

**STATE OF NEW HAMPSHIRE
ROCKINGHAM COUNTY SUPERIOR COURT**

**DIANE MINICUCCI, ELLEN LAVOIE
ADAM BAGNI and FRANK CIARAVOLO,
Individually, and on behalf of all others
similarly situated,**

CASE No. 218-2025-CV-00897

Plaintiffs,

vs.

**NORTHEAST REHABILITAITON
HOSPITAL NETWORK,**

Defendant.

/

SETTLEMENT AGREEMENT

This Settlement Agreement¹ is entered into between Plaintiffs, Diane Minicucci, Ellen Lavoie, Adam Bagni, and Frank Ciaravolo, on behalf of themselves and the Settlement Class, and Defendant, Northeast Rehabilitation Hospital Network, as of the date last signed below, subject to preliminary and final Court approval. As provided herein, Defendant and Plaintiffs hereby stipulate and agree that, in consideration of the promises and covenants set forth in this Agreement and upon entry by the Court of a final order and judgment, all claims of the Settlement Class against Defendant in connection with the Data Incident as alleged in the Action, shall be fully settled, and compromised, and the federal actions shall be dismissed, upon the terms and conditions contained herein.

RECITALS

WHEREAS, Defendant provides inpatient and outpatient rehabilitation care for disabling injuries or illnesses.

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

WHEREAS, as a pre-condition of receiving medical services and/or seeking employment from Defendant, Defendant collects, maintains, and stores the personal and sensitive information belonging to Settlement Class Members.

WHEREAS, on or about May 22, 2024, Defendant became aware of a cybersecurity incident wherein a third party unlawfully breached Defendant's computer systems and network and gained access to the Private Information belonging to 148,515 individuals. In response, NRHN launched an investigation which revealed that an unauthorized actor potentially accessed data that included the following personal information: names, medical history and treatment information, patient account numbers, medical billing/claims information, and other health insurance information, among other sensitive data.

WHEREAS, on or about January 6, 2025, Defendant began sending letters notifying the individuals whose Private Information may have been impacted in the Data Incident.

WHEREAS, on January 10, 2025, Plaintiff Minicucci filed a complaint against Defendant in the United States District Court for the District of New Hampshire, relating to the Data Incident;

WHEREAS, three other federal Actions related to the Data Incident with similar claims and overlapping classes were filed in the same court;

WHEREAS, on January 20, 2025, Plaintiffs filed a Motion to Consolidate the related actions, and on January 30, 2025, the Court granted the Motion to Consolidate the related actions;

WHEREAS, on February 28, 2025, Plaintiffs filed their Consolidated Class Action Complaint;

WHEREAS, in an effort to conserve resources for the benefit of the those impacted in the Data Incident, the Parties began discussing settlement;

WHEREAS, in light of the Parties' interest in discussing settlement, the Parties agreed to

stay proceedings, and on March 28, 2025, Defendant filed a Joint Assented Motion to Stay Proceedings, which the Court granted on the same day;

WHEREAS, in connection with their settlement discussions, the Parties exchanged informal discovery including information related to, among other things, the nature and cause of the incident, the number and geographic location of victims impacted by the Data Incident, and the specific type of information potentially accessed;

WHEREAS, following prolonged and extensive arm's length negotiations, including a full day mediation with Bruce Friedman of JAMS, the Parties reached an agreement on the essential terms of a settlement;

WHEREAS, during the settlement discussions, the Parties determined that jurisdiction was appropriate in state court; consequently, they agreed to dismiss the federal consolidated action and file a new complaint in state court;

WHEREAS, the federal actions have been dismissed;

WHEREAS, on August 8, 2025, Plaintiffs filed a class action complaint against Defendant in the Rockingham County Superior Court for the State of New Hampshire, relating to the Data Incident; and

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

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

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

I. DEFINITIONS

1. **“Action”** means the class action lawsuit entitled: *Minicucci, et al. v. Northeast Rehabilitation Hospital Network*; Case No. 218-2025-cv-00897 and pending in the Rockingham County Superior Court for the State of New Hampshire.

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

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

4. **“Business Practice Commitments”** means the security improvements and safeguards to enhance existing security protocols that Defendant has undertaken or will undertake

as part of the Settlement.

5. **“Cash Payment”** means the cash compensation paid to Settlement Class Members who elected to submit a Claim for either Cash Payment A – Documented Extraordinary Losses or Cash Payment B – Alternate Cash, under Section III herein.

6. **“Cash Payment A – Documented Extraordinary Losses”** means the cash compensation that Settlement Class Members with extraordinary documented losses may elect under the Settlement, consisting of a maximum payment of \$5,000.00, upon submission of a valid Claim Form pursuant to Section III herein.

