

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

IN RE AMERICAN ADDICTION
CENTERS, INC. DATA BREACH
LITIGATION

Case No. 3:24-cv-01505

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into between Plaintiffs,¹ individually and on behalf of the Settlement Class, on the one hand, and Defendant American Addiction Centers, Inc. on the other. The Parties hereby agree to the following terms in full settlement of the Action, subject to a Final Approval Order entered by the Court.

I. Background

1. Defendant is a national provider of behavioral health and substance use disorder treatment services.

2. In late November and early December 2024, Defendant notified approximately 423,065 individuals about a Data Incident affecting their Private Information, including personally identifiable information (“PII”) and/or protected health information (“PHI”) such as names, addresses, phone numbers, dates of birth, medical record numbers or other identifiers, Social Security numbers, treatment information, and health insurance information.

3. Following the Data Incident, Plaintiffs filed twelve proposed class actions in the United States District Court for the Middle District of Tennessee, which were then consolidated on February 18, 2025, into the single consolidated Action styled *In re American Addiction Centers, Inc. Data Breach Litigation*, No. 3:24-cv-01505 (M.D. Tenn.). Dkt. 16, ¶ 2.

¹ All capitalized terms herein shall have the same meanings as those defined in Section II herein.

4. In that same order, the Court appointed J. Gerard Stranch, IV of Stranch, Jennings & Garvey, PLLC as Interim Class Counsel. *Id.* ¶ 5.

5. Given the risk, expense, and delay of continued litigation, the Parties agreed to formal mediation before Jill Sperber of Adjudicate West, a mediator with deep experience resolving data breach class actions such as this one.

6. On September 15, 2025, the Parties engaged in mediation with Jill Sperber, which resulted in the classwide Settlement proposed here.

7. Before mediation, Plaintiffs obtained informal discovery from Defendant related to, among other things, the nature and cause of the Data Incident, the specific type of information potentially accessed, the class size, and Defendant's financial status.

8. The Parties now agree to fully, finally, and forever resolve, discharge, and settle the Action entirely, without any admission by Defendant of liability or wrongdoing, with respect to all Released Claims of the Releasing Parties. Defendant has entered into this Agreement to resolve all controversies and disputes arising out of or relating to the allegations made in the Action and related to the Data Incident as it relates to Defendant and the Released Parties, and to avoid the litigation costs and expenses, distractions, burden, expense, and disruption to its business operations associated with further litigation. Defendant does not in any way acknowledge, admit to, or concede any of the allegations made in the Complaint, and expressly disclaims and denies any fault or liability, or any charges of wrongdoing that have been or could have been asserted in the Action. Nothing contained in this Agreement shall be used or construed as an admission of liability, and this Agreement shall not be offered or received in evidence in any action or proceeding in any court or other forum as an admission or concession of liability or wrongdoing of any nature or for any other purpose other than to enforce the terms of this Agreement. Plaintiffs

enter into this Agreement to recover on the claims asserted in the Complaint, and to avoid the risk, delay, and uncertainty of continued litigation. Plaintiffs do not in any way concede that the claims alleged in the Complaint lack merit or are subject to any defenses. The Parties intend this Agreement to bind Plaintiffs, Defendant, and all Settlement Class Members.

9. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel all believe strongly in the merits of their respective positions, but have nonetheless agreed to settle this matter because of the complexity, expense, and risk of continued litigation and because they believe the proposed Settlement is in their best interests and the best interests of their respective clients.

NOW, THEREFORE, in light of the foregoing, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree, subject to approval by the Court, as follows.

II. Definitions

10. “**Action**” means the above-captioned consolidated action.

11. “**Application for Attorneys’ Fees, Costs, and Service Awards**” means the application seeking Class Counsel’s attorneys’ fees and reimbursement for costs and Service Awards for the Class Representatives.

12. “**CAFA Notice**” means the Class Action Fairness Act Notice that the Settlement Administrator shall serve upon the appropriate state and federal officials, providing notice of the proposed Settlement. The Settlement Administrator shall provide a declaration attesting to compliance with 28 U.S.C. § 1715(b), which will be filed with the Motion for Final Approval.

13. “**Claim**” means the claim Participating Settlement Class Members submit to the Settlement Administrator to receive Participating Settlement Class Member Benefits.

14. “**Claim Form**” means the proof of claim, substantially in the form attached hereto as **Exhibit 3**, which may be modified as necessary subject to the Parties’ approval.

15. “**Claim Form Deadline**” or “**Claims Deadline**” mean the date that is sixty (60) days from the date the Notice Completion Date, and the last day by which a Claim Form may be submitted to the Settlement Administrator for a Participating Settlement Class Member to be eligible for a Participating Settlement Class Member Benefit.

16. “**Claim Process**” means the process by which Claimants submit Claims to the Settlement Administrator for the election of Participating Settlement Class Member Benefits.

17. “**Claimant**” means a Participating Settlement Class Member who submits a Claim Form.

18. “**Class Counsel**” means the following: J. Gerard Stranch, IV of Stranch, Jennings & Garvey, PLLC.

19. “**Class List**” means the list of Settlement Class Members prepared by Defendant using information in Defendant’s records and provided to the Settlement Administrator by Defendant for Notice. The Class List shall include the Settlement Class Members’ names and postal addresses, where known, as reflected in Defendant’s business records.

20. “**Class Representatives**” or “**Plaintiffs**” means Plaintiffs Ethan Parker, Tracy Lee Jay, Nikolaos Skourtis, Mary Deboer, James Bouchereau, Courtney Cox, Samantha Rainey, Athena Luth, Anell Capellan, Jason Lanagan, Chris Kidder, Patricia Ellison, and Ron Pronsky, subject to Court appointment.

21. “**Complaint**” means the Consolidated Class Action Complaint filed by Plaintiffs on April 21, 2025.

22. “**Court**” means the United States District Court for the Middle District of Tennessee.

23. “**Credit Monitoring**” means two years of one-bureau credit monitoring and identity theft protection with at least \$1,000,000 in identity fraud insurance, which Participating Settlement Class Members may elect as part of their Settlement Class Member Benefit.

24. “**Data Incident**” means the cyberattack on Defendant’s information systems that Defendant learned of on or about September 26, 2024, and for which it sent the proposed Class notice of between November and December 2024.

25. “**Defendant**” means American Addiction Centers, Inc.

26. “**Defendant’s Counsel**” means David Saunders of McDermott Will & Schulte LLP.

27. “**Effective Date**” means the later of (a) thirty (30) days after entry of the Final Approval Order if no appeals are taken from the Final Approval Order, or (b) if appeals are taken from the Final Approval Order, then the earlier of thirty (30) days after the last appellate court ruling affirming the Final Approval Order or thirty (30) days after the entry of a dismissal of the appeal.

28. “**Escrow Account**” means the interest-bearing account to be established by the Settlement Administrator that will hold the Settlement Fund consistent with the terms and conditions described herein.

