EXHIBIT 7

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

PETER STALEY, et al.,

Plaintiffs,

v.

GILEAD SCIENCES, INC., et al.,

Defendants.

This Document Relates to:

Staley, et al., v. Gilead Sciences, Inc., et al., No. 3:19-cv-02573-EMC

Case No. 3:19-cv-2573-EMC (Lead Case)

END-PAYOR CLASS PLAINTIFFS' [PROPOSED] PLAN OF ALLOCATION

I. INTRODUCTION

Plaintiffs Peter Staley, Ivy Kwan Arce, Gregg S. Gonsalves, PhD, Brenda Emily Goodrow, Andrew R. Spieldenner, PhD, Michael Snipe, Josh McDonald, Troy Vazquez-Cain, Fraternal Order of Police, Miami Lodge 20, Insurance Trust Fund, Local No. 1 Health Fund, Teamsters Local 237 Welfare Fund and Teamsters Local 237 Retirees' Benefit Fund, and Pipe Trades Services MN Welfare Fund ("Plaintiffs"), individually and on behalf of the end-payor classes ("End-Payor Classes"), submit this proposed plan of allocation ("Allocation Plan") to apportion the $10 million settlement with Defendants Bristol-Myers Squibb Company and E.R. Squibb & Sons, LLC (together, "BMS") plus interest (the "Settlement Fund").

The End-Payor Class Plaintiffs' settlement with BMS provides very substantial injunctive relief, in the form of BMS's irrevocably consenting to Gilead's manufacture, use, sale or import, of a combination product that combines Gilead's Cobicistat with atazanavir -- the ingredients in Evotaz. (The agreement between Gilead and BMS regarding Atripla ended when Gilead terminated the Atripla collaboration with BMS.) In addition, the settlement provides monetary relief which will be used to make distributions to and otherwise benefit all of the classes. In recognition of the importance of securing this injunctive relief, Class Counsel do not seek any attorneys' fees or incentive payments to the class representatives from the Settlement Fund.

In summary, the Allocation Plan allocates the Settlement Fund as follows:

A. A total of $2.5 million will be distributed to the consumer members of the Atripla Damages Class and the consumer members of the Evotaz Damages Class,[1] with the costs of claims administration being deducted from the $2.5 million. The net amount, after the cost of claims administration, will be allocated 50% to the consumer members of the Atripla Damages Class, and 50% to the consumer members of the Evotaz Damages Class. The claims process for these distributions will begin promptly after Preliminary Approval of the Settlement.

[1] The consumer members of the Atripla Damages Class and the consumer members of the Evotaz damages Class are limited to consumers who had an unreimbursed out-of-pocket expense in connection with the purchaser of Atripla or Evotaz.

B. A total of $5 million will be distributed to the Complera Damages Class, the Stribild Damages Class, the Truvada Damages Class (which do not include consumers), and the Third-Party Payor ("TPP") members of the Atripla Damages Class and the TPP members of the Evotaz Damages Class, with the costs of claims administration of this amount being deducted from the $5 million. The allocation of the net amount among these classes will be decided by the Court at a later date, and the distributions will likewise be deferred to a later date.

C. $2.5 million will be used to reimburse and pay Court-approved litigation expenses (e.g., expert-witness fees) incurred by the End-Payor Classes.

This is a fair and reasonable way to allocate the Settlement Fund to the benefit of all Class Members.

II. ALLOCATION PLAN

1. Allocation to Consumer Purchasers of Atripla and Evotaz

1.1. This Plan allocates a total of $2.5 million to the consumer members of the Atripla Damages Class and the Evotaz Damages Class, with the costs of claims administration of this amount being deducted from the $2.5 million. These class members will not otherwise receive a monetary recovery from the ongoing litigation of the End-Payor Class Plaintiffs' damages claims against Gilead and Janssen, because Class Counsel have determined that the best litigation strategy is to not include individual consumers in any of the litigation damages classes against those defendants.

1.2. This Plan allocates $2.5 million to be used to reimburse and pay for litigation expenses, some of which will be used to benefit litigation damages classes of which these consumers will not be members. The Plan's allocation of a corresponding $2.5 million to these consumers protects them from any unfairness. The Plan splits this

$2.5 million, net of claims administration expense, 50% to the consumer members of the Atripla Damages Class, and 50% to the consumer members of the Evotaz Damages Class. That split is based on a determination made by "allocation counsel" who were appointed to independently determine the fairness of the split. Those counsel took into consideration the relative strengths of Plaintiffs' claims against BMS (and not of the claims against any other defendant) regarding Atripla and Evotaz, as well as the relative purchases of those products.

