

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement” or “Agreement”),¹ is entered into by and between Plaintiffs Don Megdanoff, Frank Aiello, Pamela Bigger, Matthew Cooper, Michael Siegert, Donna Tanghe, Jack Parinello, and Jay Hill (collectively “Plaintiffs”), on behalf of themselves and the Settlement Class, on the one hand, and Defendant McKenzie Memorial Hospital d/b/a McKenzie Health System (“McKenzie”) (collectively, the “Parties”), on the other hand. The Parties hereby agree to the following terms in full settlement of the Action, subject to a Final Approval Order entered by the Court. This Agreement fully and finally compromises and settles any and all claims that are, were, or could have been asserted in *In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation*, Case No. 2025-40999-CZ (in the 24th Judicial Circuit, Sanilac County, Michigan.) (the “Action”).

I. Recitals

1. McKenzie is a non-profit Critical Access Hospital and healthcare system serving Sanilac County, Michigan, providing 24/7 emergency care and comprehensive services in areas such as audiology, cardiology, diabetology, ear, nose, and throat, gastroenterology, internal medicine, orthopedics, pediatrics, rehabilitation, and substance abuse programs.

2. Plaintiffs and Settlement Class Members are current and former patients of McKenzie. In order to obtain medical services from McKenzie, former and current patients are required to entrust McKenzie with sensitive, non-public Private Information, without which McKenzie could not perform its regular business activities.

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

3. On April 15, 2025, McKenzie became aware of suspicious activity related to certain systems within its environment (the “Data Incident”).

4. On or about July 24, 2025, McKenzie began notifying, by letter, individuals who may have had their Private Information impacted in the Data Incident.

5. As a result of the Data Incident, starting on July 29, 2025, Plaintiffs, individually and on behalf of all others similarly situated, initiated a number of class action lawsuits against McKenzie in this Court (the “Related Actions”), asserting claims arising out of the Data Incident.

6. On August 18, 2025, Plaintiffs moved to consolidate these Related Actions against McKenzie, and, on September 10, 2025, the Court granted Plaintiffs’ Motion to Consolidate. Plaintiffs filed their Consolidated Complaint (the “Complaint”) on October 23, 2025.

7. Shortly thereafter, the Parties began discussing the possibility of early resolution. Plaintiffs requested, and McKenzie produced, informal discovery related to the size and scope of the Data Incident and McKenzie’s response to the Data Incident. The Parties then held a mediation with Bennett G. Picker Esq. of Stradley Ronon, which with Mr. Picker’s assistance, resulted in agreement on the material terms of a settlement.

8. The Parties now agree to settle the Action in its entirety, without any admission of liability or wrongdoing, with respect to all Released Claims of the Releasing Parties. McKenzie has entered into this Agreement to resolve all controversies and disputes arising out of or relating to the Data Incident and 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. McKenzie does not in any way acknowledge, admit to, or concede any of the allegations made in the Complaint (and similarly does not concede any of the allegations in the other complaints in the Related Actions), and disclaims and denies any fault or liability, or any

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

NOW, THEREFORE, in light of the foregoing, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree, subject to approval by the Court, as follows.

II. Definitions

9. “Action” means the lawsuit entitled: *In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation* Case No. 2025-40999-CZ (in the 24th Judicial Circuit, Sanilac County, Michigan).

10. “Alternative Cash Payment” means the Settlement Benefit consisting of a \$50.00 cash payment that Settlement Class Members may elect under Section IV herein.

11. “Application for Attorneys’ Fees, Costs, and Service Awards” means the application to be filed, seeking Service Awards for Class Representatives and Class Counsel’s attorneys’ fees and reimbursement for costs and expenses.

12. “Cash Payment for Out-of-Pocket Losses” means the Settlement Benefit that Settlement Class Members, who incurred out-of-pocket losses, may elect under Section IV herein.

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

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

15. “Claim Form Deadline” means the deadline by which Settlement Class Members must submit a Claim Form for any Settlement Payment to which the Claimant is entitled, which shall be sixty (60) days after the Notice Date, or upon such other date as set by the Court in the Preliminary Approval Order.

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

17. “Class Counsel” means Strauss Borrelli, PLLC and Milberg, PLLC.

18. “Class List” means a list of all individuals in the Settlement Class. McKenzie shall prepare and provide the Class List to the Settlement Administrator for Notice using information in its records, and do so within ten (10) days of entry of the Preliminary Approval Order. The Class List shall include the Settlement Class’s names and postal addresses.

19. “Class Representatives” means Plaintiffs.

20. “Complaint” means the Consolidated Class Action Complaint filed in the Action on October 22, 2025.

21. “Court” means the Court for the 24th Judicial District, County of Sanilac, State of Michigan and the Judge(s) assigned to the Action.

22. “Credit Monitoring” means the Settlement Benefit consisting of two years of one bureau credit monitoring and \$1 million in identity theft insurance protection which Settlement Class Members may claim pursuant to Section IV of this Agreement.

23. “Data Incident” means the cyberattack perpetrated on McKenzie’s network in which an unauthorized third party potentially gained access to Settlement Class Members’ Private Information on or about April 14, 2025, and which was discovered on or about April 15, 2025.

24. “Effective Date” means (a) the settlement pursuant to this Settlement Agreement is approved by the Court; (b) the Court has entered a Final Approval Order (as that term is defined herein); (c) the time to appeal or seek permission to appeal from the Final Approval Order has expired and no appeal has been taken or, if such an appeal or request for permission to appeal has been filed, the appeal has been dismissed in its entirety, or the Final Approval Order has been affirmed in its entirety by the court of last resort to which such appeal may be taken, and such dismissal or affirmance has become no longer subject to further appeal or review; or the Court following resolution of the appeal enters a further order or orders approving the settlement on the material terms set forth herein and either the time to further appeal from such order has expired and no further appeal is taken from such order(s) or any such appeal has been finally resolved and results in affirmation of such order(s) with no right to pursue further remedies or relief existing. Notwithstanding the foregoing, any order modifying or reversing any Attorneys’ Fees and Expenses Award or Service Award made in this case shall not affect whether the Final Approval Order is “Final” as defined herein or any other aspect of the Final Approval Order.

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

26. “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.

27. “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.

28. “Final Approval Order” means the final order approving the Settlement, which will include language indicating that this order resolves the last pending claim and closes the case. The Final Approval Order also includes the order, which may be entered separately, determining the amount of attorneys’ fees, costs, and Service Awards.

29. “Long Form Notice” means the long form notice of the Settlement, substantially in the form attached as **Exhibit B**, 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.

30. “McKenzie” means McKenzie Memorial Hospital d/b/a McKenzie Health System (“McKenzie”).

31. “McKenzie’s Counsel” means Cipriani & Werner P.C.

32. “Motion for Final Approval” means the motion that Plaintiffs and Class Counsel shall file with the Court seeking Final Approval of the Settlement.

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

34. “Notice” means the Postcard Notice, Long Form Notice, Publication Notice, Settlement Website, and settlement telephone line that Plaintiffs and Class Counsel will ask the Court to approve in connection with the Motion for Preliminary Approval.

35. “Notice Date” means thirty days following entry of the Preliminary Approval Order, by which date the Settlement Administrator shall commence the Notice Program provided herein.

36. “Notice Program” means the methods provided for in this Agreement for giving Notice and consists of the Postcard Notice, Long Form Notice, Publication Notice, Settlement Website, and settlement telephone line.

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

38. “Objection Deadline” means the deadline by which any Settlement Class Member seeking to object to the fairness, reasonableness, or adequacy of any term or aspect of the Settlement, Distribution Plan, the Final Approval Order, the application for attorneys’ fees and expenses, or the Service Awards, or making a request to be heard and appear, in person or by his or her attorney, at the Fairness Hearing and present evidence or argument that may be proper and relevant must file a written, signed objection or request to be heard with the Court and serve on the Parties’ Counsel, according to the procedures set forth in the Preliminary Approval Order and the Notice. Such deadline shall be sixty (60) days after the Notice Date.

