

# EXHIBIT A

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

BRUCE GRAYCAR, BRENDA L. CRAWFORD,  
JERMAINE B. CRAWFORD, and KATRINA  
BOWENS, Individually and on Behalf of All  
Others Similarly Situated

Plaintiffs,

v.

CAPITAL HEALTH SYSTEM, INC.,

Defendant.

Case No. 3:23-CV-23234-MAS-JTQ

District Judge Michael A. Shipp  
Magistrate Judge Justin T. Quinn

**SETTLEMENT AGREEMENT**

This Settlement Agreement<sup>1</sup> is entered into between Plaintiffs Bruce Graycar, Brenda L. Crawford, Jermaine B. Crawford, and Katrina Bowens on behalf of themselves and the Settlement Class, and Defendant Capital Health System, Inc. (“Defendant” or “Capital Health”), as of the date last signed below. 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. Procedural History**

1. Capital Health is a healthcare provider with a number of locations in New Jersey and Pennsylvania, operating two major hospitals and dozens of satellite and specialty care clinics offering medical services to patients.

2. The members of the Settlement Class include patients, former patients, guarantors and employees of Defendant who provided it with their personal information as a necessary part of their business relationship.

3. From November 11 through 26, 2023, Capital Health experienced an IT systems

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

outage following a cyberattack on its network (“the Data Incident”). In response, Defendant launched an investigation which revealed that a cybercriminal organization may have accessed certain personal information within its computer systems and network in connection with the Data Incident. On January 7, 2024, the notorious cybercrime group, LockBit, claimed responsibility for the Data Breach, claiming it stole over ten million files amounting to over seven terabytes of data and threatened to publicly release the data on January 9, 2024, unless Capital Health paid a ransom.

4. Based on its forensic investigation, Private Information was stolen in the Data Incident, including for some persons: names, addresses, Social Security numbers, dates of birth, email addresses, telephone numbers, clinical information, and/or potentially other medical information provided by Plaintiffs and Class Members to Capital Health.

5. The first class action case (*Graycar*) asserting claims arising out of the Data Breach was filed on December 19, 2023. ECF # 1.

6. On May 24, 2025, a Consolidated Amended Complaint (“CAC”) was filed [ECF # 22] alleging claims for negligence, negligence *per se*, breach of implied contract, breach of fiduciary duty, unjust enrichment, declaratory judgment, and Violation of the New Jersey Consumer Fraud Act, N.J.S.A. §§ 56:8 *et seq.* Defendant filed an Answer on August 7, 2024. ECF # 25.

7. Shortly thereafter, the Parties began discussing settlement and scheduled an in-person settlement conference for February 20, 2025, which Defendant requested be postponed until March 31, 2025.

8. In advance of the settlement conference, the Parties exchanged informal discovery requests on, among other things, the nature and cause of the Data Incident, the number and geographic location of individuals impacted, the specific type of information accessed, and the

injuries and damages alleged by Plaintiffs. The Parties also submitted comprehensive settlement conference statements.

9. The settlement conference was conducted in person in Trenton before Magistrate Judge Justin T. Quinn on March 31, 2025 and lasted all day. Ultimately, the Parties reached an agreement on the material terms of a class-wide settlement.

10. The Parties have agreed to settle the Action in its entirety, without any admission of liability or wrongdoing, with respect to all Released Claims of the Releasing Parties.

11. Defendant has entered into the Settlement Agreement to resolve all controversies and disputes arising out of or relating to the Data Incident and/or the allegations made in the CAC, and to avoid litigation costs and the expenses, distractions, burden, expense, and disruption to their business operations associated with further litigation.

12. Defendant does not in any way acknowledge, admit to, or concede any of the allegations made in the CAC, and expressly disclaims and denies any fault or liability, or any charges of wrongdoing that have been or could have been asserted in any complaint and/or related to the Data Incident.

13. Nothing contained in the Settlement Agreement shall be used or construed as an admission of liability, and the Settlement 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 the Settlement Agreement.

14. Plaintiffs have entered into the Settlement Agreement in the interests of obtaining the benefits provided for herein for the Settlement Class Members and to avoid the risk, delay, and uncertainty of continued litigation.

15. Plaintiffs do not in any way concede that the claims alleged in the CAC lack merit or are subject to any defenses.

16. The Parties intend the Settlement Agreement to bind Plaintiffs, Defendant, and all Settlement Class Members.

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**

17. “**Action**” means the putative class action lawsuit entitled *Graycar, et al. v. Capital Health Systems, Inc.*, Case No. 3:23-CV-23234-MAS-JTQ, pending in the United States District Court for the District of New Jersey.

18. “**Alternative Cash Payment**” means a *pro rata* cash payment paid to Settlement Class Members who submit a Valid Claim for an Alternative Cash Payment, under Section V herein.

19. “**Application for Attorneys’ Fees, Costs, and Service Awards**” means the application made with the Motion for Final Approval seeking the payment of attorneys’ fees and costs to Class Counsel and Service Awards to the Class Representatives.

20. “**Claim**” means the submission of a Claim Form by a Claimant for Settlement Class Member Benefits.

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

22. “**Claim Form Deadline**” shall be 90 days following the commencement of Notice,

and is the last day by which a Claim Form may be submitted to the Settlement Administrator for a Settlement Class member to be eligible for a Cash Payment or Credit Monitoring.

23. “**Claimant**” means a Settlement Class member who submits a Claim Form.

24. “**Claims Process**” means the process by which Settlement Class members may submit Claim Forms online at the Settlement Website or by mail to the Settlement Administrator, including the procedure to approve or reject Claims.

25. “**Class Counsel**” means Kenneth Grunfeld of KOPELOWITZ OSTROW P.A., James E. Cecchi of CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. and James P. Pizzirusso of HAUSFELD LLP.

26. “**Class List**” means a list of Settlement Class Members’ names and postal addresses that Defendant shall prepare and provide to the Settlement Administrator within 10 days of Preliminary Approval.

27. “**Class Representatives**” mean the Plaintiffs who sign the Settlement Agreement.

28. “**Complaint**” means the Consolidated Amended Class Action Complaint filed by Plaintiffs on May 24, 2024 [ECF # 22].

29. “**Court**” means the United States District Court for the District of New Jersey and the judge(s) assigned to the Action.

30. “**Credit Monitoring**” means the three years of one-bureau credit monitoring product that Settlement Class members may elect to receive pursuant to Section V herein.

31. “**Data Incident**” means the cybersecurity incident impacting Defendant from November 11 through 26, 2023, which may have resulted in the unauthorized access to or acquisition of Settlement Class Members’ Private Information.

32. “**Defendant**” means Capital Health Systems, Inc.

33. **“Defendant’s Counsel”** means Jon Kardassakis and Andrew Albero, Lewis Brisbois Bisgaard & Smith LLP.

34. **“Documented Losses”** means the documented out-of-pocket costs or expenditures that a Settlement Class Member actually incurred that are fairly traceable to the Data Incident, and that have not already been reimbursed by a third party, that Settlement Class Members may elect pursuant to Section V herein, up to a maximum of \$5,000.00.

35. **“Effective Date”** means the latest of the following: (a) 5 days after the entry of the Final Approval Order, provided there are no objections to the Settlement; (b) 30 days after entry of the Final Approval Order if objections are filed and overruled and no appeals are taken from the Final Approval Order; or (c) if appeals are taken from the Final Approval Order, three business days after the date that a judgment of the United States Court of Appeals for the Third Circuit or Supreme Court of the United States is issued affirming the Final Approval Order, and the Final Approval Order is no longer subject to further appeal or review.

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

37. **“Fee Award and Costs”** means the amount of attorneys’ fees and reimbursement of Litigation Costs and Expenses awarded by the Court to Class Counsel.

38. **“Final Approval”** means the final approval of the Settlement Agreement, which occurs when the Court enters the Final Approval Order.

39. **“Final Approval Hearing”** means the hearing held before the Court during which the Court will consider granting Final Approval of the Settlement Agreement and the Application for Attorneys’ Fees, Costs, and Service Awards.

40. **“Final Approval Order”** means an order that finally approves the Settlement

Agreement, provides for the release of the Released Claims, and makes such other final rulings as are contemplated by this Settlement Agreement, which may or may not include approving payment of any Fee Award and Costs or Service Awards.

41. **“Litigation Costs and Expenses”** means costs and expenses incurred by Class Counsel in connection with commencing, prosecuting, and settling the Action.

42. **“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 upon request made to the Settlement Administrator.

43. **“Motion for Final Approval”** means the motion that Plaintiffs and Class Counsel shall file with the Court seeking Final Approval of the Settlement, including Class Counsel’s Application for Attorneys’ Fees and Costs.

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

45. **“Net Settlement Fund”** means the amount of funds that remain in the Settlement Fund after funds are paid from or allocated for payment from the Settlement Fund for the following: (i) Settlement Administration Costs; (ii) Taxes and Tax-Related Expenses; (iii) Service Awards as approved by the Court; and (iv) Fee Award and Costs as approved by the Court.

46. **“Non-Profit Residual Recipient”** means the Electronic Frontier Foundation (“EFF”), which is “the leading nonprofit defending digital privacy, free speech, and innovation.” See <https://www.eff.org/> (last visited 6/25/2025).

47. **“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.



48. “**Notice Deadline**” means the day by which Notice must issue to the Settlement Class Members, which will be thirty (30) days after entry of the Preliminary Approval Order.

49. “**Notice Program**” means the methods provided for in the Settlement Agreement for giving Notice to the Settlement Class and consists of the Postcard Notice and Long Form Notice.

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

51. “**Objection Period**” means the period that begins the day after the earliest day on which the Notice is first distributed, and that ends 60 days following the commencement of Notice.

52. “**Opt-Out Period**” means the period that begins the day after the earliest day on which the Notice is first distributed, and that ends 60 days following the commencement of Notice.

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

54. “**Plaintiffs**” means Bruce Graycar, Brenda L. Crawford, Jermaine B. Crawford, and Katrina Bowens.

55. “**Postcard Notice**” means the postcard notice of the Settlement, substantially in the form attached hereto as *Exhibit 1* that the Settlement Administrator shall disseminate to Settlement Class members by mail.

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

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

58. **“Private Information”** means information collected by Defendant pertaining to Settlement Class Members, including, but not limited to names, addresses, Social Security numbers, dates of birth, email addresses, telephone numbers, clinical information, and other medical information.

59. **“Releases”** means the releases and waiver set forth in Section XIII of the Settlement Agreement.

60. **“Released Claims”** means any and all actual, potential, filed or unfiled, known or unknown, fixed or contingent, claimed or unclaimed, asserted or unasserted, liquidated or unliquidated, existing or potential, suspected or unsuspected claims, demands, liabilities, rights, suits, causes of action, obligations, damages, punitive, exemplary or multiplied damages, expenses, costs, losses, indemnities, attorneys’ fees and/or obligations, and remedies of any kind or description, whether in law or in equity, accrued or unaccrued, direct, individual or representative, of every nature and description whatsoever, based on any federal, state, local, statutory, or common law or any other law, against the Released Parties, or any of them, arising out of or relating to actual or alleged facts, transactions, events, matters, occurrences, acts, disclosures, statements, representations, omissions or failures to act that the Releasing Parties had or have that have been or could have been asserted in the Complaint or that otherwise relate to or arise from the Data Incident, the facts alleged in the Complaint, the alleged access, disclosure and/or the acquisition of Settlement Class Members’ Private Information in the Data Incident.

61. **“Released Parties”** means Defendant and each entity which is controlled by, controlling or under common control with Defendant and each and every of its respective past, present, and future direct and indirect heirs, assigns, associates, corporations, investors, owners, parents, subsidiaries, affiliates, divisions, departments, officers, directors, shareholders, members,

agents, servants, employees, partners, attorneys, insurers, reinsurers, benefit plans, predecessors, successors, managers, administrators, executors, and trustees. Each of the Released Parties may be referred to individually as a “**Released Party**.”

62. “**Releasing Parties**” means Plaintiffs and Settlement Class Members and their respective past, present, and future heirs, devisees, beneficiaries, conservators, executors, estates, administrators, assigns, trustees, receivers, agents, attorneys, accountants, financial and other advisors, and any other representatives of any of these persons and entities.

63. “**Request for Exclusion**” is the written communication by or on behalf of a Settlement Class Member in which he or she requests to be excluded from the Settlement Class in the form and manner provided for in the Notice.

