

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS, EASTERN DIVISION

Mona Malhotra v. CVS Health Inc. and Caremark, LLC

Malhotra v. CVS Health Inc., No. 23-cv-15429 (N.D. Ill. Mar. 27, 2026) · No. No. 23-cv-15429 · Decided
March 27, 2026

SUMMARY

The United States District Court for the Northern District of Illinois considered CVS Health Inc. and Caremark LLC's motion to dismiss Mona Malhotra's second amended complaint under Federal Rule of Civil Procedure 12(b)(6). The court denied dismissal of Malhotra's defamation per quod claim but dismissed her civil conspiracy, intentional infliction of emotional distress, and negligent infliction of emotional distress claims. The ruling was without prejudice to the extent the court discussed a pro se litigant's opportunity to amend, although Malhotra had already amended her complaint.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
WRITING FOR THE COURT	Franklin U. Valderrama
JURISDICTION	United States District Court for the Northern District of Illinois
DECIDED	March 27, 2026
DOCKET	No. 23-cv-15429
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss plaintiff's second amended complaint asserting defamation per quod, civil conspiracy, intentional infliction of emotional distress, and negligent infliction of emotional distress.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, draws reasonable inferences in the plaintiff's favor, and asks whether the complaint states a facially plausible claim for relief. Pro se pleadings are held to less stringent standards than attorney-drafted pleadings.
PRECEDENTIAL VALUE	unpublished district-court order; limited persuasive value
PARTIES	Mona Malhotra v. CVS Health Inc., Caremark, LLC

TOPICS

motions to dismiss defamation civil procedure intentional infliction of emotional distress
employment law

PRACTICE AREAS

civil procedure employment law defamation torts

QUESTIONS PRESENTED

1. Whether Malhotra plausibly pleaded defamation per quod based on allegedly false corrective-action documents, including publication and special damages.
2. Whether the alleged defamatory statements were protected by qualified privilege at the motion-to-dismiss stage.
3. Whether Malhotra plausibly pleaded civil conspiracy despite the intracorporate-conspiracy rule governing a corporation and its employees.
4. Whether the alleged retaliatory falsification of disciplinary documents and termination constituted extreme and outrageous conduct sufficient for an Illinois intentional infliction of emotional distress claim.
5. Whether Malhotra's negligent infliction of emotional distress claim was preempted by the Illinois Workers' Compensation Act.

HOLDINGS

1. Malhotra plausibly alleged a defamatory statement because she identified specific allegedly false statements concerning her disciplinary history, workplace conduct, warnings, training, and mentoring, and alleged extrinsic facts explaining their defamatory meaning.
2. Malhotra plausibly alleged publication of the allegedly defamatory statements because she alleged that they were communicated to persons other than herself, including CVS employees, the EEOC, and the Illinois Department of Labor.
3. Malhotra sufficiently pleaded special damages by alleging the loss of a specific Walgreens job opportunity caused by the allegedly defamatory statements.
4. The court declined to dismiss the defamation claim on qualified-privilege grounds because Malhotra plausibly alleged that the corrective-action documents were fabricated in retaliation for her harassment complaint and therefore were not made in good faith.
5. Malhotra's civil conspiracy claim was barred by the intracorporate-conspiracy rule because she did not allege facts showing that the employee defendants acted outside the scope of their employment or for interests distinct from CVS's interests.
6. Malhotra failed to state an Illinois IIED claim because the alleged falsification of corrective-action letters and subsequent termination, even if wrongful and retaliatory, did not constitute conduct sufficiently extreme and outrageous.

7. Malhotra's negligent infliction of emotional distress claim was dismissed as preempted by the Illinois Workers' Compensation Act.

KEY QUOTATIONS

“However, “it is enough to identify a concrete loss.”” (Analysis I.C)

“Such conduct must be “so outrageous in character, and so extreme in degree, as to go beyond all possible bounds of human decency.”” (Analysis II)

“The Court denies the motion to dismiss Count I, and grants it as to Counts II, III, and IV.” (Conclusion)

FACTUAL BACKGROUND

Malhotra worked for CVS as a Senior Consultant and Data Engineer until CVS terminated her employment in January 2023. She alleged that her supervisor retaliated after Malhotra reported workplace harassment by creating false corrective-action documents stating that Malhotra had received warnings, coaching, mentoring, and a Level III corrective action that she allegedly never received. Malhotra further alleged that the false disciplinary history led to her termination, blacklisting by CVS, and rejection from a Walgreens position after peer verification.

PROCEDURAL HISTORY

Malhotra, proceeding pro se, filed a second amended complaint against CVS Health Inc. and Caremark, LLC. The court denied the motion to dismiss Count I, defamation per quod, but granted dismissal of Counts II, III, and IV—civil conspiracy, intentional infliction of emotional distress, and negligent infliction of emotional distress. The dismissed counts were dismissed with prejudice because Malhotra had already received an opportunity to amend.