39. “Opt-Out Deadline” means the deadline by which any Settlement Class Member requesting to be excluded (i.e., opt out) from the Settlement Class must submit a written exclusion request, according to the procedures set forth in the Preliminary Approval Order and the Notice. Such deadline shall be sixty (60) days after the Notice Date.

40. “Out-of-Pocket Losses” are documented unreimbursed costs or expenditures incurred by a Settlement Class Member that are fairly traceable to the Data Incident. Out-of-Pocket Losses may include, without limitation, the following: unreimbursed costs, expenses, losses, or charges incurred after April 14, 2025, incurred as a direct result of the Data Incident, up to \$4,000. Examples of the kind of documented out-of-pocket losses that may be claimed include unreimbursed losses related to actual fraud or identity theft, falsified tax returns, costs incurred

after April 14, 2025, associated with purchasing, accessing, or freezing/unfreezing credit reports with any credit reporting agency, and charges for notary, fax, postage, copying, mileage, data usage (only if charged based on the amount of data used), long-distance telephone charges and cellphone minutes (only if charged by the minute), and credit monitoring, fraud resolution, or other mitigative services or costs that were incurred after April 14, 2025, through the date the Court enters the Preliminary Approval Order, all of which must be, as determined by the Settlement Administrator, fairly traceable to the Data Incident and must not have been previously reimbursed by any third-party.

41. “Party” means Plaintiffs or McKenzie, and “Parties” means Plaintiffs and McKenzie collectively.

42. “Plaintiffs” means Don Megdanoff, Frank Aiello, Pamela Bigger, Matthew Cooper, Michael Siegert, Donna Tanghe, Jack Parinello, and Jay Hill.

43. “Postcard Notice” means the postcard notice of the Settlement, which shall include a tear off claim form, substantially in the form attached as **Exhibit C**, that the Settlement Administrator shall disseminate to the Settlement Class by mail.

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

45. “Preliminary Approval Order” means the order preliminarily approving the Settlement and dissemination of the proposed Notice Program, substantially in the form attached as **Exhibit D**.

46. “Private Information” means Settlement Class Members’ information that may have been accessible in the Data Incident, which may include, but is not limited to: their name,

address, date of birth, Social Security number, patient account number, medical record number, diagnosis and treatment information, contact information, and demographic information.

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

48. “Released Claims” means the claims described in Section XI of this Agreement.

49. “Released Parties” means McKenzie, and its present and former parents, subsidiaries, divisions, departments, affiliates, predecessors, successors and assigns, and any and all of their past, present, and future directors, officers, executives, officials, principals, stockholders, heirs, agents, insurers, reinsurers, members, attorneys, accountants, actuaries, fiduciaries, advisors, consultants, representatives, partners, joint venturers, licensees, licensors, independent contractors, subrogees, trustees, executors, administrators, clients, customers, data owners, associated third parties, predecessors, successors and assigns, and any other person acting on McKenzie’s behalf, in their capacity as such. It is understood that to the extent a Released Party is not a party to the Agreement, all such Released Parties are intended third-party beneficiaries of the Agreement.

50. “Releasing Parties” means (i) Plaintiffs and all 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, attorneys, (iii) any entities in which a Plaintiffs and/or other participating Settlement Class Member has or had a controlling interest or that has or had a controlling interest in him or her, (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 Plaintiffs and/or any other 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).

51. “Service Award” means the payment the Court may award the Plaintiffs for serving as Class Representatives.

52. “Settlement Administrator” means Simpluris.

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

54. “Settlement Benefits” means the forms of relief provided by this Settlement as described in Section IV, which will be available to those Settlement Class Members who file Valid Claims.

55. “Settlement Class” means all living persons in the United States whose Private Information was potentially compromised as a result of the Data Incident, including those who were sent a notification from McKenzie of the Data Incident. Excluded from the Settlement Class are (a) all persons who are directors or officers of McKenzie; (b) any and all federal, state, or local governments, including but not limited to their departments, agencies, divisions, bureaus, boards, sections, groups, counsels, and/or subdivisions; (c) the Court and any Judge(s) presiding over this matter, the Court’s immediate family, and Court staff; and (d) any person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the Data Incident, or who pleads *nolo contendere* to any such charge.

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

57. “Settlement Website” means the website the Settlement Administrator will establish as a means for the Settlement Class Members to submit Claim Forms and review 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 that the Parties agree to post or the Court orders posted. The Settlement Website shall remain online and operable for 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. Plaintiffs shall propose and recommend to the Court that the Settlement Class be certified for Settlement purposes only. McKenzie agrees solely for purposes of the Settlement provided for in this Agreement, and the implementation of such Settlement, that this Action shall proceed as a class action; provided however, that if a Final Approval Order is not issued, then any

certification shall be null and void and, for the avoidance of doubt, McKenzie shall retain all rights to object to any future requests to certify a class. This Agreement or any negotiations leading to this Agreement shall not be referenced in support of any subsequent motion for class certification of any class in the Action, or as supporting any argument that the claims asserted herein are appropriate for treatment on a class wide basis.

IV. Settlement Consideration

60. Under this Agreement, McKenzie has agreed to pay or cause to be paid (1) Settlement Benefits to those Settlement Class Members who submit a Valid Claim; (2) any Service Award awarded to the Class Representatives; (3) any attorneys' fees and costs awarded to Class Counsel; and (4) all Settlement Administration Costs.

61. Settlement Class Members must submit a Valid Claim to the Settlement Administrator to receive a Cash Payment and/or Credit Monitoring payable by McKenzie. When submitting a Valid Claim, Settlement Class Members must choose either Cash Payment A – Out-of-Pocket Losses or Cash Payment B – Alternative Cash, and/or Credit Monitoring. If a Settlement Class Member does not submit a Valid Claim, the Settlement Class Member will release all claims without receiving a Settlement Class Member Benefit.

62. The Settlement Benefits are as follows:

a. Cash Payment A for Out-of-Pocket Losses

Settlement Class Members may submit a claim for a Cash Payment under this section for up to \$4,000.00 per Settlement Class Member upon presentment of documented losses related to the Data Incident and time spent dealing with it. To receive a documented loss payment, a Settlement Class Member must elect Cash Payment for Out-of-Pocket Losses on the Claim Form attesting, under penalty of perjury, to incurring documented losses. Settlement Class Members will

be required to submit reasonable documentation supporting the losses and demonstrating that the losses are more likely than not related to the Data Incident. If a Settlement Class Member does not submit reasonable documentation supporting a loss or if their Claim is deemed to be incomplete by the Settlement Administrator, and the Settlement Class Member fails to cure his or her Claim, the Claim will be rejected for a documented loss payment and the Settlement Administrator shall have the discretion to treat the Settlement Class Member's claim as if he or she elected an Alternative Cash Payment.

b. Alternative Cash Payment B

As an alternative to a Cash Payment for Out-of-Pocket Losses above, a Settlement Class Member may elect to receive an Alternative Cash Payment for \$50.00.

c. Credit Monitoring

In addition to claiming a Cash Payment for Out-of-Pocket Losses or an Alternative Cash Payment, Settlement Class Members may also claim Credit Monitoring which will consist of two years of one bureau credit monitoring and \$1 million in identity theft protection.

d. Data Security Enhancements

The Settling Parties agree that as part of the settlement consideration, McKenzie has adopted, paid for, implemented, and will maintain certain business practice enhancements related to information security to safeguard personal information on its systems. McKenzie will detail these business practice enhancements to Class Counsel in a confidential declaration. The amounts spent by McKenzie on business practices enhancements are not part of the Settlement Fund and have no effect on the Pro Rata Cash Payments. The confidential declaration to be provided by McKenzie under this paragraph: (i) is not and may not be deemed to be or used as an admission of, or evidence of, the validity or lack thereof of any Released Claim or any wrongdoing or liability

of any of the Released Parties; (ii) is not and may not be used as an admission of, or evidence of, any fault or omission of any of the Released Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal; and (iii) shall be and remain forever strictly and completely confidential. The costs of these data security enhancements will be paid for separate and apart from other benefits made available to Settlement Class Members.

V. Settlement Approval

63. Upon execution of this Agreement by all Parties and Class Counsel, Class Counsel shall file a Motion for Preliminary Approval, after review by McKenzie. The proposed Preliminary Approval Order also shall be attached to the Motion in a form agreed to by Class Counsel and McKenzie.

