Care Rewards program complained to both CVS and the Attorney General that certain practices involving the advertising, promotion and program administration of the CVS Extra Care Rewards program items were misleading, deceptive or confusing.
9. Several customers complained that CVS advertised items for sale at a certain price, yet the actual price to the customer was ultimately higher than advertised or was subject to certain conditions which were not sufficiently outlined or disclosed in the advertisement or promotional materials.
10. Consumers also complained that certain benefits of the program known as “Rewards”, “Points”, or “Bucks” were administered in a potentially confusing and deceptive way in that there was a time delay between award eligibility and ultimate redemption.
11. CVS substantially cooperated with the Attorney General’s investigation of this matter.
12. CVS ultimately made several voluntary changes or amendments to the Extra Care Rewards

Program which are likely to reduce or eliminate customer confusion.

EFFECTIVE DATE OF AGREEMENT

13. This Agreement shall become effective on the date on which the document is signed by the Office of the Attorney General.

INJUNCTIVE RELIEF

14. CVS voluntarily assures the Attorney General that it will comply with the following provisions:
- A. CVS will not distribute advertising that does not clearly and conspicuously in the advertisement itself alert potential customers of the conditions and limitations of any offer, including, but not limited to, membership requirements, program terms, mail-in rebates, instant rebates, specific items to be purchased, or quantity of items to be purchased.
 - B. All material terms, conditions or limitations on the sale of products referred to in CVS advertising shall be clear and conspicuous.
 - C. CVS shall not represent, directly or by implication, that the Attorney General has approved any of its business practices.
 - D. CVS and its representatives, agents, employees or any other person who acts under, by, through or on behalf of CVS, directly or indirectly, or through any corporate or other device, shall have actual knowledge of and comply with the terms and conditions of this agreement as well as the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes, and Florida Statutes Chapter 817

concerning Fraudulent Practices, including Misleading Advertising and Intentional False Advertising.

E. CVS shall not make any material omissions in its advertising.

CONTRIBUTION

15. In lieu of civil penalties, CVS shall forthwith make a contribution of Thirty thousand dollars (\$30,000.00) to the Seniors vs. Crime project for educational, investigative, and crime prevention programs for the benefit of the senior citizens and the community as a whole. The funds should be made payable to “Seniors vs. Crime” and sent to James D. Young, Assistant Attorney General, Office of the Attorney General, Economic Crimes Unit, 1300 Riverplace Blvd, Suite 405, Jacksonville, Florida 32207, within 15 days of the effective date.

ATTORNEYS FEES AND COSTS

16. CVS shall pay the Department of Legal Affairs the amount of Twenty Five Thousand Dollars (\$25,000) to cover investigative costs and attorney’s fees, as well as the cost for future compliance and monitoring.
17. The funds should be made payable to the “Legal Affairs Revolving Trust Fund” and delivered to James D. Young, Assistant Attorney General, Office of the Attorney General, Department of Legal Affairs, Economic Crimes Unit, 1300 Riverplace Blvd, Suite 405, Jacksonville, Florida 32207, pursuant to §16.53(1), Fla. Stat. (2005), within 15 days of the effective date of this agreement.

FUTURE VIOLATIONS

18. This agreement shall be governed by § 501.207, Fla. Stat. (2005). Pursuant to §501.207(6), Fla. Stat. (2005), unless this Agreement is rescinded by agreement of the parties or voided by a Court for good cause, subsequent failure to comply with the terms of this Agreement is *prima facie* evidence of a violation of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes.
19. Any future violations of the Agreement may subject CVS to civil penalties and sanctions provided by law.

APPLICABILITY

20. This Agreement shall apply to and bind CVS officers, directors, employees, agents, representatives, independent contractors, successors and assigns.
21. CVS shall be responsible for making the substantive terms and conditions of this Assurance known to CVS' officers, directors, employees, agents, representatives, independent contractors, successors, and assigns.
22. To the extent that the provisions of this Agreement conflict with any Florida, local, or Federal law that now exists, or is later enacted or amended, such law and not this Agreement shall apply where conflict exists. For the purposes of this Agreement, a conflict exists if conduct prohibited by this Agreement is required or expressly permitted by law, or is conduct required by this Agreement is prohibited by law.

IN WITNESS WHEREOF, CVS Pharmacy, Inc. has caused this Assurance of Voluntary Compliance to be executed by _____ as _____ of CVS Pharmacy Inc., as a true act and deed in _____ County, _____, this ____ day of _____ 2007.

BY MY SIGNATURE, I hereby affirm that I am acting in my capacity and within my authority as _____ of CVS, and that by my signature I am binding the corporation to this Assurance of Voluntary Compliance.

(Signature): _____,

STATE OF

COUNTY OF

BEFORE ME, an officer duly authorized to take acknowledgments in the State of _____, personally appeared _____, as _____ of CVS, who acknowledged before me that he executed the foregoing Assurance of Voluntary Compliance for the purposes therein stated, on this _____ day of _____ 2007.

Sworn to and subscribed before me this _____ day of _____ 2007.

NOTARY PUBLIC

(print, type or stamp commissioned name of Notary Public)

Personally known ___ or Produced Identification _____(check one)

Type of Identification Produced: _____

FOR THE OFFICE OF THE ATTORNEY GENERAL

Accepted this ___ day of _____ 2007.

By: _____

OFFICE OF THE ATTORNEY GENERAL