

SAN DIEGO COUNTY SUPERIOR COURT OF THE STATE OF CALIFORNIA

NOTICE OF SETTLEMENT OF CLASS ACTION

If you were employed by MERCK SHARP & DOHME CORP. (“Defendant” or “Merck”) in California and your employment ended in California on or after June 1, 2017 and your final vacation pay was issued after your separation date, a settlement of a class action lawsuit may affect your rights.

A California Court has authorized this notice. This is not a solicitation from a lawyer.

A hearing regarding a proposed settlement of this class action will be held on July 29, 2022 at 1:30 p.m. at the San Diego County Superior Court for the State of California, located at 330 W. Broadway, San Diego, CA 92101, Department 72. The hearing will be held to determine whether the proposed settlement is fair, reasonable and adequate. The Court has approved this Notice for distribution.

- Former Merck employee Florin Vranceanu (“Plaintiff”) has sued Merck and is alleging class claims for failure to timely pay accrued but unused vacation wages to California employees upon separation of employment. Plaintiff seeks to represent all California employees whose employment ended in California at any time between June 1, 2017 and April 8, 2022, and who did not receive all accrued but unused vacation wages at the time of separation with Merck (“Class Members”).
- Plaintiff has also brought a claim for civil penalties based on the same allegations described above under California’s Private Attorneys General Act (“PAGA”) on behalf of himself and all other California employees whose employment ended in California at any time between February 1, 2019 and April 8, 2022, and who did not receive all accrued but unused vacation wages at the time of separation with Merck (“PAGA Settlement Employees”).

This notice informs you that the parties have reached a settlement of the class action and informs you of your choices:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	<p>If you do nothing, you will receive your share of the settlement after the Court grants final approval of the settlement and will be bound by the terms of the settlement and will have released all of the legal claims covered by this action that you may have against Merck, and any other entities covered by the release below. You will be bound by this release whether or not you cash your check before it becomes void (checks become void if not cashed within 180 calendar days of mailing).</p> <p>If you are also a member of the PAGA Settlement Class, you will receive an additional payment for the settlement of PAGA claims. You will be bound by the PAGA portion of the release whether or not you cash this check before it becomes void (which also occurs if not cashed within 180 calendar days of mailing).</p>
DISPUTE THE NUMBER OF ESTIMATED DAYS (UP TO A MAXIMUM OF 30 DAYS) BETWEEN YOUR SEPARATION DATE AND PAYMENT OF ACCRUED BUT UNUSED VACATION WAGES	<p>This Notice contains the number of estimated days according to Defendant’s records between your separation date and the payment of accrued but unused vacation wages owed to you, <u>up to a maximum of 30 days</u>. If you disagree with those estimated days, you may file a written dispute with the Settlement Administrator.</p> <p>If you file a timely written dispute as to the number of estimated days, you should submit written proof proving your dispute. Defendant’s records will be presumed accurate and Defendant will investigate and determine if the dispute appears to be valid. The decision of Defendant will be binding and final. If your dispute is not approved, you will still be able to participate in the settlement.</p>
OBJECT TO THE SETTLEMENT	<p>You may file a written objection to the terms of the settlement.</p> <p>If you send a timely written objection to the settlement to the Settlement Administrator, the Court may consider and may rule on any objection you have to the settlement. You must not opt-out of the settlement to be eligible to file an objection. If your objection is overruled, you will still be able to participate in the settlement.</p>
OPT-OUT OF THE SETTLEMENT	<p>If you do not wish to receive money from the settlement as a Class Member and wish to retain your rights to pursue the non-PAGA Labor Code claims at issue in this lawsuit, you may submit a written request for exclusion to the Settlement Administrator to opt-out from the class action settlement as set forth below.</p> <p>By opting out or excluding yourself from the class action, you will not share in any of the class action settlement proceeds and will not be sent a settlement check as part of the class action settlement. You will also not be able to object to any of the terms of the settlement. You will not be bound by any of the non-PAGA terms of the settlement and will not release any of your non-PAGA legal claims against Defendants. If you opt-out of the settlement, your share of the non-PAGA settlement proceeds may be divided up amongst the other Class Members who have not chosen to opt-out.</p> <p>NOTE: If you are a member of the PAGA Settlement Class, as defined above, you may not opt out of the PAGA portion of the Settlement. If you opt out of the class action settlement, you will remain a member of the PAGA Settlement Class but will be excluded from the portion of the settlement relating to claims under the Labor Code. This means that you will receive a check for your allocation of the PAGA portion of the settlement, which will represent a payment for resolving disputed claims for civil penalties that were brought on your behalf, and you will be bound by the PAGA portion of the release whether or not you cash this check before it becomes void.</p>

