

AMENDED SETTLEMENT AGREEMENT

This Amended Settlement Agreement¹ is entered into between Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant, as of September 26, 2025. 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. Defendant is a healthcare provider based in North Carolina.
2. Plaintiffs and Class Members are current and former patients at Defendant.
3. In the course of their relationship, patients, including Plaintiffs and Class Members, provided Defendant with their Private Information.
4. On or about September 27, 2024, Defendant discovered that it was the victim of a ransomware attack by criminal actors. It undertook a comprehensive investigation which determined that the criminal actors accessed its network between September 26-30, 2024, and, during that time, may have accessed or acquired certain files without authorization that contained Private Information of Plaintiffs and Class Members.
5. Defendant provided written notice of the Data Incident to all affected individuals on February 27, 2025. The written notice provided individuals with information about the compromise or potential compromise of their Private Information and the opportunity to enroll in credit monitoring and identity theft protection services at no cost to them.
6. As a result, commencing on April 15, 2025, a number of lawsuits were filed against the Defendant relating to the Data Incident. Plaintiffs' counsel in those actions conferred and

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

collectively decided to work together to pursue the claims of their respective plaintiffs and the putative class of individuals impacted in the Data Incident.

7. Shortly thereafter, in an effort to conserve resources for the benefit of the those impacted in the Data Incident, the Parties began discussing settlement and scheduled mediation with mediator Hon. David E. Jones (Ret.).

8. In advance of mediation, Defendant provided Plaintiffs with informal discovery including information related to, among other things, the nature and cause of the Data Incident, the number and geographic location of individuals impacted by the Data Incident, and the specific type of information potentially accessed.

9. The Parties participated in mediation on August 5, 2025. Although the Parties made substantial progress at the mediation, a settlement was not reached. Subsequent to the mediation, the Parties continued to negotiate, and were able to reach agreement on the materials terms of this class-wide Settlement.

10. Consequently, on August 14, 2025, the Parties filed a Joint Notice of Settlement and Motion to Stay Proceedings.

11. The Parties now agree to settle the Action entirely, without any admission of liability or wrongdoing, with respect to all Released Claims of the Releasing Parties. Defendant has entered into this Agreement to resolve all controversies and disputes arising out of or relating to the allegations made in the Complaint, and to avoid the litigation costs and expenses, distractions, burden, expense, and disruption to its business operations associated with further litigation. Defendant does not in any way acknowledge, admit to, or concede any of the allegations made or claims asserted in any of the complaints or in the Complaint, and expressly disclaims and denies any fault or liability, or any charges of wrongdoing that have been or could have been

asserted in the Complaint. Nothing contained in this Agreement shall be used or construed as an admission of liability, and this Agreement shall not be offered or received in evidence in any action or proceeding in any court or other forum as an admission or concession of liability or wrongdoing of any nature or for any other purpose other than to enforce the terms of this Agreement. Plaintiffs have entered into this Agreement to recover on the claims asserted in the Complaint, and to avoid the risk, delay, and uncertainty of continued litigation. Plaintiffs do not in any way concede that the claims alleged in the Complaint lack merit or are subject to any defenses. The Parties intend this Agreement to bind Plaintiffs, Defendant, and all Settlement Class Members.

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

12. “**Action**” means the class action lawsuit entitled: *In re Carolina Arthritis Associates Data Incident Litig.*, File No. 25-CV002250-640 pending in the State of North Carolina, County of Hanover, Court of Justice, Superior Court Division.

13. “**Agreement**” or “**Settlement**” or “**Settlement Agreement**” means this agreement, and all exhibits attached hereto, between Plaintiffs and Defendant.

14. “**Application for Attorneys’ Fees, Costs, and Service Awards**” means the application made with the Motion for Final Approval seeking Class Counsel’s Attorney’s Fees and Costs and Service Awards for the Class Representatives.

15. “**Attorney’s Fees and Costs**” means the attorneys’ fees, expenses, and costs reasonably incurred by Class Counsel in prosecuting the Action, as approved by the Court upon motion by Class Counsel. Such amounts may include, without limitation, attorney’s fees, court

filing fees, transcript costs, expert and consultant fees, legal research charges, travel expenses, mediation fees, and other litigation-related costs.

16. “**Cash Payment**” means the compensation paid to Settlement Class Members who submit valid Claims for either Cash Payment A or Cash Payment B under Section IV herein.

17. “**Cash Payment A – Documented Losses**” means up to \$5,000.00 in cash compensation that Settlement Class Members with documented, unreimbursed out-of-pocket costs or financial losses that were reasonably and proximately caused by the Data Breach may elect under the Settlement.

18. “**Cash Payment B – Alternate Cash**” means \$100.00 in cash compensation that Settlement Class Members may elect under the Settlement in lieu of any claim for Cash Payment A – Documented Losses.

19. “**Claim**” means the submission of a Claim Form by a Claimant.

20. “**Claimant**” means an individual who submits a Claim Form for Settlement Class Member Benefits to the Settlement Administrator.

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 from the date Notice is sent to the Settlement Class, 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.

23. “**Claim Process**” means the process by which Claimants submit Claims to the Settlement Administrator and the Settlement Administrator reviews the Claims to determine which are Valid Claims.

24. **“Class Counsel”** means: A. Brooke Murphy of Murphy Law Firm and Gary M. Klinger of Milberg Coleman Bryson Phillips Grossman PLLC.

25. **“Class List”** means the list of Settlement Class Members provided to the Settlement Administrator by Defendant for the purpose of effectuating Notice. Defendant shall prepare and provide the Class List to the Settlement Administrator using information in Defendant’s records. To the extent maintained by the Defendant, the Class List shall include the Settlement Class Members’ full names and current addresses.

26. **“Class Representatives”** means the Plaintiffs the Court approves as representatives of the Settlement Class.

27. **“Complaint”** means the Consolidated Class Action Complaint filed in this Action.

28. **“Court”** means the General Court of Justice, in the County of Hanover, State of North Carolina, and the Judge(s) assigned to the Action.

29. **“Data Incident”** means the cybersecurity incident involving the Defendant that occurred in September 2024, and the related notice issued by Defendant, which is the subject of the Complaint and is described in paragraphs 3 and 4 of this Agreement.

30. **“Defendant”** means Carolina Arthritis Associates, P.A., the defendant in the Action.

31. **“Defendant’s Counsel”** means David A. Cole of Freeman Mathis & Gary LLP.

32. **“Effective Date”** means the day after the Final Approval Order is entered if there are no objections to the Settlement, or if there are objections, the later of: (a) 30 days after entry of the Final Approval Order if no appeals are taken from the Final Approval Order; or (b) if appeals are taken from the Final Approval Order, then the earlier of 30 days after the last appellate court ruling affirming the Final Approval Order or 30 days after the entry of a dismissal of the appeal.

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

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

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

36. “**Final Approval Order**” means the final order the Court enters granting Final Approval of the Settlement. The proposed Final Approval Order shall be in a form agreed upon by the Parties and shall be substantially in the form attached to the Motion for Final Approval.