64. “**Residual Settlement Fund**” means any funds that remain in the Settlement Fund after Settlement Payments have been distributed and the time for cashing and/or redeeming Settlement Payments has expired. The Residual Settlement Fund will be sent to the Non-Profit Residual Recipient.

65. “**Service Awards**” means the payment the Court may award the Plaintiffs for serving as Class Representatives, which is in addition to any Settlement Class Member Benefit due to Plaintiffs as Settlement Class Members.

66. “**Settlement Administrator**” means Epiq Class Action & Claims Solutions, Inc. or “**Epiq**.”

67. “**Settlement Administration Costs**” means all costs and fees of the Settlement Administrator incurred in the administration of this Settlement, including, without limitation, all expenses or costs associated with providing Notice to the Settlement Class Members, locating Settlement Class Members, performing National Change of Address search(es) and/or skip tracing,

processing claims, determining the eligibility of any person to be a Settlement Class Member, and administering, calculating and distributing the Settlement Fund to Settlement Class Members. Settlement Administration Costs also includes all reasonable third-party fees and expenses incurred by the Settlement Administrator in administering the terms of this Settlement Agreement.

68. “**Settlement Agreement**” means this settlement agreement entered between Plaintiffs, on behalf of themselves and the Settlement Class, and the Defendant.

69. “**Settlement Class**” means all persons whose Private Information was potentially compromised because of the Data Incident. The Settlement Class excludes: (a) the judge(s) to whom the Action is assigned and any member of those judge’s staffs or immediate family members; (b) counsel for the Parties, any member of their respective staffs who worked directly on the Action, and any member of their immediate families; (c) any governmental entity; (d) any entity in which any of the Defendants have a controlling interest; (e) any of Defendants’ subsidiaries, parents, affiliates, and officers, directors, legal representatives, heirs, successors, or assigns; and (f) Settlement Class Members who submit a valid Request for Exclusion prior to the Opt-Out Deadline. The Settlement Class includes Group 1 Settlement Class Members and Group 2 Settlement Class Members; however, an individual is either a Group 1 Settlement Class Member or Group 2 Settlement Class Member, but not both.

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

71. “**Settlement Class Member Benefits**” means the benefits made available to Settlement Class Members pursuant to this Settlement Agreement.

72. “**Settlement Fund**” means the sum of Four Million and Five hundred Thousand Dollars and Zero Cents (\$4,500,000.00) to be paid by or on behalf of Defendant, including any interest accrued thereon after payment. This payment by or on behalf of Defendant is the limit and

extent of the monetary obligations of Defendant and each entity which is controlled by, controlling or under common control with Defendant and each and every of their respective past, present, and future direct and indirect heirs, assigns, associates, corporations, investors, owners, parents, subsidiaries, affiliates, divisions, departments, officers, directors, shareholders, members, agents, servants, employees, partners, attorneys, insurers, reinsurers, benefit plans, predecessors, successors, managers, administrators, executors, and trustees, with respect to the Settlement Agreement and the settlement of this matter.

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

74. **“Taxes and Tax-Related Expenses”** means any and all applicable taxes, duties, and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction, if any, with respect to the income or gains earned by or in respect of the Settlement Fund, including, without limitation, any taxes that may be imposed upon Defendant with respect to any income or gains earned by or in respect of the Settlement Fund for any period while it is held in the Settlement Fund.

75. **“Valid Claim”** means a Claim Form submitted by a 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 Settlement Class Member; (c) signed physically or by e-signature by a Settlement Class Member personally, subject to the penalty of perjury; (d) returned via mail and postmarked by the Claim Form Deadline, or, if submitted online, submitted by 11:59 p.m. Eastern time on 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 or may permit the Settlement Administrator to provide alternative relief to the Claimant.

### **III. Settlement Fund**

76. Defendant will fund or cause to fund the Escrow Account to establish the Settlement Fund. Within fifteen (15) days of entry of the Preliminary Approval Order and the Settlement Administrator providing to Defendant a reasonably detailed written statement of the amount estimated by the Settlement Administrator to pay the Settlement Administration Costs anticipated to be incurred up to the Final Approval Hearing, Defendant will pay to the Settlement Fund Escrow Account the amount estimated by the Settlement Administrator to pay the Settlement Administration Costs anticipated to be incurred up to the Final Approval Hearing. Within fifteen (15) days of the Effective Date, Defendant will pay to the Settlement Fund Escrow Account the remaining amount necessary for a total payment of \$4,500,000.00 into the Escrow Account. Defendant shall not be responsible for any other payments under the Settlement Agreement.

77. The Settlement Fund is non-reversionary. As of the Effective Date, all rights of Defendant in or to the Settlement Fund shall be extinguished, except in the event this Settlement

Agreement is terminated, as described in Section VIII.

78. 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. The Settlement Administrator, within the meaning of United States Treasury Reg. § 1.468B-1, shall be responsible for filing tax returns and any other tax reporting for or in respect of the Settlement Fund and paying from the Settlement Fund any Taxes and Tax-Related Expenses owed with respect to the Settlement Fund. Defendant, Defendant’s insurers and reinsurers, Defendant’s counsel, Plaintiffs, and Class Counsel shall have no liability or responsibility for any of the Taxes or Tax-Related Expenses. The Escrow Account shall indemnify and hold Defendant, Defendant’s insurers and reinsurers, Defendant’s counsel, Plaintiffs, and Class Counsel harmless for all taxes (including, without limitation, taxes payable by reason of any such indemnification).

79. 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, in the event this Settlement Agreement is terminated in accordance with Section VIII, the balance returned to those who paid the Settlement Fund.

80. Any amount remaining in the Residual Settlement Fund shall be paid to the Non-Profit Residual Recipient in accordance with Paragraph 129. No amounts may be withdrawn from the Settlement Fund unless expressly authorized by this Settlement Agreement or approved by the Court.

81. The Parties and their respective counsel have made no representation or warranty with respect to the tax treatment by Plaintiffs or any Settlement Class Member of any payment or transfer made pursuant to this Settlement Agreement or derived from or made pursuant to the

Settlement Fund. Plaintiffs and Settlement Class Members shall be solely responsible for the federal, state, and local tax consequences to him, her or it of the receipt of funds from the Settlement Fund pursuant to the Settlement Agreement.

**IV. Certification of the Settlement Class**

82. In the Motion for Preliminary Approval, Plaintiffs shall propose and request that the Court certify the Settlement Class for settlement purposes only. Defendant agrees solely for purposes of the settlement provided for in this Settlement 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, Defendants shall retain all rights to object to any future requests to certify a class. Plaintiffs and Class Counsel shall not reference this Settlement Agreement in support of any subsequent motion for class certification of any class in the Action.

**V. Settlement Consideration**

83. When submitting a Claim, Settlement Class Members may elect either (a) reimbursement for Documented Losses or (b) in lieu of reimbursement for Documented Losses, an Alternative Cash Payment, and (c) Credit Monitoring. If a Settlement Class Member does not submit a Valid Claim or opt-out of the Settlement, the Settlement Class Member will release his or her claims against Defendant without receiving any Settlement Class Member Benefits.

**a. Reimbursement for Documented Losses**

84. All Settlement Class Members may submit a Claim for reimbursement of Documented Losses, up to a maximum of Five Thousand Dollars and Zero Cents (\$5,000.00). Documented Losses are unreimbursed costs or expenditures incurred by a Settlement Class Member that are fairly traceable to the Data Incident including, without limitation, the following:



(i) unreimbursed costs, expenses, losses or charges incurred a result of identity theft or identity fraud, falsified tax returns, or other possible misuse of class member's personal information; (ii) costs incurred on or after November 11, 2023, associated with purchasing or extending additional credit monitoring or identity theft protection services and/or accessing or freezing/unfreezing credit reports with any credit reporting agency; and (iii) other miscellaneous expenses incurred related to any Documented Losses such as notary, fax, postage, copying, mileage, and long-distance telephone charges.

85. Settlement Class Members who elect to submit a claim for reimbursement for Documented Losses must provide to the Settlement Administrator the information required to evaluate the claim, including: (1) the Settlement Class Member's name and current address; (2) documentation supporting their claim; (3) a brief description of the documentation describing the nature of the loss, if the nature of the loss is not apparent from the documentation alone; and (4) whether the Settlement Class Member has been reimbursed for the loss by another source. Documentation supporting Documented Losses can include receipts or other documentation not "self-prepared" by the Settlement Class Member that document the costs incurred. "Self-prepared" documents such as handwritten receipts are, by themselves, insufficient to support a request for reimbursement, but can be considered to add clarity to or support other submitted documentation. Settlement Class Members shall not be reimbursed for Documented Losses if they have already been reimbursed for the same losses by another source, including compensation provided in connection with the identity protection and credit monitoring services offered as part of the notification letter provided by Defendant or otherwise. If a Settlement Class Member does not submit reasonable documentation supporting a loss, or if their Claim is rejected by the Settlement Administrator for any reason, and the Settlement Class Member fails to cure his or her Claim, the

Claim will be rejected and converted into an Alternative Cash Payment.

86. The Settlement Administrator shall verify that each person who submits a Claim Form is a Settlement Class Member. The Settlement Administrator shall have the sole discretion and authority to determine whether and to what extent documentation for Documented Losses reflects valid Documented Losses actually incurred that are fairly traceable to the Data Incident, but shall consult with Class Counsel in making individual determinations. In assessing what qualifies as “fairly traceable,” the Parties agree to instruct the Settlement Administrator to consider (i) the timing of the; and/or (ii) whether the Personal Information used to commit identity theft or fraud consisted of the same type of Personal Information that was potentially impacted as a result of the Data Incident. The Settlement Administrator is authorized to contact any Settlement Class Member (by e-mail, telephone, or U.S. mail) to seek clarification regarding a submitted claim prior to making a determination as to its validity.

**b. Alternative Cash Payment**

87. In lieu of a Claim for reimbursement of Documented Losses, all Settlement Class Members may submit a claim for an Alternative Cash Payment. Settlement Class Members may elect to receive a cash payment in an estimated amount of \$100.00. The amount of the Alternative Cash Payment will be subject to a *pro rata* increase in the event the amount of Valid Claims for Alternative Cash Payments is insufficient to exhaust the entire Settlement Fund. Similarly, in the event the amount of Valid Claims for Alternative Cash Payment exhausts the amount of the Settlement Fund, the amount of the Alternative Cash Payments will be reduced *pro rata* accordingly.

**c. Credit Monitoring**

In addition, all Settlement Class Members may elect to receive Credit Monitoring. The

Credit Monitoring will include: (i) real time monitoring of the Settlement Class Member's credit file at one bureau; (ii) dark web scanning with immediate notification of potential misuse; (iii) comprehensive public record monitoring; (iv) identity theft insurance with no deductible; and (v) access to fraud resolution agents to help investigate and resolves instances of theft. The Credit Monitoring has a value of \$90.00 per year, per Settlement Class Member.

**d. Confirmatory Discovery**

88. Defendant has provided Class Counsel with a written declaration regarding the security measures it implemented and will continue to maintain following the Data Incident.

89. The declaration provided by Defendant shall be treated as confidential and cannot be used for any purpose other than enforcement of this Settlement Agreement.

90. Nothing about this Section shall create any rights to any present or future contractual or equitable remedies requiring Defendant or any Released Parties to make or maintain any particular security processes or procedures in the future.

**VI. Preliminary Approval**

91. Within ten (10) days following execution of the Settlement Agreement by all Parties and Class Counsel, Class Counsel shall file a Motion for Preliminary Approval. The proposed Preliminary Approval Order shall be attached to the motion as an exhibit.

92. The Motion for Preliminary Approval shall, among other things, request the Court: (1) preliminarily approve the terms of the Settlement as being within the range of fair, adequate, and reasonable; (2) provisionally certify the Settlement Class for settlement purposes only; (3) approve the Notice Program set forth herein and approve the form and content of the Notices of the Settlement; (4) approve the Claim Form and Claim Process; (5) approve the procedures for Settlement Class members to opt-out of the settlement or for Settlement Class Members to object

to the settlement; (6) appoint Plaintiffs who signed this Settlement Agreement as Class Representatives and Kenneth Grunfeld, James E. Cecchi and James P. Pizzirusso as Class Counsel for settlement purposes; (7) stay the Action pending Final Approval of the Settlement; and (8) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, the Parties, Class Counsel, and Defendant's counsel that is no earlier than 120 days after entry of the Preliminary Approval Order.