7. **“Cash Payment B – Alternate Cash”** means the cash compensation of an estimated \$75.00 that Settlement Class Members may elect pursuant to Section III herein.

8. **“Claim”** means the submission of a Claim Form by a Claimant for Settlement Class Member Benefits.

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

10. **“Claim Form”** means the proof of claim the Settlement Class Members must submit to be eligible for relief under the terms of the Settlement, substantially in the form attached hereto as *Exhibit 3*, which may be modified, subject to the Parties’ approval, to meet the requirements of the Settlement Administrator.

11. **“Claim Form Deadline”** means the deadline by which a Claim Form must be postmarked or submitted electronically to the Settlement Website, in order for a Settlement Class Member to be entitled to any of the Cash Payments. The Claims Deadline shall be 60 days after the Notice Deadline.

12. **“Claim Process”** means the process by which Claimants may submit Claim Forms

online at the Settlement Website or by mail to the Settlement Administrator and the Settlement Administrator reviews the Claims to determine which are Valid Claims.

13. **“Class Counsel”** means: Jeff Ostrow of Kopelowitz Ostrow P.A., Leanna A. Loginov of Shamis & Gentile, P.A., Marc H. Edelson of Edelson Lechtzin LLP, and Raina Borrelli of Strauss Borrelli PLLC.

14. **“Class List”** means the list of Settlement Class Members provided to the Settlement Administrator by the Defendant for the purpose of effectuating Notice. Defendant shall prepare and provide the Class List to the Settlement Administrator using information in Defendant’s records. To the extent maintained by and available to the Defendant, the Class List shall include the Settlement Class Members’ full names, current addresses, and last known telephone numbers. Defendant shall provide the Class List to the Settlement Administrator within 10 days after the Court’s entry of the Preliminary Approval Order.

15. **“Class Representatives”** means Diane Minicucci, Ellenn Lavoie, Adam Bagni, and Frank Ciaravolo.

16. **“Complaint”** means the Class Action Complaint filed by Plaintiffs in this Action on August 8, 2025.

17. **“Court”** means the Rockingham County Superior Court for the State of New Hampshire, and the Judge(s) assigned to the Action.

18. **“Data Incident”** means the cybersecurity incident involving NRHN resulting in the potential or actual unauthorized access to or acquisition of Plaintiffs’ and the Settlement Class’s Private Information, which NRHN discovered on or about May 22, 2024, and which is the subject of the Action and the federal actions.

19. **“Defendant”** means Northeast Rehabilitation Hospital Network or NRHN, the

defendant in the Action.

20. **“Defendant’s Counsel”** means Edward Finn, Claudia D. McCarron, Meghan J. Wood of Mullen Coughlin LLC, and Gary M. Burt of Primmer Piper Eggleston & Cramer PC.

21. **“Effective Date”** means one day after date when this Agreement becomes Final, as defined herein.

22. **“Final”** means each and every of the following conditions have occurred: (1) this Settlement Agreement has been fully executed by all Parties and their counsel; (2) Order(s) have been entered by the Court certifying the Settlement Class, granting preliminary approval of this Settlement Agreement, and approving the Notice Program and Claim Form, as provided herein; (3) the Court-approved Notice has been sent and the Settlement Website has been fully created and maintained as ordered by the Court; (4) the Court has entered a Final Approval Order finally approving this Settlement Agreement, as provided herein; and (5) either (i) no appeal has been taken from the judgment as of the date on which all times to appeal or seek permission to appeal themselves have expired, or (ii) if an appeal or other review proceeding of the judgment has been commenced, it has been finally concluded and no longer is subject to further review by any court, whether by appeal, petitions or rehearing or re-argument, petitions for rehearing *en banc*, petitions for writ of certiorari, or otherwise, and such appeal or other review has finally been resolved in a manner that affirms the Final Approval Order in all material respects. Notwithstanding the above, any order modifying or reversing any Service Awards or award of attorneys’ fees or costs shall not affect whether a judgment in this matter is Final or any other aspect of the judgment.

23. **“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.

24. “**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.

25. “**Final Approval Order**” means the final order the Court enters granting Final Approval of the Settlement. The proposed Final Approval Order shall be in a form agreed upon by the Parties and shall be substantially in the form attached as an exhibit to the Motion for Final Approval. Final Approval Order also includes the orders, which may be entered separately, determining the amount of attorneys’ fees and costs awarded to Class Counsel and Service Awards to the Class Representatives.

26. “**Frequently Asked Questions**” or “**FAQs**” are questions and answers to those questions that are frequently posed by Settlement Class Members about class action settlements and specifically about this Settlement.