64. The Motion for Preliminary Approval shall, among other things, request the Court: (1) preliminarily approve the terms of the Settlement as being 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 individuals in the Settlement Class to opt-out of or object to the Settlement; (6) stay the Action and Related Actions pending Final Approval of the Settlement; and (7) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, Class Counsel, and McKenzie's Counsel.

VI. Settlement Administrator

65. The Parties agree that, subject to Court approval, Simpluris shall be the Settlement Administrator. The Parties shall jointly oversee the Settlement Administrator. The Settlement Administrator shall fulfill the requirements set forth in the Preliminary Approval Order and the

Agreement and comply with all applicable Michigan laws and the Due Process Clause of the United States Constitution.

66. McKenzie shall be responsible for all costs of Notice and settlement administration. For avoidance of doubt, Plaintiffs, Settlement Class Members, and Class Counsel shall not be responsible for any costs associated with Notice or settlement administration.

67. 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, and distributing the Settlement Benefits to Settlement Class Members who submit Valid Claims.

68. The Settlement Administrator's duties include:

- a. Complete the Court-approved Notice Program by noticing the Settlement Class by Postcard Notice and Publication Notice, sending Long Form Notices and paper Claim Forms on request from individuals in the Settlement Class, reviewing Claim Forms, notifying Claimants of deficient Claim Forms using the Notice of Deficiency, and sending Settlement Benefits to Settlement Class Members who submit a Valid Claim;
- b. Establish and maintain a post office box to receive objections, opt-out requests, and Claim Forms from the Settlement Class Members;
- c. Establish and maintain the Settlement Website to provide important information about the Settlement and electronic submission of Claim Forms;
- d. Establish and maintain an automated toll-free telephone line for the Settlement Class to call with Settlement-related inquiries, and answer frequently asked questions of individuals in the Settlement Class who call with or otherwise communicate such inquiries;

e. Respond to any mailed Settlement Class Member inquiries;

f. Process all opt-out requests from the Settlement Class;

g. Provide weekly reports to Class Counsel and McKenzie's Counsel that summarize the number of Claims submitted, Claims approved and rejected, Notices of Deficiency sent, opt-out requests and objections received that week, the total number of opt-out requests and objections received to date, and other pertinent information;

h. In advance of the Final Approval Hearing, prepare 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, providing the names of each individual in the Settlement Class who timely and properly requested to opt-out from the Settlement Class, indicating the number of objections received, and other information as may be necessary to allow the Parties to seek and obtain Final Approval;

i. Distribute Settlement Benefits to Settlement Class Members that submitted Valid Claims;

j. Distribute Court-approved attorneys' fees, costs, and Service Awards;

k. Distribute Settlement Administration Costs; and

l. Any other Settlement Administration function at the instruction of Class Counsel and McKenzie's Counsel, or the Court, including, but not limited to, verifying that the Settlement Benefits have been properly distributed.

69. The Notice Program and Notices will be reviewed and approved by the Settlement Administrator, but may be revised as agreed upon by the Parties prior to submission to the Court

for approval. Immaterial revisions to the Notices may also be made prior to dissemination of Notice.

VII. Notice to the Settlement Class

70. McKenzie will coordinate to make available to the Settlement Administrator the Class List no later than ten (10) days after entry of the Preliminary Approval Order.

71. 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. Postcard Notice shall be disseminated via U.S. Mail to the Settlement Class's mailing addresses, to the extent known. Notice shall also be published on the Settlement Website.

72. In the event the Settlement Administrator transmits a Notice via U.S. Mail, then the Settlement Administrator shall perform any further investigations deemed appropriate by the Settlement Administrator, including using the National Change of Address ("NCOA") database maintained by the United States Postal Service, in an attempt to identify current mailing addresses for individuals or entities whose names are provided by McKenzie.

73. The Notice shall include, among other information: a description of the material terms of the Settlement; how to submit a Claim Form; the Claim Form Deadline; the Opt-Out Deadline for individuals in the Settlement Class to opt-out of the Settlement Class; the Objection Deadline for Settlement Class Members to object to the Settlement and/or Application for Attorneys' Fees, Costs, and Service Awards; the Final Approval Hearing date; and the Settlement Website address at which Settlement Class Members may access this Agreement and other related documents and information. Class Counsel and McKenzie'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.

74. The Settlement Administrator shall establish the Settlement Website no later than the day before Notice is first initiated. The Settlement Administrator shall ensure the Settlement Website makes available the Court-approved online Claim Form that can be submitted directly on the Settlement Website or in printable version that can be sent by U.S. Mail to the Settlement Administrator.

75. **Opt-Outs:** The Long Form Notice also shall include a procedure for individuals in the Settlement Class to opt-out of the Settlement; and the Postcard Notice shall direct individuals in the Settlement Class to review the Long Form Notice to obtain the opt-out instructions. Individuals in the Settlement Class may opt-out of the Settlement Class at any time during the Opt-Out Deadline by mailing a request to opt-out to the Settlement Administrator postmarked no later than the last day of the Opt-Out Deadline. The opt-out request must be in writing and must identify the case name, be personally signed by the Settlement Class member and contain the name, address, telephone number, and email address (if any), and unique identifier of the Class Member seeking exclusion; identify any lawyer representing the Class Member seeking to opt out; and must include a statement indicating a request to be excluded from the Settlement Class. Any individual in the Settlement Class who does not timely and validly request to opt-out shall be bound by the terms of this Agreement even if he or she does not submit a Valid Claim. Opt-outs may only be on an individual basis, and no person may request to be excluded from the Settlement Class through “mass” or “class” opt-outs. Any Class Member who timely requests exclusion shall not (i) be

bound by any Final Approval Order; (ii) be entitled to the Settlement Benefits under the Settlement Agreement; (iii) gain any rights by virtue of the Settlement Agreement; or (iv) be entitled to object to any aspect of the Settlement Agreement.

76. **Objections:** The Long Form Notice also shall include a procedure for individuals in the Settlement Class to object to the Settlement and/or Application for Attorneys' Fees, Costs, and Service Awards, and the Postcard Notice shall direct the Settlement Class to review the Long Form Notice to obtain the objection instructions. Objections must be mailed to the Clerk of the Court, Class Counsel, McKenzie's Counsel, and the Settlement Administrator. For an objection to be considered by the Court, the objection must be submitted no later than the last day of the Objection Deadline, as specified in the Notice. 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.

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

- a. the objector's full name, mailing address, telephone number, and email address (if any);
- b. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
- c. the number of times the objector has objected to a class action settlement within the 5 years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior objections that were issued by the trial and appellate courts in each listed case;

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

e. the number of times in which the objector's counsel and/or counsel's law firm have objected to a class action settlement within the 5 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 5 years;

f. any and all agreements that relate to the objection or the process of objecting—whether written or oral—between objector or objector's counsel and any other person or entity;

g. the identity of all counsel (if any) representing the objector who will appear at the Final Approval Hearing;

h. a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection (if any);

i. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and

j. the objector's signature (an attorney's signature is not sufficient).

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

VIII. Claim Form Review Process and Disbursement of Settlement Benefits

79. The Notice will explain to the Settlement Class that they may be entitled to a Settlement Benefit and how to submit a Claim Form.

80. Claim Forms may be submitted online through the Settlement Website or through U.S. Mail by sending them to the Settlement Administrator at the address designated on the Claim Form.

81. 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.

82. The Settlement Administrator shall use all reasonable efforts and means to identify and reject duplicate claims. No Settlement Class Member may submit more than one Claim Form. The Settlement Administrator shall identify any Claim Forms that appear to seek relief on behalf of the same Settlement Class Member. The Settlement Administrator shall use its best efforts to determine whether there is any duplication of claims, and if there is, contact the Settlement Class Member in an effort to determine which Claim Form is the appropriate one for consideration.