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

38. “**Medical Data Monitoring**” means two years of CyEx’s Medical Shield Complete. This includes credit monitoring with one bureau, with additional monitoring of: (a) healthcare insurance plan IDs, healthcare beneficiary identifier ID; (b) medical records; (c) national provider identifier; (d) international classification of disease; (e) health savings account; (f) high risk; and (g), Dark Web. The product also provides for \$1,000,000 of identity theft insurance and contains real-time alerts and victim assistance.

39. “**Motion for Final Approval**” means the motion that Plaintiffs and Class Counsel shall file with the Court, subject to prior review and approval by Defendant’s Counsel, seeking

Final Approval of the Settlement.

40. “**Motion for Preliminary Approval**” means the motion that Plaintiffs shall file with the Court, subject to prior review and approval by Defendant’s Counsel, seeking Preliminary Approval of the Settlement.

41. “**Net Settlement Fund**” means the amount of the Settlement Fund following payment of Settlement Administration Costs and any attorneys’ fees and costs.

42. “**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.

43. “**Notice Program**” means the methods provided for in this Agreement for giving Notice to the Settlement Class and include Postcard Notice, Long Form Notice, Settlement Website, and toll-free Settlement phone number.

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

45. “**Objection Deadline**” means 30 days before the initial scheduled Final Approval Hearing.

46. “**Opt-Out Deadline**” means 30 days before the initial scheduled Final Approval Hearing.

47. “**Party**” means either Plaintiffs or Defendant, and “**Parties**” means Plaintiffs and Defendant collectively.

48. “**Plaintiffs**” means Donna Johnson, April Jenkins, Ronald Lewis, and Bernest Hewett.

49. “**Postcard Notice**” means the postcard notice of the Settlement, substantially in the form attached hereto as *Exhibit I*, that will be mailed to those Settlement Class Members for whom

mailing addresses are provided on the Class List.

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

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

44. **“Private Information”** means the personal information of individuals that Defendant identified as being compromised or potentially compromised by the Data Incident, including, but not limited to, 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.

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

46. **“Released Claims”** means any and all actual, potential, filed or unfiled, known or unknown, fixed or contingent, claimed or unclaimed, suspected or unsuspected claims, demands, liabilities, rights, causes of action, damages, punitive, exemplary or multiplied damages, expenses, costs, indemnities, attorneys’ fees and/or obligations, 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, rule, or regulation of any kind 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 relating to the Data Incident.

47. **“Released Parties”** means Defendant and each entity which is controlled by,

controlling, or under common control with Defendant as well as each of its and their respective past, present, and future direct and indirect heirs, assigns, associates, corporations, investors, owners, parents, subsidiaries, affiliates, insurers, reinsurers, divisions, officers, directors, shareholders, members, agents, servants, employees, partners, and attorneys, and all their respective predecessors, successors, managers, administrators, executors, and trustees.

48. **“Releasing Parties”** means Plaintiffs and Settlement Class Members and their respective past, present, and future heirs, devisees, beneficiaries, conservators, executors, estates, administrators, assigns, trustees, and receivers.

49. **“Service Awards”** means the monetary payments, if any, to be made to the Class Representatives in recognition of their time, effort, and risks undertaken in serving as representatives of the Settlement Class, as approved by the Court upon motion by Class Counsel, which shall not exceed \$2,500 for each named Plaintiff.

50. **“Settlement Administrator”** means Simpluris, the third-party notice and claims administrator jointly selected by the Parties.

51. **“Settlement Administration Costs”** means all costs and fees of the Settlement Administrator regarding Notice and Settlement administration.

52. **“Settlement Class”** means all individuals whose Private Information was accessed and/or acquired by an unauthorized party as a result of the Data Incident. Excluded from the Settlement Class are (a) all persons who are directors and officers of Defendant; (b) governmental entities; and (c) the Judge assigned to the Action, that Judge’s immediate family, and Court staff.

53. **“Settlement Class Member”** means any member of the Settlement Class who has not opted-out of the Settlement.

54. **“Settlement Class Member Benefits”** means the Cash Payment and/or Medical

Data Monitoring that Settlement Class Members may elect in the Settlement.

55. “**Settlement Fund**” means the non-reversionary all cash \$600,000.00 fund that Defendant is obligated to fund or cause to be funded pursuant to Section III herein. Defendant shall have no obligation to pay any additional amounts beyond the Settlement Fund, and shall not bear any further financial responsibility in connection with the Settlement, regardless of the total value of Claims or Valid Claims submitted, amounts awarded by the Court for Attorney’s Fees and Costs or for Service Awards or otherwise, the Settlement Administration Costs, or any other amount or cost of any kind.

56. “**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 this 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 90 days after Final Approval.

57. “**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.

III. Settlement Fund

58. Within 30 days of Preliminary Approval, Defendant shall fund or cause to be funded the entire Settlement Fund. In the event there is no Final Approval, or the Effective Date does not occur, following the payment of any outstanding Settlement Administration Costs, all funds remaining in the Settlement Fund shall be returned pro rata to the Defendant.

59. The Settlement Fund shall be used to pay: (1) all Settlement Class Member Benefits to Settlement Class Members who submit Valid Claims; and (2) all Settlement Administration Costs; (3) any Attorneys' Fees and Costs awarded by the Court; and (4) any Service Awards awarded by the Court.

60. 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 Fund shall earn a reasonable rate of interest and all interest earned on the Settlement funds shall be for the benefit of the Settlement Class. All taxes (including any estimated taxes, and any interest or penalties relating to them) arising with respect to the income earned by the Escrow Account or otherwise, including any taxes or tax detriments that may be imposed on Defendant, Defendant's Counsel, Plaintiffs, and/or Class Counsel with respect to income earned by the Escrow Account, for any period during which the Escrow Account does not qualify as a "qualified settlement fund" for the purpose of federal or state income taxes or otherwise, shall be paid out of the Escrow Account. Defendant, Defendant's Counsel, Plaintiffs, and Class Counsel shall have no liability or responsibility for any of the taxes. The Escrow Account

shall indemnify and hold Defendant, Defendant's Counsel, Plaintiffs, and Class Counsel harmless for all taxes (including, without limitation, taxes payable by reason of any such indemnification).

IV. Certification of the Settlement Class

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

V. Settlement Class Member Benefits

62. When submitting a Valid Claim, Settlement Class Members must choose either Cash Payment A – Documented Losses or Cash Payment B – Alternate Cash. Settlement Class Members may also elect to receive Medical Data Monitoring in accordance with the terms of this paragraph. All Cash Payments will be subject to a *pro rata* (a) increase from the Net Settlement Fund if the amount of Valid Claims is insufficient to exhaust the entire Net Settlement Fund or (b) decrease from the Net Settlement Fund if the amount of Valid Claims exhausts the amount of the Net Settlement Fund. For purposes of calculating the *pro rata* increase or decrease, the Settlement Administrator must distribute the funds in the Net Settlement Fund first for payment of Medical Data Monitoring, then for Cash Payment A – Documented Losses, and then to all those who elect Cash Payment B. Any *pro rata* increases or decreases will be on an equal percentage basis. If a Settlement Class Member does not submit a Valid Claim, the Settlement Class Member will release

his or her claims without receiving a Settlement Class Member Benefit.

