

**STATE OF NORTH CAROLINA  
COUNTY OF DURHAM**

**IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION**

*In re Hillcrest Convalescent Center, Inc.  
Data Breach Litig.*

Case No. **25CV002700-310**

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**SETTLEMENT AGREEMENT**

This Settlement Agreement<sup>1</sup> is entered into between Plaintiffs, individually, and on behalf of the Settlement Class, including the Group 1 Settlement Subclass and the Group 2 Settlement Subclass, and Defendant. The Parties hereby agree to the following terms in full and final settlement of the Action, subject to a Final Approval Order entered by the Court.

**I. Procedural History**

1. Hillcrest is a healthcare provider which provides assisted living services throughout North Carolina.

2. Hillcrest collected and maintained certain Private Information of Plaintiffs and the putative Settlement Class Members, who are current or former patients and employees.

3. On June 27, 2024, Hillcrest identified suspicious activity on its computer network. Hillcrest conducted an investigation into the Data Incident, which determined that a foreign threat actor potentially accessed/or and acquired certain of Hillcrest's network data containing the Private Information of approximately 106,194 individuals. The potentially impacted Private Information included names, addresses, financial account information, dates of birth, driver's license numbers, and other government-issued ID numbers, as well as medical treatment, health insurance, and provider information. Moreover, Social Security Numbers were among the Private Information potentially impacted for approximately 20,000 of these individuals.

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

4. On or about March 3, 2025, Defendant began notifying potentially impacted individuals of the Data Incident through direct notice via U.S. mail and substitute notice posted to its website.

5. Following receipt of notice of the Data Incident, on May 12, 2025, Plaintiff Akilah Cunningham filed a putative class action against Defendant in the Durham County Superior Court for the State of North Carolina, seeking damages on behalf of herself and a putative class of all similarly situated individuals. Thereafter, three additional putative class actions complaints were filed stemming from the same Data Incident. On June 11, 2025, the Court entered an order granting Plaintiffs' Motion to Consolidate and appointed Mariya Weekes of Milberg PLLC, A. Brooke Murphy of Murphy Law Firm and Philip J. Krzeski of Chestnut Cambronne PA as Interim Class Counsel. On July 24, 2025, a Consolidated Class Action Complaint was filed.

6. On September 8, 2025, Defendant filed a Motion to Dismiss Plaintiff's Consolidated Complaint. On October 8, 2025, Plaintiffs filed a Response in Opposition to Defendant's Motion to Dismiss. On October 29, 2025, Defendant filed a Reply in further support of its Motion to Dismiss.

7. Shortly thereafter, in an effort to conserve resources, the Parties began discussing settlement. On October 31, 2025, the Parties filed a Joint Motion to Stay Proceedings Pending Mediation.

8. In advance of mediation, Plaintiffs requested and Defendant produced informal discovery requests related to liability and damages, including, but not limited to, the number of individuals impacted by the Data Incident, the states in which they resided on the date of the Data Incident, the categories of Private Information involved, and the security enhancements taken since the Data Incident to better protect Defendant's computer systems for future data incidents. The

Parties also exchanged detailed mediation statements outlining their positions with respect to liability, damages, and settlement.

9. The mediation took place on January 21, 2026, with experienced class action mediator Jill Sperber of Judicate West. After a full day of negotiations, the Parties agreed to the material terms of the Settlement to resolve all claims on a class-wide basis.

10. 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.

11. 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 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.

12. 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.

13. The Parties intend this Agreement to bind Plaintiffs, Defendant, and all Settlement Class Members, including the Group 1 Settlement Subclass Members and the Group 2 Settlement Subclass 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 putative class action lawsuit entitled: *In re Hillcrest Convalescent Center, Inc. Data Breach Litig*, Case No. 25CV002700-310 pending in the Durham County Superior Court for the State of North Carolina.

13. “**Alternative Cash Payment**” means a cash payment of Fifty Dollars and Zero Cents (\$50.00) which Group 1 Settlement Subclass Members may elect to receive in the alternative to claims for Documented Losses or Credit Monitoring under Section IV herein.

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

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

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

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

18. “**Claim Form**” means the proof of claim, substantially in the form attached hereto as *Exhibit 1*, which may be modified, subject to the Parties’ approval, to meet the requirements of the Settlement Administrator.

19. “**Claim Form Deadline**” means the last day for a Settlement Class Member to submit a timely Claim Form, which shall occur ninety (90) days after the Notice Deadline.

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

21. “**Class Counsel**” means: Mariya Weekes of Milberg PLLC, A. Brooke Murphy of Murphy Law Firm and Phillip J. Krzeski of Chestnut Cambronne PA.