83. The Settlement Administrator shall exercise, in its discretion, all usual and customary steps to prevent fraud and abuse and take any reasonable steps to prevent fraud and abuse in the Claim process. The Settlement Administrator may, in its discretion, deny in whole or in part any Claim Form to prevent actual or possible fraud or abuse. By agreement, the Parties can instruct the Settlement Administrator to take whatever steps it deems appropriate if the Settlement Administrator identifies actual or possible fraud or abuse relating to the submission of claims,

including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse. If any fraud is detected or reasonably suspected, the Settlement Administrator and Parties may require information from Claimants or deny Claims, subject to the supervision of the Parties and ultimate oversight by the Court.

84. Claim Forms that do not meet the terms and conditions of this Settlement shall be promptly rejected by the Settlement Administrator and the Settlement Administrator shall advise the Claimant or Settlement Class Member of the reason(s) why the Claim Form was rejected. However, if the Claim Form is rejected for containing incomplete or inaccurate information, and/or omitting required information, the Settlement Administrator may send a Notice of Deficiency explaining what information is missing or inaccurate and needed to validate the Claim and have it submitted for consideration. The Settlement Administrator shall notify the Claimant using the contact information provided in the Claim Form. The additional information and/or documentation can include, for example, answers to questions regarding the validity of the Claimant's physical or e-signature. A Claimant shall have until the Claim Form Deadline, or fifteen (15) days from the date the Notice of Deficiency is sent to the Claimant via mail and postmarked or via email, whichever is later, to reply to the Notice of Deficiency and provide the required information. If the Claimant timely and adequately provides the requested information and/or documentation, the Claim shall be deemed a Valid Claim and processed by the Settlement Administrator. If the Claimant does not timely and completely provide the requested information and/or documentation, the Settlement Administrator shall reduce or deny the Claim unless McKenzie and Class Counsel otherwise agree.

85. 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 thirty (30) days from the Claim Form Deadline to approve or reject Claims based on findings of fraud or duplication.

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 for fraud or duplication, the Settlement Administrator shall notify the Claimant using the contact information provided in the Claim Form. Class Counsel and McKenzie'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.

86. 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 McKenzie's Counsel. Additionally, Class Counsel and McKenzie'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.

87. No person or entity shall have any claim against McKenzie, McKenzie's Counsel, McKenzie's insurers or reinsurers, Plaintiff, the Settlement Class, Class Counsel, and/or the Settlement Administrator based on any eligibility determinations, distributions, or awards made in accordance with this Settlement.

88. After the Effective Date, and after final determinations have been made with respect to all claims submitted during the Claims Period pursuant to the Claim Form Review Process, the Settlement Administrator shall provide the Parties an accounting of all Approved Claims for Cash Payment A – Out-of-Pocket Losses, Cash Payment B – Alternative Cash, and/or Credit Monitoring

and also provide funding instructions to McKenzie. Within forty-five (45) days of receiving this accounting, McKenzie or its representative shall transmit the funds needed to pay Approved Claims for Cash Payment A – Out-of-Pocket Losses, Cash Payment B – Alternative Cash, and/or Credit Monitoring in accordance with the terms of this Agreement.

89. Settlement Benefits to Settlement Class Members will be paid electronically (through means agreed to by the Parties) or by paper check as soon as practicable after the Settlement Administrator receives the funds described in Paragraph 88. Settlement Class Members who do not open their email or provide incorrect or incomplete electronic payment information shall receive a paper check in the mail. Settlement Class Members receiving payment by check shall have one hundred twenty (120) days to negotiate the check. No checks shall be re-issued following their expiration. Funds associated with expired checks shall revert to McKenzie or its representative and the Participating Settlement Class Member(s) shall forfeit their right to payment and will not be entitled to payment under the Settlement, and the Agreement will in all other respects be fully enforceable against the Participating Settlement Class Member(s). For any check returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall, within thirty (30) days, send an email to the Participating Settlement Class Member to obtain updated address information. 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 McKenzie or its representative, and the Settlement Class Member(s) shall forfeit their right to payment and will not be entitled to payment under the Settlement, and the Agreement will in all other respects be fully enforceable against the Participating Settlement Class Member(s). In the event that a check becomes void, the Participating Settlement Class Member(s) to whom said check was made payable shall forfeit the

right to payment and will not be entitled to payment under the Settlement, and the Agreement will in all other respects be fully enforceable against the Participating Settlement Class Member(s). No later than one hundred and fifty (150) days after the issuance of the last Settlement Check, the Settlement Administrator shall take all necessary steps to stop payment on any Settlement Checks that remain uncashed and said funds shall revert to McKenzie or its representative.

IX. Final Approval Order and Final Judgment

90. Plaintiffs shall file their Motion for Final Approval of the Settlement no later than fourteen (14) days before the original date set for the Final Approval Hearing. Plaintiffs shall file their Application for Attorneys' Fees, Costs, and Service Awards no later than fourteen (14) days before the Objection Deadline and Opt-out Deadline. Plaintiffs may, at their election, file a single motion seeking final approval of the settlement, attorneys' fees, costs, and Service Awards no later than fourteen (14) days before the Objection Deadline and Opt-out Deadline. 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 also will 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 the requirements listed in this Agreement.

91. At or following the Final Approval Hearing, the Court will determine whether to enter the Final Approval Order, 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 McKenzie and the Released Parties from the Released Claims; and
- f. Reserve the Court's continuing and exclusive jurisdiction over the Parties to this Agreement, including McKenzie, 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

92. **Service Awards** – In recognition of the time and effort the Class Representatives expended in pursuing this Action and in fulfilling their obligations and responsibilities as Class Representatives, and of the relief conferred on all Settlement Class Members by the Settlement, Class Counsel shall request a Service Award for the Class Representatives in the amount of \$2,500.00 each. If approved, the Service Awards shall be paid not later than forty-five (45) days after the Effective Date. The Service Award payments to the Class Representatives shall be separate and apart from their entitlement to Settlement Benefits provided for in this Agreement.

93. **Attorneys' Fees and Costs** – Class Counsel shall apply to the Court for, and McKenzie agrees not to oppose, an award of attorneys' fees and costs of up to \$350,000.00. The attorneys' fees and cost awards approved by the Court shall be paid not later than forty-five (45) days after the Effective Date by the Settlement Administrator by wire transfer to an account designated by Class Counsel. Plaintiffs will file an Application for Attorneys' Fees and Costs (and

Service Awards) no later than fourteen (14) days before the Objection Deadline and Opt-Out Deadline.

94. 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 other than what was requested, the remaining provisions of the Agreement shall remain in force. The provisions for attorneys' fees, costs, and Service Awards were not negotiated until after all material terms of the Settlement were agreed to by Plaintiffs and McKenzie.

XI. Releases

95. As of the Effective Date, and in consideration of the settlement relief and other consideration described herein, the Releasing Parties shall automatically be deemed to have, and by operation of the Final Approval Order shall have, fully, finally, and irrevocably released, acquitted, relinquished, and forever discharged the Released Parties of, and shall be forever barred from instituting, maintaining, or prosecuting, any and all liabilities, rights, claims, actions, causes of action, demands, damages, costs, attorneys' fees, losses and remedies, whether known or unknown, asserted or unasserted, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, based on contract, tort or any other theory, whether on behalf of themselves or others, that result from, arise out of, are based upon, or relate to (a) the Data Incident; (b) the Action and Related Actions; or (c) any of the alleged violations of laws or regulations cited in the Complaint.

96. Plaintiffs and Settlement Class Members covenant and agree 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.

97. Individuals in the Settlement Class who opt-out of the Settlement prior to the Opt-Out Deadline do not release their individual claims and will not obtain any benefits under the Settlement.

98. With respect to the Released Claims, Plaintiffs and Settlement Class Members 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. Plaintiffs and Settlement Class Members 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 Plaintiffs and McKenzie 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.

99. As of the Effective Date, Plaintiffs and Settlement Class Members 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 the Action. 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 in the Action 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 Settlement Benefit from the Settlement. In accordance with this, the Releasing Parties agree they shall have released any and all Released Claims, including unknown claims, and waived the provisions, rights, and benefits conferred by California Civil Code § 1542, and any and all provisions, rights, and benefits conferred by any law of any state, province, or territory of the

United States which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

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

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

XII. Termination of Settlement

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

- a. Court approval of the Settlement consideration set forth in Section IV and the Releases set forth in Section XI of this Agreement;
- b. The Court has entered the Preliminary Approval Order;
- c. The Court has entered the Final Approval Order, and all objections, if any, are overruled, and all appeals taken from the Final Approval Order are resolved in favor of Final Approval; and
- d. The Effective Date has occurred.

