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June 11, 2008

Alain Sheer
Division of Privacy and Identity Protection
Federal Trade Commission
601 New Jersey Avenue
Washington, D.C. 20580

Re: CIVIL INVESTIGATIVE DEMAND ISSUED TO "CVS CAREMARK CORPORATION"

Dear Alain:

This letter and documents annexed hereto serve as a preliminary response to the Civil Investigative Demand ("CID") issued to "CVS Caremark Corporation" and received on or about May 22, 2008, as amended by the letter dated June 6, 2008, from Joel C. Winston.

With respect to the production of documents, please know that duplication exists, as documents were received from many sources.

Confidentiality

As with the letters dated November 13, 2007, February 1, 2008, March 17, 2008, March 24, 2008, March 26, 2008, April 3, 2008, April 7, 2008, April 14, 2008, April 15, 2008, May 1, 2008, and any other communications relating to this inquiry, as well as all documents accompanying or related to those communications, the information contained in this letter and accompanying documents constitute sensitive and proprietary business information of CVS, and are intended to be highly confidential. All such materials are intended only for review by the staff of the Federal Trade Commission. Accordingly, we request that they receive the highest level of protection for confidentiality available under the Commission's Rules of Practice, *e.g.*, 16 C.F.R. § 4.10, the Freedom of Information Act, *e.g.*, 5 U.S.C. § 552(b)(3)(B); 15 U.S.C. § 57b-2(f), the Federal Trade Commission Act, *e.g.*, 15 U.S.C. §§ 46(f); 57b-2, and any other applicable statutes, regulations, and rules.

Objections

CVS objects to the CID on the following grounds:

A. Relevance

CVS objects generally to the CID on the grounds that: (1) the information sought is neither relevant nor reasonably related to the dumping incidents (as articulated in the letter from Alain Sheer to Tina Egan dated September 27, 2007) or the ExtraCare situation (as articulated in Document Specification No. 4) that form the basis for this investigation or the previous inquiry; (2) the FTC does

not have jurisdictional authority to address issues relating to the disposal of personal health information; and (3) as demonstrated by the information produced to the FTC and the Department of Health and Human Services, Office of Civil Rights, prior to issuance of the CID, the conduct of CVS does not violate the FTC Act or any other applicable laws, regulations, and guidance; and CVS has otherwise operated reasonably under the circumstances.

B. Privilege

CVS objects generally to the CID on the ground that the specifications call for the production of privileged information. As set forth below, certain information is being withheld, and a schedule of withheld items is provided.

C. Confidentiality

CVS objects generally to the CID on the ground that the specifications call for the production of confidential information.

D. Lack of particularity

CVS objects generally to the specifications and definitions set forth in the CID on the ground that the information being requested is not set forth with reasonable particularity, or that the specifications and definitions are otherwise vague and ambiguous.

E. Scope/breadth

CVS objects specifically to the definition of the term "Company" or "CVS" in the CID. As noted below, CVS Corporation merged with Caremark Rx, Inc. ("Caremark") in March of 2007, which is two (2) years after the commencement of the applicable time frame set forth in Instruction No. 1. At the time of the merger, Caremark was a large Prescription Benefits Management company ("PBM") that was not engaged in the retail pharmacy business. Caremark, as a PBM, had no role in the incidents that form the basis of the CID.

F. Scope/time frame

CVS objects to the time frame established by the CID, or the applicable time period set forth in Instruction 1 from June 1, 2005, to the date of complete compliance with the CID, as overbroad and unreasonable. Furthermore, CVS objects specifically to Document Specification No. 7 and Interrogatory Specification No. 1 on the ground that the five (5) years time frame is overbroad and unreasonable.

G. Burdensomeness

CVS objects generally to the CID on the grounds that production of information that is irrelevant, privileged, confidential, and overly broad is unnecessarily burdensome and constitutes improper harassment.

Subject to these Objections and reserving all rights in connection therewith, CVS shall produce documents and information responsive to Request Nos. 1, 2, 3, 4, and 9, in accordance with the letter dated June 6, 2008, from Mr. Winston, as set forth below.

Caremark

On June 3, 2008, Mark Melodia and I discussed with you our concern about the scope of the CID, particularly in so far as Definition No. 4 defined the terms "Company or CVS" as including the Caremark half of CVS Caremark Corporation. As we pointed out, CVS Corporation merged with Caremark Rx, Inc. ("Caremark") in March of 2007, which is two (2) years after the commencement of the applicable time frame set forth in Instruction No. 1. At the time of the merger, Caremark was a large Prescription Benefits Management company ("PBM") that was not engaged in the retail pharmacy business. Caremark, as a PBM, had no role in the incidents that form the basis of the CID. In response to this representation, you asked us to clarify the electronic connectivity between Caremark (PBM) and CVS (retail).

Tina Egan has confirmed that there is no connectivity between the Caremark and CVS systems that could allow the sharing of personal health information between the systems.

Accordingly, in light of that fact, we assume that the scope of the CID relates solely to the pharmacy, retail side of the Company.

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