22. “**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. Moreover, the Class List shall identify whether a Settlement Class Member is a Group 1 Settlement Subclass Member or a Group 2 Settlement Subclass Member.

23. “**Class Representatives**” means the Plaintiffs in this Action who execute the Settlement Agreement.

24. “**Complaint**” means the Consolidated Class Action Complaint filed by Plaintiffs in this Action on July 24, 2025.

25. “**Court**” means the Durham County Superior Court, North Carolina, and the Judge(s) assigned to the Action.

26. “**Credit Monitoring Services**” means two years of one-bureau credit monitoring services provided through the Settlement Administrator. These services include one-bureau credit monitoring; dark web monitoring; real-time inquiry alerts; and \$1 million in identity theft insurance, among other features.

27. “**Data Incident**” means the data security incident affecting Defendant which

occurred on or about June 27, 2024 and which potentially resulted in the unauthorized access to or acquisition of Plaintiffs' and the Settlement Class's Private Information .

28. **"Defendant"** means Hillcrest Convalescent Center, Inc the defendant in the Action.

29. **"Defendant's Counsel"** means Allison Becker, Joseph Salvo and John T. Mills of Gordon Rees Scully Mansukhani, LLP.

30. **"Documented Losses"** means unreimbursed costs, expenses and/or fees that are incurred or spent by a Settlement Class Member that are fairly traceable to the Data Incident, including, without limitation, the following: (i) unreimbursed costs, expenses, losses or charges incurred as a result of identity theft or identity fraud, falsified tax returns, or other possible misuse of a Settlement Class Member's Personal Information; (ii) costs incurred on or after June 27, 2024 such as fees for credit reports, credit monitoring or other identity theft insurance products, purchasing or extending additional credit monitoring or identity theft protection service and/or accessing or freezing/unfreezing credit reports with any credit reporting agency; and (iii) other miscellaneous expenses incurred related to any Ordinary Loss(es) such as notary, fax, postage, copying, mileage, and long-distance telephone charges, as set forth in Section IV herein.

31. **"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.

32. **"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.

33. “**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.

34. “**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.

35. “**Group 1 Settlement Subclass Members**” means Settlement Class Members who did have their Social Security number(s) among the Private Information potentially impacted in the Data Incident. A Settlement Class Member is either a Group 1 Settlement Subclass Member or Group 2 Settlement Subclass Member; not both.

36. “**Group 2 Settlement Subclass Members**” means Settlement Class Members who did not have their Social Security number(s) among the Private Information potentially impacted in the Data Incident. A Settlement Class Member is either a Group 1 Settlement Subclass Member or Group 2 Settlement Subclass Member; not both.

37. “**Long Form Notice**” means the long form notice of the Settlement, substantially in the form attached hereto as *Exhibit 3* 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. “**Motion for Final Approval**” means the motion that Plaintiffs and Class Counsel shall file with the Court seeking Final Approval of the Settlement.

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

40. “**Notice**” means the Postcard Notice, Publication Notice and Long Form Notice that

Plaintiffs will ask the Court to approve in connection with the Motion for Preliminary Approval.

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

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

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

44. “**Objection Deadline**” means the last day on which a Settlement Class Member may file an objection to the Settlement, which will be sixty (60) days after the Notice.

45. “**Opt-Out Deadline**” means the last day on which a Settlement Class Member may file a request to be excluded from the Settlement Class, which will be sixty (60) days after the Notice.

46. “**Participating Settlement Class Member**” means a Settlement Class Member who does not submit a valid Request for Exclusion prior to the Opt-Out Deadline, as set forth in Section V.

42. “**Participating Settlement Class Member Benefit(s)**” means the benefits made available to Participating Settlement Class Members under this Settlement.

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

48. “**Plaintiffs**” means Sarah Beddingfield, Nakia Brandon, and Tanita Eakins.

49. “**Postcard Notice**” means the postcard notice of the Settlement, substantially in the

form attached hereto as *Exhibit 2*, that the Settlement Administrator may disseminate to Settlement Class Members by mail.

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

44. “**Preliminary Approval Order**” means the order preliminarily approving the Settlement and proposed Notice Program.

45. “**Private Information**” means information that identifies an individual or that in combination with other information can be used to identify, locate, or contact an individual. The term “Private Information” is not intended here, nor should it be viewed as, having any bearing on the meaning of this term or similar term in any statute or other source of law beyond this Agreement, or how the Parties may use the term in other circumstances.

50. “**Publication Notice**” means the publication notice of the Settlement that the Settlement Administrator shall publish notifying Settlement Class Members about the Settlement.

