

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

In re HealthEC LLC Data Breach Litigation	)	No. 2:24-cv-00026 (SDA)
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	)	ORDER GRANTING PLAINTIFFS'
	)	MOTION FOR PRELIMINARY
	)	APPROVAL OF CLASS ACTION
	)	SETTLEMENT

WHEREAS, this matter having come before the Court by way of Plaintiffs' Allan Bishop, Caroline Cappas, Jessica Fenn, Keith Fielder, Joni Fielder, Gregory Leeb, and Mindy Markowitz, (together "Plaintiffs") Unopposed Motion for Preliminary Approval of Class Action Settlement and Preliminary Certification of the Settlement Class (as defined below) ("Motion");

WHEREAS, Plaintiffs, individually and on behalf of the putative Settlement Class, and HealthEC, LLC ("HealthEC"), Community Health Care Systems, Inc. ("Community Health Care Systems"), Corewell Health d/b/a Corewell ("Corewell"), MD Valuecare, LLC ("MD Valuecare"), and Oakwood Accountable Care Organization, LLC d/b/a Beaumont ACO ("Beaumont") (collectively, "Defendants") entered into a Settlement Agreement ("Settlement"), which, if finally approved by the Court, will result in the settlement of all claims asserted against the Defendants in the above-captioned action ("Action");

WHEREAS, in full and final settlement of the claims asserted against Defendants, Defendants agree to severally pay certain amounts to establish a \$5,482,500 non-reversionary common fund to resolve all claims arising from the cybersecurity incident in December 2023 announced by HealthEC (the "Incident"), which shall be used to pay for any and all settlement benefits, settlement and notice administrative expenses, service awards awarded by the Court, and attorneys' fees and expenses awarded by the Court;

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

WHEREAS, Plaintiffs have further moved for this Court's: (a) certification of the Settlement Class for settlement purposes only pursuant to ¶7.1 of the Settlement Agreement; (b) preliminary approval of the Settlement as set forth herein; (c) appointment of Settlement Class Counsel; (d) appointment of Plaintiffs as Settlement Class Representatives; (e) approval of the Short Form Notice to be emailed, or mailed where no email is available, to Settlement Class Members in a form substantially similar to the one attached as Exhibit 1-C to the Declaration of James E. Cecchi; (f) approval of the Long Form Notice to be posted on the Settlement Website in a form substantially similar to the one attached as Exhibit 1-B to the Declaration of James E. Cecchi, which, together with the Short Form Notice, shall include a fair summary of the Parties' respective positions, statements that the Settlement Class Members are entitled to benefits under the settlement, the general terms of the settlement set forth in the Settlement Agreement, instructions for how to object to or opt-out of the settlement, instructions for making Claims to the extent contemplated herein, and the date, time, and place of the Final Fairness Hearing; (g) approval of the Claim Form to be used by Settlement Class Members to make a Claim in a form substantially similar to the one attached as Exhibit 1-A to Declaration of James E. Cecchi; and (h) appointment of Verita Global, LLC as the Settlement Administrator.

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

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

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

IT IS THIS **6th** day of **June, 2025**

ORDERED as follows:

**I. Preliminary Approval of the Settlement**

1. Upon review of the record, the Court finds that the Settlement Agreement resulted from arm's-length negotiations between highly experienced counsel and falls within the range of possible approval. Therefore, the Settlement Agreement is hereby preliminarily approved, subject to further consideration thereof at the Fairness Hearing described below. The Court preliminarily finds that the Settlement set forth in the Settlement Agreement raises no obvious reasons to doubt its fairness and raises a reasonable basis for presuming that it satisfies the requirements under Rule 23 of the Federal Rules of Civil Procedure and due process so that notice of the Settlement should be given as provided in this Order.

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

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

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and solely for the purpose of effectuating the Settlement, this Court provisionally certifies a settlement class defined as "the approximately 1.67 million individuals reflected on the Class List that were patients of Community Health, Corewell, MD Valuecare, and Beaumont whose personal information and/or protected health information was compromised in the Incident announced by HealthEC in December 2023." The following entities and individuals are excluded from the definitions of "Settlement Class Members" or "Class Members":

- a. Each of the Defendants and their respective officers and directors;

- b. All Settlement Class Members who timely and validly request exclusion from the Settlement Class;
- c. the Judge and/or Magistrate Judge assigned to evaluate the fairness of this settlement; and
- d. any other Person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding, or abetting the Incident or who pleads nolo contendere to any such charge.