29. “**Final Approval**” means the final approval of the Settlement, which occurs when the Court enters the Final Approval Order, substantially in the form attached to the Motion for Final Approval.

30. “**Final Approval Hearing**” means the hearing held before the Court wherein the Court will consider granting Final Approval of the Settlement and the Application for Attorney’s Fees, Costs, and Service Awards.

31. “**Final Approval Order**” means the final order the Court enters granting Final Approval of the Settlement. The proposed Final Approval Order shall be in a form agreed upon by the Parties and shall be substantially in the form attached as an exhibit to the Motion for Final Approval. “Final Approval Order” also includes the orders, which may be entered separately, determining the amount of attorneys’ fees and costs awarded to Class Counsel and/or Service Awards to the Class Representatives.

32. “**Long Form Notice**” means the long form notice of the Settlement, substantially in the form attached hereto as **Exhibit 2**, that shall be posted on the Settlement Website and shall be available to Settlement Class Members by mail on request made to the Settlement Administrator.

33. “**Motion for Final Approval**” means the motion that Plaintiffs and Class Counsel shall file with the Court seeking Final Approval of the Settlement.

34. “**Motion for Preliminary Approval**” means the motion that Plaintiffs shall file with the Court seeking Preliminary Approval of the Settlement.

35. “**Notice**” means the Postcard Notice and Long Form Notice that Plaintiffs will ask the Court to approve in connection with the Motion for Preliminary Approval.

36. “**Notice Commencement Date**” means the date by which the Settlement Administrator shall commence the Notice Program, and which shall be no later than thirty (30) days following entry of the Preliminary Approval Order. The Notice Commencement Date shall

be used for the purpose of calculating the Claims Deadline, the Opt-Out Period, the Objection Period, and all other deadlines that flow from the Notice Commencement Date.

37. **“Notice Completion Date”** means the date by which the Settlement Administrator shall complete the Notice Program, which shall be no later than forty-five (45) days following entry of the Preliminary Approval Order.

38. **“Notice of Deficiency”** means the notice sent by the Settlement Administrator to a Settlement Class member who has submitted an invalid Claim.

39. **“Notice Program”** means the methods provided for in this Agreement that may be used for the provision of Notice of the Settlement (Postcard Notices and Long Form Notice), along with the Settlement Website and Settlement telephone line.

40. **“Objection Period”** means the period that begins the day after the earliest day on which the Notice is first distributed, and that ends no later than sixty (60) days thereafter.

41. **“Opt-Out Period”** means the period that begins the day after the earliest day on which the Notice is first distributed, and that ends no later than sixty (60) days thereafter.

42. **“Participating Settlement Class Member”** means any Settlement Class Member who has not validly opted out of the settlement pursuant to the terms and conditions of this Agreement.

43. **“Participating Settlement Class Member Benefits”** means the benefits to Participating Settlement Class Members provided by the terms and conditions of this Agreement.

44. **“Party”** means each of Plaintiffs and Defendant, and **“Parties”** means Plaintiffs and Defendant, collectively.

45. **“Plaintiffs”** means Ethan Parker, Tracy Lee Jay, Nikolaos Skourtis, Mary Deboer, James Bouchereau, Courtney Cox, Samantha Rainey, Athena Luth, Anell Capellan, Jason

Lanagan, Chris Kidder, Patricia Ellison, and Ron Pronsky. “**Postcard Notice**” means the double-sided postcard notice with a tear-off claim form, substantially in the form attached hereto as **Exhibit 1**, that the Settlement Administrator shall disseminate to Settlement Class Members by U.S. mail.

46. “**Preliminary Approval**” means the preliminary approval of the Settlement, which occurs when the Court enters the Preliminary Approval Order.

47. “**Preliminary Approval Order**” means the order preliminarily approving the Settlement and proposed Notice Program, substantially in the form attached hereto as **Exhibit 4**.

48. “**Private Information**” means the PII and PHI allegedly affected in the Data Incident, including Plaintiffs’ and Settlement Class Members’ names, addresses, phone numbers, dates of birth, medical record numbers or other identifiers, Social Security numbers, treatment information, and health insurance information.

49. “**Released Claims**” means any and all actual, potential, filed or unfiled, known or unknown (including Unknown Claims), fixed or contingent, claimed or unclaimed, suspected or unsuspected, existing or potential, asserted or unasserted, liquidated or unliquidated, claims, demands, suits, actions, liabilities, rights, causes of action, obligations, damages, punitive, exemplary or multiplied damages, expenses, penalties, costs, attorneys’ fees and/or obligations, losses, and remedies of any kind or description whether in law or in equity, accrued or unaccrued, direct, individual or representative, joint or several, of every nature and description whatsoever, that the Releasing Parties had or have that have been or could have been asserted in the Action or that otherwise relate to or arise from the Data Incident, the operative facts alleged in the Action, including the Complaint and any amendment thereto, the alleged access, use, disclosure and/or acquisition of Settlement Class Members’ Private Information in the Data Incident, Defendant’s

provision of notice to Settlement Class Members following the Data Incident, Defendant's information security policies and practices, Defendant's maintenance or storage of Private Information, or otherwise arising out of or relating to actual or alleged facts, transactions, events, matters, occurrences, acts, disclosures, statements, representations, omissions or failures to act relating to the Data Incident, regardless of whether such claims are based on or arise under any federal, state, local, statutory or common law or any other law.

50. **"Released Parties"** means Defendant and Defendant's past, present, and future direct and indirect heirs, assigns, associates, corporations, investors, owners, parents, subsidiaries, affiliates, divisions, officers, directors, shareholders, members, agents, employees, attorneys, insurers, reinsurers, benefit plans, predecessors, successors, managers, administrators, executors, trustees, subrogees and assigns of any of the foregoing.

51. **"Releases"** means the releases and waiver set forth in Section XIII of this Agreement.

52. **"Releasing Parties"** means Plaintiffs and Participating Settlement Class Members and their respective past, present, and future heirs, beneficiaries, conservators, executors, estates, administrators, assigns, agents, attorneys, accountants, financial and other advisors, and any other representatives of any of these persons and entities.

53. **"Service Awards"** means the payments the Court may award the Plaintiffs who sign this Agreement for serving as Class Representatives.

54. **"Settlement Administration Costs"** means all costs and fees of the Settlement Administrator regarding Notice and Settlement administration.

55. **"Settlement Administrator"** means Kroll Settlement Administration LLC.

56. “**Settlement Agreement**” or “**Settlement**” or “**Agreement**” means this agreement entered into by the Plaintiffs and the Defendant.

57. “**Settlement Class**” means all persons whose Private Information was potentially compromised in the Data Incident, including all individuals to whom Defendant sent an individual notification letter regarding the Data Incident. Excluded from the Settlement Class are (a) all persons who are directors and officers of Defendant, or their respective subsidiaries and affiliated companies; (b) governmental entities; (c) the Judge(s) assigned to the Action, the Judge’s immediate family, and Court staff; and (d) any Settlement Class Member who timely and validly requests to be excluded from this Settlement.