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

28. “**Motion for Final Approval**” means the motion that Plaintiffs and Class Counsel shall file with the Court seeking Final Approval of the Settlement, including Class Counsel’s Application for Attorneys’ Fees, Costs, and Service Awards.

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

30. “**Notice**” means the Postcard Notice, and Long Form Notice that Plaintiffs will ask the Court to approve in connection with the Motion for Preliminary Approval.

31. **“Notice Deadline”** means the date by which the Settlement Administrator must first mail notice to the Settlement Class to the pursuant to the Notice Program, which shall be 30 days after the Court has entered the Preliminary Approval Order.

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

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

34. **“Objection Deadline”** means the date by which a written objection to this Settlement Agreement or a request for exclusion submitted by a person within the Settlement Class must be postmarked and/or filed with the Court and sent to the Settlement Administrator, which shall be designated as 60 days after the Notice Deadline, or such other date as ordered by the Court.

35. **“Opt-Out Deadline”** means the last day on which a Settlement Class Member may file a request to be excluded from the Settlement Class, which will be 60 days after the Notice Deadline, or such other date as ordered by the Court.

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

37. **“Plaintiffs”** means Diane Minicucci, Ellen Lavoie, Adam Bagni, and Frank Ciaravolo.

38. **“Postcard Notice”** means the postcard notice of the Settlement, substantially in the form attached hereto as ***Exhibit 1***, that the Settlement Administrator may disseminate to Settlement Class Members by mail.

39. **“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.

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

41. **“Private Information”** means names, medical histories and treatment information, patient account numbers, physician information, prescription information, medical billing/claims information, other health insurance information, Social Security numbers, credit card information, financial account information, among other sensitive data. This list is not meant to be exclusive. The term “Private Information” is not intended here, nor should it be viewed as, referring to this term or similar term in any statute or source of law beyond this Agreement.

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

43. **“Released Claims”** means any and all past, present, and future claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, penalties, remedies, matters, and issues of any kind or nature, whether known or unknown, contingent or absolute, existing or potential, suspected or unsuspected, disclosed or undisclosed, matured or unmatured, liquidated or unliquidated, legal, statutory, or equitable, in the Action or Related Actions, or in any court, tribunal, or proceeding by or on behalf of the Plaintiffs or any members of the Settlement Class, arising out of, or relating to the Data Incident, and which have been asserted or could have been asserted based on the facts alleged in this Action or the Related Actions against any of the Released Parties (defined below) whether based on federal, state, local, statutory, common law, or any other law, rule or regulation, including the law of any jurisdiction outside the United States, against any or all of the Released Parties, which the Plaintiffs or any member of the Settlement Class ever had, now has, or hereinafter may have, prior to entry of the

final order and judgment in this Action or the Related Actions. Released Claims include all Unknown Claims, as defined below. Released Claims shall not include the right of Plaintiffs, Settlement Class Members, or any Released Person to enforce the terms of the Settlement Agreement and claims not arising from the facts alleged in the Action or Related Actions.

44. **“Released Parties”** means Defendant and each entity which is controlled by, controlling or under common control with Defendant and all of their present or past direct or indirect heirs, executors, estates, affiliates, divisions, predecessors, successors, assigns, parents, or subsidiaries (“**Released Entities**”), and the owners, associates, employers, employees, agents, consultants, contractors, independent contractors, vendors, insurers, reinsurers, directors, managers, managing directors, officers, partners, principals, members, attorneys, accountants, administrators, bankruptcy trustee(s), financial and other advisors, investment bankers, underwriters, shareholders, lenders, auditors, investment advisors, sellers, distributors, legal representatives, successors in interest, assigns and persons, firms, trustees, trusts, corporations, officers, directors, and general or limited partners of the Released Entities.

45. **“Releasing Parties”** shall refer, jointly and severally, and individually and collectively, to Plaintiffs and Settlement Class Members and their respective past, present, and future heirs, devisees, beneficiaries, conservators, executors, estates, administrators, assigns, trustees, receivers, agents, attorneys, accountants, financial and other advisors, and any other representatives of any of these persons and entities.

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

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

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

49. **“Settlement Class”** means all individuals residing in the United States whose Private Information was or may have been compromised, impacted, or affected in connection with the Data Incident discovered by NRHN in May 2024. Excluded from the Settlement Class are: (1) the judges presiding over this Action, and members of their direct families; (2) the Defendant, its subsidiaries, parent companies, successors, predecessors, and any entity in which Defendant or its parents have a controlling interest, and any of their current or former officers and directors; and (3) Settlement Class Members who submit a valid Request for Exclusion prior to the Opt-Out Deadline. For purposes of settling this Action, the Parties conditionally stipulate and agree that the Settlement Class is comprised of approximately 148,515 individuals.