a. **Cash Payment A – Documented Losses**

Settlement Class Members may submit a claim for a Cash Payment under this section for up to \$5,000.00 per Settlement Class Member upon presentation of reasonable documented losses related to the Data Incident. To receive a documented loss payment, a Settlement Class Member must elect Cash Payment A on the Claim Form attesting under penalty of perjury to having incurred documented losses. Settlement Class Members will be required to submit reasonable documentation supporting the losses, which means documentation contemporaneously generated or prepared by a third party or the Settlement Class Member supporting a claim for expenses paid. Reimbursable losses shall be defined as bank fees, overdraft charges, late fees, or declined payment fees resulting from fraud; charges for credit monitoring or identity theft protection purchased in response to the data breach; costs incurred to place or remove a credit freeze; professional fees paid to address identity fraud (e.g., accountants, attorneys, fraud specialists); replacement costs for government-issued identification or documents; long-distance phone charges, postage, notary, or similar incidental costs; fraudulent, unreimbursed charges or financial loss directly traceable to misuse of personal information obtained in the breach. Settlement Class Members shall not be reimbursed for expenses if they have been reimbursed for the same expenses by another source, including compensation provided in connection with the credit monitoring and identity theft protection product 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 the Settlement Class Member's Claim will be as if he or she elected Cash Payment B.

b. Cash Payment B – Alternate Cash

As an alternative to and in lieu of any Cash Payment A, a Settlement Class Member may elect to receive Cash Payment B, which shall be a one-time cash payment of \$100.00.

c. Medical Data Monitoring

In addition to Cash Payment A or Cash Payment B, Settlement Class Members may also make a Claim for Medical Data Monitoring that will include two years of CyEx's Medical Shield Complete monitoring product that will include: (i) real time monitoring of the credit file with one credit bureau; (ii) dark web scanning with immediate notification of potential unauthorized use; (iii) security freezing assistance; (iv) victim assistance; (v) \$1,000,000.00 in identity theft insurance with no deductible; and (vi) access to fraud resolution agents to help investigate and resolve instances of identity theft.

d. Business Practice Enhancements

Defendant represents that, since the Data Incident, it has undertaken certain 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. Defendant has borne the costs of these Business Practice Improvements separate and apart from the Settlement Fund and agrees that they benefit the Settlement Class.

VI. Settlement Approval

63. Within 10 days of signing this Agreement, Class Counsel shall file a Motion for Preliminary Approval, which 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 A. Brooke Murphy and Gary M. Klinger as Class Counsel; (7) appoint Plaintiffs as the Class Representatives; (8) appoint Simpluris as the Settlement Administrator; (9) stay the Action pending Final Approval of the Settlement; and (10) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, the Parties, Class Counsel, and Defendant's Counsel.

VII. Settlement Administrator

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

65. 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 this Agreement, including, but not limited to, effectuating the Notice Program, handling the Claims Process, assessing Claim Forms and determining whether they are supported by reasonable documentation, and distributing the Cash Payments to Settlement Class Members who submit Valid Claims.

66. The Settlement Administrator's duties include:

- a. Completing the Court-approved Notice Program by noticing the Settlement Class by Postcard Notice and sending out Long Form Notices and Claim Forms on request from

Settlement Class Members, reviewing Claim Forms and supporting documentation, 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. Establish and maintain the Settlement Fund and Escrow Account;
- c. Establishing and maintaining a post office box to receive opt-out requests from the Settlement Class, objections from Settlement Class Members, and Claim Forms;
- d. Establishing and maintaining the Settlement Website to provide important information and to receive electronic Claim Forms;
- e. Establishing and maintaining an automated toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries, and answer the frequently asked questions of Settlement Class Members who call or otherwise communicate such inquiries;
- f. Responding to any mailed Settlement Class Member inquiries;
- g. Processing all opt-out requests from the Settlement Class;
- h. 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;
- i. In advance of the Final Approval Hearing, preparing a declaration confirming the Notice Program was completed in accordance with the terms of this Agreement and the Preliminary Approval Order, describing how the Notice Program was completed, indicating the number of Claim Forms received, the value of the Valid Claims submitted to date, 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;

j. Reviewing Claim Forms submitted by Settlement Class Members to determine whether they are eligible for a Cash Payment and/or Medical Data Monitoring;

k. Distributing out of the Settlement Fund Cash Payments to Settlement Class Members who submit Valid Claims;

l. Ensure the issuance of the Medical Data Monitoring activation codes to all Settlement Class Members who elect Medical Data Monitoring;

m. Pay Court-approved attorney's fees and costs out of the Settlement Fund;

n. Pay 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, including, but not limited to, verifying that the Cash Payments have been properly distributed.

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

67. Defendant will make available to the Settlement Administrator the Class List no later than five days after entry of the Preliminary Approval Order. To the extent necessary, Defendant will cooperate with updating the Class List to accomplish the Notice Program and otherwise administer the Settlement.

68. Within 15 days following entry of the Preliminary Approval Order, the Settlement Administrator shall commence the Notice Program. Settlement Class Members shall be sent the Postcard Notice which shall be double-sided with a tear-off Claim Form.

69. The Notice Program shall be completed no later than 45 days before the initial date set for the Final Approval Hearing.

70. The Postcard Notice shall include, among other information: a description of the material terms of the Settlement; how to submit a Claim Form; the Claim Form Deadline; the Opt-Out Deadline; the Objection Deadline; the Final Approval Hearing date; and the Settlement Website address at which Settlement Class Members may access this Agreement and other related documents and information. Class Counsel and Defendant's Counsel shall insert the correct dates and deadlines in the Notice before the Notice Program commences, based upon those dates and deadlines set by the Court in the Preliminary Approval Order. 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.

71. 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.

72. The Long Form Notice shall include a description of the 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 member may opt-out of the Settlement Class at any time before the Opt-Out Deadline by mailing a request to opt-out to the Settlement Administrator postmarked no later than the last day of the Opt-Out Period. The opt-out request must be personally signed by the Settlement Class member and contain the requestor's name, address, telephone number, and email address (if any), and include a statement indicating a request to be excluded from the Settlement Class. Any

Settlement Class Member who does not timely and validly request to opt-out shall be bound by the terms of this Agreement even if that Settlement Class Member does not submit a Valid Claim.

73. The Long Form Notice shall also include a description of the 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 filed with the Court, and sent by U.S. Mail to Class Counsel, Defendant's Counsel, and the Settlement Administrator. For an objection to be considered by the Court, the relevant Settlement Class Member must submit the objection no later than the Objection Deadline, as specified in the Notice, and the relevant Settlement Class Member must not have excluded himself from the Settlement Class. If submitted by mail, an objection shall be deemed to have been submitted when posted if received with a postmark date indicated on the envelope if mailed first-class postage prepaid and addressed in accordance with the instructions. If submitted by private courier (e.g., Federal Express), an objection shall be deemed to have been submitted on the shipping date reflected on the shipping label.

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

- a. the objector's full name, mailing address, telephone number, and email address (if any);
- b. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
- c. the number of times the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling

upon the objector's prior objections that were issued by the trial and appellate courts in each listed case;

d. the identity of all counsel who represent the objector, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement and/or Application for Attorneys' Fees, Costs, and Service Award;

e. the number of times in which the objector's counsel and/or counsel's law firm have objected to a class action settlement within the five years preceding the date of the filed objection, the caption of each case in which counsel or the firm has made such objection and a copy of any orders related to or ruling upon counsel's or the counsel's law firm's prior objections that were issued by the trial and appellate courts in each listed case in which the objector's counsel and/or counsel's law firm have objected to a class action settlement within the preceding five years;

f. the identity of all counsel (if any) representing the objector, and whether they will appear 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. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; 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, including taking depositions and propounding document requests.