58. “**Settlement Class Member**” means any member of the Settlement Class.

59. “**Settlement Fund**” means the non-reversionary, Two Million, Seven Hundred and Fifty Thousand Dollars and Zero Cents (\$2,750,000.00) cash common fund that Defendant is obligated to fund under the terms of the Settlement.

60. “**Settlement Website**” means the website the Settlement Administrator will establish as a means for Settlement Class Members to submit Claim Forms and obtain notice and information about the Settlement, including hyperlinked access to this Agreement, the Preliminary Approval Order, Long Form Notice, Claim Form, Motion for Final Approval, Application for Attorneys’ Fees, Costs, and Service Awards, and the Final Approval Order, as well as any other documents as the Parties agree to post or the Court orders posted. The Settlement Website shall remain online and operable for at least four months after Final Approval.

61. “**Unknown Claims**” means any of the Released Claims that any Participating Settlement Class Member, including Plaintiffs, does not know or suspect to exist in their favor at the time of the release of the Released Parties that, if known by him or her, might have affected

their settlement with, and release of, the Released Parties, or might have affected his or her decision not to object and/or participate in this Agreement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, the Participating Settlement Class Members, including Plaintiff, expressly shall have and/or shall be deemed to have, and by operation of the Final Approval Order shall have, waived the provisions, rights, and benefits conferred by California Civil Code § 1542, and also any and all provisions, rights, and benefits conferred by the law of any state, province, or territory of the United States, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Participating Settlement Class Members, including Plaintiffs, may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with respect to the subject matter of the Released Claims, but the Participating Settlement Class Members, including Plaintiffs, expressly shall have and/or shall be deemed to have and by operation of the Final Approval Order shall have, upon the Effective Date, fully, finally, and forever settled and released any and all of the Released Claims. The Parties acknowledge, and Participating Settlement Class Members shall be deemed by operation of the Final Approval Order to have acknowledged, that the foregoing waiver is a material element of this Agreement of which this release is a part.

62. **“Valid Claim”** means a Claim Form submitted by a Participating Settlement Class Member that is (a) submitted in accordance with the provisions of the Settlement; (b) accurately, fully, and truthfully completed and executed, with all of the information requested in the Claim

Form, by a Claimant; (c) signed physically or by e-signature by a Claimant personally, subject to the penalty of perjury; (d) returned via mail and postmarked by the Claim Form Deadline; and (e) determined to be valid by the Settlement Administrator. The Settlement Administrator may require additional information from the Claimant to validate the Claim, including, but not limited to, answers related to questions regarding the validity or legitimacy of the physical or e-signature. Failure to respond to the Settlement Administrator's Notice of Deficiency may result in a determination that the Claim is not a Valid Claim.

III. Certification of the Settlement Class

63. In the Motion for Preliminary Approval, Plaintiffs shall propose and request to the Court that the Settlement Class be certified for Settlement purposes only. Defendant agrees solely for purposes of the Settlement provided for in this Agreement, and the implementation of such Settlement, that this case shall proceed as a class action; provided however, that if a Final Approval Order is not issued, then any certification shall be null and void and, for the avoidance of doubt, Defendant shall retain all rights to object to any future requests to certify a class. Plaintiffs and Class Counsel shall not reference this Agreement in support of any subsequent motion for class certification of any class in the Action in such event.

IV. Settlement Consideration

64. In exchange for a release from all Participating Settlement Class Members, Defendant shall fund the Settlement Fund, which shall be Defendant's entire liability and shall be used to pay all Participating Settlement Class Member Benefits, including Class Counsel's attorneys' fees, costs and unreimbursed expenses, Class Representatives' Service Awards, and all Settlement Administration Costs.

65. Within 30 days after entry of the Preliminary Approval Order, and upon receipt of sufficient instructions from the Settlement Administrator, Defendant shall cause to be deposited the Settlement Administration Costs through the anticipated date of Final Approval, as estimated by the Settlement Administrator, into an account established and administered by the Settlement Administrator at a financial institution agreed upon by the Settlement Administrator, Defendant and Class Counsel. Defendant shall deposit the balance of the Settlement Fund into the same on the Effective Date. The Settlement Administrator shall provide wiring instructions and a properly completed IRS Form W-9, along with other necessary forms and information, to Defendant's Counsel within two days of entry of the Preliminary Approval Order. . The funds in the Escrow Account shall be deemed a "qualified settlement fund" within the meaning of United States Treasury Reg. § 1.468B-1 at all times since creation of the Escrow Account. All interest earned on the Settlement Fund shall be for the benefit of the Settlement Class. All taxes (including any estimated taxes, and any interest or penalties relating to them) arising with respect to the income earned by the Escrow Account or otherwise, including any taxes or tax detriments that may be imposed on Defendant, Defendant's Counsel, Plaintiffs, and/or Class Counsel with respect to income earned by the Escrow Account, for any period during which the Escrow Account does not qualify as a "qualified settlement fund" for the purpose of federal or state income taxes or otherwise, shall be paid out of the Escrow Account by the Settlement Administrator. Defendant, Defendant's Counsel, Plaintiffs, and Class Counsel shall have no liability or responsibility for any of the taxes associated with the Settlement Fund or the Escrow Account. The Escrow Account shall indemnify and hold Defendant, Defendant's Counsel, Plaintiffs, and Class Counsel harmless for all taxes (including, without limitation, taxes payable by reason of any such indemnification). Each Plaintiff and Participating Settlement Class Member shall be solely responsible for the federal,

state, and local tax consequences to him or her related to the receipt of funds from the Settlement Fund pursuant to this Settlement Agreement. For tax purposes, payments made pursuant to this Settlement Agreement to Participating Settlement Class Members who are current or former employees of the Defendant shall be allocated as non-wage compensation.

66. The Settlement Fund shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the entirety of the Settlement Fund is distributed pursuant to this Settlement Agreement or the balance returned to those who paid the Settlement Fund in the event this Settlement Agreement is terminated in accordance with this Settlement Agreement.

67. As further described in this Settlement Agreement, the Settlement Fund shall be used by the Settlement Administrator to pay for: (1) Settlement Administration Costs; (2) attorneys' fees, costs and Service Awards as approved by the Court; (3) cash payments; (4) the cost of obtaining credit monitoring codes for Participating Settlement Class Members; and (5) transfer of any remainder funds to one or more designated *cy pres* recipients. No amounts may be withdrawn from the Settlement Fund unless expressly authorized by the Settlement Agreement or approved by the Court. Responsibility for effectuating payments described in this Paragraph rest solely with the Settlement Administrator and neither Defendant nor Defendant's Counsel shall have any responsibility with respect to effectuating such payments.