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

51. **“Settlement Class Member Benefits”** means the Cash Payment and Business Practice Commitments that Settlement Class Members may elect in the Settlement.

52. **“Settlement Website”** means the website the Settlement Administrator will establish as a means for the Settlement Class Members to submit Claim Forms and obtain notice and information about the Settlement, including hyperlinked access to this Agreement, the Preliminary Approval Order, Long Form Notice, Claim Form, Motion for Final Approval, Application for Attorneys’ Fees, Costs, and Service Awards, and Final Approval Order, as well as

other documents as the Parties agree to post or the Court orders posted. The Settlement Website shall remain online and operable for 90 days after Final Approval.

53. **“Unknown Claims”** means any of the Released Claims that Plaintiffs, any member of the Settlement Class, or any Releasing Party does not know or suspect to exist in their favor at the time of the release of the Released Entities that, if known by them, might have affected his or her agreement to release the Released Parties or the Released Claims or might affect his or her decision to agree, object to, and/or participate in the Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, the Releasing Parties intend to and expressly shall have waived the provisions, rights, and benefits and also any and all provisions, rights, and benefits conferred by any law of any state, province, or territory of the United States, the District of Columbia, or principle of common law or otherwise, which includes or is similar, comparable 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.

Upon the Effective Date, each of the Releasing Parties may hereafter discover facts in addition to, or different from, those that he or she, and any of them, now know or believe to be true with respect to the subject matter of the Released Claims, but Plaintiffs expressly shall have, upon the Effective Date, fully, finally and forever settled and released any and all Released Claims, including but not limited to any Unknown Claims they may have, as that term is defined in this Paragraph. The Parties acknowledge that the foregoing waiver is a material element of the Settlement Agreement of which this release is a part.

54. **“United States”** as used in this Settlement Agreement includes the District of

Columbia and all U.S. territories.

55. **“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 is 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.

II. CERTIFICATION OF THE SETTLEMENT CLASS

56. In the Motion for Preliminary Approval, Plaintiffs shall propose and request to the Court that Settlement Class be certified for Settlement purposes.

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

III. SETTLEMENT CONSIDERATION

58. The Defendant has agreed to pay a maximum amount of \$1,500,000.00 for the

following: Settlement Administration Costs, Cash Payments to Settlement Class Members, Business Practice Commitments, Attorneys' Fees, Costs, and Service Awards.

59. Settlement Class Members must submit a Valid Claim to the Settlement Administrator to receive a Cash Payment payable from the Defendant. When submitting a Valid Claim, Settlement Class Members must choose either Cash Payment A – Documented Extraordinary Losses or Cash Payment B – Alternate Cash. If a Settlement Class Member does not submit a Valid Claim, the Settlement Class Member will release his or her claims without receiving a Settlement Class Member Benefit.

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

Settlement Class Members may submit a claim for a Cash Payment under this section for up to \$5,000.00 per Settlement Class Member upon presentation of extraordinary documented Extraordinary losses for fraud and identity theft related to the Data Incident. To receive a documented extraordinary loss payment, a Settlement Class Member must elect Claim A 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 unreimbursed extraordinary losses, which means documentation contemporaneously generated or prepared by a third party supporting a claim for expenses paid. Non-exhaustive examples of reasonable documentation include telephone records, correspondence including emails, or receipts. Except as expressly provided herein, personal certifications, declarations, or affidavits from the Settlement Class Member do not constitute reasonable documentation but may be included to provide clarification, context, or support for other submitted reasonable documentation. Settlement Class Members shall not be reimbursed for expenses if they have been reimbursed for the same expenses by another source, including compensation provided in connection with the credit monitoring and

identity theft protection product offered as part of the notification letter provided by Defendant or otherwise. No payment shall be made for emotional distress, personal/bodily injury, or punitive damages, as all such amounts are not recoverable pursuant to the terms of the Settlement Agreement. The loss must have been more likely than not caused by the Data Incident, and must have occurred between May 22, 2024, and the Claim Form Deadline. The Settlement Class Member must also have also made reasonable efforts to avoid, or seek reimbursement for, the loss, including but not limited to exhaustion of all available credit monitoring insurance and identity theft insurance. If a Settlement Class Member does not submit reasonable documentation supporting an extraordinary loss, or if their Claim is rejected by the Settlement Administrator for any reason, and the Settlement Class Member fails to cure his or her Claim, the Claim will be rejected and the Settlement Class Member's Claim will be as if he or she only elected Cash Payment B.

b. Cash Payment B – Alternate Cash

As an alternative to Cash Payment A above, a Settlement Class Member may elect to receive Cash Payment B, which is an alternative cash payment in the estimated amount of \$75.00 per Settlement Class Member upon election of same consistent with the terms of this Agreement.