IX. Claim Form Process and Disbursement of Cash Payments

75. The Notices and the Settlement Website will explain to Settlement Class Members that they may be entitled to a Settlement Class Member Benefit and how to submit a Claim Form.

76. Claim Forms may be submitted online through the Settlement Website or through U.S. Mail by printing a copy of the Claim Form and mailing it to the Settlement Administrator at the address designated on the Claim Form.

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

78. 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.

79. 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 it deems appropriate if the Settlement Administrator identifies actual or possible fraud or abuse relating to the submission of claims, including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse. If any fraud is detected or reasonably suspected, the Settlement Administrator and

Parties may require information from Claimants or deny Claims, subject to the supervision of the Parties and ultimate oversight by the Court.

80. 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 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.

81. 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 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.

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

- a. The Settlement Administrator shall have 30 days from the Claim Form Deadline to approve or reject Claims.
- 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.
- d. The Settlement Administrator's determination as to whether to approve, deny, or reduce a Claim shall be final and binding.

83. 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 Defendant's Counsel. Additionally, Class Counsel and

Defendant's Counsel shall have the right to inspect the Claim Forms and supporting documentation received by the Settlement Administrator at any time upon reasonable notice.

84. 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.

85. No later than 75 days after Final Approval or 30 days after the Effective Date, whichever is later, the Settlement Administrator shall distribute the Settlement Class Member Benefits.

86. Cash Payments to Settlement Class Members will 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 30 days after the Effective Date to select their form of payment following such email from the Settlement Administrator. Paper checks must be negotiated within 90 days of issuance. In the event 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 revert to Defendant, and the Settlement Class Member shall forfeit their right to the funds.

87. In the event there are funds remaining in the Settlement Fund 240 days following

the date Settlement Class members are sent an email to select their form of payment, said funds attributable to unclaimed and undeliverable funds shall be treated as residual funds as described in Section XII.

88. The Settlement Administrator will send an email to Settlement Class Members with Valid Claims that include an election for Credit Monitoring with information on how to enroll in the Credit Monitoring, including the activation code.

X. Final Approval Order and Final Judgment

89. 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 45 days before the initial 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 will 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 this Agreement.

90. 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. Determine that the Notice Program satisfies 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 this Agreement, including Defendant, Plaintiffs, all Settlement Class Members, and all objectors, to administer, supervise, construe, and enforce this Agreement in accordance with its terms.

XI. Service Awards, Attorneys' Fees, and Costs

91. *Service Awards* - Class Counsel, on behalf of the Class Representatives, may seek Service Awards of up to \$2,500.00 each, subject to Court approval. The Service Awards shall be payable out of the Settlement Fund within 30 days of the Effective Date.

92. *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 litigation expenses. The Attorney's Fees and Costs 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 five days of the Effective Date.

93. This Settlement is not contingent on approval of the request for Attorneys' Fees and Costs or Service Awards, and if the Court denies any or all of the requests or grants amounts less than what was requested, the remaining provisions of the Agreement shall remain in force. The provisions for Attorney's Fees and Costs and the Service Awards were not negotiated until after all material terms of the Settlement.

XII. Disposition of Residual Funds

94. In the event there are funds remaining in the Settlement Fund 240 days following the date Settlement Class members are sent an email to select their form of payment, any residual shall be distributed to the non-profit charitable organization National Cybersecurity Alliance, to be approved by the Court.

XIII. Releases

95. Upon the Effective Date, and in consideration of the settlement relief and other consideration described herein, the Releasing Parties shall be deemed to have, and by operation of the Final Approval Order shall have, fully, finally, and forever released, acquitted, relinquished, and completely discharged the Released Parties from any and all Released Claims, including but not limited to any federal law, state law, or common law claims arising out of or relating to the Data Incident that the Releasing Parties may have or had, such as under California's Consumer Privacy Act, California Civil Code section 1798.100, *et seq.* and/or California's Unfair Competition Law, California Civil Code section 17200 *et seq.* The Releasing Parties expressly waive all rights under California Civil Code section 1542, which provides:

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

The Releasing Parties also waive the provisions and rights of any law(s) that are comparable in effect to California Civil Code section 1542 (including, without limitation, California Civil Code § 1798.80, *et seq.*, Montana Code Ann. § 28- 1-1602; North Dakota Cent. Code § 9-13-02; and South Dakota Codified Laws § 20-7-11). The Releasing Parties agree that, once this Agreement is executed, they will not, directly or indirectly, individually or in concert with another, maintain,

cause to be maintained, or voluntarily assist in maintaining any further demand, action, claim, lawsuit, arbitration, or similar proceeding, in any capacity whatsoever, against any of the Released Parties based on any of the Released Claims.

96. Settlement Class Members who opt-out of the Settlement prior to the Opt-Out Deadline do not release their individual claims and will not obtain any benefits, including any Settlement Class Member Benefit, under the Settlement.

97. Upon the Effective Date: (a) this Settlement shall be the exclusive remedy for any and all Released Claims of Plaintiffs and Settlement Class Members; and (b) Plaintiffs and Settlement Class Members stipulate to be and shall be permanently barred and enjoined by Court order from initiating, asserting, or prosecuting any Released Claim against the Released Parties, whether on behalf of Plaintiffs, any Settlement Class Member or others, in any jurisdiction, including in any federal, state, or local court or tribunal.

XIV. Termination of Settlement

98. This 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 and releases set forth herein;
- 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.

99. 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 Agreement shall be cancelled and terminated.

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

XV. Effect of Termination

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

102. In the event the Settlement is terminated in accordance with the provisions of this Agreement, any discussions, offers, or negotiations associated with this Settlement shall not be discoverable or offered into evidence or used in the Action or any other action or proceeding for any purpose. In such event, all Parties to the Action shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court.

XVI. No Admission of Liability

103. This Agreement reflects the Parties' compromise and settlement of disputed claims.

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

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

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

106. Neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement (a) is or may be deemed to be, or may be used as, an admission

of, or evidence of, the validity of any claim made by 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.

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

XVII. Miscellaneous Provisions

108. ***Confidentiality.*** To the extent permitted by ethics rules, the Parties and their counsel shall keep confidential all settlement communications, including communications regarding the negotiation and drafting of this Agreement. The Parties will not make any public statement about the settlement that has not been approved by the other side, except as required or authorized by law. The Parties will cooperate with each other regarding public statements about the settlement and may issue a joint statement/press release if they mutually agree to do so. This paragraph shall not be construed to limit or impede the Notice requirements contained in this Agreement, nor shall this paragraph be construed to prevent Class Counsel or Defendant's Counsel from notifying or explaining that the Action has settled or limit the representations that the Parties or their counsel may make to the Court to assist in the Court's evaluation of the Settlement, Preliminary Approval, Final Approval, and any objection to the Settlement's terms. Defendant may also provide information about the Settlement to its attorneys, members, partners, insurers, brokers, agents, and other persons or entities as required by securities laws or other applicable laws and regulations.