Any questions? Read on or call the counsel listed at the end of this Notice. **DO NOT CALL THE COURT.**

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BASIC INFORMATION

1. What is the purpose of this Notice?

Plaintiff and Defendant have reached a settlement of a class action regarding the timing of payment of accrued but unused vacation pay upon separation of employment to California employees whose employment ended in California at any time between June 1, 2017 and April 8, 2022. Defendant's records show that you are a Class Member covered by this settlement. Judge Timothy Taylor of the San Diego County Superior Court of the State of California is overseeing the class action. The lawsuit is known as *Florin Vranceanu v. Merck, Sharp & Dohme Corp.*, Case No. 37- 2020-11926-CU-OE-CTL ("the Action").

2. What is this lawsuit about?

The Action is about disputed wage and hour claims of employees who worked for Defendant in California and whose employment with Defendant ended in California during the class period. These claims are based on allegations that Class Members' accrued unused vacation wages were not timely paid upon separation of employment in California, resulting in waiting time penalties for late payments up to a maximum of 30 days (meaning that any such penalties stop accruing under California law after 30 days). These potential claims go back to June 1, 2017 through April 8, 2022.

This lawsuit also includes a claim for civil penalties for the above alleged violations brought on behalf of the State of California and for which Class Members whose separation date and potentially untimely payment of accrued but unused vacation wages occurred between February 1, 2019 and April 8, 2022 are entitled by law to receive a pro-rated share of the portion of the settlement allocated for these civil penalties.

You can read Plaintiff's allegations as stated in the Consolidated Amended Complaint, which is available at <http://www.phoenixclassaction.com/vranceanu-v-merck-sharp-dohme/>.

3. Why am I receiving Notice?

You have been identified by Defendant as someone who worked in California and who received payment for unused vacation after your separation date with Defendant at any time between June 1, 2017 and April 8, 2022.

4. Has the Court decided who is right?

The Court hasn't decided whether Defendant or the Plaintiff is correct. Defendant and the Plaintiff reached a settlement for the sole purpose of resolving the matter and with no admission of liability or wrongdoing by Defendant.

WHAT ARE THE TERMS OF THE SETTLEMENT?

5. Who is paying what for the settlement?

Defendant has agreed to pay \$925,000.00 ("Gross Settlement Value") to settle all claims of Plaintiff, Class Members, and Class Counsel.

6. How will the settlement be divided?

All Class Members will split a fund of approximately \$597,666.67 ("Net Settlement Amount").

7. What are the requests for attorneys' fees, costs, settlement administration costs and an enhancement award to Plaintiff?

Class Counsel will request that the Court award Attorneys' fees and proven costs to Class Counsel of up to \$308,333.33. Counsel will also request that the Court award an enhancement fee to Plaintiff for his service, not to exceed \$10,000. Counsel will also ask the Court to authorize payment to the California Labor and Workforce Development Agency in the amount of \$9,000 and payment of \$3,000 to members of the PAGA Settlement Class in addition to their share of the Net Settlement Amount.

8. How will the Net Settlement Amount be divided amongst Class Members?

The Net Settlement Amount of up to \$594,666.67 for non-PAGA claims shall be divided between the Class Members based upon the percentage of his or her number of Estimated Days compared to the total number of Estimated Days for all Participating Class Members during the Class Period. Estimated Days means the number of days estimated between the date of a Class Member's separation of employment with Defendant and the date of final payment of accrued vacation wages up to a maximum of 30 days based on Defendant's records. This will allow Claimants who received their final vacation wages later than other Claimants to receive a higher amount of the settlement.

Because these settlement payments are payments in compromise and settlement of a claim for alleged penalties, one hundred percent (100%) of such payments will be allocated as non-wage penalties and will be reported, if required by applicable tax laws, on an IRS Form-1099.

The \$3,000 set aside for members of the PAGA Settlement Class will be similarly pro-rated based on the number of Estimated Days for all members of the PAGA Settlement Class, including those who have chosen to opt out of the non-PAGA portion of the settlement. These payments are also treated as civil penalties, not wages, for tax purposes.

You should consult with a tax advisor concerning the tax consequences of the payment(s) you receive under the Settlement.