60. The maximum amount payable to settlement class members for Cash Payment A – Documented Extraordinary Losses and Cash Payment B – Alternate Cash shall be \$500,000.00. In the event that the aggregate claimed amount of payments for documented extraordinary losses and alternative cash payment exceeds \$500,000.00, then the value of such payments shall be reduced on a *pro rata* basis, such that the aggregate value of all payments does not exceed \$500,000.00.

c. Business Practice Commitments

As a result of the Data Incident and this Action, Defendant has made and will continue to

make significant enhancements to its computer systems and internal security protocols to ensure the safeguarding of the Private Information belonging to the Settlement Class and Defendant's future patients and employees. The total cost of these modifications is or exceeds \$500,000.00. Consequently, the Parties have agreed that Defendant shall receive a credit for \$500,000.00 toward the \$1,500,000.00 maximum it may have to pay in this Settlement; as a result, the total amount to be paid by Defendant for Settlement Administration Costs, Cash Payments to Settlement Class Members, Attorneys' Fees, Costs, and Service Awards, will not exceed \$1,000,000.

IV. SETTLEMENT APPROVAL

61. Within 10 days of signing this Agreement, Class Counsel shall file a Motion for Preliminary Approval, which shall, among other things, request the Court: (1) preliminarily approve the terms of the Settlement as being within the range of fair, adequate, and reasonable; (2) provisionally certify the Settlement Class for settlement purposes only; (3) approve the Notice Program set forth herein and approve the form and content of the Notices of the Settlement; (4) approve the Claim Form and Claim Process; (5) approve the procedures for Settlement Class Members to opt-out of the Settlement or for Settlement Class Members to object to the Settlement; (6) appoint Jeff Ostrow, Leanna A. Loginov, Marc Edelson, and Raina Borrelli as Class Counsel; (7) appoint the Plaintiffs as the Class Representatives; (8) appoint Simpluris as the Settlement Administrator; (9) stay the Action pending Final Approval of the Settlement; and (10) schedule a Final Approval Hearing for a time and date mutually convenient for the Court, the Parties, Class Counsel, and Defendant's Counsel.

V. SETTLEMENT ADMINISTRATOR

62. The Parties agree that, subject to Court approval, Simpluris shall be the Settlement Administrator. The Parties shall jointly oversee the Settlement Administrator. The Settlement

Administrator shall fulfill the requirements set forth in the Preliminary Approval Order and the Agreement and comply with all applicable laws, including, but not limited to, the Due Process Clause of the United States Constitution and the state of New Hampshire.

63. The Settlement Administrator shall administer various aspects of the Settlement as described in the next paragraph and perform such other functions as are specified for the Settlement Administrator elsewhere in this Agreement, including, but not limited to, effectuating the Notice Program, handling the Claims Process, assessing Claim Forms and determining whether they are supported by reasonable documentation, and distributing the Cash Payments to Settlement Class Members who submit Valid Claims.

64. The Settlement Administrator's duties include:

a. Completing the Court-approved Notice Program by noticing the Settlement Class by Postcard Notice and sending out Long Form Notices and Claim Forms on request from Settlement Class Members, reviewing Claim Forms and supporting documentation, notifying Claimants of deficient Claim Forms using the Notice of Deficiency, and sending Settlement Class Cash Payment who submit Valid Claims;

b. Establishing and maintaining a post office box to receive opt-out requests from the Settlement Class, objections from Settlement Class Members, and Claim Forms;

c. Establishing and maintaining the Settlement Website to provide important information and to receive electronic Claim Forms;

d. Establishing and maintaining an automated toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries, and answer the Frequently Asked Questions of Settlement Class Members who call with or otherwise communicate such inquiries;

- e. Responding to any mailed Settlement Class Member inquiries;
- f. Processing all opt-out requests from the Settlement Class;
- g. Providing weekly reports to Class Counsel and Defendant's Counsel that summarize the number of Claims submitted, Claims approved and rejected, Notice of Deficiency sent, opt-out requests and objections received that week, the total number of opt-out requests and objections received to date, and other pertinent information;
- h. In advance of the Final Approval Hearing, preparing a declaration confirming the Notice Program was completed in accordance with the terms of this Agreement and the Preliminary Approval Order, describing how the Notice Program was completed, indicating the number of Claim Forms received, the value of the Valid Claims submitted to date, providing the names of each Settlement Class member who timely and properly requested to opt-out from the Settlement Class, indicating the number of objections received, and other information as may be necessary to allow the Parties to seek and obtain Final Approval;
- i. Reviewing Claim Forms submitted by Settlement Class Members to determine whether they are eligible for a Cash Payment;
- j. Collecting from Defendant and/or its insurer(s) the cash necessary to pay Valid Claims for Cash Payments;
- k. Distributing Cash Payments to Settlement Class Members who submit Valid Claims; and
- l. Any other Settlement administration function at the instruction of Class Counsel and Defendant, including, but not limited to, verifying that the Cash Payments have been properly distributed.