102. 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 may be cancelled and terminated.

103. McKenzie shall have the option to terminate this Agreement if more than 3% of the Settlement Class opt-out of the Settlement. McKenzie shall notify Class Counsel and the Court of its intent to terminate this Agreement pursuant to this paragraph within ten (10) days after the end of the Opt-Out Deadline or the option to terminate shall be considered waived.

104. 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 case 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*.

105. In the event this Agreement is terminated or fails to become effective, McKenzie shall have no right to seek from Plaintiffs, Class Counsel, or the Settlement Administrator the Settlement Administration Costs paid by or on behalf of McKenzie.

XIII. Effect of Termination

106. The grounds upon which this Agreement may be terminated are set forth in Section XII. In the event of a termination, this Agreement shall be considered null and void; all of Plaintiffs', Class Counsel's, McKenzie's, and McKenzie's Counsel's obligations under the Settlement shall cease to be of any force and effect; and the Parties shall return to the *status quo ante* in the Action as if the Parties had not entered into this Agreement. In addition, in the event of

such a termination, all the Parties' respective pre-Settlement rights, claims, and defenses will be retained and preserved.

107. 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.

XIV. No Admission of Liability

108. 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. McKenzie has denied and continues to deny each of the claims and contentions alleged in the Complaint. McKenzie specifically denies that a class could or should be certified in the Action for litigation purposes. McKenzie does not admit any liability or wrongdoing of any kind, by this Agreement or otherwise. McKenzie 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.

109. 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 fully investigated the facts and law relevant to the merits of the claims, conducted informal discovery, and conducted independent investigation of the alleged claims. Class Counsel

concluded that the proposed Settlement set forth in this Agreement is fair, adequate, reasonable, and in the best interests of the Settlement Class.

110. 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.

111. 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 the Settlement Class, 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.

112. In addition to any other defenses McKenzie 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.

XV. Miscellaneous Provisions

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

114. 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.

115. 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.

116. 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.

117. 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 set forth in this Agreement. No covenants, agreements, representations, or warranties of any kind have been made by any Party, except as provided for herein.

118. 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.

119. 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 Michigan, without regard to the principles thereof regarding choice of law.

120. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

instrument, even though all Parties do not sign the same counterparts. Original signatures are not required.

121. 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. This Settlement Agreement shall be governed by the law of the State of Michigan.

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

If to Plaintiff or Class Counsel:

Raina Borrelli
STRAUSS BORRELLI ,PLLC
980 N. Michigan Avenue
Suite 1610
Chicago, IL 60611
raina@straussborrelli.com

If to McKenzie or McKenzie's Counsel:

Jill Fertel
Tara Nalencz
CIPRIANI & WERNER PC

Three Valley Square
512 E. Township Line Road, Suite 302
Blue Bell, PA 19422
jfertel@c-wlaw.com
tnalencz@c-wlaw.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.

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

124. 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.

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

126. Agreement Mutually Prepared. Neither Plaintiffs nor McKenzie 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.

127. 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 counsel, consultants, and/or 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.

128. 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.

Signature Page to Follow

Executed on May 13, 2026 by:

CLASS COUNSEL (On Behalf of Plaintiffs and the Class)

/s/ Raina Borrelli

Raina Borrelli
STRAUSS BORRELLI, PLLC

Casondra Turner

Casondra Turner
MILBERG, PLLC

MCKENZIE MEMORIAL HOSPITAL D/B/A MCKENZIE HEALTH SYSTEM

DocuSigned by:

Steve Barnett

President/CEO

GABD98986404F8
MCKENZIE HEALTH SYSTEM

COUNSEL FOR MCKENZIE

(On Behalf of Defendant McKenzie Memorial Hospital d/b/a McKenzie Health System)

Tara Gill Nalencz

Tara Nalencz
CIPRIANI & WERNER, PC

Exhibit A

CLAIM FORM AND RELEASE

CIRCUIT COURT FOR SANILAC COUNTY, MICHIGAN

In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation
Case No. 2025-40999-CZ

McKenzie Data Incident Settlement
P.O. Box [PO Box Number]
Santa Ana, CA 92799



(XXX) XXX-XXXX
info@[SettlementWebsite].com
www.[SettlementWebsite].com

TO BE ELIGIBLE TO RECEIVE BENEFITS FROM THIS SETTLEMENT, YOU MUST BE A SETTLEMENT CLASS MEMBER.

The court has defined the Class this way: "All living persons in the United States whose Private Information was potentially compromised as a result of the Data Incident, including those who were sent a notification from McKenzie of the Data Incident."

Excluded from the Settlement Class are: (1) McKenzie and its officers, directors, and related companies; (2) governmental entities; (3) the Judge in this case, and the Judge's family and staff; and (4) anyone who perpetrated the Data Incident.

You may submit your Claim Form through the Settlement Website, [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com), or by completing and signing this Claim Form.

 **Claims must be received by [Claims Deadline].** 

Paper Claim Forms must be mailed through the United States Postal Service, so that they are received by the Claims Administrator **no later than [Claims Deadline]**. Please mail to:

Claims Administrator
McKenzie Data Incident Settlement
P.O. Box [PO Box Number]
Santa Ana, CA 92799

Do not mail or deliver your Claim Form to the Court, the Settling Parties, or their counsel.

GENERAL INFORMATION

1. Complete information about the proposed Settlement is available at [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com).
2. If you submitted a request to be excluded from the Settlement, do not submit a claim.
3. Submit only one Claim Form, online or paper, per person.

In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation

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«2DBarcode»

SIMID: «SIMID» | CaseID: [CaseID]

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

AVAILABLE BENEFITS

All Settlement Class Members may enroll in **Credit Monitoring** and claim one of the two **Cash Payment** options. The benefits are explained in more detail below.

CREDIT MONITORING. All Class Members are eligible to enroll in two years of CyEx Financial Shield Complete. This comprehensive service comes with \$1 million of financial fraud insurance, and includes monitoring for:

- fraud or identity theft
- unauthorized financial transactions
- personal information associated with high-risk transactions

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

CASH PAYMENT OPTIONS

Cash Payment A for Out-of-Pocket Losses. If you incurred actual, documented out-of-pocket losses due to the Data Incident, you can get back up to **\$4,000.00**. The losses must have occurred between April 14, 2025, and [Claims Deadline].

This benefit covers out-of-pocket expenses like:

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

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

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

Alternative Cash Payment B. *Instead of Cash Payment A*, you may claim a one-time **50.00** cash payment.

You do not have to provide any proof or explanation to claim this payment.

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

- Online: [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com)
By email: [info@\[SettlementWebsite\].com](mailto:info@[SettlementWebsite].com)
By toll-free call: (XXX) XXX-XXXX

By mail: Claims Administrator
 McKenzie Data Incident Settlement
 c/o Settlement Administrator
 [PO Box Number]
 Santa Ana, CA 92799-9958

 **THE MOST EFFICIENT WAY TO SUBMIT YOUR CLAIMS IS ONLINE AT**
www.[SettlementWebsite].com 

You may also print out and complete this Claim Form, and submit it by U.S. mail.

An electronic image of the completed Claim Form can also be emailed to info@[SettlementWebsite].com

 **Claims must be received by [Claims Deadline].** 

If you contact information changes after you submit your claim, notify the Claims Administrator.

II. CREDIT MONITORING

Check this box if you would like to enroll in two years of Credit Monitoring from CyEx Financial Shield Complete.