68. Settlement Class Members are all eligible to make Claims for (1) Credit Monitoring; (2) documented expenses and losses up to \$5,000 per Settlement Class Member; and (3) a *pro rata* cash payment.

a. Credit Monitoring

Participating Settlement Class Members may enroll in Credit Monitoring, which will provide each Claimant with two years of credit monitoring services from one of the major credit bureaus, and include at least \$1,000,000 in identity theft protection insurance. This Participating Settlement Class Member Benefit is available to all Settlement Class Members regardless of whether they enrolled in the credit monitoring offer included in the Data Incident notification letter.

b. Reimbursement for Documented Expenses

All Participating Settlement Class Members may submit a Claim for reimbursement of their documented expenses and losses that are fairly traceable to the Data Incident, up to \$5,000.00 per Claimant. These Claims must meet each of the following requirements: (1) the Claim must be supported with third-party documentation; (2) the expense or loss must be an actual, documented, and unreimbursed monetary expense or loss; (3) the expense or loss must be fairly traceable to the Data Incident; (4) the expense must have been incurred after the first date of the Data Incident; and (5) the expense must not have been already covered by one or more of the other reimbursement categories or otherwise reimbursed by a third party, including but not limited to a financial institution. The necessary documentation must be from a third-party source and, if the nature of the loss is not apparent from the documentation alone, a brief description of the nature of the loss must be provided. The categories of reimbursable expenses include, but are not limited to, (1) losses from fraudulent transactions wherein an unauthorized individual diverted, debited, withdrew, or otherwise conducted fraudulent operations to deprive the Claimant of actual money; (2) bank fees; (3) postage; (4) copying; (5) travel costs; (6) notary fees related to addressing the misuse of the Settlement Class Member's Private Information; (7) fees for credit repair services;

and (8) costs for additional credit reports, credit monitoring, or other identity theft insurance products.

c. Cash Payments

All Participating Settlement Class Members may submit a Claim for a *pro rata* cash payment to compensate them for their alleged harms. This cash payment is in addition to any Claims for Credit Monitoring and reimbursement for document expenses and losses. The *pro rata* cash payment is estimated to be \$50, but will be increased or decreased on a *pro rata* basis to exhaust the Settlement Fund. For purposes of calculating the *pro rata* increase or decrease, the Settlement Administrator must distribute the funds in the Settlement Fund first for payment of Credit Monitoring, reimbursement for documented expenses and then for cash payments. Any *pro rata* increases or decreases to cash payments will be on an equal percentage basis.

d. Cy Pres Recipient

After Participating Settlement Class Members are given an opportunity to cash their checks, as provided for herein, any remaining funds in the Settlement Fund shall be distributed to a *cy pres* recipient to be agreed upon by the Parties. Such recipient shall have no affiliation with the Parties or their counsel and must be reasonably related to privacy or data protection, or the promotion of the same through training and awareness programs.

V. Settlement Approval

69. Class Counsel will submit the Motion for Preliminary Approval to the Court within 15 days of the execution of this Agreement.

70. The Motion for Preliminary Approval shall, among other things, request that the Court (a) preliminarily approve the terms of the Settlement as being within the range of fair, adequate, and reasonable; (b) provisionally certify the Settlement Class for settlement purposes

only; (c) approve the Notice Program set forth herein and approve the form and content of the Notices of the Settlement; (d) approve the Claim Form and Claim Process; (e) approve the procedures for Settlement Class Members to opt-out of the Settlement or for Settlement Class Members to object to the Settlement; (f) appoint Class Counsel for Settlement purposes; (g) appoint the Plaintiffs as Class Representatives; (h) appoint Kroll as the Settlement Administrator; (i) stay the Action pending Final Approval of the Settlement; and (j) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, the Parties, Class Counsel, and Defendant's Counsel.

VI. Settlement Administrator

71. The Parties agree that, subject to Court approval, Kroll shall be the Settlement Administrator. The Parties shall jointly oversee the Settlement Administrator.

72. The Settlement Administrator will be responsible for administering all aspects of the Settlement Agreement, including processing Claims and distributing Participating Settlement Class Member Benefits.

73. All Settlement Administration Costs, including, without limitation, the fees and expenses of the Settlement Administrator, shall be paid, or caused to be paid, from the Settlement Fund.

74. The Settlement Administrator shall fulfill the requirements set forth in the Preliminary Approval Order and the Agreement and comply with all applicable laws, including, but not limited to, the Due Process Clause of the United States Constitution.

75. The Settlement Administrator shall administer all aspects of the Settlement as described in the following paragraph and perform such other functions as are specified for the Settlement Administrator elsewhere in this Agreement, including, but not limited to, effectuating

the Notice Program, handling the Claims Process, and distributing the Participating Settlement Class Member Benefits to those who submit Valid Claims.

76. The Settlement Administrator's duties include the following:

- a. Provide CAFA Notice to the necessary state and federal authorities;
- b. Complete the Court-approved Notice Program by noticing the Settlement Class by Postcard Notice and sending out Long Form Notices and paper Claim Forms upon request from Settlement Class Members, reviewing Claim Forms, notifying Claimants of deficient Claim Forms using the Notice of Deficiency, and sending Participating Settlement Class Member Benefits to Participating Settlement Class Members who submit a Valid Claim;
- c. Establish and maintain the Escrow Account approved by the Parties;
- d. Establish and maintain a post office box to receive opt-out requests, objections, and Claim Forms from Settlement Class Members;
- e. Establish and maintain the Settlement Website to provide important information and to receive electronic Claim Forms;
- f. Establish and maintain an automated toll-free telephone line with live agents for Settlement Class Members to call with Settlement-related inquiries, and answer the frequently asked questions of Settlement Class Members who call with or otherwise communicate such inquiries, including whether they are Settlement Class Members and what their Class Member ID's are;
- g. Respond to any mailed Settlement Class Member inquiries;
- h. Process all opt-out requests from Settlement Class Members;

i. Provide weekly reports to Class Counsel and Defendant's Counsel that summarize the number of Claims submitted, Claims approved and rejected, Notices of Deficiency sent, opt-out requests and objections received that week, the total number of opt-out requests and objections received to date, and other pertinent information;

j. In advance of the Final Approval Hearing, prepare a declaration confirming the mailing of CAFA Notices, that the Notice Program was completed in accordance with the terms of this Agreement and the Preliminary Approval Order, describing how the Notice Program was completed, indicating the number of Claim Forms received, providing the names of each Settlement Class Member who timely and properly requested to opt-out from the Settlement Class, indicating the number of objections received, and other information as may be necessary to allow the Parties to seek and obtain Final Approval;

k. Distribute Participating Settlement Class Member Benefits from the Settlement Fund;

l. Send Credit Monitoring redemption codes to all Participating Settlement Class Members who submit Valid Claims electing Credit Monitoring;

m. Pay Settlement Administration Costs out of the Settlement Fund following approval by Class Counsel and Defendant's Counsel;

n. Pay Court-approved attorneys' fees, costs, and Service Awards out of the Settlement Fund.

o. Any other Settlement administration function at the instruction of Class Counsel and Defendant's Counsel, including, but not limited to, verifying that Participating Settlement Class Member Benefits have been properly distributed.