VI. NOTICE TO THE SETTLEMENT CLASS, OPT-OUT PROCEDURES, AND OBJECTION PROCEDURES

65. Defendant will make available to the Settlement Administrator the Class List no later than 10 days after entry of the Preliminary Approval Order. To the extent necessary, Defendant will cooperate with updating the Class List to accomplish the Notice Program and otherwise administer the Settlement.

66. Within 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.

67. Settlement Class Members shall be sent a Postcard Notice.

68. Once the Postcard Notices are sent, the Settlement Administrator shall perform reasonable address traces for Postcard Notices that are returned as undeliverable. By way of example, a reasonable tracing procedure would be to run addresses of returned postcards through the Lexis/Nexis database that can be utilized for such purpose. No later than 60 days before the original date set for the Final Approval Hearing, the Settlement Administrator shall complete the re-mailing of Postcard Notice to those Settlement Class Members whose new addresses were identified as of that time through address traces.

69. The Notice Program shall be completed no later than 60 days before the initial date set for the Final Approval Hearing.

70. The Postcard Notice shall include, among other information: a description of the material terms of the Settlement; how to submit a Claim Form; the Claim Form Deadline; the last day of the Opt-Out Period for Settlement Class Members to opt-out of the Settlement Class; the last day of the Objection Period 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 Defendant's Counsel shall insert the correct dates and deadlines in the Notice before the Notice Program commences, based upon those dates and deadlines set by the Court in the Preliminary Approval Order. If the date or time for the Final Approval Hearing changes, the Settlement Administrator shall update the Settlement Website to reflect the new date. No additional notice to the Settlement Class is required if the date or time for the Final Approval Hearing changes.

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

72. The Long Form Notice also shall include a procedure for Settlement Class Members to opt-out of the Settlement Class, and the Postcard Notice shall direct Settlement Class Members to review the Long Form Notice to obtain the opt-out instructions. A Settlement Class member may opt-out of the Settlement Class at any time during the Opt-Out Period by mailing a request to opt-out to the Settlement Administrator postmarked no later than the last day of the Opt-Out Period. The opt-out request must be personally signed by the Settlement Class member and contain the requestor's name, address, telephone number, and email address (if any), and include a statement indicating a request to be excluded from the Settlement Class. Any Settlement Class Member who does not timely and validly request to opt-out shall be bound by the terms of this Agreement even if that Settlement Class Member does not submit a Valid Claim.

73. The Long Form Notice also shall include a procedure for Settlement Class Members to object to the Settlement and/or Application for Attorneys' Fees, Costs, and Service

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

74. For an objection to be considered by the Court, the objection must also set forth:
 - a. the objector's full name, mailing address, telephone number, and email address (if any);
 - b. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector's counsel;
 - c. the number of times the objector has objected to a class action settlement within the 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 Award;

- e. the number of times in which the objector's counsel and/or counsel's law firm have objected to a class action settlement within the 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. the identity of all counsel (if any) representing the objector, and whether they will appear at the Final Approval Hearing;
- g. a list of all persons who will be called to testify at the Final Approval Hearing in support of the objection (if any);
- h. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- i. the objector's signature (an attorney's signature is not sufficient).

Class Counsel and/or Defendant's Counsel may conduct limited discovery on any objector or objector's counsel, including taking depositions and propounding document requests.

VII. CLAIM FORM PROCESS AND DISBURSEMENT OF CASH PAYMENTS

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

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

77. The Settlement Administrator shall collect, review, and address each Claim Form received to determine whether the Claim Form meets the requirements set forth in this Settlement

and is thus a Valid Claim. The Settlement Administrator shall examine the Claim Form before designating the Claim as a Valid Claim to determine that the information on the Claim Form is reasonably complete. The Settlement Administrator shall have the sole authority to determine whether a Claim by any Claimant is a Valid Claim.

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

79. The Settlement Administrator shall exercise, in its discretion, all usual and customary steps to prevent fraud and abuse and take any reasonable steps to prevent fraud and abuse in the Claim process. The Settlement Administrator may, in its discretion, deny in whole or in part any Claim Form to prevent actual or possible fraud or abuse. By agreement, the Parties can instruct the Settlement Administrator to take whatever steps it deems appropriate if the Settlement Administrator identifies actual or possible fraud or abuse relating to the submission of claims, including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse. If any fraud is detected or reasonably suspected, the Settlement Administrator and Parties may require information from Claimants or deny Claims, subject to the supervision of the Parties and ultimate oversight by the Court.

