

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

In re Carolina Arthritis Associates Data Incident Litigation

Case No. 25-CV002250-640

In the General Court of Justice, Superior Court Division

New Hanover County, North Carolina

**IF YOUR PRIVATE INFORMATION WAS COMPROMISED IN THE
SEPTEMBER 2024 CAROLINA ARTHRITIS ASSOCIATES
DATA INCIDENT, A PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT
YOUR RIGHTS, AND ENTITLE YOU TO BENEFITS AND A CASH PAYMENT.**

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

You are not being sued.

Please read this Notice carefully and completely.

- A Settlement has been reached with Carolina Arthritis Associates, P.A. (“CAA” or “Defendant”) in a class action lawsuit. This case is about a cyberattack on CAA's computer systems that occurred in September 2024 (the “Data Incident”). Certain files that contained private information were accessed. These files may have contained personal information such as name; date of birth; Social Security number; diagnosis or clinical information; medical history; mental or physical condition information; prescription information; medical treatment or procedure information; health insurance information, and/or medical claim forms and information.
- The lawsuit is called *In re Carolina Arthritis Associates Data Incident Litigation*, Case No. 25-CV002250-640. It is pending in the General Court of Justice, Superior Court Division, New Hanover County, North Carolina (the “Litigation”).
- CAA denies that it did anything wrong, and the Court has not decided who is right.
- The parties have agreed to settle the lawsuit (the “Settlement”) to avoid the costs and risks, disruptions, and uncertainties of continuing the Litigation.
- If CAA's records indicate that you are a Class Member, you are entitled to benefits under the Settlement. You may have received a previous notice directly from CAA.

- Your rights are affected whether you act or don't act. ***Please read this Notice carefully and completely.***

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT		DEADLINE
SUBMIT A CLAIM	The only way to receive benefits from this Settlement is by submitting a valid and timely Claim Form. The fastest way to submit your Claim Form is online at www.CAADataSettlement.com. If you prefer, you can download the Claim Form from the Settlement Website and mail it to the Settlement Administrator. You may also call or email the Settlement Administrator to receive a paper copy of the Claim Form.	February 23, 2026
OPT OUT OF THE SETTLEMENT	You can choose to opt out of the Settlement and receive no payment. This option allows you to sue, continue to sue, or be part of another lawsuit against the Defendants related to the legal claims resolved by this Settlement. You can hire your own lawyer at your own expense.	February 6, 2026
OBJECT TO THE SETTLEMENT AND/OR ATTEND A HEARING	If you do not opt out of the Settlement, you may object to it by writing to the Court about why you don't like the Settlement. You may also ask the Court for permission to speak about your objection at the Final Approval Hearing. If you object, you may also file a claim for Settlement benefits.	February 6, 2026
DO NOTHING	Unless you opt out of the Settlement, you are automatically part of the Settlement. If you do nothing, you will not receive benefits from this Settlement and you will give up the right to sue, continue to sue, or be part of another lawsuit against the Defendant related to the legal claims resolved by this Settlement.	No Deadline

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement.

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Basic Information

1. Why was this Notice issued?

The Court presiding over the Litigation authorized this Notice. You have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to grant final approval of the Settlement. This Notice explains the lawsuit, your legal rights, what benefits are available, and who can receive them.

The lawsuit is called *In re Carolina Arthritis Associates Data Incident Litigation*, Case No. 25-CV002250-640. It is pending in the General Court of Justice, Superior Court Division, New Hanover County, North Carolina. The people that filed this lawsuit are called the “Plaintiffs” (or “Class Representatives”) and the company they sued, Carolina Arthritis Associates, P.A., is called the “Defendant.”

2. What is this lawsuit about?

This lawsuit alleges that during a September 2024 cyberattack on CAA's computer systems, certain files that contained private information were accessed. These files may have contained personal information such as name; date of birth; Social Security number; diagnosis or clinical information; medical history; mental or physical condition information; prescription information; medical treatment or procedure information; health insurance information, and/or medical claim forms and information.