VII. Notice to the Settlement Class, Opt-Out Procedures, and Objection Procedures

77. Defendant will make available to the Settlement Administrator the Class List no later than 10 days after entry of the Preliminary Approval Order. To the extent necessary, Defendant will provide reasonable cooperation to the Settlement Administrator in order to update the Class List to accomplish the Notice Program.

78. Within 30 days following entry of the Preliminary Approval Order, the Settlement Administrator shall commence the Notice Program provided herein, using the forms of Notice approved by the Court.

79. Direct Notice will be provided through a double-sided Postcard Notice with a tear-off Claim Form that includes pre-paid postage. Postcards will be sent via U.S. Mail. The Postcard Notice shall include, among other information, the following: a description of the material terms of the Settlement; how to submit a Claim Form; the Claim Form Deadline; the last day of the Opt-Out Period for Settlement Class Members to opt-out of the Settlement Class; the last day of the Objection Period for Settlement Class Members to object to the Settlement and/or the Application for Attorneys' Fees, Costs, and Service Awards; the Final Approval Hearing date; and the Settlement Website address at which Settlement Class Members may access this Agreement and other related documents and information. The Settlement Administrator shall insert the correct dates and deadlines in the Notice before the Notice Program commences, based upon those dates and deadlines set by the Court in the Preliminary Approval Order.

80. If the date or time for the Final Approval Hearing changes, the Settlement Administrator shall update the Settlement Website to reflect the new date. No additional notice to the Settlement Class is required if the date or time for the Final Approval Hearing changes.

81. The Settlement Administrator shall establish the Settlement Website no later than the day before the Notice Program is initiated. The Settlement Administrator shall ensure the Settlement Website makes available the Court-approved online Claim Form that can be submitted directly on the Settlement Website or in printable version that can be sent by U.S. Mail to the Settlement Administrator.

82. The Long Form Notice shall also include a procedure for Settlement Class Members to opt-out of the Settlement Class. A Settlement Class Member may opt-out of the Settlement Class at any time during the Opt-Out Period by mailing a request to opt-out to the Settlement Administrator postmarked no later than the last day of the Opt-Out Period. The opt-out request must be personally signed by the Settlement Class Member and contain the requestor's name, address, telephone number, and email address (if any), and a statement indicating a request to be excluded from the Settlement Class. Any Settlement Class Member who does not timely and validly request to opt-out shall be bound by the terms of this Agreement even if that Settlement Class Member does not submit a Valid Claim.

83. The Long Form Notice also shall include a procedure for Settlement Class Members to object to the Settlement and/or Application for Attorneys' Fees, Costs, and Service Awards. Objections must be filed with the Court, and sent by U.S. Mail to Class Counsel, Defendant's Counsel, and the Settlement Administrator. For an objection to be considered by the Court, the objection must be submitted no later than the last day of the Objection Period, as specified in the Notice, and the Settlement Class Member must not have excluded him/herself from the Settlement Class. If submitted by mail, an objection shall be deemed to have been submitted when posted if received with a postmark date indicated on the envelope if mailed first-class postage prepaid and addressed in accordance with the instructions. If submitted by private courier (e.g.,

Federal Express), an objection shall be deemed to have been submitted on the shipping date reflected on the shipping label.

84. For an objection to be considered by the Court, the objection must also set forth the following:

- a. the objector's full name, mailing address, telephone number, and email address (if any);
- b. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
- c. the number of times the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior objections that were issued by the trial and appellate courts in each listed case;
- d. the identity of all counsel who represent the objector, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement and/or the Application for Attorneys' Fees, Costs, and Service Awards, and whether they will appear at the Final Approval Hearing;
- e. the number of times in which the objector's counsel and/or the objector's counsel's law firm have objected to a class action settlement within the five years preceding the date of the filed objection, the caption of each case in which counsel or the firm has made such objection and a copy of any orders related to or ruling on the objection issued by the trial and appellate courts in each such listed case;

f. a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection (if any);

g. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and

h. the objector's signature (an attorney's signature is not sufficient).

85. Class Counsel and/or Defendant's Counsel may conduct limited discovery on any objector or objector's counsel.

86. The Settlement Administrator will perform an advanced address lookup to ensure up-to-date mailing addresses are being used when sending Postcard Notices to the Settlement Class. If the Settlement Administrator receives notices that Postcard Notices were not delivered, the Settlement Administrator will perform a skip trace and remail Notice to an updated mailing address.

87. No later than 30 days before the Claim Deadline, Opt-Out Deadline and Objection Deadline, the Settlement Administrator shall complete the re-mailing of Postcard Notice to those Settlement Class Members whose new addresses were identified as of that time through address traces.

VIII. Claims Process and Disbursement of Cash Payments

88. The Notice and the Settlement Website will explain to Settlement Class Members that they may be entitled to Participating Settlement Class Member Benefits and how to submit a Claim Form.

89. Claim Forms may be submitted online through the Settlement Website or through U.S. Mail by sending them to the Settlement Administrator at the address designated on the Claim Form.

90. The Settlement Administrator shall collect, review, and address each Claim Form received to determine whether the Claim Form meets the requirements set forth in this Settlement and is thus a Valid Claim. The Settlement Administrator shall examine the Claim Form before designating the Claim as a Valid Claim to determine that the information on the Claim Form is reasonably complete. The Settlement Administrator shall have the sole authority to determine whether a Claim by any Claimant is a Valid Claim.

91. The Settlement Administrator shall use all reasonable efforts and means to identify and reject duplicate or fraudulent Claims. No Participating Settlement Class Member may submit more than one Claim Form. The Settlement Administrator shall identify any Claim Forms that appear to seek relief on behalf of the same Participating Settlement Class Member. The Settlement Administrator shall use its best efforts to determine whether there is any duplication of Claims, and if there is, contact the Participating Settlement Class Member in an effort to determine which Claim Form is the appropriate one for consideration.

92. The Settlement Administrator shall exercise, in its discretion, all usual and customary steps to prevent fraud and abuse and take any reasonable steps to prevent fraud and abuse in the Claims Process. The Settlement Administrator may, in its discretion, deny in whole or in part any Claim Form to prevent actual or possible fraud or abuse.

93. By agreement, the Parties can instruct the Settlement Administrator to take whatever steps it deems appropriate if the Settlement Administrator identifies actual or possible fraud or abuse relating to the submission of Claims, including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse. If any fraud is detected or reasonably suspected, the Settlement Administrator and Parties may require information from the

Claimant or deny the Claim, subject to the supervision of the Parties and ultimate oversight by the Court.