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

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

111. ***Cooperation of Parties.*** The Parties to this Agreement agree to cooperate in good faith to prepare and execute all documents, seek Court approval, uphold Court approval, and do all things reasonably necessary to complete and effectuate the Settlement described in this Agreement.

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

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

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

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

116. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument, even though all Parties do not sign the same counterparts. Original signatures are not required. Any signature submitted by facsimile or through email of a PDF shall be deemed an original.

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

118. **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:

A. Brooke Murphy
MURPHY LAW FIRM.
4116 Will Rogers Pkwy, Suite 700
Oklahoma City, OK 73108
abm@murphylegalfirm.com

Gary M. Klinger
MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC
227 W. Monroe Street, Suite 2100

Chicago, IL 60606

If to Defendant or Defendant's Counsel:

David A. Cole
Freeman Mathis & Gary LLP
1000 Galleria Parkway, Suite 1600
Atlanta, GA 30339
david.cole@fmglaw.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.

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

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

121. ***Authority.*** Class Counsel (for the Plaintiffs and the Settlement Class Members), and Defendant's Counsel, represent and warrant that the persons signing this Agreement on their behalf have full power and authority to bind every person, partnership, corporation, or entity included within the definitions of Plaintiffs and Defendant respectively to all terms of this Agreement. Any person executing this Agreement in a representative capacity represents and warrants that he or she is fully authorized to do so and to bind the Party on whose behalf he or she signs this Agreement to all of the terms and provisions of this Agreement.

122. ***Agreement Mutually Prepared.*** Neither Plaintiffs nor Defendant shall be considered to be the drafter of this 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 Agreement.

123. ***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 Agreement, that will not affect or in any respect limit the binding nature of this Agreement. All Parties recognize and acknowledge they reviewed and analyzed data that they 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 Agreement now and thus, in furtherance of their intentions, the Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

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

PLAINTIFFS

Donna Johnson
Donna Johnson (Sep 21, 2025 21:54:15 EDT)

DONNA JOHNSON

APRIL JENKINSON

RONALD LEWIS

BERNEST HEWETT

CLASS COUNSEL

A. BROOKE MURPHY
MURPHY LAW FIRM

GARY KLINGER
MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC

PLAINTIFFS

DONNA JOHNSON



[April Dawn Jenkinson \(Sep 21, 2025 16:46:01 EDT\)](#)

APRIL JENKINSON

RONALD LEWIS

BERNEST HEWETT

CLASS COUNSEL

A. BROOKE MURPHY
MURPHY LAW FIRM

GARY KLINGER
MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC

PLAINTIFFS

DONNA JOHNSON

APRIL JENKINSON


Ronald Lewis (Sep 23, 2025 12:12:15 EDT)

RONALD LEWIS

BERNEST HEWETT

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MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC

PLAINTIFFS

DONNA JOHNSON

APRIL JENKINSON

RONALD LEWIS

Bernest Hewett

BERNEST HEWETT

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MURPHY LAW FIRM

GARY KLINGER
MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC

PLAINTIFFS

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RONALD LEWIS

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MURPHY LAW FIRM

Gary M. Klinger
GARY KLINGER
MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC

CAROLINA ARTHRITIS ASSOCIATES, P.A.


By: Mark Harris, MD
Its Managing Partner

COUNSEL FOR CAROLINA ARTHRITIS ASSOCIATES, P.A.



DAVID A. COLE
FREEMAN MATHIS & GARY LLP

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

IN THE GENERAL COURT OF JUSTICE
Superior Court Case No. 25CV002250-640
Business Court No. 2025CVS2250

In re Carolina Arthritis Associates Data)
Incident Litigation)
)
)
)

SETTLEMENT AGREEMENT ADDENDUM AND AMENDMENT

Introduction/Explanation

The original Amended Settlement Agreement and Releases (“Settlement Agreement”) between Plaintiffs, Donna Johnson, April Jenkinson, Ronald Lewis, and Bernest Hewett, on behalf of themselves and the Settlement Class, and Defendant, Carolina Arthritis Associates, P.A. was executed on September 26, 2025. On October 15, 2025, a hearing on Plaintiffs’ Unopposed Amended Motion for Preliminary Approval of Class Action Settlement was held before the Honorable Michael L. Robinson. Pursuant to the Court’s guidance and questioning during the hearing, the Parties¹ now agree to amend the Settlement Agreement, as provided in Paragraph 119 of the Settlement Agreement, as follows:

Paragraph 18 shall be amended to read:

18. “**Cash Payment B -- Alternate Cash**” means a *pro rata* cash payment estimated at \$100.00 in cash compensation that Settlement Class Members may elect under the Settlement in lieu of any claim for Cash Payment A – Documented Losses. This amount will be subject to a *pro rata* (a) increase from the Net Settlement Fund if the amount of Valid Claims is insufficient to exhaust the entire Net Settlement Fund or (b) decrease from the Net Settlement Fund if the amount

¹ All capitalized terms used herein, unless otherwise defined herein, will have the same meaning as those defined in Section II of the Settlement Agreement.

of Valid Claims exhausts the amount of the Net Settlement Fund.

Paragraph 62 (b) shall be amended to read:

62 b. As an alternative to and in lieu of any Cash Payment A, a Settlement Class Member may elect to receive Cash Payment B, which shall be a *pro rata* cash payment estimated at \$100.00. This amount will be subject to a pro rata (a) increase from the Net Settlement Fund if the amount of Valid Claims is insufficient to exhaust the entire Net Settlement Fund or (b) decrease from the Net Settlement Fund if the amount of Valid Claims exhausts the amount of the Net Settlement Fund.

Paragraph 74 shall be amended to read:

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

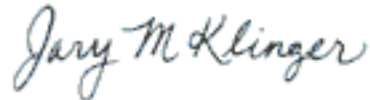
- a. the objector's full name, mailing address, telephone number, and email address (if any);
- b. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
- c. the identity of all counsel (if any) representing the objector, and whether they will appear at the Final Approval Hearing;
- d. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- e. the objectors signature.

In addition, the Parties have revised the exhibits to the Settlement Agreement to incorporate the changes discussed above. The revised exhibits are attached hereto as **Exhibits 1-4**.

This document, and its exhibits, will serve as an addendum and amendment to the Settlement Agreement to further memorialize the agreement between the Parties. Upon the

execution of the Addendum, which may be performed in counterparts each of which constitutes an original (and all of which constitute one and the same amendment), it shall be deemed as a part of the original Settlement Agreement and when taken together, shall constitute one and the same document. The individuals signing this addendum and amendment represent that they are authorized by the parties they represent to execute this amendment. This addendum and amendment shall be deemed part of, but shall take precedence over, and supersede any provisions to the contrary contained in the Settlement Agreement. Except as specifically modified hereby, all of the provisions of the Settlement Agreement which are not in conflict with the terms of this amendment shall remain in full force and effect.