3. What is a class action?

In a class action, one or more individuals sue on behalf of other people with similar claims. These individuals are called the “Plaintiffs” or “Class Representatives.” Together, the people included in the class action are called a “Class” or “Class Members.” One court resolves the lawsuit for all Class Members, except for those who opt out from the settlement. In this Settlement, the Class Representatives are Donna Johnson, April Jenkins, Ronald Lewis, and Bernest Hewett. Everyone included in this Action are the Class Members.

4. Why is there a Settlement?

The Court did not decide whether the Plaintiffs or the Defendant are right. Both sides have agreed to a Settlement to avoid the costs and risks of a trial, and to allow the Class Members to receive benefits from the Settlement. The Plaintiffs and their attorneys think the Settlement is best for all Class Members.

Who is in the Settlement?

5. Who is included in the Settlement?

The Court has defined the Class this way: “All individuals whose Private Information was accessed and/or acquired by an unauthorized party as a result of the Data Incident.”

6. Are there exceptions to being included?

Yes. Excluded from the Class are: (1) CAA and its directors or officers; (2) governmental entities; (3) the Judge in this case, and the Judge’s family and staff; and (4) anyone who validly excludes themselves from the Settlement.

If you are not sure whether you are a Class Member, you can ask for free help any time by contacting the Settlement Administrator at:

- Email: info@CAADataSettlement.com
- Call toll free, 24/7: 1- (833) 417-4969
- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
P.O. Box 25226
Santa Ana, CA 92799-9958

You may also view the Settlement Agreement at www.CAADataSettlement.com.

The Settlement Benefits

7. What does the Settlement provide?

CAA will establish a Settlement Fund of \$600,000.00. The Settlement Fund will first be used to pay Court-approved Attorneys’ Fees and Costs, Service Award payments for the Plaintiffs, and Settlement Administration Costs. The net remaining money will be used to pay for Class Member benefits.

All Class Members may claim two years of **Medical Data Monitoring** services, and **one** of two **Cash Payment** options.

Cash Payment A – Documented Losses

If you incurred actual, documented losses due to the Data Incident, you can get back up to **\$5,000.00**

OR

Cash Payment B – Alternate Cash

*Instead of Cash Payment A, you may claim a pro rata cash payment estimated at **\$100.00***

The benefits are explained in more detail below.

MEDICAL DATA MONITORING SERVICES. All Class Members are eligible to enroll in two years of CyEx Medical Shield Complete. This comprehensive service comes with \$1 million of medical identity theft insurance, and includes monitoring for:

- healthcare insurance ID exposure
- Medical Record Number (MRN) exposure
- unauthorized Health Savings Account (HSA) spending

If anything suspicious happens, you will be able to talk to a fraud resolution agent to help fix any problems.

CASH PAYMENTS

Cash Payment A – Documented Losses. If you incurred actual, documented out-of-pocket losses due to the Data Incident, you can get back up to **\$5,000.00**. The losses must have occurred between September 27, 2024, and February 23, 2026.

This benefit covers out-of-pocket expenses like:

- losses because of identity theft or fraud
- fees for credit reports, credit monitoring, or freezing and unfreezing your credit
- cost to replace your IDs
- postage to contact banks by mail

You need to send proof, like bank statements or receipts, to show how much you spent or lost. You can also send notes or papers you made yourself to explain or support other proof, but those notes or papers alone are not enough to make a valid claim. Your proof or notes should show that your expenses were because of the Data Incident.

You cannot claim a payment for expenses that have already been reimbursed by a third party.

Cash Payment B – Alternate Cash. *Instead of Cash Payment A*, you may claim a *pro rata* cash payment estimated at **\$100.00**. You do not have to provide any proof or explanation to claim this payment.

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 Medical Monitoring. The amount may increase or decrease and will be *pro rata* based upon the total value of all Valid Claims received.

BUSINESS PRACTICES ENHANCEMENTS. Also, as part of the Settlement, CAA acknowledges that it has implemented business practice enhancements intended to improve the security of its systems and protect against future incidents, including 24/7/365 endpoint detection monitoring; multifactor authentication on all workstations and computers with remote access; additional security awareness training to all employees; upgrading its fiber modem; and decommissioning a secondary server containing old files. CAA has borne the costs of these Business Practice Improvements separate and apart from the Settlement Fund and agrees that they benefit the Settlement Class.