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

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

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and solely for the purposes of effectuating the Settlement, Plaintiffs Allan Bishop, Caroline Cappas, Jessica Fenn, Keith Fielder, Joni Fielder, Gregory Leeb, and Mindy Markowitz are appointed as class representatives for the Settlement Class and Stueve Siegel Hanson LLP and Carella Byrne Cecchi Brody & Agnello, P.C. are appointed as class counsel for the Settlement Class. These designations shall be vacated if the Settlement is terminated or not approved by the Court.

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

6. The Court approves the appointment of Verita Global as Settlement Administrator for the Settlement.

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

8. By **June 20, 2025**, Defendants will provide to the Settlement Administrator a class list(s) that includes the Settlement Class Members’ full names and known mailing addresses and, to the extent available, email addresses of Class Members were affected by the Data Breach.

9. The Settlement Administrator shall cause the Short Form Notice, substantially in the form attached to the Declaration of James E. Cecchi as Exhibit 1, Exhibit C, to be disseminated by **July 21, 2025** (the “Notice Deadline”) via email or first class mail, postage prepaid to each potential Settlement Class Member who is readily and reasonably identified.

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

11. The Settlement Administrator shall cause the Notice, substantially in the form attached hereto as Exhibit 1, Exhibit B, and the Claim Form, substantially in the form attached as Exhibit 1, Exhibit 1, Exhibit A to Declaration of James E. Cecchi, to be posted on the Settlement Website as soon as practicable after the Notice Date.

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

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

13. The deadline for Settlement Class Members to request exclusion (i.e. opt out) from the Settlement Class shall be **November 18, 2025**.

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

Verita Global, LLC  
*Settlement Administrator*  
PO BOX 301174  
Los Angeles, CA 90030-1174

15. The written request for exclusion must include the following information: (i) a statement indicating the Settlement Class Member's desire to be excluded from the Settlement Class in *In re: HealthEC LLC Data Breach Litigation*, Civil Action No. 2:24-cv-00026 (SDA) (D.N.J.); (ii) the Settlement Class Member's full name, address, email address, telephone number, and personal signature.

16. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above or the request for exclusion is otherwise accepted by the Court. Persons or entities that validly and timely request exclusion from the Settlement Class shall not be entitled to share in the benefits of the Settlement, nor be bound by any judgment whether favorable or adverse.

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

18. By **November 25, 2025**, the Claims Administrator shall provide to Settlement Class Counsel and Defendants' Counsel a report that summarizes the number of written notifications of exclusion and other pertinent information as requested by Counsel.

19. By **December 1, 2025**, the Claims Administrator shall provide a sworn declaration that: (i) attests to implementation of the Notice Plan in accordance with the Preliminary Approval Order; (ii) identifies each Settlement Class Member who timely and properly provided written notification of exclusion from the Settlement Class; and (iii) sets forth the total number of Settlement Class Members who filed a claim form (*see* Section V, below).

20. Settlement Class Members who wish to object or otherwise be heard with respect to the Settlement, and to appear in person at the Fairness Hearing, must first file a written objection with the Court by **December 22, 2025**. The objection must include: (i) the case caption, *In re: HealthEC LLC Data Breach Litigation*, Civil Action No. 2:24-cv-00026 (SDA) (D.N.J.); (ii) the objector's full name, current address, telephone number, and email address; (iii) the objector's personal signature; (iv) a statement of the grounds for the objection; (v) the identity of all class actions in which the objector or his or her counsel has objected; (vi) if the objector or his or her attorney will appear at the Final Fairness Hearing; and (vii) information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class. If the objector is represented by an attorney, the objection must also set forth the name, address, telephone number and email address of the attorney.

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

Norman E. Siegel  
Stueve Siegel Hanson LLP  
460 Nichols Road, Suite 200  
Kansas City, MO 64112  
siegel@stuevesiegel.com

James E. Cecchi  
Carella Byrne Cecchi  
Brody & Agnello, P.C.  
5 Becker Farm Rd.  
Roseland, NJ 07068  
jcecchi@carellabyrne.com

*Settlement Class Counsel*

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Chicago, IL 60606  
cmotley@dykema.com  
mchico@dykema.com

*Counsel for Defendant Beaumont*

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

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

23. Settlement Class Members who wish to be eligible to receive a payment from the Common Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked (if mailed) and received (if submitted online) by **November 18, 2025**. By submitting a Claim Form, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its claim and the subject matter of the Settlement.