III. CASH PAYMENT A FOR OUT-OF-POCKET LOSSES

Check this box if you would like to claim reimbursement for documented losses due to identity theft or fraud. You can get back up to \$4,000.00. **DO NOT CLAIM THIS BENEFIT IF YOU ARE CLAIMING PAYMENTS FROM SECTION IV.**

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

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

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

IV. ALTERNATIVE CASH PAYMENT B

Check this box if you want to claim a one-time \$50.00 cash payment. **DO NOT CLAIM THIS BENEFIT IF YOU ARE CLAIMING PAYMENTS FROM SECTION III.**

Exhibit B

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

*In Re: McKenzie Memorial Hospital d/b/a
McKenzie Health System 2025 Data Breach Litigation
Case No. 2025-40999-CZ
Circuit Court for Sanilac County, Michigan*

**IF YOUR PRIVATE INFORMATION WAS COMPROMISED IN THE APRIL 2025
MCKENZIE MEMORIAL HOSPITAL D/B/A MCKENZIE HEALTH SYSTEM,
DATA INCIDENT, A PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT
YOUR RIGHTS, AND ENTITLE YOU TO BENEFITS AND A CASH PAYMENT.**

*A court has authorized this notice. This is not a solicitation from a lawyer.
You are not being sued.*

Please read this Notice carefully and completely.

- A Settlement has been reached with McKenzie Memorial Hospital d/b/a McKenzie Health System (“McKenzie” or “Defendant”) in a class action lawsuit. This case is about the targeted cyberattack on McKenzie's computer systems that occurred in April 2025 (the “Data Incident”). Certain files that contained private information were accessed. These files may have contained personal information such as name; address, date of birth; Social Security number; patient account number; medical record number; diagnosis and treatment information; contact information; and demographic information.
- The lawsuit is called *In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation*, Case No. 2025-40999-CZ. It is pending in the Circuit Court for Sanilac County, Michigan (the “Litigation”).
- McKenzie denies that it did anything wrong, and the Court has not decided who is right.
- The parties have agreed to settle the lawsuit (the “Settlement”) to avoid the costs and risks, disruptions, and uncertainties of continuing the Litigation.
- McKenzie's records indicate that you are a Class Member, and entitled to benefits under the Settlement. You may have received a previous notice directly from McKenzie.
- Your rights are affected whether you act or don't act. ***Please read this Notice carefully and completely.***

In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation

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«2DBarcode»

SIMID: «SIMID» | CaselD: [CaselD]

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

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

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

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Basic Information

1. Why was this Notice issued?

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

The lawsuit is called *In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation*, Case No. 2025-40999-CZ. It is pending in the Circuit Court for Sanilac County, Michigan. The people that filed this lawsuit are called the “Plaintiffs” (or “Class Representatives”) and the company they sued, McKenzie Memorial Hospital d/b/a McKenzie Health System, is called the “Defendant.”

2. What is this lawsuit about?

This lawsuit alleges that during the April 2025 targeted cyberattack on McKenzie's computer systems, certain files that contained private information were accessed. These files may have contained personal information such as name; address, date of birth; Social Security number; patient account number; medical record number; diagnosis and treatment information; contact information; and demographic information.

3. What is a class action?

In a class action, one or more individuals sue on behalf of other people with similar claims. These individuals are called the “Plaintiffs” or “Class Representatives.” Together, the people included in the class action are called a “Class” or “Class Members.” One court resolves the lawsuit for all Class Members, except for those who opt out from the settlement. In this Settlement, the Class Representatives are Don Megdanoff; Frank Aiello; Pamela Bigger; Matthew Cooper; Michael Siegert; Donna Tanghe; Jack Parinello; and Jay Hill. Everyone included in this Action are the Class Members.

4. Why is there a Settlement?

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

Who is in the Settlement?

5. Who is included in the Settlement?

The court has defined the Class this way: "All living persons in the United States whose Private Information was potentially compromised as a result of the Data Incident, including those who were sent a notification from McKenzie of the Data Incident."

6. Are there exceptions to being included?

Yes. Excluded from the Class are: (1) McKenzie and its officers, directors, and related companies; (2) governmental entities; (3) the Judge in this case, and the Judge's family and staff; and (4) anyone who perpetrated the Data Incident.

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

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

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

The Settlement Benefits

7. What does the Settlement provide?

All Settlement Class Members may enroll in **Credit Monitoring** and claim one of the two **Cash Payment** options. The benefits are explained in more detail below.

CREDIT MONITORING. All Class Members are eligible to enroll in two years of CyEx Financial Shield Complete. This comprehensive service comes with \$1 million of financial fraud insurance, and includes monitoring for:

- fraud or identity theft
- unauthorized financial transactions
- personal information associated with high-risk transactions

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

CASH PAYMENT OPTIONS

Cash Payment A for Out-of-Pocket Losses. If you incurred actual, documented out-of-pocket losses due to the Data Incident, you can get back up to **\$4,000.00**. The losses must have occurred between April 14, 2025, and [Claims Deadline].

This benefit covers out-of-pocket expenses like:

- actual losses because of identity theft or fraud
- fees for credit reports, credit monitoring, or freezing and unfreezing your credit

- cost to replace your IDs
- postage to contact banks by mail

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

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

Alternative Cash Payment B. *Instead of Cash Payment A*, you may claim a one-time **\$50.00** cash payment.

You do not have to provide any proof or explanation to claim this payment.

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

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

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

If you stay in the class, you won't be able to be part of any other lawsuit against McKenzie about the issues that this Settlement covers. The "Releases" section of the Settlement Agreement (Section XI) describes the legal claims that you give up if you remain in the Class. The Settlement Agreement is available at [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com).

Submitting a Claim Form for a Settlement Payment

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

The fastest way to submit your Claim Form is online at [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com). If you prefer, you can download a printable Claim Form from the website and mail it to the Settlement Administrator at:

McKenzie Data Incident Settlement
c/o Settlement Administrator
[PO Box Number]
Santa Ana, CA 92799-9958

You may also contact the Settlement Administrator to request a Claim Form by telephone, toll free, (XXX) XXX-XXXX, by email [info@\[SettlementWebsite\].com](mailto:info@[SettlementWebsite].com), or by U.S. mail at the address above.

10. Are there any important Settlement payment deadlines?

If you are submitting a Claim Form online, you must do so by [Claims Deadline]. If you are submitting a claim by U.S. mail, the completed and signed Claim Form, including supporting documentation, must be postmarked no later than [Claims Deadline].

11. When will the Settlement benefits be issued?

The Court will hold a final approval hearing on [FA Hearing Date] (see Question 18). If the Court approves the Settlement, there may be appeals. We do not know if appeals will be filed, or how long it will take to resolve them if they are filed.

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

The Lawyers Representing You

12. Do I have a lawyer in the case?

Yes, the Court has appointed law firms Strauss Borrelli, PLLC and Milberg, PLLC, to represent you and other Class Members ("Class Counsel").

13. Should I get my own lawyer?

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

14. How will Class Counsel be paid?

Class Counsel will ask the court to approve \$350,000.00 as reasonable attorneys' fees and reimbursement of litigation costs. This amount will be paid by McKenzie.

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

Excluding Yourself from the Settlement

15. How do I opt out of the Settlement?

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

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

The deadline to exclude yourself from the Settlement is [Opt-Out Deadline].

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

- (1) the name of the Litigation: *In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation*, Case No. 2025-40999-CZ, pending in the Circuit Court for Sanilac County, Michigan;
- (2) your full name, mailing address, telephone number, and email address;
- (3) personal signature; and
- (4) the words "Request for Exclusion" or a clear and similar statement that you do not want to participate in the Settlement.

You may only exclude yourself—not any other person.

Mail your Request for Exclusion to the Settlement Administrator at:

McKenzie Data Incident Settlement
ATTN: Exclusion Request
[PO Box Number]
Santa Ana, CA 92799-9958

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

Commenting on or Objecting to the Settlement

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

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

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

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

- (1) the name of the Litigation: *In Re: McKenzie Memorial Hospital d/b/a McKenzie Health System 2025 Data Breach Litigation*, Case No. 2025-40999-CZ, pending in the Circuit Court for Sanilac County, Michigan;
- (2) your full name, mailing address, telephone number, and email address;
- (3) a clear description of all the reasons you object; include any legal support, such as documents, you may have for your objection;
- (4) if you have hired your own lawyer to represent you for this objection, provide their name, bar number, and contact information;
- (5) if you or your lawyer have objected in any other cases in the past five years, list the names, courts, the orders ruling on your objections, and civil action numbers for each of those cases;
- (6) if you have any agreement with another person or party related to your objection, please provide full details;
- (7) whether or not you or your lawyer would like to speak at the Final Approval Hearing;
- (8) if you plan on calling witnesses or submitting documents at the Final Approval Hearing, provide a full list of both;
- (9) your signature (if you have hired your own lawyer, their signature is not sufficient).

