

# GRANT & EISENHOFER, P.A.

## CAREMARK SHAREHOLDER MEETING ENJOINED BY DELAWARE CHANCERY COURT

*Need For Accurate Disclosure Necessitates Delaware Chancery Court to Postpone Caremark Shareholder Meeting on CVS Merger until March 9, 2007*

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WILMINGTON, DE (February 13, 2007) – The Delaware Chancery Court has enjoined **Caremark Rx., Inc.** from proceeding with the scheduled February 20 shareholder meeting to vote on the CVS Merger.

In a Letter opinion handed down today, the Court explained that: “[D]irectors have a duty to ‘disclose fully and fairly all material information within the board’s control’ when they seek shareholder action.” Finding that the directors failed to do so in the proxy statement, the Chancellor held that correcting these disclosures only yesterday in an 8-K prevented Caremark shareholders from being able to cast a fully informed vote.

Plaintiffs’ counsel **Stuart Grant**, of **Grant & Eisenhofer**, explained: “We are pleased that the Court has recognized the need for Caremark to make complete and accurate information available to its shareholders. We believe that while Caremark has taken a significant step forward, more information needs to be disclosed regarding the complete lack of diligence of the Caremark board in negotiating a better deal with CVS.”

Grant, who along with **Bernstein Litowitz Berger & Grossman**, represents the two institutional plaintiffs in the class action against the Caremark directors, further explained: “If the board of Caremark really cared about its shareholders instead of passively sitting by, it would: 1) use the leverage of Express Scripts to negotiate a better price in the CVS deal; 2) seek a reduction in the \$675 million break-up; 3) seek a lifting of the no-talk provision with regard to Express-Scripts; and 4) seek to allow its shareholders appraisal rights in any transaction with CVS.”

In prosecuting this case, our institutional clients have been doing what we believe the Caremark board should have been doing all along” explained **Gerald H. Silk** of Bernstein Litowitz. “We believe shareholders are entitled to have a fair and meaningful vote on this transaction and should not be coerced into accepting a deal that is unfair.”

The hearing on the preliminary injunction will go forward as scheduled on Friday, February 16th at 10:00 in the Court of Chancery in Wilmington, Delaware. At that time, plaintiffs will put forward the balance of their case regarding the alleged wrongdoing of the Caremark board.

Please let us know if you're interested in speaking with Mr. Grant or Mr. Silk or would like a copy of the court's order.

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