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

47. “**Released Claims**” means any and all past, present, and/or future claims, liabilities, rights, demands, suits, actions, causes of action, obligations, damages, penalties, costs, attorneys’ fees, losses, defenses, and remedies of every kind or description in law or in equity, including but not limited to, any causes of action arising under or premised upon any statute, constitution, law, ordinance, treaty, regulation, or common law of any country, state, province, county, city, or municipality; all federal or state consumer protection statutes; violations of any federal or state data breach notification statute; negligence; negligence per se; breach of implied contract; breach of express contract; breach of fiduciary duty; breach of confidence; invasion of privacy; intrusion upon seclusion; misrepresentation (whether fraudulent, negligent or innocent); unjust enrichment;

bailment; wantonness; failure to provide adequate notice pursuant to any breach notification statute or common law duty; and including, but not limited to, any and all claims for monetary sanctions or damages for contempt, injunctive, equitable or declaratory relief, rescission, restitution, disgorgement, general, compensatory, statutory, special, liquidated, indirect, incidental, consequential, punitive, or exemplary damages, attorneys' fees and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, the appointment of a receiver as well as any and all claims for treble damages, penalties, or interest, as well as any other form of relief—whether known or unknown (including Unknown Claims as set forth in Paragraph 109), existing or potential, suspected or unsuspected, asserted or unasserted, liquidated or unliquidated, legal, statutory, or equitable—that the Releasing Parties had, have or may in the future have, that have been or could have been asserted in the Action or that otherwise relate to or arise from the Data Incident, the operative facts alleged in the Action, including the complaint and the amendments thereto, the alleged access, disclosure and/or acquisition of Participating Settlement Class Members' Private Information in the Data Incident, Defendant's provision of notice to Participating Settlement Class Members following the Data Incident, Defendant's information security policies and practices as they relate to or arise from the Data Incident, or Defendant's maintenance or storage of Private Information as they relate to or arise from the Data Incident, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law. Released Claims shall not include the right of any Participating Settlement Class Member or any of the Released Parties to enforce the terms of the settlement contained in this Agreement.

48. **“Released Parties”** means Defendant and each and every of its respective predecessors, successors, assigns, parents, subsidiaries, divisions, affiliates, departments, and any

and all of its past, present, and future officers, directors, employees, stockholders, partners, servants, agents, successors, attorneys, representatives, insurers, reinsurers, agents and/or third-party administrators thereof, subrogees and assigns of any of the foregoing, including but not limited to Ace American Insurance Company. Each of the Released Parties may be referred to individually as a “Released Party.” It is expressly understood that to the extent a Released Party is not a party to this Agreement, all such Released Parties are intended third-party beneficiaries of the Agreement

49. **“Releasing Parties”** means (i) Plaintiff and all Participating Settlement Class Members, (ii) each of their respective executors, representatives, heirs, predecessors, assigns, beneficiaries, affiliates, successors, bankruptcy trustees, guardians, joint tenants, tenants in common, tenants by the entirety, agents, and attorneys, (iii) any entities in which Plaintiff and/or other Participating Settlement Class Member has or had a controlling interest or that has or had a controlling interest in him, her, or it, (iv) any other person or entity (including any governmental entity) claiming by or through, on behalf of, for the benefit of, derivatively for, or as representative of a Plaintiff and/or any other Participating Settlement Class Member, and all those who claim through them or on their behalf, and (v) the respective past and present directors, governors, executive-committee members, officers, officials, employees, members, partners, principals, agents, attorneys, advisors, trustees, administrators, fiduciaries, consultants, service providers, representatives, successors in interest, assigns, beneficiaries, heirs, executors, accountants, accounting advisors, and auditors of any or all of the above persons or entities identified in (i)-(iv).

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

51. “**Service Award**” means the payment the Court may award Plaintiffs for serving as Class Representatives, which is in addition to any Participating Settlement Class Member Benefit(s) due to Plaintiffs as Settlement Class Members. The Service Award shall be paid by Defendant separate from the Settlement Class Member Benefits.

52. “**Settlement Administrator**” means Simpluris, Inc., the third-party notice and claims administrator jointly selected by the Parties and subject to approval by the Court.

53. “**Settlement Administration Costs**” means all costs and fees of the Settlement Administrator regarding Notice and Settlement administration, for which Defendant shall be solely responsible for payment.

54. “**Settlement Class**” means all living individuals in the United States whose Private Information was implicated in 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. The Settlement Class includes the Group 1 Settlement Subclass and the Group 2 Settlement Subclass.

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

56. “**Settlement Payment**” or “**Settlement Check**” means the payment to be made via mailed check or electronic payment to a Settlement Class Member pursuant to Section VI herein.

57. “**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 six months after Final Approval.