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

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

Clerk of the Court	Settlement Administrator
Clerk of the Court [Court Address]	McKenzie Data Incident Settlement ATTN: Objections [PO Box Number] Santa Ana, CA 92799-9958

Class Counsel	Counsel for Defendants
Raina Borrelli STRAUSS BORRELLI, PLLC 980 N. Michigan Avenue, Suite 1610 Chicago, IL 60611 Casandra Turner MILBERG, PLLC 260 Peachtree Street NW, Suite 2200 Atlanta, GA 30303	Jill Fertel Tara Nalenez CIPRIANI & WERNER PC Three Valley Square 512 E. Township Line Road, Suite 302 Blue Bell, PA 19422

17. What is the difference between objecting and excluding?

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

The Court’s Final Approval Hearing

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

The Court will hold a final approval on [FA Hearing Date] at [Hearing Time] Eastern Time, in Room [Court Room] of the Circuit Court for Sanilac County, Michigan, at [Court Address].

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

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

The date and time of this hearing may change without further notice. Please check www.[SettlementWebsite].com for updates.

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

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

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

If I Do Nothing

20. What happens if I do nothing at all?

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

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

Getting More Information

21. How do I get more information?

This Notice is a summary of the proposed Settlement. The full Settlement Agreement and other related documents are available at the Settlement Website, [www.\[SettlementWebsite\].com](http://www.[SettlementWebsite].com).

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

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

You can obtain copies of publicly filed documents by visiting the office of the Clerk of the Court, [Court Address].

DO NOT CONTACT THE COURT OR CLERK OF COURT REGARDING THIS SETTLEMENT

Exhibit C

Why am I receiving this notice? A Settlement has been reached with McKenzie Memorial Hospital d/b/a McKenzie Health System ("McKenzie") in a class action lawsuit. The case is about the April 2025 cyberattack on McKenzie's computers (the "Data Incident"). Files containing private information were accessed. McKenzie denies that it did anything wrong, and the Court has not decided who is right. The parties have agreed to settle the lawsuit ("Settlement") to avoid the risks, disruption, and uncertainties of continued litigation. A copy of the Settlement is available online.

Who is included in the Settlement? The Court has defined the class as: "All living persons in the United States whose Private Information was potentially compromised as a result of the Data Incident, including those who were sent a notification from McKenzie of the Data Incident."

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

What are the Settlement benefits? You can claim two years of **Credit Monitoring** and one of the two **Cash Payment** options.

Cash Payment A: If you have documented losses you can get back up to **\$4,000**.

Cash Payment B: *Instead of Cash Payment A*, you can get a one-time **\$50** Alternative Cash Payment.

Full details and instructions are available online.

How do I receive a benefit? If you are claiming a payment for documented losses, file all of your claims online. Otherwise, you may fill out the Claim Form below. Tear at perforation, and return by U.S. Mail. Postage is already paid. For a full paper Claim Form call (XXX) XXX-XXXX. **Claims must be submitted online or postmarked by [Claims Deadline].**

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

When will the Court approve the Settlement? The Court will hold a hearing in this case on **[FA Hearing Date]** at the **[Court Address]**, to consider whether to approve the Settlement. The Court will also consider Class Counsel's request for attorneys' fees and costs of up to \$350,000, and \$2,500 for each of the Plaintiffs. You may attend the hearing at your own cost, but you do not have to.

This notice is only a summary. Visit the settlement website online or scan this QR code for complete information.



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

CaseID: [CaseID]
SIMID: «SIMID»

BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO 47 COSTA MESA CA

POSTAGE WILL BE PAID BY ADDRESSEE



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



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



Exhibit D

**STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF SANILAC**

IN RE: MCKENZIE MEMORIAL
HOSPITAL D/B/A MCKENZIE HEALTH
SYSTEM 2025 DATA BREACH
LITIGATION

Case No. 2025-40999-CZ

Hon. Timothy C. Wrathell

**[PROPOSED] PRELIMINARY
APPROVAL ORDER**

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Counsel for Defendant

Liaison Counsel for Plaintiffs

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

At a session of said Court, held in the City of Sandusky,
County of Sanilac, State of Michigan

on _____

PRESENT: _____
CIRCUIT COURT JUDGE

This matter having come before the Court on Plaintiffs' Unopposed Motion in Support of Preliminary Approval of Class Action Settlement ("Motion"), the Court having reviewed and considered the Motion, the Class Action Settlement Agreement ("Settlement Agreement") between Plaintiffs Don Megdanoff, Frank Aiello, Pamela Bigger, Matthew Cooper, Michael Siegert, Donna Tanghe, Jack Parinello, and Jay Hill ("Plaintiffs" or "Class Representatives") and Defendant McKenzie Memorial Hospital d/b/a McKenzie Health System ("McKenzie" or "Defendant") (together "the Parties"), and all other papers that have been filed with the Court related to the Settlement Agreement, including all exhibits and attachments to the Motion and Settlement Agreement, and the Court being fully advised in the premises, IT IS HEREBY ORDERED, as follows:

1. Capitalized terms used in this Order that are not otherwise defined herein have the same meaning assigned to them as in the Settlement Agreement.
2. The terms of the Settlement Agreement are preliminarily approved as fair, reasonable, and adequate and are fully incorporated and adopted herein. There is good cause to find that the Settlement Agreement was negotiated at arms-length between the Parties, who were represented by experienced counsel.
3. For settlement purposes only, the Court finds that the prerequisites to class action treatment under Michigan Court Rule 3.501—including numerosity, commonality and

predominance, adequacy, and appropriateness of class treatment of these claims—have been preliminarily satisfied.

4. The Court hereby conditionally certifies, pursuant to Michigan Court Rule 3.501, and for the purposes of settlement only, the following Settlement Class consisting of: all living persons in the United States whose Private Information was potentially compromised as a result of the Data Incident, including those who were sent a notification from McKenzie of the Data Incident. Excluded from the Settlement Class are (a) all persons who are directors or officers of McKenzie; (b) any and all federal, state, or local governments, including but not limited to their departments, agencies, divisions, bureaus, boards, sections, groups, counsels, and/or subdivisions; (c) the Court and any Judge(s) presiding over this matter, the Court's immediate family, and Court staff; and (d) any person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the Data Incident, or who pleads *nolo contendere* to any such charge.

5. For settlement purposes only, Plaintiffs Don Megdanoff, Frank Aiello, Pamela Bigger, Matthew Cooper, Michael Siegert, Donna Tanghe, Jack Parinello, and Jay Hill are hereby appointed as the Settlement Class Representatives.

6. For settlement purposes only, Raina Borrelli of Strauss Borrelli PLLC and Casandra Turner of Milberg PLLC are hereby appointed as Settlement Class Counsel.

7. The Court recognizes that, pursuant to the Settlement Agreement, Defendant and the Released Parties retain all rights to object to the propriety of class certification in the Action in all other contexts and for all other purposes should the Settlement not be finally approved. Therefore, as more fully set forth below, if the Settlement is not finally approved, and the Action

resumes, this Court's preliminary findings regarding the propriety of class certification shall be of no further force or effect whatsoever, and this Order will be vacated in its entirety.

8. The Court approves, in form and content, the Notices of Settlement, attached to the Settlement Agreement, and finds that they meet the requirements of Michigan Court Rule 3.501 (C) and satisfies Due Process requirements under the U.S. and Michigan Constitutions.

9. The Court finds that the notice process set forth in the Settlement Agreement meets the requirements of Michigan Court Rule 3.501 (C) and constitutes the best notice practicable under the circumstances, where Settlement Class Members are current or former McKenzie patients and may be readily ascertained from Defendant's records, and satisfies fully the requirements of Due Process, and any other applicable law, such that the Settlement Agreement and Final Approval Order will be binding on all Settlement Class Members except for those who validly and timely exercise their right to opt-out. In addition, the Court finds that no notice other than that specifically identified in the Settlement Agreement is necessary in this Action. The Parties, by agreement, may revise the Notices of Settlement in ways that are not material, or in ways that are appropriate to update those documents for purposes of accuracy or formatting for publication.