9. How many Estimated Days apply to me during the class period and what will my approximate recovery be?

The class period began on June 1, 2017, and ended on April 8, 2022. According to Defendant's records, the number of Estimated Days between your separation date with Defendant and payment for your final vacation wages during this time period, up to a maximum of 30 days, is «Total_Days». If you dispute these days, you should provide written evidence supporting your claim before **June 27, 2022** and send to:

VRANCEANU V. MERCK, SHARP, DOHME CORP. CLASS ACTION ADMINISTRATOR
Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Tel.: (800) 523-5773
Fax: (949) 209-2503

Based on your Estimated Days, the approximate amount of your recovery is: «ESA_Before_Paga». This amount may change depending on participation in the settlement by all Class Members (e.g., if a Class Member opts out of the settlement, your amount may increase by a percentage of those settlement proceeds). If you are a member of the PAGA Settlement Class, your estimated recovery for the PAGA portion of the settlement is: «PAGA_Amount».

10. What claims would I be releasing if I do not opt out of the settlement?

Upon Final Approval of the Settlement, each Class Member who has not opted out of the Settlement shall be deemed to have fully, finally, and forever released Released Parties¹ from all Settlement Class Released Claims through April 8, 2022. Settlement Class Released Claims are any and all wage and hour claims, rights, demands, liabilities, and causes of action of every nature and description that were or are alleged in the Action, or could have been alleged based on the facts, circumstances, and claims alleged in the Action, against Defendant from June 1, 2017 through April 8, 2022, including without limitation all claims arising out of California Labor Code § 227.3 and Labor Code §§ 201-203 regarding Defendant's payment of final vacation wages to employees, and all other statutory, constitutional, contractual or common law claims for damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, or additional damages that allegedly arise out of the facts as alleged in the Action.

All Settlement Class Members shall be bound by the release, unless they formally opt-out.

¹ "Released" Parties means Defendant and all affiliated parties and entities (including their past and present affiliates, parents, subsidiaries, predecessors, owners, successors, shareholders, divisions, and each of these entities' past and present directors, officers, managing agents, employees, partners, benefit plans, shareholders, and representatives).

Members of the PAGA Settlement Class shall also be bound by the release of any claims for civil penalties under § 2699 that include any and all claims, rights, demands, liabilities, and causes of action of every nature and description that were or are alleged in the Action or Plaintiff's PAGA Notice, or could have been alleged under the California Labor Code Private Attorneys General Act of 2004, Labor Code section 2699 et seq., based on the facts, circumstances, and claims alleged in the Action or the PAGA Notice, against Defendant from February 1, 2019 through April 8, 2022, including without limitation all claims for civil penalties under the PAGA arising out of California Labor Code § 227.3 and §§ 201-203 and from Defendant's payment of final vacation wages to employees, even if they have formally opted out of the Class and are no longer bound by the other provisions of the above release that are not claims for civil penalties under § 2699.

YOUR RIGHTS AND OPTIONS

11. How do I receive my share of the settlement?

Your share of the Settlement will be mailed to you upon final approval of the Settlement by the Court.

12. Can I dispute the number of Estimated Days that Defendant claims apply to me?

Yes. If you disagree with the amount of Estimated Days reported for you in this Notice, you may file a written dispute with the Settlement Administrator by **June 27, 2022**. If you file a timely written dispute as to the number of Estimated Days, you should submit written proof proving your dispute. For such disputed claims, Defendant's records will be presumed accurate. If you dispute those records, you will have the burden to establish otherwise. Defendant will decide all disputes and Defendant's decision will be binding and final. **DO NOT CONTACT THE COURT TO DISPUTE YOUR ESTIMATED DAYS**. Also note that under the terms of the Settlement and pursuant to California law, your total number of Estimated Days will not exceed 30 days for purposes of determining your share of the settlement.

13. Can I object to the settlement?

Yes, but only as to the class action portion of the settlement and only if you do not opt out of the settlement. If you do not wish to opt-out of the settlement but disagree with any portion of the class action settlement terms, you have the right to file an objection. If you opt-out of the class action settlement, you will be ineligible to object to any aspect of the settlement.

You may not object to the PAGA portion of the settlement under any circumstances, whether or not you have opted out of the class action settlement. This means that if you qualify as a member of the PAGA Settlement Class, you will automatically be bound by the PAGA portion of the settlement if the Court grants final approval of the settlement.