58. “**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. Certification of the Settlement Class**

59. In the Motion for Preliminary Approval, Plaintiffs shall propose and request to the Court that the Settlement Class, including the Group 1 Settlement Subclass and the Group 2 Settlement Subclass, be certified for Settlement purposes. Subject to entry of the Final Approval Order, Defendant agrees, solely for purposes of the Settlement provided for in this Agreement and the implementation of such Settlement, to certification of the Settlement Class and that this case shall proceed as a class action.

60. Should: (1) the Settlement not receive final approval from the Court, or (2) the Effective Date not occur, the certification of the Settlement Class shall be void. Defendant reserves the right to contest class certification *de novo* for all other purposes if the aforementioned conditions are not met. Moreover, this Agreement shall have no precedential effect with regard to

any motion for certification of a litigation class that may be filed if this matter is not fully and completely resolved through this settlement effort, and shall have no precedential effect with regard to any other lawsuit against Defendant that may be pending now or in the future, other than a proceeding seeking to enforce this Agreement. Plaintiffs and Class Counsel shall not reference this Agreement in support of any subsequent motion for class certification of any class in the Action.

**IV. Settlement Consideration**

61. Subject to the terms of this Agreement, Defendant will pay Valid Claims for Credit Monitoring Services and Documented Losses to Participating Settlement Class Members who submit a Valid Claim. Moreover, Defendant will pay Valid Claims for Alternative Cash Payment(s) to Participating Settlement Class Members who are Group 1 Settlement Subclass Members who submit a Valid Claim. Participating Settlement Class Members who do not file a Valid Claim or those members who opt-out of the Settlement will not receive any Participating Settlement Class Member Benefit(s).

62. **Credit Monitoring Services.** All Participating Settlement Class Members may submit a Claim for Credit Monitoring Services.

63. **Documented Losses.** All Participating Settlement Class Members may submit a Claim for reimbursement of Documented Losses of up to Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) per Participating Settlement Class Member. Participating Settlement Class Members who elect to submit a Claim for reimbursement of Documented Losses must provide to the Settlement Administrator the information required to evaluate the Claim, including: (1) the Participating Settlement Class Member's name and current address; (2) documentation supporting their Claim; (3) a brief description of the documentation describing the nature of the

loss, if the nature of the loss is not apparent from the documentation alone; and (4) whether the Participating Settlement Class Member has been reimbursed for the loss by another source. Documentation supporting a Claim for Documented Losses can include receipts or other documentation not “self-prepared” by the Participating Settlement Class Member that documents the costs incurred. “Self-prepared” documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but can be considered to add clarity or to support other submitted documentation. Participating Settlement Class Members shall not be reimbursed for Documented Loss(es) if they have already been reimbursed for the same Documented Loss(es) by another source, including but not limited to any credit card, credit monitoring/identity protection or financial service insurance. If a Participating Settlement Class Member does not submit reasonable documentation supporting a Claim for Documented Loss(es), 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. In no event shall a Valid Claim for reimbursement of Documented Losses exceed Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) per Participating Settlement Class Member.

64. **Alternative Cash Payment.** In lieu of a Claim for Credit Monitoring or reimbursement of Documented Losses, Participating Settlement Class Members who are Group 1 Settlement Subclass Members may submit a claim for an Alternative Cash Payment. For the avoidance of doubt, Participating Settlement Class Members electing an Alternative Cash Payment may not submit a Claim for any other form of reimbursement that may otherwise be available under this agreement, including Credit Monitoring Services and/or reimbursement of Documented Losses. Moreover, for the avoidance of doubt, Participating Settlement Class Members who are Group 2 Settlement Subclass Members are *not* eligible to submit a Claim for Alternative Cash

Payment(s), but may still submit a Claim for Credit Monitoring Services and/or reimbursement of Documented Losses.

65. **Confirmatory Discovery.** Upon request, Defendant will provide a confidential declaration to Class Counsel describing its information security enhancements since the Data Incident and estimating, to the extent reasonably calculable, the annual cost of those enhancements. Defendant will pay the cost of such enhancements separate and apart from all other Participating Settlement Class Member Benefits. The information provided by Defendant pursuant to this Paragraph 65, if any, shall be treated as confidential and cannot be used for any other purposes other than enforcement of this Settlement Agreement. Nothing about this Paragraph 65 shall create any contractual rights to any present or future equitable remedy requiring Defendant to make or maintain any particular security process(es) or procedure(s) in the future.

**V. Preliminary Approval**

66. On or before March 17, 2026, 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 Mariya Weekes of Milberg PLLC, A. Brooke Murphy of Murphy Law Firm, and Philip J. Krzeski of Chestnut Cambronne PA as Class Counsel; (7) appoint Plaintiffs as the Class Representatives; (8) appoint Simpluris, Inc. 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.