CLASS COUNSEL



Gary Klinger
MILBERG COLEMAN BRYSON
PHILLIPS GROSSMAN PLLC
Attorney for Plaintiffs and the Settlement Class



A. Brooke Murphy
MURPHY LAW FIRM
Attorney for Plaintiffs and the Settlement Class

COUNSEL FOR DEFENDANTS



David A. Cole
FREEMAN MATHIS & GARY LLP

EXHIBIT 1

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

***In re Carolina Arthritis Associates Data
Incident Litigation***

Case No. 25-CV002250-640

**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.*

**THIS NOTICE IS ONLY A SUMMARY.
VISIT WWW.SETTLEMENTWEBSITE.COM
OR SCAN THIS QR CODE
FOR COMPLETE INFORMATION.**



First-Class
Mail
US Postage
Paid
Permit #__

«Barcode»

Postal Service: Please do not mark barcode

Claim #: XXX- «LoginID» - «MailRec»

«First1» «Last1»

«Addr1» «Addr2»

«City», «St» «Zip»

«Country»

Why am I receiving this notice?

A Settlement has been reached with Carolina Arthritis Associates, P.A. ("CAA") in a class action lawsuit. The case is about the September 2024 cyberattack on CAA's computers (the "Data Incident"). Files containing private information were accessed. CAA denies that it did anything wrong, and the Court has not decided who is right. The parties have agreed to settle the lawsuit ("Settlement") to avoid the risks, disruption, and uncertainties of continued litigation. A copy of the Settlement Agreement is available online.

Who is included in the Settlement?

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

The Court has appointed experienced attorneys, called "Class Counsel," to represent the Class.

What are the Settlement benefits?

You can claim two years of **Medical Data Monitoring** services and one of two **Cash Payment** options.

Cash Payment A – Documented Losses: If you have documented losses, you can get back up to **\$5,000**.

Cash Payment B – Alternate Cash: *instead of* Cash Payment A, you can get a *pro rata* cash payment estimated at **\$100**.

The actual amount of your Cash Payment (A or B) may increase or decrease and will be *pro rata* based upon the total value of all Valid Claims received.

How do I receive a benefit?

If you are claiming Cash Payment A – Documented Losses, file all of your claims online. Otherwise, you may fill out the Claim Form below. Tear at perforation, and return by U.S. Mail. Postage is already paid. For a full paper Claim Form call **1-XXX-XXX-XXXX**. **Claims must be submitted online or postmarked by [Claims Deadline]**.

Full details and instructions are available online.

What if I don't want to participate in the Settlement?

If you do not want to be part of the Settlement, you must exclude yourself by **[Opt-Out Deadline]** or you will not be able to sue CAA for the claims made in *this* lawsuit. If you exclude yourself, you cannot get benefits from this Settlement. If you want to object to the Settlement, you may file an objection by **[Objection Deadline]**. The Settlement Agreement, available online, explains how to exclude yourself or object.

When will the Court approve the Settlement?

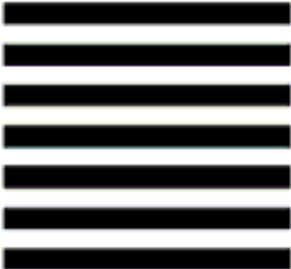
The Court will hold a hearing in this case on **[FA Hearing Date]** at the **[Court Address]**, to consider whether to approve the Settlement. The Court will also consider Class Counsel's request for attorneys' fees of up to one-third of the Settlement Fund; reimbursement of litigation costs; and \$2,500 for each of the Plaintiffs. You may attend the hearing at your own cost, but you do not have to.

BUSINESS REPLY MAIL

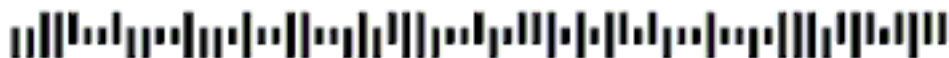
FIRST-CLASS MAIL PERMIT NO 47 COSTA MESA CA

POSTAGE WILL BE PAID BY ADDRESSEE

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



CAA Data Incident Settlement
c/o Settlement Administrator
P.O. Box [PO Box Number]
Santa Ana, CA 92799-9958



CAA Data Incident Settlement

«First1» «Last1»
«Addr1» «Addr2»
«City», «St» «Zip»

Complete this Claim Form, tear at perforation, and return by U.S.

Mail no later than **[Claims Deadline]**.

Only one Claim Form per Class Member.

Login ID: «LoginID»

PIN: «PIN»

INSTRUCTIONS: Use this card to submit your claim for two years of **Medical Data Monitoring** services and/or the **Alternate Cash Payment** estimated at \$100.

To claim a cash payment for documented losses, visit the settlement website at **www.[SettlementWebsite].com**.

To request a full paper Claim Form, call **1-XXX-XXX-XXXX**.

☐ Check this box to enroll in two years of **Medical Data Monitoring** services.

☐ Check this box to claim a *pro rata* **Alternate Cash Payment** estimated at \$100.00.

How would you like to be paid:

Check **one**: ☐ PayPal ☐ Venmo ☐ Zelle ☐ Virtual Prepaid Card ☐ Check (sent to above address)

For digital payment options, please **PRINT** your email address

LEGIBLY on the line below and doublecheck that it is correct: _____

Notify us if your contact information is different from what is shown above, or changes after submitting this form.

EXHIBIT 2

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.[SettlementWebsite].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.	<u> </u> , 2025
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.	<u> </u> , 2025
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.	<u> </u> , 2025
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.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION	3
WHO IS IN THE SETTLEMENT	4
THE SETTLEMENT BENEFITS.....	4
SUBMITTING A CLAIM FORM FOR SETTLEMENT BENEFITS	6
THE LAWYERS REPRESENTING YOU	6
EXCLUDING YOURSELF FROM THE SETTLEMENT	7
COMMENTING ON OR OBJECTING TO THE SETTLEMENT	7
THE COURT’S FINAL APPROVAL HEARING	9
IF I DO NOTHING	9
GETTING MORE INFORMATION	9

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@\[SettlementWebsite\].com](mailto:info@[SettlementWebsite].com)
- Call toll free, 24/7: 1-XXX-XXX-XXXX
- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
[PO Box Number]
Santa Ana, CA 92799-9958

You may also view the Settlement Agreement at [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].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 **[Claims Deadline]**.

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@[SettlementWebsite].com**

- Call toll free, 24/7: 1-XXX-XXX-XXXX
- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
[PO Box Number]
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.\[SettlementWebsite\].com](http://www.[SettlementWebsite].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.\[SettlementWebsite\].com](http://www.[SettlementWebsite].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
[PO Box Number]
Santa Ana, CA 92799-9958

You may also contact the Settlement Administrator to request a Claim Form by telephone, toll free, 1-XXX-XXX-XXXX, by email [info@\[SettlementWebsite\].com](mailto:info@[SettlementWebsite].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 [Claims Deadline]. 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 [Claims Deadline].

11. When will the Settlement benefits be issued?

The Court will hold a final approval hearing on [FA Hearing Date] (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 **[Opt-Out Deadline]**.

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
[PO Box Number]
Santa Ana, CA 92799-9958

Your Request for Exclusion must be submitted, postmarked, or emailed by **[Opt-Out Deadline]**.

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 **[OBJECTION DATE]**. 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 [Court Address]	CAA Data Incident Settlement ATTN: Objections [PO Box Number] 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 **[FA Hearing Date]** at **[Hearing Time]** Eastern Time, in Room **[Court Room]** of the Superior Court of Hanover County, North Carolina, at **[Court Address]**.