If you have questions about these benefits, you can ask for free help any time by contacting the Settlement Administrator at:

- Email: info@CAADataSettlement.com
- Call toll free, 24/7: 1- (833) 417-4969

- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
P.O. Box 25226
Santa Ana, CA 92799-9958

8. What claims am I releasing if I stay in the Class?

If you stay in the class, you won't be able to be part of any other lawsuit against CAA about the issues that this Settlement covers. The "Releases" section of the Settlement Agreement (Section XIII) describes the legal claims that you give up if you remain in the Class. The Settlement Agreement is available at www.CAADataSettlement.com.

Submitting a Claim Form for a Settlement Payment

9. How do I submit a claim for a Settlement benefit?

The fastest way to submit your Claim Form is online at www.CAADataSettlement.com. If you prefer, you can download a printable Claim Form from the website and mail it to the Settlement Administrator at:

CAA Data Incident Settlement
c/o Settlement Administrator
P.O. Box 25226
Santa Ana, CA 92799-9958

You may also contact the Settlement Administrator to request a Claim Form by telephone, toll free, (833) 417-4969, by email info@CAADataSettlement.com, or by U.S. mail at the address above.

10. Are there any important Settlement payment deadlines?

If you are submitting a Claim Form online, you must do so by **February 23, 2026**. If you are submitting a claim by U.S. mail, the completed and signed Claim Form, including supporting documentation, must be postmarked no later than **February 23, 2026**.

11. When will the Settlement benefits be issued?

The Court will hold a final approval hearing on **March 10, 2026 at 10:00am (see Question 18)**. If the Court approves the Settlement, there may be appeals. We do not know if appeals will be filed, or how long it will take to resolve them if they are filed.

Settlement payments will be distributed if the Court grants final approval, and after any appeals are resolved.

The Lawyers Representing You

12. Do I have a lawyer in the case?

Yes, the Court has appointed attorneys A. Brooke Murphy of Murphy Law Firm and Gary M. Klinger of Milberg Coleman Bryson Phillips Grossman PLLC, to represent you and other Class Members ("Class Counsel").

13. Should I get my own lawyer?

You will not be charged for Class Counsel's services. If you want your own lawyer, you may hire one at your expense.

14. How will Class Counsel be paid?

Class Counsel will ask the court to approve up to one-third of the Settlement Fund as reasonable attorneys' fees, plus reimbursement of litigation costs. This amount will be paid from the Settlement Fund.

Class Counsel will also ask for Service Award payments of \$2,500.00 for each of the Class Representatives. Service Award payments will also be paid from the Settlement Fund.

Excluding Yourself from the Settlement

15. How do I opt out of the Settlement?

If you do not want to be part of the Settlement, you must formally exclude yourself from the Settlement. This is called a Request for Exclusion and is sometimes also called "opting out." If you opt out, you will not receive Settlement benefits or payment. However, you will keep any rights you may have to sue CAA on your own about the legal issues in this case.

If you exclude yourself, you are telling the Court that you do not want to be part of the Settlement. You will not be eligible to receive any Settlement benefits if you exclude yourself.

The deadline to exclude yourself from the Settlement is **February 6, 2026**.

To be valid, your Request for Exclusion must have the following information:

- (1) the name of the Litigation: *In re Carolina Arthritis Associates Data Incident Litigation*, Case No. 25-CV002250-640, pending in the Superior Court of New Hanover County, North Carolina;
- (2) your full name, mailing address, telephone number, and email address;
- (3) personal signature; and
- (4) the words "Request for Exclusion" or a clear and similar statement that you do not want to participate in the Settlement.

You may only exclude yourself—not any other person.

Mail your Request for Exclusion to the Settlement Administrator at:

CAA Data Incident Settlement
ATTN: Exclusion Request
P.O. Box 25226
Santa Ana, CA 92799-9958

Your Request for Exclusion must be postmarked by **February 6, 2026**.