**VI. Settlement Administrator**

67. The Parties agree that, subject to Court approval, Simpluris, Inc. 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 and the state of North Carolina.

68. 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 to be considered Valid Claims, and distributing the Settlement Payments to Participating Settlement Class Members who submit Valid Claims.

69. Defendant will pay for the Settlement Administration Costs, which will be paid separately from payments and/or costs associated with providing the Participating Settlement Class Member Benefits, as invoiced, and conditioned on Defendant's Counsel's receipt of a properly completed and duly executed IRS Form W-9 for the Settlement Administrator.

70. The Settlement Administrator's duties include:

- a. Obtaining the Class List for the purpose of disseminating Notice to Settlement Class Members;
- b. Performing National Change of Address searches and/or skip tracing on the Class List;
- c. Completing the Court-approved Notice Program by noticing the Settlement

Class by Postcard Notice and/or Publication 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 Participating Settlement Class Members who submit Valid Claims;

- d. Establishing and maintaining a post office box to receive opt-out requests from the Settlement Class, objections from Settlement Class Members, and Claim Forms;
- e. Establishing and maintaining the Settlement Website to provide important information and to receive electronic Claim Forms;
- f. Establishing and maintaining an automated toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries, and answer the frequently asked questions of Settlement Class Members who call or otherwise communicate such inquiries;
- g. Responding to any mailed or emailed Settlement Class Member inquiries;
- h. Processing all Requests for Exclusion and objections from the Settlement Class Members and providing Class Counsel and Defendant's Counsel a copy thereof no later than seven (7) days following the Opt-Out Deadline/Objection Deadline. If the Settlement Administrator receives any Request for Exclusion, objections, or other requests from Settlement Class Members after the Opt-Out Deadline/Objection Deadline, then the Settlement Administrator shall promptly provide copies thereof to Class Counsel and Defendant's Counsel;

- i. Providing weekly reports to Class Counsel and Defendant's Counsel that summarize the number of Claims submitted, Claims approved and rejected, Notice of Deficiency sent, Request for Exclusion and objections received that week, the total number of Requests for Exclusion and objections received to date, and other pertinent information;
- j. 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 submitted a Request for Exclusion, indicating the number of objections received, and other information as may be necessary to allow the Parties to seek and obtain Final Approval;
- k. Reviewing Claim Forms submitted by Participating Settlement Class Members to determine whether they are eligible for a Participating Settlement Class Member Benefit(s);
- l. Collecting from Defendant and/or its insurer(s) the funds necessary to pay Valid Claims for Participating Settlement Class Member Benefit(s);
- m. Processing and transmitting Settlement Payments to Participating Settlement Class Members who submit Valid Claims; and
- n. Emailing Credit Monitoring redemption codes to all Participating Settlement Class Members who submit Valid Claims electing Credit Monitoring;
- o. Any other Settlement administration function at the instruction of Class

Counsel and Defendant, including, but not limited to, verifying that the Participating Settlement Class Member Benefit(s) have been properly distributed.

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

71. Defendant will make available to the Settlement Administrator the Class List no later than ten (10) 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.

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

73. Settlement Class Members for whom an address is known shall be sent a Postcard Notice. Publication Notice will issue for the remainder of the Settlement Class. The Settlement Administrator shall make the Long Form Notice and Claim Form available to Settlement Class Members on the Settlement Website.

74. The Settlement Administrator shall perform reasonable address traces for Postcard Notices that are returned as undeliverable. By way of example, a reasonable tracing procedure would be to run addresses of returned postcards through the Lexis/Nexis database that can be utilized for such purpose. No later than forty-five (45) days before the original date set for the Final Approval Hearing, the Settlement Administrator shall complete the re-mailing of Postcard Notice to those Settlement Class Members whose new addresses were identified as of that time through address traces.

75. 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.

76. The Settlement Administrator shall establish the Settlement Website no later than the Notice Deadline. The Settlement Website shall contain relevant documents, including, but not limited to, the Long Form Notice, the Claim Form, this Agreement, Plaintiffs' motion for Preliminary Approval, the Preliminary Approval Order, Plaintiffs' motion for an Attorneys' Fees Award and Service Award, and the operative complaint in the Action. The Settlement Website shall also include a toll-free telephone number, email address, and mailing address through which Settlement Class Members may contact the Settlement Administrator directly. Moreover, 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. The Settlement Website shall not include any advertising and shall remain operational until at least sixty (60) days after all Settlement Payments have been distributed.

77. **Opt-Out Procedures.** A Settlement Class Member may opt-out of the Settlement Class at any time before the Opt-Out Deadline by mailing a Request for Exclusion to the Settlement Administrator postmarked no later than the Opt-Out Deadline. 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 submit a timely

and validly Request for Exclusion shall be bound by the terms of this Agreement even if that Settlement Class Member does not submit a Valid Claim.