94. Claim Forms that do not meet the terms and conditions of this Settlement shall be promptly rejected by the Settlement Administrator and the Settlement Administrator shall advise the Participating Settlement Class Member of the reason(s) why the Claim Form was rejected. However, if the Claim Form is rejected for containing incomplete or inaccurate information, and/or omitting required information, the Settlement Administrator may send a Notice of Deficiency explaining what information is missing or inaccurate and needed to validate the Claim and have it submitted for consideration. The Settlement Administrator shall notify the Participating Settlement Class Member using the contact information provided in the Claim Form. The additional information and/or documentation can include, for example, answers to questions regarding the validity of the Claimant's physical or e-signature. A Participating Settlement Class Member shall have until the Claim Form Deadline, or 15 days from the date the Notice of Deficiency is sent via mail and postmarked or sent via email, whichever is later, to reply to the Notice of Deficiency and provide the required information. If the Participating Settlement Class Member timely and adequately provides the requested information and/or documentation, the Claim shall be deemed a Valid Claim and processed by the Settlement Administrator. If the Participating Settlement Class Member does not timely and completely provide the requested information and/or documentation, the Settlement Administrator shall reduce or deny the Claim unless Defendant's Counsel and Class Counsel otherwise agree.

95. When a good faith basis exists, the Settlement Administrator may reduce or reject a Claim for the following reasons, among others:

- a. Failure to fully complete and/or sign the Claim Form;

- b. Illegible Claim Form;
- c. The Claim Form is deemed to be fraudulent;
- d. The Claim Form is duplicative of another Claim Form;
- e. The Claimant is not a Participating Settlement Class Member;
- f. The Claimant submitted a timely and valid request to opt-out of the Settlement Class;
- g. The person submitting the Claim Form requests that payment be made to a person or entity other than the Claimant for whom the Claim Form is submitted;
- h. Failure to submit a Claim Form by the Claim Form Deadline; and/or
- i. The Claim Form otherwise does not comply with the requirements of this Agreement.

96. The Settlement Administrator's reduction or denial of a Claim is final, subject to the following dispute resolution procedures:

- a. The Settlement Administrator shall have 30 days from the Claim Form Deadline to approve or reject Claims based on findings of fraud or duplication.
- b. A request for additional information by sending a Notice of Deficiency shall not be considered a denial for purposes of this paragraph.
- c. If a Claim is rejected for fraud or duplication, the Settlement Administrator shall notify the Claimant using the contact information provided in the Claim Form. Class Counsel and Defendant's Counsel shall be provided with copies of all such notifications to Claimants.
- d. The Settlement Administrator's determination as to whether to approve, deny, or reduce a Claim shall be final and binding.

97. The Settlement Administrator shall provide all information gathered in investigating Claims, including but not limited to copies of all correspondence and all notes of the Settlement Administrator, the decision reached, and all reasons supporting the decision, if requested by Class Counsel or Defendant's Counsel. Additionally, Class Counsel and Defendant's Counsel shall have the right to inspect the Claim Forms and supporting documentation received by the Settlement Administrator at any time upon reasonable notice.

98. No person or entity shall have any claim against Defendant, Defendant's Counsel, Plaintiffs, the Settlement Class, Class Counsel, and/or the Settlement Administrator based on any eligibility determinations, distributions, or awards made in accordance with this Settlement.

99. No later than 30 days after the Effective Date, the Settlement Administrator shall distribute the Participating Settlement Class Member Benefits.

100. Cash payments to Settlement Class Members will be made by electronic payment or by paper check. The Claim Form shall give Participating Settlement Class Members the option to select electronic payment. In the event a Participating Settlement Class Member does not make an election or there is a problem with issuance of an electronic payment, a paper check will be sent to the Settlement Class Member's last known address. Participating Settlement Class Members shall have 90 days to select their form of payment following such email from the Settlement Administrator. Paper checks must be negotiated within 90 days of issuance. In the event the Settlement Administrator is unable to distribute funds to the person or persons entitled to receive them due to incorrect or incomplete information provided to the Settlement Administrator, the funds shall revert back to the Settlement Fund to be distributed to a *cy pres* recipient agreed upon by the Parties, and the Participating Settlement Class Member shall forfeit his or her right to the funds.

101. Settlement Class Members who make Claims for Credit Monitoring shall include an email address in their Claim. The Settlement Administrator will send an email to Participating Settlement Class Members with Valid Claims that include an election for Credit Monitoring with information on how to enroll in the Credit Monitoring, including the Credit Monitoring redemption code. Participating Settlement Class Members shall have 90 days to activate the credit monitoring services following such email from the Settlement Administrator. In the event the Settlement Administrator is unable to distribute the codes for credit monitoring services to the person or persons entitled to receive them due to incorrect or incomplete information provided to the Settlement Administrator, the Settlement Administrator shall contact the Participating Settlement Class Member to attempt to cure the deficiency. If the Participating Settlement Class Member fails to respond to such deficiency communication within 14 days, the funds paid for such Credit Monitoring services shall revert back to the Settlement Fund to be distributed to a *cy pres* recipient agreed upon by the Parties, and the Participating Settlement Class Member shall forfeit their right to Credit Monitoring.

IX. Final Approval Order and Final Judgment

102. Plaintiffs shall file their Motion for Final Approval of the Settlement, inclusive of the Application for Attorneys' Fees, Costs, and Service Awards, no later than 14 days before the Opt-Out Deadline and Objection Deadline. At the Final Approval Hearing, the Court may hear argument on the Application for Final Approval and Application for Attorneys' Fees, Costs, and Service Awards. In the Court's discretion, the Court will also hear argument at the Final Approval Hearing from any Participating Settlement Class Member (or their counsel) who objects to the Settlement and/or to the Application for Attorneys' Fees, Costs, and Service Awards, provided the objectors submitted timely objections that meet all the requirements listed in this Agreement.

103. At or following the Final Approval Hearing, the Court will determine whether to enter the Final Approval Order and final judgment thereon, and whether to grant the Application for Attorneys' Fees, Costs, and Service Awards. Such proposed Final Approval Order shall effectuate the following, among other things:

- a. Determine that the Settlement is fair, adequate and reasonable;
- b. Finally certify the Settlement Class for settlement purposes only;
- c. Determine that the Notice Program satisfies Due Process requirements;
- d. Affirm its appointment of Class Representatives and Class Counsel;
- e. Determine whether to grant the Application for Attorneys' Fees and Service Awards;
- f. Bar and enjoin all Releasing Parties from asserting or otherwise pursuing any of the Released Claims at any time and in any jurisdiction, including during any appeal from the Final Approval Order; and retain jurisdiction over the enforcement of the Court's injunctions;
- g. Release Defendant and the Released Parties from the Released Claims; and
- h. Reserve the Court's continuing and exclusive jurisdiction over the Parties to this Agreement, including Defendant, Plaintiffs, all Settlement Class Members, and all objectors, to administer, supervise, construe, and enforce this Agreement in accordance with its terms.