80. Claim Forms that do not meet the terms and conditions of this Settlement shall be promptly rejected by the Settlement Administrator and the Settlement Administrator shall advise the Claimant or Settlement Class member of the reason(s) why the Claim Form was rejected.

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

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

- a. Failure to fully complete and/or sign the Claim Form;
- b. Illegible Claim Form;
- c. The Claim Form is fraudulent;
- d. The Claim Form is duplicative of another Claim Form;
- e. The Claimant is not a Settlement Class member;
- f. The Claimant submitted a timely and valid request to opt out of the Settlement Class.
- g. The person submitting the Claim Form requests that payment be made to a

person or entity other than the Claimant for whom the Claim Form is submitted;

- h. The Claimant submits inadequate documentation for claimed losses;
- i. Failure to submit a Claim Form by the Claim Form Deadline; and/or
- j. The Claim Form otherwise does not comply with the requirements of this Settlement.

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

- a. The Settlement Administrator shall have 30 days from the Claim Form Deadline to approve or reject Claims.
- b. A request for additional information by sending a Notice of Deficiency shall not be considered a denial for purposes of this paragraph.
- c. If a Claim is rejected, the Settlement Administrator shall notify the Claimant using the contact information provided in the Claim Form. Class Counsel and Defendant's Counsel shall be provided with copies of all such notifications to Claimants.
- d. The Settlement Administrator's determination as to whether to approve, deny, or reduce a Claim shall be final and binding.

83. The Settlement Administrator shall provide all information gathered in investigating Claims, including, but not limited to, copies of all correspondence and email and all notes of the Settlement Administrator, the decision reached, and all reasons supporting the decision, if requested by Class Counsel or Defendant's Counsel. Additionally, Class Counsel and Defendant's Counsel shall have the right to inspect the Claim Forms and supporting documentation received by the Settlement Administrator at any time upon reasonable notice.

84. No person or entity shall have any claim against Defendant, Defendant's Counsel,

Plaintiffs, the Settlement Class, Class Counsel, and/or the Settlement Administrator based on any eligibility determinations, distributions, or awards made in accordance with this Settlement.

85. The Settlement Administrator must submit an invoice to Defendant for payment of all Valid Claims within 5 days of the Effective Date or as soon as all Claim deficiencies are resolved via the process set forth herein. Defendant shall pay or cause to be paid to the Settlement Administrator the invoiced amount of all Valid Claims within 20 days of the invoice.

86. No later than 30 days after the Effective Date, the Settlement Administrator shall distribute the Cash Payments.

87. Cash Payments to Settlement Class Members will be made by electronic payment or by paper check, by sending Settlement Class Members with Valid Claims an email to select from alternative forms of electronic payment or by paper check. Settlement Class Members will have a period of 90 days to select their form of payment following such email from the Settlement Administrator. Paper checks must be negotiated within 90 days of issuance. In the event of any complications arising in connection with the issuance of an electronic payment, the Settlement Administrator shall provide written notice to Class Counsel and Defendant's Counsel. Absent specific instructions from Class Counsel and Defendant's Counsel, the Settlement Administrator shall proceed to resolve the dispute using its best practices and procedures to ensure that the funds are fairly and properly distributed to the person or persons who are entitled to receive them. In the event the Settlement Administrator is unable to distribute funds to the person or persons entitled to receive them due to incorrect or incomplete information provided to the Settlement Administrator, the funds shall revert to Defendant, and the Settlement Class Member shall forfeit their right to the funds.

VIII. FINAL APPROVAL ORDER AND FINAL JUDGMENT

88. Plaintiffs shall file their Motion for Final Approval of the Settlement, inclusive of the Application for Attorneys' Fees, Costs, and Service Awards, no later than 45 days after the Notice Date. At the Final Approval Hearing, the Court will hear argument on Plaintiffs' Motion for Final Approval of the Settlement and Application for Attorneys' Fees, Costs and Service Awards. In the Court's discretion, the Court will also hear argument at the Final Approval Hearing from any Settlement Class Members (or their counsel) who object to the Settlement and/or to the Application for Attorneys' Fees, Costs, and Service Awards, provided the objectors submitted timely objections that meet all of the requirements listed in this Agreement.

89. At or following the Final Approval Hearing, the Court will determine whether to enter the Final Approval Order and final judgment thereon, and whether to grant the Application for Attorneys' Fees, Costs, and Service Awards. Such proposed Final Approval Order shall, among other things:

- a. Determine that the Settlement is fair, adequate and reasonable;
- b. Finally certify the Settlement Class for settlement purposes only;
- c. Determine that the Notice Program satisfies Due Process requirements;
- d. Bar and enjoin all Releasing Parties from asserting or otherwise pursuing any of the Released Claims at any time and in any jurisdiction, including during any appeal from the Final Approval Order; and retain jurisdiction over the enforcement of the Court's injunctions;
- e. Release Defendant and the other Released Parties from the Released Claims; and
- f. Reserve the Court's continuing and exclusive jurisdiction over the Parties to this Agreement, including Defendant, Plaintiffs, all Settlement Class Members, and all objectors, to administer, supervise, construe, and enforce this Agreement in accordance with its

terms.