78. **Objection Procedures.** 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 themselves 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.

79. For an objection to be considered by the Court, the objection must also set forth:
- a. the name of the proceedings;
  - b. the objector's full name, mailing address, telephone number, and email address (if any);
  - c. all grounds for the objection, accompanied by any legal support or documents for the objection known to the objector or objector's counsel;
  - d. a statement as to whether the objection applies only to the objector, to a specific subset of the class, or to the entire class;
  - e. 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;

- f. 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;
- g. 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;
- h. the identity of all counsel (if any) representing the objector, and whether they will appear at the Final Approval Hearing;
- i. a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection (if any);
- j. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- k. 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.

### **VIII. Claim Form Process and Disbursement of Cash Payments**

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

81. Claim Forms must be submitted electronically or postmarked on or before the Claim Deadline, and may be submitted online through the Settlement Website or through U.S. Mail by sending them to the Settlement Administrator at the address designated on the Claim Form.

82. 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.

83. The Settlement Administrator shall use all reasonable efforts and means to identify and reject duplicate claims. No Participating Settlement Class Member may submit more than one Claim Form. The Settlement Administrator shall identify any Claim Forms that appear to seek relief on behalf of the same Participating Settlement Class Member. If the Settlement Administrator identifies any Claim Form that appears to be a duplication, the Settlement Administrator shall contact the Participating Settlement Class Member in an effort to determine which Claim Form is the appropriate one for consideration.

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

85. The Settlement Administrator will verify that each person who submits a Claim Form is a Participating Settlement Class Member, including whether the Participating Settlement Class Member is a Group 1 Settlement Subclass Member or a Group 2 Settlement Subclass Member. The Settlement Administrator will determine that each Claim Form submitted by a Participating Settlement Class Member was submitted during the Claims Period and is timely.

86. In determining whether claimed Documented Losses are more likely than not caused by the Data Incident, the Settlement Administrator will consider: (i) the timing of the alleged loss or time spent and whether it occurred on or after June 26, 2024; (ii) whether the alleged loss or time spent involved the types of information for that specific Participating Settlement Class Member that may have been affected in the Data Incident; (iii) the explanation of the Settlement Class Member as to why the alleged Documented Loss(es) was caused by the Data Incident; and (iv) any other factors the Settlement Administrator reasonably deems relevant.

87. The Settlement Administrator is authorized to contact any Participating Settlement Class Member (by email, telephone, or U.S. mail) to seek clarification regarding a submitted Claim prior to making a determination as to its validity.

88. 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 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.

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

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

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

90. 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.

91. 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.

92. The Settlement Administrator will maintain records of all Claim Forms submitted until the later of: (a) one hundred and eighty (180) days after the Effective Date; or (b) the date all Claim Forms have been fully processed in accordance with the terms of this Agreement. Information submitted by Settlement Class Members in connection with Claim Forms shall be deemed confidential and protected as such by the Settlement Administrator, Class Counsel, and Defendant's Counsel.

93. No decision of the Settlement Administrator shall be deemed to constitute a finding, admission, or waiver by Defendant as to any matter of fact, law, or evidence having any collateral effect on any proceedings in any forum or before any authority.

94. 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.

95. The Settlement Administrator must submit an invoice to Defendant for payment of all Valid Claims within five (5) days of the Effective Date or as soon as all Claim deficiencies are resolved via the process set forth herein. Defendant shall pay or cause to be paid to the Settlement Administrator the invoiced amount of all Valid Claims within forty-five (45) days of the invoice.

96. No later than sixty (60) days after the Effective Date, the Settlement Administrator shall distribute the Participating Settlement Class Member Benefits.

97. Settlement 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 thirty (30) days to select their form of payment following such email from the Settlement Administrator. Paper checks must be negotiated within ninety (90) days of issuance.

98. 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.

99. 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 Credit Monitoring redemption code.

100. All Participating Settlement Class Members who fail to submit a valid Claim for any benefits under this Agreement within the time frames set forth herein, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments or benefits pursuant to the Settlement, but will in all other respects be subject to and bound by the provisions of this Agreement, including but not limited to the releases contained herein, and the Final Approval Order.

**IX. Final Approval Order and Final Judgment**

101. Plaintiffs shall file the 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.

102. 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.

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

103. **Service Awards.** At least thirty (30) days before the Opt-Out and Objection Deadlines, Class Counsel, on behalf of the Class Representatives, may seek Service Awards of up to \$2,500.00 each, subject to Court approval. Defendant agrees not to oppose Class Counsel's request for a service award not to exceed \$2,500.00 per Plaintiff. Service Awards shall be paid by or on behalf of Defendant to Class Counsel within thirty (30) days after the Effective Date.