If you wish to object, you must inform the Settlement Administrator, in writing, of your objection and postmark the objection by **June 27, 2022** at the address set forth below. Your objection must include your full name, address, telephone number, last four digits of your social security number or date of birth, your signature, and the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof, and, if you are represented by counsel, the name and address of your counsel. If you wish to speak at the Final Approval Hearing with respect to the Class Claims, your written submission should include a request to be heard. The Settlement Administrator will forward all objections to the Court and the Court will determine whether Objecting Settlement Class Members will be permitted to speak.

Your written objection must be sent to:

VRANCEANU V. MERCK, SHARP, DOHME CORP. CLASS ACTION ADMINISTRATOR
Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Tel.: (800) 523-5773
Fax: (949) 209-2503

14. Can I opt out of the settlement?

Yes, but only to the class action portion of the settlement. You may not opt out of the PAGA portion of the settlement. Class Members who wish to “opt-out” of and be excluded from the class action settlement must submit to the Settlement Administrator a written Request for Exclusion that must be post-marked no later than **June 27, 2022**. The Request for Exclusion must: (a) include your full name, address, telephone number, last four digits of your social security number or date of birth, and your signature; and (b) indicate that you desire to exclude yourself from the class action settlement by stating:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE VRANCEANU V. MERCK SHARP & DOHME CORP. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.”

If you submit a timely and valid Request for Exclusion, you will no longer be a member of the Class, and you will not be eligible to receive any of the Class Member benefits under the Settlement or object to the terms of the Settlement. You will not be bound by the non-PAGA terms of the Settlement, and may pursue any individual claims you may have, at your own expense, against Defendant. If you are in the PAGA Settlement Class, you will still receive a check with your share of the \$3,000 allocated to settle the PAGA Settlement Class claims for civil penalties and you will be bound by the PAGA portion of the release.

15. What if I do nothing?

If you do nothing, you will receive your share under the Settlement from the Net Settlement Fund after the Court has granted final approval as well as your share of the \$3,000 allocated to settle PAGA claims if you are a member of the PAGA Settlement Class. If you never cash your settlement check(s), you will still nevertheless be bound by all the terms of the Settlement, including the waiver and release of all Released Claims relating to the Action as set forth above and you will be prevented from suing Released Parties or participating in any other litigation or class action relating to the matters being settled in this action.

THE LAWYERS REPRESENTING THE CLASS

16. Do I have a lawyer in this case?

Yes. The Court decided that Robert A. Waller, Jr. of Law Office of Robert A. Waller, Jr. and Robert Radulescu of Romancore Law, PC are qualified to represent you and all Class Members. They are referred to as “Class Counsel.”

FINAL SETTLEMENT

17. How and when will the Court provide final approval of the settlement?

The San Diego County Superior Court for the State of California will hold a hearing on July 29, 2022, at 1:30 p.m. in Department 72, located at 330 W. Broadway, San Diego, CA 92101 to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve Class Counsel’s request for attorneys’ fees, costs and expenses, and an incentive award to the Plaintiff. The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing unless you object to the proposed settlement and you have timely filed a notice of intention to appear and an objection with the Settlement Administrator.

18. When will I get my settlement check(s)?

If there are no appeals to the settlement and the Court provides final approval, the check(s) will be mailed out approximately 30 days after the Court enters its order following the final approval hearing, currently scheduled for July 29, 2022.

GETTING MORE INFORMATION

19. Are more details available?

This Notice does not contain all of the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you are advised to refer to the underlying documents and papers on file with the Court.

You may visit Phoenix Settlement Administrator's website at <http://www.phoenixclassaction.com/vranceanu-v-merck-sharp-dohme/> where you will find specific documents related to this case and be able to access the Notice and other forms. There is no charge to view the documents on the website.

You may also contact Counsel for Plaintiff or Defendant for information about this lawsuit:

Write or email Class Counsel at:

Robert W. Waller, Jr.
Law Office of Robert A. Waller, Jr.
robert@robertwallerlaw.com
P.O. Box 999
Cardiff-by-the-Sea, CA 92007
Tele: 760.753.3118; Fax: 760.753.3206

Robert Radulescu
Romancore Law, PC
robert@romancorelaw.com
401 West A Street, Suite 1100
San Diego, CA 92101
Tele: 619.766.2626

Contact Counsel for Defendant:

Alexander L. Grodan
Morgan, Lewis & Bockius LLP
alexander.grodan@morganlewis.com
600 Anton Boulevard, Suite 1800
Costa Mesa, CA 92626-7653
Tel: 714.830.0600; Fax: 714.830.0700

Do not call, write or otherwise contact the Court or anyone employed by the Court.