93. Class Counsel shall provide Defendant's counsel with a draft of the Motion for Preliminary Approval within a reasonable time frame prior to its filing to provide an adequate opportunity for Defendant to provide input and request revisions.

**VII. Settlement Administrator**

94. The Parties agree that, subject to Court approval, Epiq shall be designated the Settlement Administrator. The Parties shall jointly oversee the Settlement Administrator. The Settlement Administrator shall fulfill the requirements set forth in this Settlement Agreement and the Preliminary Approval Order, and comply with all applicable laws, including, but not limited to, the Due Process Clause of the United States Constitution.

95. The Settlement Administrator shall administer various aspects of the settlement as described in the next paragraph and perform such other functions as are specified for the Settlement Administrator elsewhere in the Settlement Agreement, including, but not limited to, effectuating the Notice Program, handling the claims process, administering the Settlement Fund, and distributing the payments for Documented Losses or Alternative Cash Payments, and Credit Monitoring activation codes to Settlement Class Members who submit Valid Claims.

96. The Settlement Administrator's duties include:

- a. Completing the Court-approved Notice Program by noticing the Settlement

Class by Postcard Notice, sending out Long Form Notices and paper Claim Forms on request from Settlement Class Members, reviewing Claim Forms, notifying Claimants of deficient Claim Forms using the Notice of Deficiency, and sending Settlement Class Member Benefits to Settlement Class Members who submit Valid Claims;

b. Preparing and mailing the notice required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, to the appropriate federal and state officials;

c. Establishing and maintaining the Escrow Account approved by the Parties;

d. Establishing and maintaining a post office box to receive opt-out requests from the Settlement Class, objections from Settlement Class Members, and Claim Forms;

e. Establishing and maintaining the Settlement Website to provide important information and to receive electronic Claim Forms;

f. Establishing and maintaining an automated toll-free telephone line for Settlement Class Members to call with settlement-related inquiries, and answering the “frequently asked questions” of Settlement Class Members who call with or otherwise communicate such inquiries;

g. Responding to any mailed Settlement Class Member inquiries;

h. Processing all opt-out requests from the Settlement Class;

i. Providing weekly reports to Class Counsel and Defendant’s counsel that summarize the number of Claims submitted, Claims approved and rejected, Notice 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, preparing a declaration for the Parties confirming that the Notice Program was completed in accordance with the terms of this

Settlement 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. Distributing, out of the Settlement Fund, Cash Payments by electronic means or by paper check;

l. Sending Settlement Class Members who elect Credit Monitoring emails instructing how to activate their Credit Monitoring service.

m. Paying Fee Award and Costs and Service Awards, as approved by the Court, out of the Settlement Fund;

n. Paying Settlement Administration Costs out of the Settlement Fund following approval by Class Counsel; and

o. Any other settlement administration function at the instruction of Class Counsel and Defendant's counsel, including, but not limited to, verifying that the Settlement Fund has been properly administered and that the Settlement Class Member Benefits who submit Valid Claims have been properly distributed.

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

97. Defendant will make available to the Settlement Administrator the Class List no later than 10 days after entry of the Preliminary Approval Order.

98. 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.

99. The Postcard Notice shall include, among other information: a QR code that links directly to the Claim Form on the Settlement Website, 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 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 Settlement Agreement and other related documents and information.

100. 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.

101. The Settlement Administrator shall establish the Settlement Website no later than the day before Notice is first 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.

102. The Long Form Notice also shall include a procedure for Settlement Class Members to opt-out of the Settlement Class, and the Postcard Notice shall direct Settlement Class Members to review the Long Form Notice to obtain the opt-out instructions. A Settlement Class Members may opt-out of the Settlement Class at any time during the Opt-Out Period by mailing a Request for Exclusion to the Settlement Administrator postmarked no later than the last day of the Opt-Out Period. The Request for Exclusion must be personally signed by the Settlement Class Members and contain the requestor's name, address, telephone number, and email address (if any),

and include a statement indicating a request to be excluded from the Settlement Class. Any Settlement Class Members who do not submit a timely and valid Request for Exclusion shall be bound by the terms of the Settlement Agreement even if that Settlement Class Member does not submit a Valid Claim.

103. 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, and the Postcard Notice shall direct Settlement Class members to review the Long Form Notice to obtain the objection instructions. Objections must be sent by U.S. Mail to the Court, Plaintiffs' Counsel, Defendant's Counsel and the Settlement Administrator.

<b>Court</b>	<b>Plaintiffs' Counsel</b>	<b>Defendant's Counsel</b>	<b>Settlement Administrator</b>
District Judge Michael A. Shipp Magistrate Judge Justin T. Quinn Re: <i>Graycar, et al.</i> <i>v. Capital Health Systems, Inc.</i> , Case No. 3:23-CV-23234- MAS-JTQ 402 E State Street Trenton, NJ 08608-1500	James E. Cecchi CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068	Jon Kardassakis Lewis Brisbois Bisgaard & Smith LLP 633 West 5 <sup>th</sup> Street, Suite 4000 Los Angeles, CA 90071	Capital Health Data Breach Litigation Settlement Administrator PO Box XXXX Portland, OR 97XXX

For an objection to be considered by the Court, the relevant Settlement Class Member must submit the objection no later than the last day of the Objection Period, as specified in the Notice, and the relevant Settlement Class Member must not have excluded himself or 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 courier (*e.g.*, Federal Express), an



objection shall be deemed to have been submitted on the shipping date reflected on the shipping label.

104. For an objection to be valid, the objection must also set forth:

- a. The name of the proceedings;
- b. The objector's full name, mailing address, telephone number, and email address (if any);
- c. All grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
- 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 Application for Attorneys' Fees, Costs, and Service Awards;
- e. A statement of whether the objector and/or his/her attorney(s) intend to appear at the Final Approval Hearing;
- f. A statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing;
- g. A list of all persons who will be called to testify at the Final Approval Hearing in support of the objection (if any);
- h. The number of times the objector, the objector's counsel and/or counsel's law firm has objected to a class action settlement within the five (5) years preceding the date of the objection, the caption of each case in which the objection was made, and a copy of any orders related to or ruling upon the prior objections that were issued by the trial and appellate courts in each listed case; and
- i. the objector's signature (an attorney's signature is not sufficient).

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

105. Within seven (7) days after the deadline for opt-out as set forth in this Paragraph and as approved by the Court, the Settlement Administrator shall furnish to counsel for the Parties a complete list of all timely and valid request for exclusions.

106. In the event that within seven (7) days after receipt of the list from the Settlement Administrator, there have been more than five hundred (500) Opt-Outs (exclusions), Defendant may, by notifying Class Counsel in writing, void the Settlement Agreement. If Defendant voids the Settlement Agreement pursuant to this Paragraph, Defendant shall be obligated to pay all settlement expenses already incurred, excluding any attorneys' fees, costs, and expenses of Class Counsel and Service Awards.

107. The Settlement Administrator shall perform reasonable address traces for Postcard Notices that are returned as undeliverable. By way of example, a reasonable tracing procedure would be to run addresses of returned postcards through the Lexis/Nexis or Westlaw database that can be utilized for such purpose. No later than sixty (60) days before the original date set for the Final Approval Hearing, 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.

108. The Notice Program shall be completed no later than 60 days before the original date set for the Final Approval Hearing.

**IX. Claim Form Process and Disbursement of Settlement Class Member Benefits**

109. The Notice and the Settlement Website will explain to Settlement Class Members that they may be entitled to a benefit under the Settlement and how to submit a Claim Form.

110. 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.

111. 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 Agreement and thus qualifies as 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.

112. The Settlement Administrator shall use all reasonable efforts and means to identify and reject duplicate claims. No 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 Settlement Class Member. If the Settlement Administrator identifies any Claim Form that appears to be a duplication, the Settlement Administrator shall contact the Settlement Class Member in an effort to determine which Claim Form is the appropriate one for consideration.

113. 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 Claim 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. By agreement, the Parties can instruct the Settlement Administrator to take whatever steps they deem 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 request information from Claimants or deny Claims, subject to the supervision of the Parties and ultimate oversight by the Court.

114. 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 Claimant or 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 Claimant 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 Claimant shall have until the Claim Form Deadline, or fifteen (15) days from the date the Notice of Deficiency is sent to the Claimant via mail and postmarked or via email, whichever is later, to reply to the Notice of Deficiency and provide the required information. If the Claimant 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 Claimant does not timely and completely provide the requested information and/or documentation, the Settlement Administrator shall reduce or deny the Claim unless Defendant and Class Counsel otherwise agree. For Claimants seeking reimbursement for Documented Losses that fail to provide sufficient information and/or documentation, the Settlement Administrator may convert their claims to an Alternative Cash Payment Claim.

115. Where a good faith basis exists, the Settlement Administrator may reduce or reject a Claim for, among other reasons, the following:

- a. Failure to fully complete and/or sign the Claim Form;
- b. Illegible Claim Form;
- c. The Claim Form is fraudulent;
- d. The Claim Form is duplicative of another Claim Form;
- e. The Claimant is not a 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 Settlement.

116. 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 sixty (60) days from the Claim Form Deadline to approve or reject Claims;
- 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, 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; and
- d. The Settlement Administrator's determination as to whether to approve, deny, or reduce a Claim shall be final and binding.

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

118. 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. The Parties, Class Counsel, Defendant's Counsel, and Defendant's insurers and reinsurers, shall not have any liability whatsoever with respect to (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the formulation, design or terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses.

119. The Settlement Administrator shall indemnify and hold harmless the Parties, Class Counsel, Defendant's Counsel, and Defendant's insurers and reinsurers for (i) any act or omission or determination of the Settlement Administrator, or any of Settlement Administrator's designees or agents, in connection with the Notice Plan and the administration of the Settlement; (ii) the management, investment or distribution of the Settlement Fund; (iii) the formulation, design or

terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses.

120. The Settlement Administrator shall distribute the Settlement Class Member Benefits provided for in Section V, above, no later than seventy-five (75) days after the Effective Date.

121. Any monetary payments to Settlement Class Members shall be made by electronic payment or by paper check, by sending Settlement Class Members with Valid Claims an email to select from alternative forms of electronic payment or by paper check. Settlement Class Members will have a period of one hundred eighty (180) days to select their electronic payment or to negotiate their paper check. In the event of any complications arising in connection with the issuance of an electronic payment, the Settlement Administrator shall provide written notice to Class Counsel and Defendant's counsel. Absent specific instructions from Class Counsel and Defendant's counsel, the Settlement Administrator shall proceed to resolve the dispute using its best practices and procedures to ensure that the funds are fairly and properly distributed to the person or persons who are entitled to receive them. 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 become residual funds, and the Settlement Class Member shall forfeit his or her right to the funds.

122. The Settlement Administrator shall send an email to Settlement Class Members with Valid Claims that elected Credit Monitoring with information on how to enroll in the Credit Monitoring, including the activation code.

123. The Settlement Administrator must first use the funds available in the Settlement Fund (after payment of Settlement Administration Costs and Taxes and Tax-Related Expenses) to make payments for Fee Award and Costs, followed by Service Awards, followed by Valid Claims for Documented Losses, followed by Valid Claims for Credit Monitoring, followed by Valid Claims for Alternative Cash Payments.

124. If the funds remaining in the Net Settlement Fund are not sufficient to make payment for those Valid Claims for Documented Losses, then the value of the payments for Valid Claims for Documented Losses shall be reduced on a *pro rata* basis, such that the aggregate value of all payments for Valid Claims for Documented Losses does not exceed the Net Settlement Fund. In such an event, no Net Settlement Funds will be distributed for Valid Claims for Credit Monitoring or Valid Claims for Alternative Cash Payments.

125. In the event that the funds remaining in the Net Settlement Fund after payment for Valid Claims for Documented Losses are not sufficient to make payment for those Valid Claims for Credit Monitoring, then the number of years of Credit Monitoring shall be reduced on a *pro rata* basis, such that the aggregate value of all payments for Valid Claims for Documented Losses and Valid Claims for Credit Monitoring does not exceed the Net Settlement Fund. In such an event, no Net Settlement Funds will be distributed for Valid Claims for Alternative Cash Payments.