104. **Attorneys' Fees and Costs.** At least thirty (30) days before the Opt-Out and Objection Deadlines, Class Counsel shall apply to the Court for an award of attorneys' fees and costs of up to \$325,000.00. Defendant agrees not to oppose Class Counsel's request for attorneys' fees and costs not to exceed \$325,000.00. Defendant shall pay or cause to be paid the Court-approved attorneys' fees and cost award to Class Counsel within thirty (30) days of the Effective Date.

105. The attorneys' fees and costs, as awarded by the Court, will be allocated by Class Counsel. Defendant's obligations with respect to the Court-approved attorneys' fees and costs shall be fully satisfied upon transmission of the funds into the account established by Class Counsel. To the extent applicable, and unless otherwise ordered by the Court, Class Counsel shall have the sole and absolute discretion to allocate any Court-approved attorneys' fees and costs amongst Plaintiffs' counsel and any other attorneys for Plaintiff(s). Defendant and its insurers and reinsurers shall have no liability or other responsibility for allocation of any such Court-approved attorneys' fees and costs.

106. This Settlement is not contingent on approval of the request for attorneys' fees and costs or Service Awards, and if the Court denies the request or grants amounts less than what was

requested, the remaining provisions of the Agreement shall remain in force. No decision by the Court, or modification or reversal or appeal of any decision by the Court, concerning the amount of attorneys' fees and costs or Service Awards shall constitute grounds for termination of this Agreement.

**XI. Releases**

107. 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.

108. Plaintiffs, Participating Settlement Class Members, and any Releasing Parties covenant and agree that they will not take any step whatsoever to assert, sue on, continue, pursue, maintain, prosecute, or enforce any Released Claim, directly or indirectly, whether on behalf of themselves or others, against any of the Released Parties in any jurisdiction.

109. The Released Claims include the release of Unknown Claims. "Unknown Claims" means claims that could have been raised in the Action and that Plaintiff, any member of the Settlement Class or any Releasing Party, do not know or suspect to exist, which, if known by him, her or it, might affect his, her or its agreement to release the Released Parties or the Released Claims or might affect his, her or its decision to agree, object or not to object to the Settlement. With respect to the Released Claims, Plaintiff, Participating Settlement Class Members, and any Releasing Parties, expressly understand and acknowledge it is possible that unknown economic losses or claims exist or that present losses may have been underestimated in amount or severity. Plaintiff, Participating Settlement Class Members, and any Releasing Parties explicitly took that into account in entering into this Agreement, and a portion of the consideration and the mutual

covenants contained herein, having been bargained for between Plaintiff and Defendant with the knowledge of the possibility of such unknown claims for economic loss, were given in exchange for a full accord, satisfaction, and discharge of all such claims. Upon the Effective Date, Plaintiff, the Participating Settlement Class Members, and any Releasing Party shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

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.

Upon the Effective Date, each of the Releasing Parties shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law of any state, the District of Columbia or territory of the United States, by federal law, or principle of common law, or the law of any jurisdiction outside of the United States, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Class Representatives, the Settlement Class, and any Releasing Parties acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Release, but that it is their intention to finally and forever settle and release the Released Claims, including but not limited to any Unknown Claims they may have, as that term is defined in this Paragraph. Each of those individuals expressly agrees that, as of the Effective Date, he or she shall have automatically and irrevocably waived and fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, liquidated or unliquidated, contingent or non-contingent claims with respect to all of the matters described in or subsumed by this Agreement. Further, each of those individuals agrees and acknowledges that he or she shall be bound by this

Agreement, including by the release herein and that all of their claims shall be dismissed with prejudice and released, whether or not such claims are concealed or hidden; without regard to subsequent discovery of different or additional facts and subsequent changes in the law; and even if he or she never receives actual notice of the Settlement and/or never receives a payment from the Settlement.

110. 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.

111. Upon the Effective Date: (a) this Settlement shall be the exclusive remedy for any and all Released Claims of Plaintiffs, Participating Settlement Class Members and the Releasing Parties; and (b) Plaintiffs, the Participating Settlement Class Members and the Releasing Parties 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 Participating Settlement Class Member or others, in any jurisdiction, including in any federal, state, or local court or tribunal. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section.

112. The Parties, Class Counsel, Defendant's Counsel, and Defendant's insurers and reinsurers, shall not have any liability whatsoever with respect to (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of claims made or benefits available pursuant to this Agreement; (iii) the formulation, design or terms of the disbursement of the claims made or benefits available pursuant to this Agreement; and (iv) the determination, administration, calculation or payment of any claims

made pursuant to this Agreement.