1.3. *Notice to Submit Claims*. The Notice of Class Action and Proposed Class Settlement advises consumer members of the Atripla Damages Class and the consumer members of the Evotaz Damages Class that they: (a) are eligible to submit claims ; (b) should periodically check the Settlement Website to see whether the Court has approved the the Settlement; and (c) should obtain a Claim Form from the website, or request one the Settlement Administrator, and should submit it. Depending on the cost, after the Settlement is Approved the Settlement Administrator may place additional internet and/or print advertisements further prompting these consumers to submit claims.

1.4. *Claim Form*. An easy-to-use Claim Form will permit these consumers to submit claims for all purchases of Atripla and/or Evotaz from May 14, 2015 to October 13, 2021. The Claim Form will require each consumer Class Member to provide his or her name and address and other contact information, the total number of Atripla and/or Evotaz monthly prescriptions, and an estimate of the unreimbursed copayments or co-insurance paid per prescription. The Claim Form will also request available proof of purchase and of copayment/coinsurance arrangements, and will advise that the Administrator may request further documentation. The Claim Form will advise consumers who did not have any unreimbursed out-of-pocket expense for Atripla or Evotaz that they are not eligible for any recovery.

1.5. The Claim Form will require that each claimant sign the Claim Form verifying its accuracy and to timely mail it to the Settlement Administrator, A.B. Data.

1.6. *Timeliness*. The submission of the Claim Form to the Settlement Administrator will be deemed timely if it is received or postmarked within the time period or by the deadline set by the Court. At Co-Lead Class Counsel's discretion, this deadline may be extended another 45 days without additional approval of the Court. Co-Lead Class Counsel may also seek further extensions of the deadline by order of the Court after any such initial extension.

1.7. The net settlement amount, after the cost of claims administration, will be allocated 50% to the consumer members of the Atripla Damages Class, and 50% to the consumer members of the Evotaz Damages Class. To calculate each claimant's *pro rata* share of the Settlement Fund (net of claims administration expenses), the Settlement Administrator will take each Atripla claimant's combined total of unreimbursed costs of Atripla purchases during the class period and divide it by the combined total of all such unreimbursed costs of purchases of all Atripla claimants, and will take each Evotaz claimant's combined total of unreimbursed costs of Evotaz purchases during the class period and divide it by the combined total of all such unreimbursed costs of purchases of all Evotaz claimants. This calculation will be limited to Approved Claims as described below.

1.8. Each claimant's recovery will be limited to his or her total unreimbursed costs of Atripla and Evotaz purchases during the class period. In the event that all claimants recover their total unreimbursed costs of Atripla and Evotaz purchases during the class period, any amount remaining from the $2.5 million allocated to the consumer members of the Atripla Damages Class and the consumer members of the Evotaz damages class will be re-allocated to the Complera Damages Class, the Stribild

Damages Class, the Truvada Damages Class, and the TPP members of the Atripla Damages Class and the TPP members of the Evotaz Damages. In no event will those funds revert to BMS.

1.9. *Processing of Claims.* All claims will be reviewed and processed by the Settlement Administrator. The Settlement Administrator will first determine whether a Claim Form received is timely, properly completed, and signed. If a Claim Form is incomplete, the Settlement Administrator will communicate with the Claimant via U.S. First-Class Mail, email, or telephone regarding the deficiency. Claimants will then have 25 days from the date they are contacted by the Settlement Administrator regarding the deficiency to cure it. If any Claimant fails to correct the deficiency within this time, the Settlement Administrator may reject the claim and will notify the Claimant of the rejection by letter, stating the reason for rejection and informing the Claimant of a right to seek, and the procedure for seeking, review of the decision by the Court via the appeals process described below.

1.10. The Settlement Administrator will make reasonable efforts to verify the accuracy of Claim Forms and to avoid the payment of fraudulent claims. The Claims Administrator may request additional information from claimants and may in its discretion reject claims that appear to be fraudulent. Claim forms that are properly completed and not found to be inaccurate or unsupported by the Settlement Administrator shall constitute Approved Claims.

1.11. All late Claims Notices that are otherwise complete and subject to approval will be processed by the Settlement Administrator, but marked as "Late Approved Claims." Co-Lead Class Counsel may conclude that, in their judgment, any such "Late Approved Claims" should ultimately not be accepted.[2]

[2] *Cf. Kuehbeck v. Genesis Microchip Inc.*, No. C 02-05344, 2007 WL 2382030, at *1 (N.D. Cal. Aug. 17, 2007) (authorizing distribution to claimants who timely filed claims and those who filed late but otherwise valid claims).