126. In the event that funds remaining in the Net Settlement Fund after the payment for Valid Claims for Documented Losses and Valid Claims for Credit Monitoring are not sufficient to make payment for the full amount of the Valid Claims for Alternative Cash Payments (One Hundred Dollars and Zero Cents (\$100.00)) per Valid Claim, then the value of the Valid Claims for Alternative Cash Payments shall be reduced on a *pro rata* basis, such that the aggregate value of all payments for Valid Claims for Alternative Cash Payments does not exceed the Net Settlement



Fund.

127. All *pro rata* determinations required by this Paragraph shall be performed by the Settlement Administrator upon notice to Class Counsel and Defendant's counsel.

128. In the event that the aggregate amount of all Settlement Payments does not exceed the Net Settlement Fund, and the remaining amount is not *de minimis* (as determined by Class Counsel and Defendant's counsel based on calculations provided by the Settlement Administrator), then each Settlement Class Member who is entitled to perceive payment for a Valid Claim for Alternative Cash Payment(s) shall receive funds increased on a *pro rata* basis so that the Net Settlement Fund is depleted.

129. No portion of the Settlement Fund shall revert or be repaid to Defendant after the Effective Date. To the extent any monies remain in the Residual Settlement Fund more than one hundred fifty (150) days after the distribution of Settlement payments to the Settlement Class Members, or thirty (30) days after all reissued Settlement Checks are no longer negotiable, whichever occurs later or as otherwise agreed to by the Parties, any remaining monies shall be distributed as required by state law or to the Non-Profit Residual Recipient.

**X. Final Approval Order and Final Judgment**

130. 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 30 days before the original date set for the Final Approval Hearing. At the Final Approval Hearing, the Court will hear argument on Plaintiffs' Motion for Final Approval of the Settlement and Application for Attorneys' Fees, Costs, and Service Awards. In the Court's discretion, the Court may also hear argument at the Final Approval Hearing from any Settlement Class Members (or their counsel) who object to the settlement and/or to the Application for Attorneys' Fees, Costs, and Service

Awards, provided the objectors submitted timely objections that meet all of the requirements listed in the Settlement Agreement.

131. 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, among other things:

- a. Determine that the Settlement is fair, adequate and reasonable;
- b. Finally certify the Settlement Class for settlement purposes only;
- c. Confirm that the Notice Program as carried out satisfied Due Process requirements;
- d. 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;
- e. Release Defendant and the other Released Parties from the Released Claims; and
- f. Reserve the Court's continuing and exclusive jurisdiction over the Parties to the Settlement Agreement, including Defendant, Plaintiffs, all Settlement Class Members, and all objectors, to administer, supervise, construe, and enforce the Settlement Agreement in accordance with its terms.

**XI. Service Awards, Attorneys' Fees and Costs**

132. **Service Awards** – The Class Representatives may seek Service Awards of up to \$4,000.00 each, subject to Court approval. The Service Awards shall be payable out of the Settlement Fund by the Settlement Administrator to Class Counsel or to the Class Representatives

directly, within ten (10) days of the Effective Date. Class Counsel will provide the Settlement Administrator with instructions following the Effective Date.

133. **Attorneys' Fees and Costs** - Class Counsel shall apply to the Court for an award of attorneys' fees of up to one-third of the Settlement Fund, plus reimbursement of reasonable costs. The attorneys' fees and cost awards approved by the Court shall be paid by the Settlement Administrator out of the Settlement Fund by wire transfer to an account designated by Class Counsel within ten (10) days of the Effective Date.

134. This settlement is not contingent on approval of the request for attorneys' fees and costs or Service Awards, and if the Court denies the request or grants amounts less than what was requested, the remaining provisions of the Settlement Agreement shall remain in force. The provision for attorneys' fees and costs was negotiated after all material terms of the Settlement Agreement.

135. To the extent applicable, and unless otherwise ordered by the Court, Class Counsel shall have the sole and absolute discretion to allocate any approved Fee Award and Costs among Plaintiffs' Counsel and any other attorneys for Plaintiffs. Defendant and its insurers and reinsurers shall have no liability or other responsibility for allocation of any such attorneys' fees and costs.

## **XII. Releases**

136. 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.

137. The Released Claims include the release of Unknown Claims. "Unknown Claims" means claims that could have been raised in the Action, but which Plaintiffs, any Settlement Class

Member, and/or any Releasing Party do not know or suspect exist which, if known by him, her or it, might affect his or her agreement to release the Released Parties or the Released Claims or might affect his or her decision to agree, object, or not to object to the settlement. Upon the Effective Date, Plaintiffs, the Settlement Class Members, and any Releasing Party shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, and specifically agree to the non-application to this Settlement Agreement, the provisions, rights and benefits of Section 1542 of the California Civil Code, 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.

138. Upon the Effective Date, each of the Releasing Parties shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law of any state, the District of Columbia or territory of the United States, by federal law, or principle of common law, or the law of any jurisdiction outside of the United States, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Class Representatives, the Settlement Class, and the Releasing Parties acknowledge that they may 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 Release, but that it is their intention to finally and forever settle and release the Released Claims, including, but not limited to, any Unknown Claims they may have, as that term is defined in this Paragraph.

139. Upon the entry of the Final Approval Order and Judgment, Plaintiffs and the Settlement Class Members shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against any of the Released Parties or based on any actions

taken by any of the Released Parties that are authorized or required by the Settlement Agreement or by the Final Approval Order. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section.

**XIII. Modification/Termination of Settlement**

140. The terms and provisions of this Settlement Agreement may be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however, that, after entry of the Preliminary Approval Order, the Parties may, by written agreement, effect such amendments, modifications, or expansions of this Settlement Agreement and its implementing documents (including all exhibits hereto) without further notice to the Settlement Class or approval by the Court if such changes are consistent with the Court's Preliminary Approval Order and do not materially alter, reduce, or limit the rights of Settlement Class Members under the Settlement Agreement.

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

- a. Court approval of the settlement consideration set forth in Section V and the Releases set forth in Section XIII of this Settlement 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.

142. If any of the conditions specified in the preceding paragraph are not met, or if the Court otherwise imposes any modification to or condition to approval of the settlement to which

the Parties do not consent, then this Settlement Agreement shall be cancelled, terminated, and deemed null and void.

143. Additionally, Defendant shall have the sole option to terminate this Settlement Agreement if more than five hundred (500) opt-outs of the settlement are received. Defendant shall notify Class Counsel and the Court of its intent to terminate this Settlement Agreement pursuant to this paragraph within five (5) business days after the Settlement Administrator furnishes to counsel for the Parties a complete list of all timely and valid request for exclusions, or the option to terminate shall be considered waived.

144. In the event this Settlement Agreement is terminated or fails to become effective, then this Settlement Agreement shall be considered null and void; all of Plaintiffs', Class Counsel's, Defendant, and Defendant's counsel's obligations under the Settlement Agreement shall cease to be of any force and effect; and the Parties shall return to the *status quo ante* in the Action as if the Parties had not entered into this Settlement Agreement. The Parties shall further jointly file a status report in the Court seeking to reopen the Action and all papers filed. In such event, all of the Parties' respective pre-settlement rights, claims, and defenses will be retained and preserved; 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; and the terms and provisions of this Settlement Agreement 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 Settlement Agreement shall be treated as vacated, *nunc pro tunc*.

145. In the event this Settlement Agreement is terminated or fails to become effective, all funds in the Settlement Fund shall be promptly returned to the Defendant. However, Defendant shall have no right to seek from Plaintiffs, Class Counsel, or the Settlement Administrator the

Settlement Administration Costs paid before the Settlement Agreement is terminated or fails to become effective.

**XIV. No Admission of Liability**

146. This Settlement Agreement reflects the Parties' compromise and settlement of disputed claims. This Settlement Agreement shall not be construed as or deemed to be evidence of an admission or concession of any point of fact or law. The Defendant denied and continues to deny each of the claims and contentions alleged in the CAC. The Defendant specifically denies that a class could or should be certified in the Action for litigation purposes. The Defendant does not admit any liability or wrongdoing of any kind, by this Settlement Agreement or otherwise. Defendant has agreed to enter into this Settlement 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.

147. Class Counsel believe the claims asserted in the Action have merit, and they have examined and considered the Settlement Class Member Benefits, 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 have investigated the facts and law relevant to the merits of the claims, conducted informal discovery, and conducted independent investigation of the alleged claims. Class Counsel concluded that the proposed settlement set forth in the Settlement Agreement is fair, adequate, reasonable, and in the best interests of the Settlement Class Members.

148. This Settlement Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties in connection with the negotiations of the Settlement 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.

149. Neither the Settlement Agreement, 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.

150. 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, the Settlement 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 the Settlement Agreement or the Releases contained herein.

#### **XV. Miscellaneous Provisions**

151. 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 Settlement Agreement. No Party will make any public statement about the settlement that has not been approved by the other Parties, except as required or authorized by law. Approval of any proposed public statement of the other Parties will not be unreasonably withheld. This Paragraph shall not be construed to limit or impede the Notice requirements contained in this Settlement 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 Agreement, Preliminary Approval, Final Approval, and any objection to the settlement's terms. Defendant may also provide information about the settlement to its attorneys, members, partners, insurers, brokers, agents, accountants and other persons or entities as required by securities laws or other applicable laws and regulations.

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

153. Gender and Plurals. As used in the Settlement 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.

154. Headings. The headings contained in this Settlement Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Settlement Agreement.

155. Binding Effect. This Settlement 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.

156. Cooperation of Parties. The Parties to the Settlement 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 Settlement Agreement. The Parties agree to utilize Judge Quinn if any issues arise during the settlement phase of this Action.

157. Obligation to Meet and Confer. Before filing any motion in the Court raising a dispute arising out of or related to this Settlement 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. The Parties agree to utilize Judge Quinn if any issues arise.

158. Integration and No Reliance. The Settlement Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. This Settlement 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 Settlement Agreement. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein.

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

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

161. Counterparts. This Settlement 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. Original signatures are not required. Any signature submitted by facsimile, through email of a PDF, or DocuSign shall be deemed an original.

162. Jurisdiction. The Court shall retain jurisdiction over the implementation, enforcement, and performance of the Settlement Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Settlement 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.

163. Notices. All notices provided for herein, shall be sent by email with a hard copy sent by overnight mail to:

If to Plaintiffs or Class Counsel:

James E. Cecchi  
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.  
5 Becker Farm Road  
Roseland, NJ 07068  
[jcecchi@carellabyrne.com](mailto:jcecchi@carellabyrne.com)

If to Defendant's Counsel:

Jon Kardassakis  
Lewis Brisbois Bisgaard & Smith LLP  
633 West 5th Street, Suite 4000  
Los Angeles, CA 90071  
[Jon.kardassakis@lewisbrisbois.com](mailto:Jon.kardassakis@lewisbrisbois.com)  
and  
Andrew F. Albero  
Lewis Brisbois Bisgaard & Smith LLP  
550 E. Swedesford Road, Suite 270  
Wayne, PA 19087  
[Andrew.Albero@lewisbrisbois.com](mailto:Andrew.Albero@lewisbrisbois.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 as a result of the Notice Program.

164. Modification and Amendment. The Settlement 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, approved by the Court.

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

166. Authority. Any person executing this Settlement 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 Settlement Agreement to all the terms and provisions of this Settlement Agreement.

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

168. Independent Investigation and Decision to Settle. The Parties understand and acknowledge they: (a) have performed an independent investigation of the allegations of fact and law made in connection with this Action; and (b) that 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 Settlement Agreement, that will not affect or in any respect limit the binding nature of this Settlement Agreement. All Parties recognize and acknowledge they reviewed and analyzed data that they and their experts 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. It is the Parties' intention to resolve their disputes in connection with this Action pursuant to the terms of this Settlement Agreement now and thus, in furtherance of their intentions, the Settlement Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Settlement Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

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

170. Exhibits. The Exhibits to the Settlement Agreement are an integral part of the Settlement Agreement and are hereby incorporated and made part of the Settlement Agreement.