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.[SettlementWebsite].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.[SettlementWebsite].com**.

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

- Email: **info@[SettlementWebsite].com**
- Call toll free, 24/7: **1-XXX-XXX-XXXX**
- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
[PO Box Number]
Santa Ana, CA 92799-9958

You can obtain copies of publicly filed documents by visiting the office of the Clerk of the Court, **[Court Address]**. **DO NOT CONTACT THE COURT OR CLERK OF COURT REGARDING THIS SETTLEMENT.**

EXHIBIT 3

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

In re Carolina Arthritis Associates Data Incident Litigation

Case No. 25-CV002250-640

Superior Court of New Hanover County, North Carolina

DATA INCIDENT SETTLEMENT CLAIM FORM

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

GENERAL INSTRUCTIONS

Who is eligible to file a claim? 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.”

Excluded from the Settlement 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.

COMPLETE THIS CLAIM FORM IF YOU ARE A CLASS MEMBER AND WISH TO RECEIVE ONE OR MORE OF THE FOLLOWING SETTLEMENT BENEFITS

AVAILABLE BENEFITS

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 the costs of administering the Settlement. 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.

Questions? Call 1-**XXX-XXX-XXXX** Toll-Free or Visit **www.[SettlementWebsite].com**

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

In re Carolina Arthritis Associates Data Incident Litigation

Case No. 25-CV002250-640

Superior Court of New Hanover County, North Carolina

DATA INCIDENT SETTLEMENT CLAIM FORM

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

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 [Claims Deadline].

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.

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

- Email: [info@\[SettlementWebsite\].com](mailto:info@[SettlementWebsite].com)
- Call toll free, 24/7: 1-XXX-XXX-XXXX
- By mail: CAA Data Incident Settlement
c/o Settlement Administrator
[PO Box Number]
Santa Ana, CA 92799-9958

THE MOST EFFICIENT WAY TO SUBMIT YOUR CLAIMS IS ONLINE AT

[www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com)

You may also print out and complete this Claim Form, and submit it by U.S. mail. An electronic image of the completed Claim Form can also be emailed to [info@\[SettlementWebsite\].com](mailto:info@[SettlementWebsite].com)

You must submit your Claim Form online, by mail, or by email no later than [Claims Deadline].

Questions? Call 1-XXX-XXX-XXXX Toll-Free or Visit [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com)

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

In re Carolina Arthritis Associates Data Incident Litigation

Case No. 25-CV002250-640

Superior Court of New Hanover County, North Carolina

DATA INCIDENT SETTLEMENT CLAIM FORM

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

I. CLASS MEMBER NAME AND CONTACT INFORMATION

Print your name and contact information below. You must notify the Settlement Administrator if your contact information changes after you submit this claim form. All fields are required. **Please print legibly.**

First Name

Last Name

Street Address

City

State

Zip Code

Email Address

Phone Number

Notice ID (if known)

II. MEDICAL DATA MONITORING

☐ Check this box if you would like to enroll in two years of Medical Data Monitoring services.

III. CASH PAYMENT A – DOCUMENTED LOSSES

☐ Check this box if you would like to claim reimbursement for documented losses due to identity theft or fraud. You can get back up to \$5,000.00.

Please complete the table below, describing the supporting documentation you are submitting.

Description of Documentation Provided	Amount
<i>Example: Unauthorized bank transfer</i>	<i>\$500</i>
TOTAL CLAIMED:	

If you have more expenses than rows, you may attach additional sheets of paper to account for them. Please print your name and sign the bottom of each additional sheet of paper.

DO NOT CLAIM THIS BENEFIT IF YOU ARE CLAIMING A PAYMENT FROM SECTION IV.

Questions? Call 1-XXX-XXX-XXXX Toll-Free or Visit [www.\[SettlementWebsite\].com](http://www.SettlementWebsite.com)

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

In re Carolina Arthritis Associates Data Incident Litigation

Case No. 25-CV002250-640

Superior Court of New Hanover County, North Carolina

DATA INCIDENT SETTLEMENT CLAIM FORM

Your claim must
be submitted
online or
postmarked by:
[Claims Deadline]

IV. CASH PAYMENT B – ALTERNATE CASH

☐ Check this box if you want to claim a *pro rata* cash payment estimated at \$100.00.

DO NOT CLAIM THIS BENEFIT IF YOU ARE CLAIMING A PAYMENT FROM SECTION III.

V. PAYMENT SELECTION

Please select **one** of the following payment options, which will be used if you are claiming a cash payment.

- ☐ **PayPal**
Email address, if different than you provided in Section 1: _____
- ☐ **Venmo**
Mobile number, if different than you provided in Section 1: _____
- ☐ **Zelle**
Email address or mobile number, if different than you provided in Section 1: _____
- ☐ **Virtual Prepaid Card**
Email address, if different than you provided in Section 1: _____
- ☐ **Physical Check**
Payment will be mailed to the address provided in Section 1.

VI. ATTESTATION & SIGNATURE

I swear and affirm on penalty of perjury that the information provided in this Claim Form, and any supporting documentation, is true and correct to the best of my knowledge. I understand that my claim is subject to verification and that I may be asked to provide supplemental information by the Settlement Administrator before my claim is considered complete and valid.

Signature

Printed Name

Date

Questions? Call 1-XXX-XXX-XXXX Toll-Free or Visit [www.\[SettlementWebsite\].com](http://www.SettlementWebsite.com)

EXHIBIT 4

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

IN THE GENERAL COURT OF JUSTICE
Superior Court Case No. 25CV002250-640
Business Court No. 2025CVS2250

In re Carolina Arthritis Associates)
Data Incident Litigation)
)

**[PROPOSED] PRELIMINARY
APPROVAL ORDER**

Before this Court is Plaintiffs' Unopposed Amended Motion for Preliminary Approval of Class Action Settlement ("Motion"). The Court has reviewed the Motion and Settlement Agreement between Plaintiffs and Defendant Carolina Arthritis Associates, P.A. ("Carolina Arthritis" or "Defendant"). After reviewing Plaintiffs' Motion, this Court grants the Motion and preliminarily concludes that the proposed Settlement is fair, reasonable, and adequate.

IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement,¹ including the proposed Notice Program and forms of Notice to the Settlement Class, the appointment of Plaintiffs Donna Johnson, April Jenkinson, Ronald Lewis, and Bernest Hewett as the Settlement Class Representatives, the appointment of Gary M. Klinger and A. Brooke Murphy as Class Counsel for Plaintiffs and the Settlement Class, the approval of Simpluris, Inc. as the Settlement Administrator, the various forms of class relief provided under the terms of the settlement and the proposed method of distribution of settlement benefits, are fair, reasonable, and adequate, subject to further consideration at the Final Approval Hearing described below.

¹ All capitalized terms used in this Order shall have the same meanings as set for in the Settlement Agreement.

2. The Court does hereby preliminarily and conditionally approve and certify, for settlement purposes, the following Settlement Class:

All individuals whose Private Information was accessed and/or acquired by an unauthorized party as a result of the Data Incident.

Excluded from the Settlement Class are the Court, the officers and directors of Defendant, any governmental entity, all members of the Settlement Class who timely and validly request exclusion from the Settlement Class, and the Judge assigned to evaluate the fairness of this settlement and their immediate family.