X. Attorneys' Fees and Costs; Service Awards

104. **Service Awards** – In recognition of the time and effort Class Representatives expended in pursuing this Action and in fulfilling their obligations and responsibilities to the Settlement Class, and of the relief conferred on all Settlement Class Members by the Settlement,

Class Counsel shall request a Service Award to each Class Representative in an amount not to exceed \$2,000.00. Defendant will not oppose Plaintiffs' request for Service Awards to the extent it does not exceed this amount. Defendant moreover will not object to Plaintiffs' appointment as Class Representatives solely for purposes of this Settlement. Class Counsel shall provide W-9 forms on behalf of the Class Representatives to the Settlement Administrator before the issuance of the Service Awards, unless Class Counsel handles distribution of the Service Awards to the Class Representatives directly and maintains Class Representatives' W9 in Class Counsel's files.

105. The Parties did not discuss Plaintiffs' request for their Service Awards until after the substantive terms of the Settlement had been agreed upon.

106. Within 10 days of the Effective Date, and upon receipt of each Class Representative's W9, the Settlement Administrator shall pay, or cause to be paid, the Court-approved Service Award to each Class Representative from the Settlement Fund.

107. **Attorneys' Fees and Costs** – Plaintiffs will move the Court for an order awarding reasonable attorneys' fees and litigation costs, up to a total of one-third of the Settlement Fund or \$916,666.67. Defendant will not oppose Plaintiffs' Application for Attorneys' Fees and Costs to the extent it does not exceed that amount.

108. Within 10 days of the Effective Date and receipt of Class Counsel's W9, the Settlement Administrator shall pay, or cause to be paid, the Court-approved attorneys' fees and expenses to Class Counsel.

109. The Parties did not discuss the payment of attorneys' fees, costs, and/or expenses until after the substantive terms of the Settlement had been agreed upon.

110. This Settlement is not contingent on approval of the Application for Attorneys' Fees, Costs, and Service Awards, and if the Court denies the request or grants amounts less than

what was requested, the remaining provisions of the Agreement shall remain in force. No order of the Court or modification or reversal or appeal of any order of the Court concerning the amounts of the attorneys' fees and costs and/or Service Awards shall constitute grounds for cancellation or termination of the Settlement.

XI. Releases

111. Upon the Effective Date, and in consideration of the Settlement relief and other consideration described herein, the Releasing Parties shall be deemed to have, and by operation of the Final Approval Order shall have, fully, finally, and forever released, acquitted, relinquished, and completely discharged the Released Parties from any and all Released Claims, including but not limited to any federal or state statutory or common law claims arising out of or relating to the Data Incident that the Releasing Parties may have or had.

112. The Released Claims include the release of Unknown Claims. It is further agreed that this Agreement and the Final Approval Order may be pleaded as a complete defense to any proceeding subject to this paragraph.

113. The Releasing Parties agree that, once this Agreement is executed, they will not, directly or indirectly, individually or in concert with another, maintain, cause to be maintained, or voluntarily assist in maintaining any further demand, action, claim, lawsuit, arbitration, or similar proceeding, in any capacity whatsoever, against any of the Released Parties based on any of the Released Claims.

114. Upon the Effective Date, (a) this Settlement shall be the exclusive remedy for any and all Released Claims of the Releasing Parties; and (b) the Releasing Parties stipulate to be and shall be permanently barred and enjoined by Court order from initiating, asserting, or prosecuting

any Released Claim against the Released Parties, whether on behalf of the Releasing Parties or others, in any jurisdiction, including in any federal, state, or local court or tribunal.

115. The power to enforce any term of this Settlement is not affected by the Releases in this section.

XII. Termination of Settlement

116. This Agreement shall be subject to, and is expressly conditioned on, the occurrence of all the following events:

- a. The Court has approved the Settlement consideration set forth in Section IV and the Releases set forth in Section XI of this Agreement;
- b. The Court has entered the Preliminary Approval Order;
- c. The Court has entered the Final Approval Order, and all objections, if any, are overruled, and all appeals taken from the Final Approval Order are resolved in favor of Final Approval; and
- d. The Effective Date has occurred.

117. If any of the conditions specified in the preceding paragraph are not met, or if the Court otherwise imposes any modification to or condition of approval of the Settlement to which the Parties do not consent, then this Agreement shall be cancelled and terminated.

118. Within 10 days after the Opt-Out Period closes, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel with a list of all Settlement Class Members who timely and validly requested to be excluded from the Settlement. If the Settlement Administrator has received more than 25 valid and timely opt outs, Defendant shall have the right to terminate this Agreement by notifying Class Counsel in writing of Defendant's decision. If Defendant elects

to terminate this Agreement, Defendant shall pay all costs and expenses incurred by the Settlement Administrator.

119. In the event this Agreement is terminated or fails to become effective, then the Parties shall return to the *status quo ante* as if the Parties had not entered into this Agreement. In such event, the terms and provisions of this Agreement shall have no further force and effect with respect to the Parties and shall not be used in this Action or in any other action or proceeding for any other purpose, and any order entered by this Court in accordance with the terms of this Agreement shall be treated as vacated, *nunc pro tunc*.

120. In the event this Agreement is terminated or fails to become effective, all remaining funds in the Settlement Fund shall be promptly returned to Defendant. However, Defendant shall have no right to seek from Plaintiffs, Class Counsel, or the Settlement Administrator the Settlement Administration Costs already paid, excluding any attorneys' fees, costs, and Service Awards.

XIII. Effect of Termination

121. The grounds upon which this Agreement may be terminated are set forth in Section XII. In the event of a termination, this Agreement shall be considered null and void; all of Plaintiffs', Class Counsel's, Defendant's, and Defendant's Counsel's obligations under the Settlement shall cease to be of any force and effect; and the Parties shall return to the *status quo ante* as if the Parties had not entered into this Agreement. In the event of such a termination, all the Parties' respective pre-Settlement rights, claims, and defenses will be retained and preserved.

122. In the event the Settlement is terminated in accordance with the provisions of this Agreement, any discussions, offers, or negotiations associated with this Settlement shall not be discoverable or offered into evidence or used in the Action or any other action or proceeding for

any purpose. In such event, all Parties to the Action shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court.

XIV. No Admission of Liability

123. This Agreement reflects the Parties' compromise and settlement of disputed claims. This Agreement shall not be construed as or deemed to be evidence of an admission or concession of any point of fact or law. Defendant has denied and continues to deny each of the claims and contentions alleged in the Complaint. Defendant does not admit any liability or wrongdoing of any kind, by this Agreement or otherwise. Defendant has agreed to enter into this Agreement to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation, and to be completely free of any further claims that were asserted or could possibly have been asserted in the Action.

124. Class Counsel believe the claims asserted in the Action have merit, and they have examined and considered the benefits to be obtained under the proposed Settlement set forth in this Agreement, the risks associated with the continued prosecution of this complex, costly, and time-consuming litigation, and the likelihood of success on the merits of the Action. Class Counsel fully investigated the facts and law relevant to the merits of the claims, conducted discovery, and conducted independent investigation of the alleged claims. Class Counsel concluded that the proposed Settlement set forth in this Agreement is fair, adequate, reasonable, and in the best interests of the Settlement Class Members.

125. This Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties in connection with the negotiations of this Agreement shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made,

or an acknowledgment or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever.

126. Neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement (a) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by the Plaintiffs or Settlement Class Members, or of any wrongdoing or liability of the Released Parties; or (b) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of any of the Released Parties, in the Action or in any proceeding in any court, administrative agency, or other tribunal.

127. In addition to any other defenses Defendant or the Released Parties may have at law, in equity, or otherwise, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement or the Releases contained herein.

XV. Miscellaneous Provisions

128. ***Confidentiality.*** To the extent permitted by ethics rules, the Parties and their counsel shall keep confidential all settlement communications, including communications regarding the negotiation and drafting of this Agreement. The Parties will not make any public statement about the Settlement that has not been approved by the other side, except as required or authorized by law. Approval of any proposed public statement of the other side will not be unreasonably withheld. This paragraph shall not be construed to limit or impede the Notice requirements contained in this Agreement, nor shall this paragraph be construed to prevent Class Counsel or Defendant's Counsel from notifying or explaining that the Action has settled or limit the representations that the Parties or their counsel may make to the Court to assist in the Court's

evaluation of the Settlement, Preliminary Approval, Final Approval, and any objection to the Settlement's terms. Defendant may also provide information about the Agreement to its customers, attorneys, members, partners, insurers, auditors, brokers, agents, and other persons or entities as required by securities laws, other applicable laws and regulations, and as necessary to affect the Settlement. Following the Effective Date, but not before, nothing in this provision shall be construed to prevent Class Counsel from including the Settlement in a list of comparable settlements for future settlement negotiations or from listing this Settlement on their firm websites, though such uses must be limited to (a) counsel's role in this action, and (b) the monetary settlement benefits provided for herein.

129. ***Non-Disparagement.*** The Parties agree not to make any statements, written or verbal, or to cause or encourage any other Person to make any statements, written or verbal, that defame, disparage or in any way criticize the personal or business reputation, practices, or conduct of the Parties and their respective counsel concerning all Released Claims, as well as the Action, the settlement, this Settlement Agreement, and any discussions, interactions, or negotiations of the settlement by the Parties and their counsel.

130. ***Gender and Plurals.*** As used in this Agreement, the masculine, feminine, or neutral gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

131. ***Binding Effect.*** This Agreement shall be binding upon, and inure to and for the benefit of, the successors and assigns of the Releasing Parties and the Released Parties.

132. ***Cooperation of Parties.*** The Parties to this Agreement agree to cooperate in good faith to prepare and execute all documents, seek Court approval, uphold Court approval, and do

all things reasonably necessary to complete and effectuate the Settlement described in this Agreement.

133. ***Obligation to Meet and Confer.*** Before filing any motion in the Court raising a dispute arising out of or related to this Agreement, the Parties shall consult with each other and certify to the Court that they have met and conferred in an attempt to resolve the dispute.

134. ***Integration and No Reliance.*** This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. This Agreement is executed without reliance on any covenant, agreement, representation, or warranty by any Party or any Party's representative other than those expressly set forth in this Agreement. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein.

135. ***Deadlines.*** If any of the dates or deadlines specified herein fall on a weekend or legal holiday, the applicable date or deadline shall fall on the next business day. All reference to "days" in this Settlement Agreement shall refer to calendar days unless otherwise specified.

136. ***No Conflict Intended.*** Any inconsistency between the headings used in this Agreement and the text of the paragraphs of this Agreement shall be resolved in favor of the text.

137. ***Governing Law.*** Except as otherwise provided herein, the Agreement shall be construed in accordance with, and be governed by, the laws of the State of Tennessee, without regard to the principles thereof regarding choice of law.

138. ***Counterparts.*** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, even though all Parties do not sign the same counterparts.

139. ***Jurisdiction.*** The Court shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement that cannot be resolved by negotiation and agreement by counsel for the Parties. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice Program and the Settlement Administrator. As part of the agreement to render services in connection with this Settlement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose. The Court shall retain jurisdiction over the enforcement of the Court's injunction barring and enjoining all Releasing Parties from asserting any of the Released Claims and from pursuing any Released Claims against the Released Parties at any time and in any jurisdiction, including during any appeal from the Final Approval Order.

140. ***Notices.*** All notices provided for herein shall be sent by email, as follows:

a. If to Plaintiffs or Class Counsel:

J. Gerard Stranch, IV
Grayson Wells
Stranch, Jennings & Garvey, PLLC
The Freedom Center
223 Rosa L. Parks Avenue, Suite 200
Nashville, TN 37203
gstranch@stranchlaw.com
gwells@stranchlaw.com

b. If to Defendant or Defendant's Counsel:

American Addiction Centers, Inc.

David Saunders
McDermott Will & Schulte LLP
444 West Lake Street, Suite 4000
Chicago, IL 60606
dsaunders@mwe.com

The notice recipients and addresses designated above may be changed by written notice. Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of objections, requests for exclusion, or other filings received because of the Notice Program.

141. ***Modification and Amendment.*** This Agreement may not be amended or modified, except by a written instrument signed by Class Counsel and Defendant's Counsel and, if the Settlement has been approved preliminarily by the Court, as approved by the Court.

142. ***No Waiver.*** The waiver by any Party of any breach of this Agreement by another Party shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

143. ***Authority.*** Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all the terms and provisions of this Agreement.

144. ***Agreement Mutually Prepared.*** Neither Plaintiffs nor Defendant shall be considered the drafter of this Agreement or any of its provisions for the purpose of any statute, common law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

145. ***Independent Investigation and Decision to Settle.*** The Parties understand and acknowledge that (a) they have performed an independent investigation of the allegations of fact and law made in connection with the Action; and (b) even if they may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with respect to the subject matter of the Action as reflected in this Agreement, it will not affect or in any respect limit the binding nature of this Agreement. All Parties recognize and acknowledge they reviewed and analyzed data that they used to make certain determinations, arguments, and settlement positions.

The Parties agree this Settlement is fair, reasonable, and adequate, and will not attempt to renegotiate or otherwise void or invalidate or terminate the Settlement irrespective of what any unexamined data later shows. The Parties intend to resolve their disputes in connection with the Action pursuant to the terms of this Agreement now. Thus, in furtherance of the Parties' intentions, the Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

146. ***Integration of Exhibits.*** Any exhibits to this Settlement Agreement are a material part of the settlement and are incorporated and made a part of the Settlement Agreement.

147. ***Severability.*** Should any part, term or provision of this Settlement Agreement be declared or determined by any court or tribunal to be illegal or invalid, the Parties agree that the Court may modify such provision to the extent necessary to make it valid, legal and enforceable. In any event, such provision shall be separable and shall not limit or affect the validity, legality or enforceability of any other provision hereunder.

148. ***Receipt of Advice of Counsel.*** Each Party acknowledges, agrees, and specifically warrants that he, she, or it has fully read this Agreement and the Releases contained herein, received independent legal advice with respect to the advisability of entering into this Agreement and the Releases, and the legal effects of this Agreement the Releases, and fully understands the effect of this Agreement and the Releases.