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**SIGNATURES OF THE PARTIES**

Bruce Graycar

Bruce J. Graycar  
Bruce J. Graycar (Jul 16, 2025 07:27 EDT)

Date: 07/16/2025

Brenda L. Crawford

Date: \_\_\_\_\_

Jermaine B. Crawford

Date: \_\_\_\_\_

Katrina Bowens

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. It is the Parties' intention to resolve their disputes in connection with this Action pursuant to the terms of this Settlement Agreement now and thus, in furtherance of their intentions, the Settlement Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Settlement Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

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**SIGNATURES OF THE PARTIES**

Bruce Graycar

\_\_\_\_\_

Date: \_\_\_\_\_

Brenda L. Crawford

*Brenda Crawford*  
Brenda Crawford (Jul 16, 2025 14:33 EDT)

Date: 16-Jul-2025

Jermaine B. Crawford

\_\_\_\_\_

Date: \_\_\_\_\_

Katrina Bowens

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. It is the Parties' intention to resolve their disputes in connection with this Action pursuant to the terms of this Settlement Agreement now and thus, in furtherance of their intentions, the Settlement Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Settlement Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

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(remainder of page intentionally left blank)

**SIGNATURES OF THE PARTIES**

Bruce Graycar

\_\_\_\_\_

Date: \_\_\_\_\_

Brenda L. Crawford

\_\_\_\_\_

Date: \_\_\_\_\_

Jermaine B. Crawford

Jermaine Crawford  
Jermaine Crawford (Jul 16, 2025 16:10 EDT)

Date: 16-Jul-2025  
\_\_\_\_\_

Katrina Bowens

*Katrina Bowens*

Date: 15-Jul-2025

**KOPELOWITZ OSTROW P.A. (Class Counsel)**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. (Class Counsel)**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**HAUSFELD LLP (Class Counsel)**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DEFENDANT CAPITAL HEALTH SYSTEMS, INC.,**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Lewis Brisbois Bisgaard & Smith LLP (Defendant's Counsel) (approving as to form)**

Date: \_\_\_\_\_

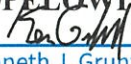
By: Jon Kardassakis

Title: Attorneys for Defendant Capital Health Systems, Inc.



\_\_\_\_\_  
Date: \_\_\_\_\_

**KOPELOWITZ OSTROW P.A. (Class Counsel)**

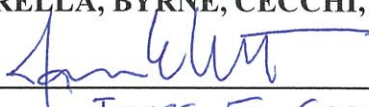
  
Kenneth J. Grunfeld (Jul 16, 2025 09:02 EDT)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. (Class Counsel)**

  
By: James E. Cecchi  
Title: \_\_\_\_\_

Date: 07-16-2025

**HAUSFELD LLP (Class Counsel)**

\_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DEFENDANT CAPITAL HEALTH SYSTEMS, INC.,**

\_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Lewis Brisbois Bisgaard & Smith LLP (Defendant's Counsel) (approving as to form)**

\_\_\_\_\_  
Date: \_\_\_\_\_

By: Jon Kardassakis

Title: Attorneys for Defendant Capital Health Systems, Inc.

\_\_\_\_\_  
Date: \_\_\_\_\_

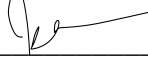
**KOPELOWITZ OSTROW P.A. (Class Counsel)**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. (Class Counsel)**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**HAUSFELD LLP (Class Counsel)**

  
\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: 16-Jul-2025

**DEFENDANT CAPITAL HEALTH SYSTEMS, INC.,**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Lewis Brisbois Bisgaard & Smith LLP (Defendant's Counsel) (approving as to form)**

\_\_\_\_\_  
By: Jon Kardassakis  
Title: Attorneys for Defendant Capital Health Systems, Inc.  
Date: \_\_\_\_\_

Date: \_\_\_\_\_

**KOPELOWITZ OSTROW P.A. (Class Counsel)**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_**CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. (Class Counsel)**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_**HAUSFELD LLP (Class Counsel)**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_**DEFENDANT CAPITAL HEALTH SYSTEMS, INC.,**Date: 7/14/25By: ROBERT VILLORESO  
Title: DEPUTY GENERAL COUNSEL**Lewis Brisbois Bisgaard & Smith LLP (Defendant's Counsel) (approving as to form)**Date: 07/16/25By: Jon Kardassakis  
Title: Attorneys for Defendant Capital Health Systems, Inc.

# EXHIBIT 1

Capital Health Data Breach Litigation  
Settlement Administrator  
PO Box XXXX  
Portland, OR 972XX-XXXX

**BARCODE  
NO-PRINT  
ZONE**

FIRST-CLASS MAIL  
U.S. POSTAGE  
PAID  
Portland, OR

159801472.1

**If your Private Information was impacted in the Data Incident involving Capital Health Systems, Inc. between November 11 and November 26, 2023, you may be entitled to benefits from a settlement.**

*A Court has authorized this notice.  
This is **not** a solicitation from a lawyer.*

**This notice is a summary.**

Learn more about the  
Settlement at  
[www.XXXXX.com](http://www.XXXXX.com),  
scan the QR code or call toll  
free 1-XXX-XXX-XXX.



<<MAIL ID>>  
<<NAME 1>>  
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<<CITY, STATE ZIP>>  
<<COUNTRY>>

<<UNIQUEID>>

A \$4.5 million settlement has been reached in a class action lawsuit against Capital Health Systems, Inc. (“Defendant”) arising from a data breach when the Defendant experienced an IT systems outage from November 11 through November 26, 2023 during which an unauthorized third party may have gained access to certain files containing Private Information belonging to certain individuals including patients, former patients, guarantors and employees of Defendant (the “Data Incident”). Private Information means some combination of Settlement Class Members’ names, addresses, dates of birth, Social Security numbers, email addresses, telephone numbers, clinical information and/or potentially other information stored within Defendant’s IT systems at the time of the Data Incident. Defendant denies the allegations in the lawsuit but has agreed to the settlement.

**Who is Included? Records show you are a member of the Settlement Class**, defined as all persons whose Private Information was potentially compromised as a result of the Data Incident.

**What does the Settlement Provide?** As a Settlement Class Member, you can submit a Claim Form online or by mail postmarked by **Month XX, 20YY**, for the following Settlement Class Member Benefits:

- **Cash Payment A – Documented Losses:** You may submit a Claim Form and provide reasonable documentation for losses related to the Data Incident for up to \$5,000 per Settlement Class Member; **OR**
- **Cash Payment B – Alternate Cash:** Instead of Cash Payment A, without providing documentation, you may submit a Claim Form to receive an alternate cash payment in the estimated amount of \$100; **AND**
- **Credit Monitoring:** In addition to Cash Payment A (Documented Losses) *or* Cash Payment B (Alternate Cash), you may also submit a Claim Form to receive three years of free Credit Monitoring.

Your Cash Payment may be subject to a *pro rata* (a legal term meaning equal share) increase or decrease depending upon the total value of all Valid Claims.

159801472.1

**This notice is a summary.** Learn more at [www.XXXXX.com](http://www.XXXXX.com), or by calling toll free 1-XXX-XXX-XXX.

# EXHIBIT 2

**If your Private Information was impacted in the Data Incident involving Capital Health Systems, Inc. between November 11 and November 26, 2023, you may be entitled to benefits from a settlement.**

*A court has authorized this Notice. This is not a solicitation from a lawyer.*

- A \$4.5 million settlement has been reached in a class action lawsuit against Capital Health Systems, Inc. (“Defendant”) arising from a data breach when the Defendant experienced an IT systems outage from November 11 through November 26, 2023 in which an unauthorized third party may have gained access to certain files containing Private Information belonging to certain individuals including patients, former patients, guarantors and employees of Defendant (the “Data Incident”). Private Information means some combination of Settlement Class Members’ names, addresses, dates of birth, Social Security numbers, email addresses, telephone numbers, clinical information and/or potentially other information stored within Defendant’s IT systems at the time of the Data Incident.
- The Settlement Class includes all persons whose Private Information was potentially compromised because of the Data Incident.
- If you are a Settlement Class Member, you can file a Claim Form for the following Settlement Class Member Benefits:

**Cash Payment A – Documented Losses:** You may submit a Claim Form and provide documentation showing that you spent money or incurred losses related to the Data Incident for up to \$5,000.00 per Settlement Class Member. **OR**

- **Cash Payment B – Alternative Cash Payment:** Instead of selecting Cash Payment A, without providing documentation, you may submit a Claim Form to receive a flat cash payment in the estimated amount of \$100.00. **AND**
- **Credit Monitoring:** In addition to a Cash Payment, you may also submit a Claim Form to receive three years of free Credit Monitoring (valued at \$90.00 per year).

Your Cash Payment may be subject to a *pro rata* (a legal term meaning equal share) adjustment depending upon the total value of the Valid Claims submitted.

**This Notice may affect your rights. Please read it carefully.**

Your Legal Rights and Options		Deadline
<b>SUBMIT A CLAIM FORM</b>	The only way to get Settlement Class Member Benefits is to submit a timely and valid Claim Form.	Submitted or Postmarked by: <b>MONTH DD, 20YY</b>
<b>EXCLUDE YOURSELF OR OPT-OUT OF THE SETTLEMENT</b>	Get no Settlement Class Member Benefits. Keep your right to file your own lawsuit against the Released Parties about the legal Released Claims that are released by the Settlement in this lawsuit.	Postmarked by: <b>MONTH DD, 20YY</b>
<b>OBJECT TO THE SETTLEMENT</b>	Stay in the Settlement but tell the Court why you do not agree with the Settlement. You will still be bound by the Settlement if the Court approves it.	Filed or Postmarked by: <b>MONTH DD, 20YY</b>
<b>DO NOTHING</b>	Get no Settlement Benefits. Give up your legal rights.	



- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court must decide whether to approve the Settlement and the requested attorneys’ fees, costs, and Service Awards. No Settlement Class Member Benefits will be provided unless the Court approves the Settlement.

## BASIC INFORMATION

### 1. Why is this Notice being provided?

A court authorized this Notice because you have the right to know about the Settlement of this class action lawsuit and about all of your rights and options before the Court decides whether to grant Final Approval of the Settlement. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for the benefits, and how to get them.

District Judge Michael A. Shipp and Magistrate Judge Justin T. Quinn of the United States District Court for the District of New Jersey are overseeing this class action. The lawsuit is known as *Bruce Graycar, et al. v. Capital Health Systems, Inc.*, Civil Action No. 3:23-CV-1418-L23234-MAS-JTQ (“lawsuit”). The individuals who filed this lawsuit are called the “Plaintiffs” and/or “Class Representatives” and the company sued, Capital Health Systems, Inc., is called the “Defendant.”

### 2. What is this lawsuit about?

Plaintiffs filed this lawsuit against Defendant, individually and on behalf of Settlement Class Members, regarding possible unauthorized access to Settlement Class Members’ Private Information involved in the Data Incident. The Private Information involved in the Data Incident includes for some individuals names, addresses, dates of birth, Social Security numbers, email addresses, telephone numbers, clinical information and/or potentially other information stored within Defendant’s information technology systems at the time of the Data Incident.

Plaintiffs allege that between November 11 and November 26, 2023, a cybersecurity incident may have resulted in unauthorized access or acquisition of Settlement Class Members’ Private Information (“Data Incident”). Subsequently, on May 24, 2025, Plaintiffs filed a Consolidated Amended Complaint against Defendant, alleging claims for negligence, negligence *per se*, breach of implied contract, breach of fiduciary duty, unjust enrichment, declaratory judgement and violation of the New Jersey Consumer Fraud Act, N.J.S.A. §§ 56:8 *et seq.*

Defendant denies the legal claims and denies any wrongdoing or liability. The Court has not made any determination of any wrongdoing by Defendant, or that any law has been violated. Instead, Plaintiffs and Defendant have agreed to a settlement to avoid the risk, cost, and time of continuing the lawsuit.

### 3. Why is the lawsuit a class action?

In a class action, one or more people (called Class Representatives) sue on behalf of all people who have similar legal claims. Together, all these people are called a class or class members. One court resolves the issues for all class members, except for those class members who timely exclude themselves (opt-out) from the class.

### 4. Why is there a Settlement?

Plaintiffs and Defendant do not agree about the legal claims made in this lawsuit. The lawsuit has not gone to trial, and the Court has not decided in favor of Plaintiffs or Defendant. Instead, Plaintiffs and Defendant have agreed to settle the lawsuit. The Class Representatives, Defendant, and their lawyers believe the Settlement is best for Settlement Class Members because of the Settlement Class Member Benefits available and the risks and uncertainty associated with continuing the lawsuit.