10. Simpluris, or such other entity that the Parties mutually agreed upon, is hereby appointed Settlement Administrator to supervise and administer the notice process, as well as to oversee the administration of the Settlement, as more fully set forth in the Settlement Agreement.

11. The Settlement Administrator may proceed with the distribution of Class Notice as set forth in the Settlement Agreement. The Parties, by agreement, may seek an extension of the Notice Date if they believe additional time is needed to obtain Class List data, and Notice shall not

thereafter issue until the Court enters an amended preliminary approval order with settlement deadlines amended to account for such amended Notice Date.

12. Settlement Class Members who wish to receive benefits under the Settlement Agreement are required to submit a valid and timely Claim Form in conformance with the requirements set forth in the Settlement Agreement. Participating Settlement Class Members shall receive the relief to which they are entitled following the final approval of the Settlement.

13. Settlement Class Members shall be bound by all determinations and orders pertaining to the Settlement, including the release of all claims to the extent set forth in the Settlement Agreement, whether favorable or unfavorable, unless such persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. Settlement Class Members who do not timely and validly request exclusion shall be so bound even if they have previously initiated or subsequently initiate litigation or other proceedings against Defendant or the Released Parties relating to the Released Claims under the terms of the Settlement Agreement.

14. Any Settlement Class Member may request exclusion from the Settlement Class by expressly stating their request for exclusion in writing. To be considered, such written exclusion request must conform to the requirements as set forth in paragraph 75 of the Settlement Agreement.

15. Any Settlement Class Member who elects to be excluded shall not: (i) be bound by the releases or covenants in the Final Approval Order; (ii) be entitled to relief under the Settlement Agreement; (iii) gain any rights by virtue of this Settlement Agreement; or (iv) be entitled to object to any aspect of this Settlement Agreement.

16. Settlement Class Counsel may file a motion seeking attorneys' fees, costs, and service award payment as set forth in the Settlement Agreement no later than fourteen (14) days prior to the Objection and Opt-Out Deadline.

17. Any Settlement Class Member who has not requested exclusion from the Settlement Class and who wishes to object to any aspect of the Settlement Agreement—including the amount of the attorneys’ fees and costs that Settlement Class Counsel intends to seek and the payment of the Service Award to the Settlement Class Representatives—may object to the Settlement by expressly stating their objection in writing. To be considered, such objection must conform to the requirements as set forth in paragraphs 76-77 of the Settlement Agreement.

18. A Settlement Class Member who has not timely requested exclusion from the Settlement Class and who has properly submitted a written objection in compliance with the Settlement Agreement may appear at the Final Approval Hearing in person or through counsel to show cause why the proposed Settlement should not be approved as fair, reasonable, and adequate. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement and/or Settlement Class Counsel’s Fee Petition and/or the request for the Service Award to the Settlement Class Representatives are required to indicate in their written objection whether, if they intend to appear at the Final Approval Hearing, they will do so on their own behalf or through counsel. For any Settlement Class Member who files a timely written objection, such Settlement Class Member must also include in their written objection any documents supporting the objection.

19. No Settlement Class Member shall be entitled to be heard, and no objection shall be considered, unless the requirements for the objection set forth in this Order and in the Settlement Agreement are fully and timely satisfied by including: (i) the objector’s full name, mailing address, telephone number, and email address (if any); (ii) all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector’s counsel; (iii) the number of times the objector has objected to a class action settlement within the 5 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; (iv) the identity of all counsel who represent the objector, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement and/or Application for Attorneys' Fees, Costs, and Service Awards; (v) 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 5 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 5 years; (vi) any and all agreements that relate to the objection or the process of objecting—whether written or oral—between objector or objector's counsel and any other person or entity; (vii) the identity of all counsel (if any) representing the objector who will appear at the Final Approval Hearing; (viii) a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection (if any); (ix) a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and (x) the objector's signature. Any Settlement Class Member who does not make their objection to the Settlement in the manner provided herein and in the Settlement Agreement, shall be deemed to have waived any such objection by appeal, collateral attack, or otherwise, and shall be bound by the Settlement Agreement, the releases contained therein, and all aspects of the Final Approval Order.

20. All papers in support of the Final Approval of the proposed settlement shall be filed no later than fourteen (14) days before the Final Approval Hearing.

21. A Final Approval Hearing shall be held in person and/or via video before the Court on **DATE** at **TIME a.m., ET** for the following purposes:

- a) to finally determine whether the applicable prerequisites for settlement class action treatment under Michigan Court Rule 3.501 have been met;
- b) to determine whether the Settlement is fair, reasonable and adequate, and should be approved by the Court;
- c) to determine whether the judgment as provided under the Settlement Agreement should be entered, including an order prohibiting Settlement Class Members from further pursuing Released Claims that have been released in the Settlement Agreement;
- d) to determine whether the Notice employed meets the requirements of Michigan Court Rule 3.501 (C) and constitutes the best notice practicable under the circumstances;
- e) to consider the Settlement Class Counsel Fee Petition;
- f) to consider the application for the Service Award to the Settlement Class Representatives;
- g) to consider the distribution of the Settlement benefits pursuant to the Settlement Agreement; and
- h) to rule upon such other matters as the Court may deem appropriate.

22. The Final Approval Hearing may be postponed, adjourned, transferred, continued, or changed location by order of the Court without further notice to the Settlement Class. If the

Court alters any of those dates or times, the revised dates and times shall be posted on the Settlement Website maintained by the Claims Administrator. The Court may approve the Settlement, with such modifications as may be agreed upon by the Parties, if appropriate, without further notice to the Settlement Class. At or following the Final Approval Hearing, the Court may enter a Final Approval Order in accordance with the Settlement Agreement that adjudicates the rights of all Settlement Class Members and approves the Settlement Agreement and enter a Final Judgment.

23. Settlement Class Members do not need to appear at the Final Approval Hearing or take any other action to indicate their approval.

24. Settlement Class Counsel and Defendant have created a process for Settlement Class Members to claim benefits under the Settlement. The Court preliminarily approves this process and directs the Claims Administrator to make the Claim Form or its substantial equivalent available to Settlement Class Members in the manner specified in the Notice. The Claims Administrator will be responsible for effectuating the claims process. Settlement Class Members who qualify for and wish to submit a Claim Form shall do so in accordance with the requirement and procedures specified in the Notice and the Claim Form. If the Final Order and Judgment is entered, all Settlement Class Members who qualify for any benefit under the Settlement but fail to submit a claim in accordance with the requirements and procedures specified in the Notice and the Claim Form shall be forever barred from receiving any such benefit, but will in all other respects be subject to and bound by the provisions in the Final Approval Order and Final Judgment, including the releases contained therein.

25. All discovery and other proceedings in the Action as between Plaintiffs and Defendant is stayed and suspended until further order of the Court except such actions as may be necessary to implement the Settlement Agreement and this Order.

26. For clarity, the key deadlines set forth above and in the Settlement Agreement are as follows:

Action	Deadline
Defendant Provides Settlement Class List to Claims Administrator	Within ten (10) days of entry of the Preliminary Approval Order
Deadline For Claims Administrator to Issue Notice to Settlement Class Members ("Notice Date")	No later than thirty (30) days after entry of the Preliminary Approval Order
Motion for Attorneys' Fees, Costs, Expenses, and Service Award to Be Filed by Settlement Class Counsel	No later than fourteen (14) days before the Final Approval Hearing
Objection/Opt-Out Deadline	Sixty (60) days after the Notice Date
Claims Deadline	Sixty (60) days after the Notice Date
Motion for Final Approval to Be Filed By Settlement Class Counsel	No later than fourteen (14) days before the Final Approval Hearing
Final Approval Hearing	No earlier than one hundred and twenty (120) days after entry of the Preliminary Approval Order IN PERSON/VIA VIDEO before the Court on DATE at TIME a.m. ET

IT IS SO ORDERED.

Dated

Hon. Timothy C. Wrathell