1.12. Those Claimants whose claims are rejected, whether as late or for other reasons, will be so notified within 30 days of the extended 45-day deadline period described above and then may seek review by the Court via the appeals process described below.

1.13. The Settlement Administrator, in conjunction with Co-Lead Class Counsel, will review any and all written challenges by claimants to the Settlement Administrator's determinations. If, upon review of a challenge and supporting documentation, the Settlement Administrator decides to amend or modify its determination of the distribution amounts to a claimant, it will advise the claimant. These determinations shall be final, subject to the appeals process described below. Where the Settlement Administrator determines that a challenge requires additional information or documentation, it will so advise the claimant and provide that claimant an opportunity to cure the deficiency within 25 days. If the claimant fails to cure the deficiency within that time, the challenge may be rejected, and the claimant will be notified of the rejection by mail, which notification shall be deemed final. If the Settlement Administrator concludes that it has enough information to properly evaluate a challenge and maintains that its initial determination was correct, it will so inform the claimant in writing, which notification shall be deemed final.

1.14. *Report to the Court*. After the Settlement Administrator reviews all submitted claims and determines the amount that each claimant is entitled to receive from the net Settlement Fund, the Settlement Administrator will prepare a report for the Court's final review and approval. The report will explain the tasks and methodologies employed by the Settlement Administrator in processing the claims and administering the Allocation Plan. The report will also contain: (1) a list of Class Members or other claimants (if any) that filed Claim Forms that were rejected; (2) a list of any challenges to the estimated distribution amounts that were rejected, along with the reasons for those rejections; and (3) an accounting of the expenses associated with the Allocation Plan, including bills from the Settlement Administrator and any taxes that

are due and owing, and any other fees or expenses associated with the claims administration process.

1.15. *Payment to the Claimants.* Upon Court approval of the final report and declaration of the Settlement Administrator, the Settlement Administrator will issue payment by check or suitable electronic means to each claimant who submitted a complete and valid Claim Form. It is anticipated that the entire net Settlement Fund will be distributed in a single distribution. Subject to further order of the Court, however, any net Settlement Fund amount that remains unclaimed after the first distribution will be distributed to Claimants in an additional distribution or distributions on the basis of the same calculations of the Claimants' *pro rata* combined total of unreimbursed costs of relevant purchases as described above.

1.16. *Resolution of Disputes.* In the event of any disputes between claimants and the Settlement Administrator on any subject (e.g., timeliness or completeness a claim, sufficiency of supporting documentation, or the calculation of *pro rata* shares), the decision of the Settlement Administrator shall be final, subject to the claimant's right to seek review by the Court. In notifying a claimant of the final rejection of a Claim or a challenge thereto, the Settlement Administrator will notify claimants of their right to seek such review by issuing notice to the Settlement Administrator and Co-Lead Class Counsel. Any such appeal by a claimant must be submitted in writing to the Court, with copies to the Settlement Administrator and Co-Lead Class Counsel, within 20 days of the Settlement Administrator's mailing of the final rejection notification letter to the claimant.

2. **Allocation to the Complera Damages Class, the Stribild Damages Class, the Truvada Damages Class, and the TPP members of the Atripla Damages Class and the TPP members of the Evotaz Damages Class.**

2.1 A total of $5 million is allocated to the Complera Damages Class, the Stribild Damages Class, the Truvada Damages Class, and the TPP members of the Atripla

Damages Class and the TPP members of the Evotaz Damages Class, with the costs of claims administration of this amount being deducted from the $5 million.

2.2 End-Payor Class Plaintiffs will seek certification of some or all of these classes in the ongoing litigation against defendants Gilead and Janssen. This Plan therefore provides for the amounts allocated to these classes from the BMS Settlement to be deferred until a later time so that those funds can be combined and distributed together with any additional amounts that the classes might recover in this litigation. The Plan also defers allocating the $5 million among these classes, so that the allocation can be made in light of any additional recoveries that the classes might obtain. These class members will receive additional notice at a later date, and will have an opportunity to object to and be heard in connection with the proposed plan of distribution at that time.

3. **Allocation for Litigation Expenses.**

3.1 Co-Lead Class Counsel are not seeking, and will not ever seek, payment of attorneys' fees from BMS or the Settlement Fund for the injunctive relief or the monetary recovery provided by the BMS Settlement. Likewise, the Plan does not provide for any incentive awards to the class representatives in connection with this Settlement. The Plan allocates $2.5 million to reimburse and pay for the Plaintiffs' reasonable expenses in this litigation. Co-Lead Class Counsel will make application to the Court for the disbursement of these amounts from the Settlement Fund for these purposes.

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Respectfully submitted,

/s/ Steve D. Shadowen

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