113. The Settlement Administrator shall defend, indemnify and hold harmless the Parties, Class Counsel, Defendant's Counsel, and Defendant's insurers and reinsurers for (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of claims made or benefits available pursuant to this Agreement; (iii) the formulation, design or terms of the disbursement of the claims made or benefits available pursuant to this Agreement; and (iv) the determination, administration, calculation or payment of any claims made pursuant to this Agreement.

**XII. Modification/Termination of Settlement**

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

115. 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.

116. 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.

117. Defendant shall also have the right to terminate this Agreement if more than one hundred (100) of the Settlement Class Members opt-out of the Settlement. Defendant shall notify Class Counsel of its intent to so terminate the Agreement within ten (10) days after receipt of the number of valid opt-outs received from the Settlement Administrator, which the Settlement Administrator shall provide to Defendant within seven (7) days after the Opt-Out Deadline.

118. 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*. 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.

119. 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.

**XIII. No Admission of Liability**

120. 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.

121. 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.

122. 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.

123. 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.

124. 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.

#### **XIV. Miscellaneous Provisions**

125. ***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.

126. ***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.

127. ***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.

128. ***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.

129. ***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.

130. ***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.

131. ***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.

132. ***Counterparts/Electronic Signatures.*** 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 or other electronic means, including DocuSign, shall be deemed an original.

133. ***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.

134. *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:

Mariya Weekes  
**Milberg PLLC**  
333 SE 2nd Avenue  
Suite 2000  
Miami, FL, 33131  
mweekes@milberg.com

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

Philip Krzeski  
**CHESTNUT CAMBRONNE PA**  
100 Washington Avenue South, Suite 1700  
Minneapolis, MN 55401  
pkrzeski@chestnutcambronne.com

If to Defendant or Defendant's Counsel:

Allison Becker  
**GORDON REES SCULLY MANSUKHANI, LLP**  
150 Fayetteville Street, Suite 1120  
Raleigh, NC 27601  
abecker@grsm.com

Joseph Salvo  
John T. Mills.  
**GORDON REES SCULLY MANSUKHANI, LLP**  
One Battery Park Plaza, 28<sup>th</sup> Floor  
New York, NY 10004  
jsalvo@grsm.com  
jtmills@grsm.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.

135. ***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.

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

137. ***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.

138. ***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.

139. ***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.

140. ***Integration of Exhibits.*** The exhibits to this Agreement and any exhibits thereto are a material part of the Settlement and are incorporated and made a part of the Agreement.

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

142. ***No Assignment.*** Plaintiffs represent and warrant that they have not assigned or transferred any interest in the Action which is the subject of this Agreement, in whole or in part.

143. ***Severability.*** In the event any one or more of the provisions contained in this Agreement (or portion(s) thereof) shall for any reason be held to be invalid, illegal, or

proceed as if such invalid, illegal or unenforceable provision (or portion(s) thereof) had never been included in the Agreement.

144. **Contact with Class Members.** Defendant may communicate with the Class Members in the ordinary course of its business. Defendant will refer inquiries regarding this Agreement and the administration of the Settlement to the Settlement Administrator.

**IN WITNESS WHEREOF**, the Parties hereto have cause this Settlement Agreement to be executed.

**SIGNATURES**

**NAKIA BRANDON**

Signed by:  
  
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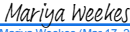
Date: 3/16/2026 | 6:47 AM PDT

**TANITA EAKINS**

 (Mar 17, 2026 16:02:27 EDT)


Date: 03/17/2026

**MILBERG, PLLC**

  
Mariya Weekes (Mar 17, 2026 15:59:51 EDT)  
Mariya Weekes

Date: 03/17/2026

**MURPHY LAW FIRM**

  
A. Brooke Murphy

Date: 03/17/2026

**CHESTNUT CAMBRONNE, PA**

DocuSigned by:  
*Phil Krzeski*  
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Date: \_\_\_\_\_

\_\_\_\_\_  
Philip Krzeski

**HILLCREST CONVALESCENT CENTER, INC.**

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

Name: \_\_\_\_\_

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

**GORDON REES SCULLY MANSUKHANI, LLP**  
(as to form only)

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

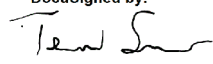
John T. Mills

**CHESTNUT CAMBRONNE, PA**

\_\_\_\_\_  
Philip Krzeski

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

**HILLCREST CONVALESCENT CENTER, INC.**

DocuSigned by:  
  
869B093679594DC... \_\_\_\_\_  
Name: Ted Smith  
Title: Secretary/Treasurer

Date: April 9, 2026

**GORDON REES SCULLY MANSUKHANI, LLP**  
(as to form only)

DocuSigned by:  
  
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John I. Mills

Date: April 9, 2026