DISPOSITION

other

CASES CITED

- *McReynolds v. Merrill Lynch & Co.*, 694 F.3d 873, 879 (7th Cir. 2012)
- *Hallinan v. Fraternal Order of Police of Chi. Lodge No. 7*, 570 F.3d 811, 820 (7th Cir. 2009)
- *Ashcroft v. Iqbal*, 556 U.S. 662, 678-79 (2009)
- *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555, 570 (2007)
- *Haines v. Kerner*, 404 U.S. 519, 520 (1972)
- *Whitford v. Boglio*, 63 F.3d 527, 535 (7th Cir. 1995)
- *Green v. Rogers*, 917 N.E.2d 450, 459 (Ill. 2009)
- *Dubinsky v. United Airlines*, 708 N.E.2d 441, 447 (Ill. 1999)
- *Kurczaba v. Pollock*, 742 N.E.2d 425, 433 (Ill. App. Ct. 2000)
- *Pippen v. NBCUniversal Media, LLC*, 734 F.3d 610, 613-14 (7th Cir. 2013)

- Tuite v. Corbitt, 866 N.E.2d 114 (Ill. 2006)
- Kinney v. City of Waukegan, 2013 WL 4401366, at *3 (N.D. Ill. Aug. 14, 2013)
- Fednav Int'l Ltd. v. Cont'l Ins. Co., 624 F.3d 834, 838 (7th Cir. 2010)
- Auto-Owners Ins. Co. v. Websolv Computing, Inc., 580 F.3d 543, 547 (7th Cir. 2009)
- Nabozny v. Optio Sols. LLC, 84 F.4th 731, 737 (7th Cir. 2023)
- Layne v. Builders Plumbing Supply Co., 569 N.E.2d 1104, 1110 (Ill. App. Ct. 1991)
- Missner v. Clifford, 914 N.E.2d 540, 552 (Ill. App. Ct. 2009)
- Rivera v. Allstate Ins. Co., 189 N.E.3d 982, 1000 (Ill. App. Ct. 2021)
- Becker v. Zellner, 684 N.E.2d 1378, 1387 (Ill. App. Ct. 1997)
- Rao v. J.P. Morgan Chase Bank, N.A., 153 F.4th 541, 552 (7th Cir. 2025)
- Solaia Tech., LLC v. Specialty Pub. Co., 852 N.E.2d 825, 842 (Ill. 2006)
- Kuwik v. Starmark Star Mktg. & Admin., Inc., 619 N.E.2d 129, 133 (Ill. 1993)
- Dent v. Constellation NewEnergy, Inc., 202 N.E.3d 248, 256 (Ill. 2022)
- Huon v. Beatty, 2011 WL 9717454, at *6-*7 (Ill. App. Ct. 2011)
- Davis v. John Crane, Inc., 633 N.E.2d 929, 938 (Ill. App. Ct. 1994)
- McGrath v. Fahey, 533 N.E.2d 806, 809 (Ill. 1988)
- Welsh v. Commonwealth Edison Co., 713 N.E.2d 679, 683 (Ill. App. Ct. 1999)
- Oates v. Discovery Zone, 116 F.3d 1161, 1174 (7th Cir. 1997)
- Arroyo v. Volvo Grp. N. Am., LLC, 805 F.3d 278, 288 (7th Cir. 2015)
- Edwards v. Commonwealth Edison & Barbara Stevens, 2015 WL 6445417, at *3 (N.D. Ill. Oct. 23, 2015)
- Harriston v. Chicago Tribune Co., 992 F.2d 697 (7th Cir. 1993)
- Petrovic v. American Airlines, Inc., 2014 WL 683640, at *1-*3 (N.D. Ill. Feb. 21, 2014)
- Socorro v. IMI Data Search, Inc., 2003 WL 1964269, at *5 (N.D. Ill. Apr. 28, 2003)
- Fang v. Village of Roselle, 1996 WL 386556, at *4 (N.D. Ill. July 5, 1996)
- Witkowski v. St. Anne's Hospital of Chicago, Inc., 447 N.E.2d 1016, 1021-23 (Ill. App. Ct. 1983)
- Prakash v. Parulekar, 177 N.E.3d 1 (Ill. App. Ct. 2020)
- Phillips v. Exxon Mobil Corp., 2018 WL 3458286, at *4 (N.D. Ill. July 18, 2018)
- Bilut v. Nw. Univ., 692 N.E.2d 1327, 1332 (Ill. App. Ct. 1998)
- Salaymeh v. InterQual, Inc., 508 N.E.2d 1155 (Ill. App. Ct. 1987)
- E.E.O.C. v. Outsourcing Sols. Inc., 2002 WL 31409584, at *17-*18 (N.D. Ill. Oct. 24, 2002)
- Tate v. SCR Med. Transp., 809 F.3d 343, 346 (7th Cir. 2016)

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