## WHO IS INCLUDED IN THE SETTLEMENT?

### 5. How do I know if I am part of the Settlement?

The Settlement Class includes all persons whose Private Information was potentially compromised because of the Data Incident.

### 6. Are there exceptions to being included in the Settlement?

Yes. Excluded from the Settlement Class are (a) the judge(s) to whom the Action is assigned and any member of those judge's staffs or immediate family members; (b) lawyers for the Parties, any member of their respective staffs who worked directly on the Action, and any member of their immediate families; (c) any governmental entity; (d) any entity in which any of the Defendants have a controlling interest; (e) any of Defendants' subsidiaries, parents, affiliates, and officers, directors, legal representatives, heirs, successors, or assigns; and (f) Settlement Class Members who submit a valid Request for Exclusion prior to the Opt-Out Deadline.

### 7. What if I am still not sure whether I am part of the Settlement?

If you are still not sure whether you are a Settlement Class Member, you may go to the Settlement Website at [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com) or call the Settlement Administrator's toll-free number at 1-XXX-XXX-XXXX.

## THE SETTLEMENT BENEFITS

### 8. What does the Settlement provide?

If you are a Settlement Class Member and you submit a timely and valid Claim Form, you may be eligible to receive the following Settlement Benefits:

**Cash Payment A – Documented Losses:** You may submit a Claim Form and provide documentation showing that you spent money or incurred losses related to the Data Incident for up to \$5,000.00 per Settlement Class Member.

Examples of documented losses incurred as a result of the Data Incident, include (without limitation) unreimbursed costs, expenses, losses or charges incurred as a result of identity theft or identity fraud, falsified tax returns, or other possible misuse of the class member's personal information; costs incurred on or after November 11, 2023 associated with purchasing or extending additional credit monitoring or identity theft protection services and/or accessing or freezing/unfreezing credit reports with any credit reporting agency, and other miscellaneous expenses incurred related to any Documented Losses such as notary, fax, postage, copying, mileage, and long-distance telephone charges.

Examples of reasonable documentation can include receipts or other documentation not “self-prepared”. If you do not submit reasonable documentation supporting a loss, or if your Claim Form is invalid as determined by the Settlement Administrator, and you do not cure your invalid Claim Form, your Claim Form will be denied and your Claim Form for Cash Payment A – Documented Losses will instead be processed as if you elected Cash Payment B – Alternative Cash Payment.

**Cash Payment B – Alternative Cash Payment:** Instead of selecting Cash Payment A, without providing documentation, you may submit a Claim Form to receive a flat cash payment in the estimated amount of \$100.00.

**Credit Monitoring:** In addition to a Cash Payment, you may also submit a Claim Form to receive three years of free Credit Monitoring (valued at \$90.00 per year).

Your Cash Payment may be subject to a *pro rata* (a legal term meaning equal share) adjustment increase from the Settlement Fund if the amount of timely and valid Claim Forms does not use the entire Net Settlement Fund. Alternatively, if the amount of timely and valid Claim Forms exceeds the amount of the Net Settlement Fund, your Cash Payment may be subject to a *pro rata* decrease.

#### **9. What am I giving up to receive Settlement Class Member Benefits or stay in the Settlement Class?**

Unless you exclude yourself (opt-out), you are choosing to remain in the Settlement Class. If the Settlement is approved and becomes final, all Court orders and any judgments will apply to you and legally bind you. You will not be able to sue, continue to sue, or be part of any other lawsuit against the Released Parties about the legal issues in this lawsuit that are released by this Settlement. The specific rights you are giving up are called “Released Claims.”

#### **10. What are the Released Claims?**

Section XII of the Settlement Agreement describes the Released Claims and the Release, in necessary legal terminology, so please read these sections carefully. The Settlement Agreement is available at [www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com). For questions regarding the Release or Released Claims and what the language in the Settlement Agreement means, you can also contact Class Counsel for free, or you can talk to your own lawyer at your own expense.

### **HOW TO GET BENEFITS FROM THE SETTLEMENT**

#### **11. How do I make a claim for Settlement benefits?**

You must submit a timely and valid Claim Form for the Settlement Class Member Benefits described above. Your Claim Form must be submitted online at [www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com) by **MONTH DD, 20YY**, or mailed to the Settlement Administrator at the address on the Claim Form, **postmarked by MONTH DD, 20YY**. Claim Forms are also available on the Settlement Website at [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com) or by calling 1-XXX-XXX-XXXX or by writing to:

*Capital Health Data Breach Litigation*  
Settlement Administrator  
PO Box XXXX  
Portland, OR 97XXX-XXXX

#### **12. What happens if my contact information changes after I submit a Claim Form?**

If you change your mailing address or email address after you submit a Claim Form, it is your responsibility to inform the Settlement Administrator of your updated information. You may notify the Settlement Administrator of any changes by writing to:

*Capital Health Data Breach Litigation*  
Settlement Administrator  
PO Box XXXX  
Portland, OR 97XXX-XXXX

### **13. When will I receive my Settlement benefits?**

If you submit a timely and valid Claim Form, Settlement Class Member Benefits will be provided after the Settlement is approved by the Court and becomes final. It may take time for the Settlement to be approved and become final. Please be patient and check [www.XXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXX.com) for updates.

## **THE LAWYERS REPRESENTING YOU**

### **14. Do I have a lawyer in this lawsuit?**

Yes, the Court has appointed Kenneth Grunfeld of Kopelowitz Ostrow P.A, James E. Cecchi of Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C., and Jamie P. Pizzirusso of Hausfeld LLP as Class Counsel to represent you and the Settlement Class for the purposes of this Settlement. You may hire your own lawyer at your own cost and expense if you want someone other than Class Counsel to represent you in this lawsuit.

### **15. How will Class Counsel be paid?**

Class Counsel will file a motion asking the Court to award attorneys' fees of up to one-third of the \$4.5 million Settlement Fund, plus reimbursement of costs. Class Counsel will also ask the Court to approve a Service Award for the Class Representatives of up to \$4,000 each for their efforts in achieving the Settlement. If awarded by the Court, the attorneys' fees and costs, and the Service Awards will be paid from the Settlement Fund. The Court may award less than these amounts.

Class Counsel's Application for Attorneys' Fees, Costs, and Service Awards will be made available on the Settlement Website at [www.XXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXX.com) after it is filed with the Court.

## **EXCLUDE YOURSELF OR OPT-OUT OF THE SETTLEMENT**

If you are a Settlement Class Member and want to keep any right you may have to individually sue or continue to sue the Released Parties on your own about the legal claims in this lawsuit or released by the Released Claims, then you must take steps to remove yourself from the Settlement. This is called excluding yourself from—or "opting-out" of—the Settlement.

### **16. How do I opt-out of the Settlement?**

To exclude yourself from the Settlement, you must mail a written request for exclusion, which includes the following:

- 1) Your full name, mailing address, telephone number and email address (if any);
- 2) Your original (“wet”) handwritten personal signature; and
- 3) A statement that you want to be excluded from the Settlement Class, such as “I request to be excluded from the proposed Settlement Class in as *Bruce Graycar, et al. v. Capital Health Systems, Inc.*, Civil Action No. 3:23-CV-1418-L23234-MAS-JTQ.”

The exclusion request must be **mailed** to the Settlement Administrator at the following address, and be **postmarked** by **MONTH DD, 20YY**:

*Capital Health Data Breach Litigation*  
Settlement Administrator  
PO Box XXXX  
Portland, OR 97XXX-XXXX

**You cannot opt-out (exclude yourself) by telephone or by email.**

“Mass” or “class” requests for exclusion filed by third parties on behalf of a “mass” or “class” of Settlement Class Members or multiple Settlement Class Members are not permitted. Settlement Class Members may only opt-out on behalf of themselves.

**17. If I opt-out can I still get anything from the Settlement?**

No. If you timely opt-out, you will not be entitled to receive Settlement Benefits, but you will not be bound by the Settlement or any judgment in this lawsuit. You can only receive Settlement benefits if you stay in the Settlement and submit a timely and valid Claim Form.

**18. If I do not opt-out, can I sue Defendant for the same thing later?**

No. Unless you opt-out, you give up any right to sue any of the Released Parties for the legal claims this Settlement resolves and Releases relating to the Data Incident, and you will be bound by all the terms of the Settlement and by all proceedings, orders, and judgments in the lawsuit. You must opt-out of this lawsuit to start or continue with your own lawsuit or be part of any other lawsuit against the Released Parties. If you have a pending lawsuit, speak to your lawyer in that case immediately.

## **OBJECTING TO THE SETTLEMENT**

**19. How do I tell the Court that I object to the Settlement?**

If you are a Settlement Class Member, you can tell the Court you object to all or any part of the Settlement and/or Application for Attorneys’ Fees, Costs, and Service Awards.

To object, you must file your objection with the Court by **MONTH DD, 20YY**, and send your objection by U.S. mail to Class Counsel, Defendant’s Counsel, and the Settlement Administrator postmarked by or sent by private courier (such as Federal Express) by **MONTH DD, 20YY**, stating that you object to the Settlement in *Bruce Graycar, et al. v. Capital Health Systems, Inc.*, Civil Action No. 3:23-CV-1418-L23234-MAS-JTQ.

To file an objection, you cannot exclude yourself from the Settlement Class. Your objection must include all of the following information:

1. The name of the proceedings (*Bruce Graycar, et al. v. Capital Health Systems, Inc.*);
2. Your full name, mailing address, telephone number, and email address (if any);
3. All grounds for your objection, accompanied by any legal support for the objection known to you or your lawyer;
4. The identity of all lawyers who represent you, including any former or current lawyer who may be entitled to compensation for any reason related to the objection to the settlement and/or Application for Attorneys' Fees, Costs, and Service Awards;
5. A statement of whether you and/or your lawyer(s) intend to appear at the Final Approval Hearing;
6. A statement confirming whether you intend to personally appear and/or testify at the Final Approval Hearing;
7. A list of all people who will be called to testify at the Final Approval Hearing in support of the objection (if any);
8. The number of times you or your lawyer and/or lawyer's law firm have objected to a class action settlement within the five (5) years preceding the date of the objection, the caption of each case in which the objection was made, and a copy of any orders related to or ruling upon the prior objections that were issued by the trial and appellate courts in each listed case; and
9. Your signature (a lawyer's signature is not sufficient).

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

To object, you must file timely written notice with the Court as provided below no later than **MONTH DD, 20YY**, and send by U.S. mail to Class Counsel, Defendant's Counsel, and the Settlement Administrator postmarked by or sent by private courier (such as Federal Express) by **MONTH DD, 20YY**, at the following addresses:

COURT	CLASS COUNSEL	DEFENDANT'S COUNSEL	SETTLEMENT ADMINISTRATOR
District Judge Michael A. Shipp Magistrate Judge Justin T. Quinn Re: <i>Graycar, et al. v. Capital Health Systems, Inc.</i> , Case No. 3:23-CV-23234-MAS-JTQ 402 E State Street Trenton, NJ 08608-1500	James E. Cecchi CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068	Jon Kardassakis Lewis Brisbois Bisgaard & Smith LLP 633 West 5 <sup>th</sup> Street, Suite 4000 Los Angeles, CA 90071	Capital Health Data Breach Litigation Settlement Administrator PO Box XXXX Portland, OR 97XXX

If you do not comply with the requirements for objecting as detailed above, you will waive and forfeit any and all rights you may have to appear separately and/or to object to the Settlement and you will be bound by all the terms of the Settlement and by all proceedings, orders, and judgments in the lawsuit.



## **20. What is the difference between objecting and asking to be excluded?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Opting-out is telling the Court that you do not want to be part of the Settlement Class. If you opt-out, you cannot object because you are no longer part of the Settlement.

## **THE FINAL APPROVAL HEARING**

The Court will hold a “Final Approval Hearing” to decide whether to approve the Settlement. You may attend and you may ask to speak if you submit an objection by the deadline, but you do not have to.

## **21. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Final Approval Hearing on **MONTH DD, 20YY, at X:XX a.m./p.m.** before the Honorable Michael A. Shipp of the United States District Court for the District of New Jersey, 402 E State Street Trenton, NJ 08608-1500. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and decide whether to approve the Settlement and Class Counsel’s Application for Attorneys’ Fees and Costs.

If there are objections that were filed by the deadline, the Court will consider them. If you file a timely objection, and you would like to speak at the hearing, the Court will also listen to you or your lawyer speak at the hearing, if you so request.