Commenting on or Objecting to the Settlement

16. How do I tell the Court if I like or do not like the Settlement?

If you are a Class Member and do not like part or all of the Settlement, you can object to it. Objecting means telling the Court your reasons for why you think the Court should not approve the Settlement. The Court will consider your views.

You cannot object if you have excluded yourself from the Settlement (**see Question 15**)

You must provide the following information for the Court to consider your objection:

- (1) the name of the Litigation: *In re Carolina Arthritis Associates Data Incident Litigation*, Case No. 25-CV002250-640, pending in the Superior Court of New Hanover County, North Carolina;
- (2) your full name, mailing address, telephone number, and email address;
- (3) a clear description of all the reasons you object; include any legal support, such as documents, you may have for your objection;
- (4) whether you intend to attend the Final Approval Hearing, and whether you want to speak at that hearing; and
- (5) your signature (if you have hired your own lawyer, their signature is not sufficient).

For your objection to be valid, it must meet each of these requirements.

To be considered by the Court, you must file your complete objection with the Clerk of Court by **February 6, 2026**. You must also send a copy of the objection to the Settlement Administrator, Class Counsel, and counsel for Defendants.

Clerk of the Court	Settlement Administrator
Clerk of the Court North Carolina Business Court 1965 Wake Forest Road, Room 3205 Winston-Salem, North Carolina 27109	CAA Data Incident Settlement ATTN: Objections P.O. Box 25226 Santa Ana, CA 92799-9958
Class Counsel	Counsel for Defendants
Gary M. Klinger MILBERG COLEMAN BRYSON PHILLIPS GROSSMAN PLLC 227 W. Monroe Street, Suite 2100 Chicago, IL 60606	David A. Cole Freeman Mathis & Gary LLP 1000 Galleria Parkway Suite 1600 Atlanta, GA 30339

17. What is the difference between objecting and excluding?

Objecting is telling the Court that you do not like something about the Settlement. You can object to the Settlement only if you do not exclude yourself from the Settlement. Excluding yourself from the Settlement is opting out and stating to the Court that you do not want to be part of the Settlement. If you opt out of the Settlement, you cannot object to it because the Settlement no longer affects you.

The Court's Final Approval Hearing

18. When is the Court's Final Approval Hearing?

The Court will hold a final approval on **March 10, 2026, at 10:00am Eastern Time**, in Room 3205 of the Superior Court of Hanover County, North Carolina, at North Carolina Business Court, 1965 Wake Forest Road, Winston-Salem, North Carolina 27109.

At the final approval hearing, the Court will decide whether to approve the Settlement. The court will also decide how Class Counsel should be paid, and whether to award Service Award payments to the Class Representatives. The Court will also consider any objections to the Settlement.

If you are a Class Member, you or your lawyer may ask permission to speak at the hearing at your own cost (**See Question 16**).

The date and time of this hearing may change without further notice. Please check **www.CAADDataSettlement.com** for updates.

19. Do I have to come to the Final Approval Hearing?

No. Class Counsel will answer any questions the Court may have. You may attend at your own expense if you wish, but you do not have to.

If you file an objection, you do not have to come to the Final Approval Hearing to talk about it; the Court will consider it as long as it was filed on time. You may also pay your own lawyer to attend, but you do not have to.

If I Do Nothing

20. What happens if I do nothing at all?

If you do nothing, you will not receive a benefit from this Settlement.

You will also give up the rights described in **Question 8**.

Getting More Information

21. How do I get more information?

This Notice is a summary of the proposed Settlement. The full Settlement Agreement and other related documents are available at the Settlement Website, **www.CAADDataSettlement.com**.

If you have additional questions, you can ask for free help any time by contacting the Settlement Administrator at:

- Email: info@CAADDataSettlement.com

- Call toll free, 24/7: 1- (833) 417-4969
- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
P.O. Box 25226
Santa Ana, CA 92799-9958

You can obtain copies of publicly filed documents by visiting the office of the Clerk of the Court, North Carolina Business Court, 1965 Wake Forest Road, Winston-Salem, North Carolina 27109. **DO NOT CONTACT THE COURT OR CLERK OF COURT REGARDING THIS SETTLEMENT.**