24. Each Claim Form submitted must contain the information set forth the Claim Form to satisfy the conditions for claiming Out-of-Pocket Losses, Lost Time, California Class Member Compensation, and whether they wish to enroll in Medical Shield Complete. All claim forms: (a) must be properly completed, signed and submitted in a timely manner; and (b) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its

current authority to act on behalf of the Class Member must be included in the Claim Form to the satisfaction of Settlement Class Counsel or the Settlement Administrator; and (c) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

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

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

26. By **December 8, 2025**, the following will be filed with the Court: The motion for final approval of the Settlement, any application for service awards to Class Plaintiffs, any motion for attorneys' fees and expenses by Settlement Class Counsel, and the Certification of the Claims Administrator referenced in Paragraph 19 above, along with any supporting briefs, certifications or other materials. The applications described in this paragraph shall also promptly be posted on the Settlement Website.

27. All reply submissions, including any responses to any objections by Settlement Class Members, shall be filed with the Court by **December 29, 2025**

28. A hearing on final approval of the Settlement ("Fairness Hearing") shall be held before this Court on **January 12, 2026 at 10:00 a.m.** before the Honorable Stacey D. Adams,

U.S.M.J., at the United States District Court for the District of New Jersey, Frank R Lautenberg U.S. Post Office & Courthouse, 2 Federal Square, Courtroom 9, Newark, NJ 07102. At the Fairness Hearing, the Court will, among other things, consider:

- a. final certification of the Settlement Class for purposes of effectuating the Settlement with Defendants;
- b. the fairness, reasonableness and adequacy of the Settlement with Defendants and whether the Settlement should be finally approved and consummated according to its terms;
- c. whether the Court should approve the proposed Plan for Distribution of the Settlement Fund (*i.e.*, net of the costs of settlement administration and notice and any Court awarded attorneys' fees, expenses and Service Awards) to eligible Settlement Class Members;
- d. whether notice of the Settlement constitutes due, adequate and sufficient notice of the Settlement meeting the requirements of due process and the Federal Rules of Civil Procedure;
- e. whether the Action shall be dismissed with prejudice as to Defendants;
- f. whether the release of any and all Released Claims with respect to Defendants shall be deemed effective as of Final Judgment;
- g. whether the Releasing Parties are permanently enjoined and barred from instituting, commencing, or prosecuting any action or other proceeding asserting any Released Claims against Defendants;

- h. whether the Court retains continuing and exclusive jurisdiction over the Settlement for all purposes, including its administration and execution and disputes that may arise concerning Defendants; and
- i. whether, under Federal Rule 54(b), there is any just reason for delay and whether an order of dismissal as Defendants shall be final and appealable and entered forthwith.

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

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

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

32. Neither this Order nor the Settlement Agreement nor any Settlement-related document nor any proceeding undertaken in accordance with the terms set forth in the Settlement Agreement or in any other Settlement-related documents, shall constitute, be construed as or be deemed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Defendants, or likewise, constitute, be construed as or be deemed to be an

admission or evidence of or presumption against Class Plaintiffs or any other Settlement Class Member that any of their claims are without merit or infirm, that a class should not be certified, or that recoverable damages against the Defendants would not have exceeded the Settlement Funds.

33. For ease of reference, the various deadlines set forth in this Order are included in the chart below:

<b>Event</b>	<b>Date</b>
Defendants provide Class List to Claims Administrator	June 20, 2025
Deadline for Claims Administrator to Disseminate Short Form Notice to Class Members (the “Notice Deadline”)	July 21, 2025
Deadline for Class Members to request exclusion (the “Opt Out Deadline”)	November 18, 2025
Deadline for Claim forms to submitted by Class Members	November 18, 2025
Claims Administrator to provide to counsel with a report that summarizes the number of exclusions	November 25, 2025
Claims Administrator to provide sworn declaration	December 1, 2025
Final Approval Briefs (including applications for service awards to Class Plaintiffs and motion for attorneys’ fees and expenses by Settlement Class Counsel)	December 8, 2025
Deadline for Objections	December 22, 2025
Final Approval Reply Briefs	December 29, 2025
Final Fairness Hearing	January 12, 2025 at 10:00 am

**IT IS SO ORDERED.**

Dated: June 6, 2025

*s/ Stacey D. Adams*  
Hon. Stacey D. Adams  
United States Magistrate Judge