**Note:** The date and time of the Final Approval Hearing are subject to change without further notice to the Settlement Class. The Court may also decide to hold the hearing via video conference or by telephone. You should check the Settlement Website [www.XXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXX.com) to confirm the date and time of the Final Approval Hearing has not changed.

## **22. Do I have to attend to the Final Approval Hearing?**

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you file an objection, you do not have to attend the Final Approval Hearing to speak about it. As long as you file a written objection by the deadline, the Court will consider it.

## **23. May I speak at the Final Approval Hearing?**

Yes, as long as you do not exclude yourself (opt-out) and you submit a timely written objection requesting to speak at the hearing, you can (but do not have to) participate and speak for yourself at the Final Approval Hearing. This is called making an appearance. You also can have your own lawyer speak for you, but you will have to pay for the lawyer yourself.

If you want to appear, or if you want your own lawyer instead of Class Counsel to speak for you at the hearing, you must follow all of the procedures for objecting to the Settlement listed in Question 19 above—and specifically include a statement whether you and your counsel will appear at the Final Approval Hearing.

## **IF YOU DO NOTHING**

**24. What happens if I do nothing at all?**

If you are a Settlement Class Member and you do nothing, you will not receive Settlement Class Member Benefits, and you will give up rights to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against any of the Released Parties about the legal issues in this lawsuit that are released by the Settlement relating to the Data Incident.

**GETTING MORE INFORMATION**

**25. How do I get more information?**

This Notice summarizes the Settlement. Complete details about the Settlement are provided in the Settlement Agreement. The Settlement Agreement and other related documents are available at [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com). You may get additional information at [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com), by calling toll-free 1-XXX-XXX-XXXX, or by writing to:

*Capital Health Data Breach Litigation*  
Settlement Administrator  
PO Box XXXX  
Portland, OR 97XXX-XXXX

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT'S  
CLERK OFFICE REGARDING THIS NOTICE.**



# EXHIBIT 3

MAIL  
ID

\*000001 ACFHQI DER0000\*

**Must be postmarked or  
submitted online  
NO LATER THAN  
[DATE]**

*Capital Health Systems Data Incident*  
SETTLEMENT ADMINISTRATOR  
P.O. BOX XXXX  
PORTLAND, OR XXXXX-XXXX  
www.XXXXXXXXXX.com

**Graycar, et al. v. Capital Health Systems, Inc., Claim Form**

Case No. 3:23-cv-1418-L23234-MAS-JTQ

**GENERAL INFORMATION**

If you received Notice of this Settlement, the Settlement Administrator identified you as a potential member of the Settlement Class because you were identified by Capital Health Systems, Inc. ("Defendant") as a person whose Private Information was potentially compromised because of the Data Incident that took place from November 11 through November 26, 2023, involving the Defendant and potentially resulting in the unauthorized access to Settlement Class Members' Private Information. The Private Information involved includes some combination of Settlement Class Members' names, addresses, dates of birth, Social Security numbers, email addresses, telephone numbers, clinical information and/or potentially other medical information stored within Defendant's computer systems at the time of the Data Incident.

You may submit a Claim Form for Settlement Class Member Benefits, outlined below, by visiting the Settlement Website at www.XXXXXXXXXX.com. **Claims must be submitted online or mailed postmarked by [DATE]. If you would prefer to submit by mail, please use the address at the top of this form.**

**SETTLEMENT BENEFITS – WHAT YOU MAY GET**

**You may submit a Claim for one of the following Cash Payment options:**

1. **Cash Payment A – Documented Losses:** You may submit a Claim Form and provide documentation for losses related to the Data Incident for up to \$5,000 per Settlement Class Member. Supporting documentation is required.

**OR**

2. **Cash Payment B – Alternative Cash Payment:** Instead of Cash Payment A, without providing documentation, you may submit a Claim Form to receive a flat cash payment in the estimated amount of \$100.

The actual amount of your Cash Payment (A or B) will be determined based on the amount remaining in the Settlement Fund, if any, after the payment of Settlement Administration Costs, any attorneys' fees and costs awarded by the Court, Service Awards to the Class Representatives as approved by the Court, and Credit Monitoring costs. The amount of your Cash Payment may increase or decrease equally and will be *pro rata* based upon the total value of all Valid Claims received.

**AND**

**Credit Monitoring:** In addition to Cash Payment A (Documented Losses) *or* Cash Payment B (Alternative Cash Payment), you may also submit a Claim Form to receive three years of free Credit Monitoring (valued at \$90.00 per year).

\* \* \*

*Please note: the Settlement Administrator may contact you to request additional documents to process your Claim.*

For more information and complete instructions visit **www.XXXXXXXXXX.com**

**Please note that Settlement Class Member Benefits will be distributed after the Settlement is approved by the Court and becomes final.**

## Page 2

### Cash Payment A – Documented Losses

If you lost or spent money relating to the Data Incident and have not been reimbursed for that loss/expenses, you can receive reimbursement for up to \$5,000 total. Eligible losses include losses incurred on or after November 11, 2023, up to the date of filing your Claim.

It is important for you to send reasonable documents that show what happened and how much you lost or spent so that you can be reimbursed. “Self-prepared” documents including handwritten receipts, personal certifications, declarations, or affidavits prepared by you are insufficient for reimbursement but can be used to add clarity, context, or support for other submitted reasonable documentation.

To look up more details about how the Cash Payments work, visit **www.XXXXXXXXXX.com** or call toll-free **1-XXX-XXX-XXXX**. Please also review the Notice on the Settlement Website, which provides examples of what documents you need to attach and the types of expenses that can be claimed. *By filling out the boxes below, you are certifying that the money you spent does not relate to other data incidents or breaches.*

<b>Expense Type and Examples of Documents</b>	<b>Amount and Date</b>	<b>Description of Expense or Money Spent and Supporting Documents</b> (Identify what you are attaching, and why it's related to the Data Incident)
Professional fees incurred to address identity theft or fraud, such as falsified tax returns, account fraud, and/or medical-identity theft.  Examples: Receipts, notices, or account statements reflecting payment for a credit freeze	\$ [ ][ ][ ][ ][ ] . [ ][ ] Date: [ ][ ] - [ ][ ] - [ ][ ][ ][ ] MM DD YYYY	
Other losses or costs resulting from identity theft or fraud (provide detailed description) fairly traceable to the Data Incident.  Examples: Account statement with unauthorized charges circled; bank fees, and fees for credit reports, credit monitoring, or other identity theft insurance products purchased	\$ [ ][ ][ ][ ][ ] . [ ][ ] Date: [ ][ ] - [ ][ ] - [ ][ ][ ][ ] MM DD YYYY	
Other miscellaneous expenses such as notary, fax, postage, copying, mileage, and/or long-distance telephone charges related to the Data Incident.  Examples: Phone bills, receipts, detailed list of addresses you traveled to (i.e. police station, IRS office), reason why you traveled there (i.e. police report or letter from IRS re: falsified tax return) and number of miles you traveled	\$ [ ][ ][ ][ ][ ] . [ ][ ] Date: [ ][ ] - [ ][ ] - [ ][ ][ ][ ] MM DD YYYY	

**Cash Payment B – Alternative Cash Payment**

Instead of Cash Payment A, without providing documentation, you may elect to receive an Alternative Cash Payment, estimated to be \$100. Your Alternative Cash Payment may be subject to a *pro rata* (a legal term meaning equal share) adjustment based upon the total value of all Valid Claims and other approved Settlement Fund deductions.

☐

**By checking this box, I affirm I want to receive an Alternative Cash Payment under Cash Payment B.**

**Signature**

I affirm under the laws of the United States that the information I have supplied in this Claim Form and any copies of documents that I am submitting to support my Claim are true and correct to the best of my knowledge.

I understand that I may be asked to provide more information by the Settlement Administrator before my Claim is complete.

Signature

Date:   –   –      
MM DD YYYY

Print Name

# EXHIBIT 4

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

BRUCE GRAYCAR, BRENDA L.  
CRAWFORD, JERMAINE B.  
CRAWFORD, and KATRINA BOWENS,  
Individually and on Behalf of All Others  
Similarly Situated

Plaintiffs,

v.

CAPITAL HEALTH SYSTEM, INC.,

Defendant.

Case No. 3:23-CV-23234-MAS-JTQ

District Judge Michael A. Shipp  
Magistrate Judge Justin T. Quinn

[PROPOSED] ORDER GRANTING  
PLAINTIFFS' MOTION FOR  
PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT

WHEREAS, this matter having come before the Court by way of Plaintiffs' Bruce Graycar, Brenda L. Crawford, Jermaine B. Crawford, and Katrina Bowens (together "Plaintiffs") Unopposed Motion for Preliminary Approval of Class Action Settlement (as defined below) ("Motion");

WHEREAS, Plaintiffs, individually and on behalf of the putative Settlement Class, and Defendant Capital Health Systems, Inc. ("Capital Health" or "Defendant") entered into a Settlement Agreement ("Settlement Agreement"), which, if finally approved by the Court, will result in the settlement ("Settlement") of all claims asserted against the Defendant in the above-captioned action ("Action");

WHEREAS, in full and final settlement of the claims asserted against Defendant, Defendant agree to pay and establish a \$4,500,000.00 non-reversionary

common fund to resolve all claims arising from the cybersecurity incident announced by Capital Health in November 2023 (the “Data Incident”), which shall be used to pay for any and all Settlement benefits, Settlement and notice administrative expenses, service awards, and attorneys’ fees and expenses awarded by the Court;

WHEREAS, Plaintiffs have moved pursuant to Rule 23(e) of the Federal Rules of Civil Procedure for an order preliminarily approving the Settlement Agreement, which sets forth the terms and conditions of the Settlement with Defendant;

WHEREAS, Plaintiffs have further moved for this Court to: (1) preliminarily approve the terms of the Settlement as being within the range of fair, adequate, and reasonable; (2) provisionally certify the Settlement Class for settlement purposes only pursuant to ¶ 82 of the Settlement Agreement; (3) approve the Notice Program set forth herein and approve the form and content of the Notices of the Settlement; (4) approve the Claim Form and Claim Process; (5) approve the procedures for Settlement Class members to opt-out of the Settlement or for Settlement Class Members to object to the Settlement; (6) appoint Plaintiffs who signed this Settlement Agreement as Class Representatives and James E. Cecchi of Carella Byrne Cecchi Brody & Agnello, P.C., Kenneth J. Grunfeld of Kopelowitz Ostrow, P.A., and James P. Pizzirusso of Hausfeld LLP as Class Counsel for settlement



purposes; (7) stay the Action pending Final Approval of the Settlement; and (8) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, the Parties, Class Counsel, and Defendant's counsel that is no earlier than 120 days after entry of the Preliminary Approval Order.

WHEREAS, Plaintiffs and Defendant have agreed to the entry of this Order (the "Order");

WHEREAS, all terms with initial capitalization used in this Order shall have the same meanings as set forth in the Settlement Agreement, unless otherwise defined herein; and

WHEREAS, the Court has considered the Settlement Agreement and the other documents submitted by the Parties in connection with Plaintiffs' Motion, and good cause appearing therefor:

IT IS THIS \_ day of \_\_\_\_, 2025 ORDERED as follows:

**I. Preliminary Approval of the Settlement**

1. Upon review of the record, the Court finds that the Settlement Agreement resulted from arm's-length negotiations between highly experienced counsel and falls within the range of possible approval. Therefore, the Settlement Agreement is hereby preliminarily approved, subject to further consideration thereof at the Final Approval Hearing described below. The Court preliminarily finds that the Settlement set forth in the Settlement Agreement raises no obvious reasons to

doubt its fairness and raises a reasonable basis for presuming that it satisfies the requirements under Rule 23 of the Federal Rules of Civil Procedure and due process so that notice of the Settlement should be given as provided in this Order.

2. At or after the Final Approval Hearing, the Court shall determine, among other matters, whether the Settlement warrants final approval.

## **II. Provisional Certification of the Settlement Class**

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and solely for the purpose of effectuating the Settlement, this Court provisionally certifies a settlement class defined as “all persons whose Private Information was potentially compromised because of the Data Incident.” The following entities and individuals are excluded from the definitions of “Settlement Class Members” or “Class Members”:

- a. the judge(s) to whom the Action is assigned and any member of those judge’s staffs or immediate family members;
- b. counsel for the Parties, any member of their respective staffs who worked directly on the Action, and any member of their immediate families;
- c. any governmental entity;
- d. any entity in which any of the Defendants have a controlling interest;

- e. any of Defendants' subsidiaries, parents, affiliates, and officers, directors, legal representatives, heirs, successors, or assigns; and
- f. Settlement Class Members who submit a valid Request for Exclusion prior to the Opt-Out Deadline.