3. Based on the information provided, for the purposes of settlement only: the Settlement Class is ascertainable; it satisfies numerosity; there are common questions of law and fact, including issues related to data security and the nature and scope of the information potentially implicated in the Data Incident, also satisfying commonality; the proposed Settlement Class Representatives' claims are typical; the proposed Settlement Class Representatives and Class Counsel fully, fairly, and adequately protect the interests of the Settlement Class; questions of law and fact common to members of the Settlement Class predominate over questions affecting only individual members for settlement purposes; and a class action for settlement purposes is superior to other available methods for the fair and efficient adjudication of this Litigation.

4. The Court appoints Plaintiffs Donna Johnson, April Jenkinson, Ronald Lewis, and Bernest Hewett as the Class Representatives.

5. The Court appoints Gary M. Klinger of Milberg Coleman Bryson Phillips Grossman, LLC and A. Brooke Murphy of Murphy Law Firm as Class Counsel for the

Settlement Class.

6. The Court appoints Simpluris, Inc. as the Settlement Administrator.

7. A Final Approval Hearing shall be held before the Court on____[date]_____, 202_ at ____[time]_____, or by remote means, for the following purposes:

- a) To determine whether the proposed Settlement is fair, reasonable, and adequate to the Settlement Class and should be approved by the Court;
- b) To determine whether to grant Final Approval, as defined in the Settlement Agreement;
- c) To determine whether the Notice Program conducted was appropriate;
- d) To determine whether the claims process under the Settlement is fair, reasonable and adequate and should be approved by the Court;
- e) To determine whether the requested Plaintiffs' Service Awards of \$2,500.00 each, and Class Counsel's Attorney's Fees and Costs should be approved by the Court;
- f) To determine whether the settlement benefits are fair, reasonable, and adequate; and,
- g) To rule upon such other matters as the Court may deem appropriate.

8. The Court approves, as to the form and content of the Notices.

Furthermore, the Court approves the implementation of the Settlement Website and

the proposed methods of mailing or distributing the notices substantially in the form as presented in the exhibits to the Settlement, and finds that such Notice Program meets the requirements of North Carolina Rule of Civil Procedure 23(c) and due process, and is the best notice practicable under the circumstances, and shall constitute due and efficient notice to all persons or entities entitled to notice.

9. The Court preliminarily approves the following timeline for the purposes of conducting the Notice Program, Settlement Administration, claims processing, and other execution of the proposed Settlement:

<u>From Order Granting Preliminary Approval</u>	
Defendant provides Class Member Information to the Settlement Administrator	+5 days after preliminary approval order
Notice Commencement Date	+15 days after preliminary approval order
Plaintiffs' Motion for Final Approval of the Settlement and Motion for Fees, Expenses, and Service Awards	-45 days before the initially scheduled Final Approval Hearing.
Objection Deadline	-30 days before the Final Approval Hearing
Opt-Out Deadline	-30 days before the Final Approval Hearing
Claims Deadline	+90 days after Notice Commencement Date
<u>Final Approval Hearing</u>	_____, 2025 (+120 days after preliminary approval order)
<u>From Order Granting Final Approval</u>	
Effective Date	+30 days following entry of the Final Approval Order, assuming no appeal has been taken

10. In order to be a Valid Claim under the Settlement, a Claim Form must be either postmarked or received by the Settlement Administrator no later than 90

days after the Notice Commencement Date. Class Counsel and the Settlement Administrator will ensure that all specific dates and deadlines are added to the Postcard Notice and posted on the Settlement Website after this Court enters this Order in accordance with the timeline being keyed on the grant of this Order.

11. Additionally, all requests to opt out or object to the proposed Settlement must be postmarked by or received by the Settlement Administrator no later than 30 days prior to the initially scheduled Final Approval Hearing. The opt-out request must be personally signed by the Settlement Class member and contain the requestor's name, address, telephone number, and email address (if any), and include a statement indicating a request to be excluded from the Settlement Class. Any Settlement Class Member who does not timely and validly request to opt-out shall be bound by the terms of this Agreement even if that Settlement Class Member does not submit a Valid Claim.

12. Settlement Class Members may submit an objection to the proposed Settlement. For an objection to be considered by the Court, the relevant Settlement Class Member must submit the objection no later than the Objection Deadline, as specified in the Notice, and the relevant Settlement Class Member must not have excluded himself from the Settlement Class. If submitted by mail, an objection shall be deemed to have been submitted when posted if received with a postmark date indicated on the envelope if mailed first-class postage prepaid and addressed in accordance with the instructions. If submitted by private courier (e.g., Federal Express), an objection shall be deemed to have been submitted on the shipping date

reflected on the shipping label. For an objection to be considered by the Court, the objection must also set forth: (a) the objector's full name, mailing address, telephone number, and email address (if any); (b) all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel; (c) the identity of all counsel (if any) representing the objector, and whether they will appear at the Final Approval Hearing; (d) a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and (e) 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, including taking depositions and propounding document requests.

13. All Settlement Class Members shall be bound by all determinations and judgments in this Action concerning the Settlement, including, but not limited to, the releases, including the Released Claims, provided for in the Settlement Agreement, whether favorable or unfavorable, except those who timely and validly request exclusion from the Settlement Class. The persons and entities who timely and validly request exclusion from the Settlement Class will be excluded from the Settlement Class and shall not have rights under the Settlement Agreement, shall not be entitled to submit Claim Forms, and shall not be bound by the Settlement Agreement or any Final Approval order as to Defendant in this Litigation.

14. Pending final determination of whether the Settlement Agreement should be approved, Plaintiffs and the Settlement Class are barred and enjoined from commencing or prosecuting any claims asserting any of the Released Claims against

Defendant or the other Released Parties.

15. In the event that the Settlement Agreement is terminated pursuant to the terms of the Settlement Agreement: (a) the Settlement Agreement and this Order shall become void, shall have no further force or effect, and shall not be used in the Action or any other proceedings for any purpose other than as may be necessary to enforce the terms of the Settlement Agreement that survive termination; (b) this matter will revert to the status that existed before execution of the Settlement Agreement; and (c) no term or draft of the Settlement Agreement or any part of the Parties' settlement discussions, negotiations or documentation (including any briefs filed in support of preliminary or final approval of the settlement) shall (i) be admissible into evidence for any purpose in this Litigation or in any other action or proceeding other than as may be necessary to enforce the terms of the Settlement Agreement that survive termination, (ii) be deemed an admission or concession by any Party regarding the validity of any of the Released Claims or the propriety of certifying any class against Defendant, or (iii) be deemed an admission or concession by any Party regarding the truth or falsity of any facts alleged in the Litigation or the availability or lack of availability of any defense to the Released Claims.

16. The Court reserves the right to adjourn the date of the Final Approval Hearing without further notice to the potential Settlement Class Members and retains jurisdiction to consider all further requests or matters arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modification as may be agreed to by the Parties or as ordered by the Court,

without further notice to the Settlement Class.

17. All other deadlines and proceedings in this Action, other than those necessary to effectuate the Settlement or comply with the terms of this Order, are hereby stayed pending further order of the Court.

IT IS SO ORDERED.

Dated: _____

Hon. Michael L. Robinson
Chief Business Court Judge