The provisional certification of the Settlement Class shall be vacated if the Settlement is terminated or not approved by the Court.

4. Solely for purposes of effectuating the proposed Settlement, the Court preliminarily finds that the prerequisites for class action certification under Rule 23 of the Federal Rules of Civil Procedure are satisfied as: (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Class Plaintiffs are typical of the claims of the Settlement Class; (d) the interests of all Settlement Class Members are adequately represented by Plaintiffs and Settlement Class Counsel; (e) the issues common to Settlement Class Members predominate over any individualized issues; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. These preliminary findings shall be vacated if the Settlement is terminated or not approved by the Court.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and solely for the purposes of effectuating the Settlement, Plaintiffs Bruce Graycar, Brenda L. Crawford, Jermaine B. Crawford, and Katrina Bowens are appointed as Class Representatives for the Settlement Class and James E. Cecchi of Carella Byrne Cecchi Brody & Agnello, P.C., Kenneth J. Grunfeld of Kopelowitz Ostrow, P.A., and James P. Pizzirusso of Hausfeld LLP are appointed as class counsel for the Settlement Class. These designations shall be vacated if the Settlement is terminated or not approved by the Court.

### **III. Notice to the Settlement Class**

6. The Court approves the appointment of Epiq Class Action & Claims Solutions, Inc. (“Epiq”) as Settlement Administrator for the Settlement.

7. The Court finds the proposed form of Notice to Settlement Class Members of the proposed Settlement between Plaintiffs and Defendant (“Notice”), the proposed summary form of notice (“Postcard Notice”), and the proposed methods of dissemination thereof, as set forth herein, satisfy the requirements under Rule 23 of the Federal Rules of Civil Procedure and due process, and therefore are approved.

8. Within ten (10) days after entry of this Order, Defendant will provide to the Settlement Administrator a Class List that includes the Settlement Class Members’ full names and known mailing addresses and, to the extent available, email

addresses of Class Members were affected by the Data Incident.

9. The Settlement Administrator shall cause the Postcard Notice, substantially in the form attached to the Settlement Agreement as Exhibit 1, to be disseminated no later than thirty (30) calendar days following the date of the entry of this Order (the “Notice Deadline”) via email or first class mail, postage prepaid to each potential Settlement Class Member who is readily and reasonably identified.

10. On or before the Notice Date, the Settlement Administrator shall create a website for the Settlement (the “Settlement Website”) and establish a Settlement-specific toll-free telephone number.

11. The Settlement Administrator shall cause the Notice, substantially in the form attached hereto as Exhibits 1 and 2, and the Claim Form, substantially in the form attached as Exhibit 3, to the Settlement Agreement, to be posted on the Settlement Website as soon as practicable after the Notice Date.

12. On or before the Notice Date, the Settlement Administrator shall establish a post office box where Settlement Class Members can send completed Claim Forms, requests for exclusion, and other correspondence relating to the Settlement.

**IV. Schedule and Procedure for Requesting Exclusion and Submitting Objections**

13. The deadline for Settlement Class Members to request exclusion from the Settlement Class shall be 60 days following \_\_\_\_ (\_\_\_\_) days before the Final

Approval Hearing.

14. As set forth in the Notice, in order to request exclusion, a Settlement Class Member must email or mail a written request to the following address:

<b>Court</b>	<b>Plaintiffs' Counsel</b>	<b>Defendant's Counsel</b>	<b>Settlement Administrator</b>
District Judge Michael A. Shipp Magistrate Judge Justin T. Quinn Re: <i>Graycar, et al. v. Capital Health Systems, Inc.</i> , Case No. 3:23-CV-23234-MAS-JTQ 402 E State Street Trenton, NJ 08608-1500	James E. Cecchi CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068	Jon Kardassakis Lewis Brisbois Bisgaard & Smith LLP 633 West 5 <sup>th</sup> Street, Suite 4000 Los Angeles, CA 90071	Capital Health Data Breach Litigation Settlement Administrator PO Box XXXX Portland, OR 97XXX

15. The written request for exclusion must include the following information: (i) a statement indicating the Settlement Class Member's desire to be excluded from the Settlement Class in *Graycar, et al. v. Capital Health Systems, Inc.*, Case No. 3:23-CV-23234-MAS-JTQ; and (ii) the Settlement Class Member's full name, address, telephone number, and personal signature,

16. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above or the request for exclusion is otherwise accepted by the Court. Persons or entities that validly and

timely request exclusion from the Settlement Class shall not be entitled to share in the benefits of the Settlement, nor be bound by any judgment whether favorable or adverse.

17. The Settlement Administrator shall keep track of any and all requests for exclusion.

18. On or before seven (7) days after the Opt-Out Deadline, the Claims Administrator shall provide to Settlement Class Counsel and Defendant's Counsel a report that summarizes the number of written notifications of exclusion received that week, the total number of written notifications of exclusion received to date, and other pertinent information as requested by Counsel.

19. Prior to the Final Approval Hearing, the Claims Administrator shall provide a sworn declaration that: (i) attests to implementation of the Notice Program in accordance with the Preliminary Approval Order; and (ii) identifies each Settlement Class Member who timely and properly provided written notification of exclusion from the Settlement Class;

20. Settlement Class Members who wish to object or otherwise be heard with respect to the Settlement, and to appear in person at the Final Approval Hearing, must first file a written objection with the Court \_\_\_\_\_ (\_\_\_\_) days prior to the Final Approval Hearing. The objection must include: (i) the case caption, *Graycar, et al. v. Capital Health Systems, Inc.*, Case No. 3:23-CV-23234-MAS-JTQ (ii) the

objector's full name, current address, telephone number, and email address; (iii) a statement of the grounds for the objection; (iv) the identity of all counsel who represents the objector; (v) if the objector or his or her attorney will appear at the Final Approval Hearing; (vi) if the objector intends to testify at the Final Approval Hearing, and a list of all other persons who will be called to testify in support of the objection (if any); (vii) the identity of all class actions in which the objector or his or her counsel has objected within the last 5 (five) years, and copies of any orders related to rulings made on the prior objections; and (vii) the objector's signature.

21. Any objections to the Settlement must also be sent to:

James E. Cecchi  
Carella Byrne Cecchi Brody & Agnello, P.C.  
5 Becker Farm Road  
Roseland, New Jersey 07068  
[jcecchi@carellabyrne.com](mailto:jcecchi@carellabyrne.com)

*Class Counsel*

Jon Kardassakis  
Lewis Brisbois Bisgaard & Smith LLP  
633 West 5th Street, Suite 4000  
Los Angeles, CA 90071  
[Jon.kardassakis@lewisbrisbois.com](mailto:Jon.kardassakis@lewisbrisbois.com)

and

Andrew F. Albero  
Lewis Brisbois Bisgaard & Smith LLP  
550 E. Swedesford Road, Suite 270  
Wayne, PA 19087  
[Andrew.Albero@lewisbrisbois.com](mailto:Andrew.Albero@lewisbrisbois.com)

*Counsel for Defendant Capital Health*



22. Any Settlement Class Member who does not make their objection in the manner provided above shall be deemed to have waived their right to object to any aspect of the Settlement, the plan of distribution, and Settlement Class Counsel's requests for attorneys' fees, reimbursement of expenses and Service Awards Class Plaintiffs and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the plan of distribution or the requested attorneys' fees and expenses, or from otherwise being heard concerning the Settlement, the plan of distribution or the requested attorneys' fees and expenses in this or any other proceeding.

**V. Schedule and Manner for Submitting Claim Forms**

23. Settlement Class Members who wish to be eligible to receive a payment from the Common Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked (if mailed) and received (if submitted online) no later than ninety (90) days after the Notice Deadline. By submitting a Claim Form, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its claim and the subject matter of the Settlement.

24. Each Claim Form submitted must contain the information set forth in the Claim Form to satisfy the conditions for claiming Documented Losses,

Alternative Cash Payment, and whether they wish to enroll in Credit Monitoring. All claim forms: (a) must be properly completed, signed and submitted in a timely manner; and (b) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Class Member must be included in the Claim Form to the satisfaction of Settlement Class Counsel or the Settlement Administrator; and (c) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

25. Any eligible Settlement Class Member that does not timely and validly submit a Claim Form or whose claim is not otherwise approved by the Court: (a) shall be deemed to have waived their right to share in the Settlement Fund; (b) shall be forever barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Settlement Agreement and the Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the judgment and the releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Claims against Defendant, as more fully described in the Settlement Agreement and Notice.

**VI. The Court's Final Approval Schedule and Final Approval Hearing Date**

26. All briefs and materials in support of Settlement Class Counsel's fee

and expense application, and any application for Service Awards to Class Plaintiffs, shall be filed with the Court no later than \_\_\_\_\_ (\_\_\_\_) days before the Objection Deadline. The applications described in this paragraph shall promptly be posted on the Settlement Website, and shall be considered as separate and apart from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. All briefs and materials in support of final approval of the Settlement also shall be filed with the Court no later than fourteen (14) days before the Objection Deadline.

27. A hearing on final approval of the Settlement ("Fairness Hearing") shall be held before this Court on \_\_\_\_, 2025 at \_\_\_\_\_.m. in the Courtroom before the Honorable Michael A. Shipp, U.S.D.J., at the United States District Court for the District of New Jersey, Clarkson S. Fisher Bldg. & U.S. Courthouse, 402 E. State Street, Trenton, NJ 08608. At the Fairness Hearing, the Court will, among other things, consider:

- a. final certification of the Settlement Class for purposes of effectuating the Settlement with Defendant;
- b. the fairness, reasonableness and adequacy of the Settlement with Defendant and whether the Settlement should be finally approved and consummated according to its terms;
- c. whether the Court should approve the proposed Plan for

Distribution of the Settlement Fund (*i.e.*, net of the costs of settlement administration and notice and any Court awarded attorneys' fees, expenses and Service Awards) to eligible Settlement Class Members;

- d. whether notice of the Settlement constitutes due, adequate and sufficient notice of the Settlement meeting the requirements of due process and the Federal Rules of Civil Procedure;
- e. whether the Action shall be dismissed with prejudice as to Defendant;
- f. whether the release of any and all Released Claims with respect to Defendant shall be deemed effective as of Final Judgment;
- g. whether the Releasing Parties are permanently enjoined and barred from instituting, commencing, or prosecuting any action or other proceeding asserting any Released Claims against Defendant;
- h. whether the Court retains continuing and exclusive jurisdiction over the Settlement for all purposes, including its administration and execution and disputes that may arise

concerning Defendant; and

- i. whether, under Federal Rule 54(b), there is any just reason for delay and whether an order of dismissal as Defendant shall be final and appealable and entered forthwith.

28. The Final Approval Hearing may be rescheduled or continued; in this event, the Court will furnish all counsel with appropriate notice. Settlement Class Counsel shall be responsible for communicating any such notice promptly to the Settlement Class by posting conspicuous notice on the Settlement Website.

29. In the event that the Settlement does not become final, then, subject to approval of the Court, litigation of the Action against Defendant will resume in a reasonable manner to be approved by the Court upon joint application by the Parties.

30. If the Court does not grant final approval of the Settlement or the Settlement is terminated in accordance with the applicable provisions of the Settlement Agreement, the Settlement shall be deemed null and void and shall have no further force and effect, and neither the Settlement nor the negotiations leading to it shall be used or referred to by any person or entity in this or in any other action or proceeding for any purpose.

31. Neither this Order nor the Settlement Agreement nor any Settlement-related document nor any proceeding undertaken in accordance with the terms set forth in the Settlement Agreement or in any other Settlement-related

documents, shall constitute, be construed as or be deemed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Defendant, or likewise, constitute, be construed as or be deemed to be an admission or evidence of or presumption against Class Plaintiffs or any other Settlement Class Member that any of their claims are without merit or infirm, that a class should not be certified, or that recoverable damages against the Defendant would not have exceeded the Settlement Funds.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
HON. MICHAEL A. SHIPP, U.S.D.J.