IX. SERVICE AWARDS, ATTORNEYS' FEES, AND COSTS

90. The Parties did not discuss the payment of attorneys' fees, costs, expenses and/or service award to Plaintiffs until after the substantive terms of the settlement had been agreed upon, other than that Defendant would not object to a request for reasonable attorneys' fees, costs, expenses, and a service award to Plaintiffs as may be ordered by the Court.

91. ***Service Awards.*** Class Counsel, on behalf of the Class Representatives, may seek Service Awards of up to \$2,500.00 each, subject to Court approval. The Service Awards are to be paid inclusive of any other sums agreed to under this Settlement Agreement and which are included in the maximum claims cap. If awarded by the Court, Defendant shall pay or cause to be paid the Court-approved Service Awards by wire transfer to an account designated by Class Counsel within 30 days of the Effective Date. Class Counsel shall thereafter distribute the award of the Service Awards to Plaintiffs. NRHN and the Claims Administrator shall have no responsibility, liability, or other obligation concerning the distribution of Service Awards to Plaintiffs.

92. ***Attorneys' Fees and Costs.*** Class Counsel shall apply to the Court for an award of attorneys' fees and costs of up to \$500,000.00, which are to be paid inclusive of any other sums agreed to under this Settlement Agreement and which are included in the maximum claims cap. If awarded by the Court, Defendant shall pay or cause to be paid the Court-approved attorneys' fees and cost award by wire transfer to an account designated by Class Counsel within 30 days of the Effective Date. Class Counsel shall thereafter distribute the award of attorneys' fees, costs, and expenses among Class Counsel. NRHN and the Claims Administrator shall have no responsibility, liability, or other obligation concerning the distribution of attorneys' fees, costs and expenses among Class Counsel.

93. The amount(s) of any award of attorneys' fees, costs, and expenses, and the Service Awards to Plaintiffs, are intended to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the settlement. This Settlement is not contingent on approval of the request for attorneys' fees and costs or Service Awards, and if the Court denies the request or grants amounts less than what was requested, the remaining provisions of the Agreement shall remain in force. These payments will not in any way reduce the consideration being made available to the Settlement Class as described herein. No order of the Court, or modification or reversal or appeal of any order of the Court, concerning the amount(s) of any attorneys' fees, costs, expenses, and/or service awards ordered by the Court to Class Counsel or Plaintiffs shall affect whether the Judgment is Final or constitute grounds for cancellation or termination of this Settlement Agreement. The provisions for attorneys' fees and costs and the Service Awards were not negotiated until after all material terms of the Settlement.

X. RELEASES

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

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Releasing Parties also waive the provisions and rights of any law(s) that are comparable in effect to California Civil Code section 1542 (including, without limitation, California Civil Code § 1798.80, et seq., Montana Code Ann. § 28- 1-1602; North Dakota Cent. Code § 9-13-02; and South Dakota Codified Laws § 20-7-11). The Releasing Parties agree that, once this Agreement is executed, they will not, directly or indirectly, individually or in concert with another, maintain, cause to be maintained, or voluntarily assist in maintaining any further demand, action, claim, lawsuit, arbitration, or similar proceeding, in any capacity whatsoever, against any of the Released Parties based on any of the Released Claims, which includes Unknown Claims.

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

96. Each Releasing Party waives any and all defenses, rights, and benefits that may be derived from the provisions of applicable law in any jurisdiction that, absent such waiver, may limit the extent or effect of the release contained in this Settlement Agreement.

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

98. The Plaintiffs shall dismiss the Federal Actions.

XI. TERMINATION OF SETTLEMENT

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

- a. Court approval of the Settlement consideration set forth in Section III and releases set forth in Section X;
- 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.

100. If any of the conditions specified in the preceding paragraph are not met, or if the Court otherwise imposes any modification to or condition to approval of the Settlement to which the Parties do not consent, then this Agreement shall be cancelled and terminated.

101. If: (a) the Court declines to issue the Preliminary Approval Order or Final Approval Order; (b) the Effective Date does not occur due to Court action; or (c) the Final Approval Order is modified or reversed in any material respect by any appellate or other court, the Parties shall have 60 days from the date of such non-occurrence during which the Parties shall work together in good faith in considering, drafting, and submitting reasonable modifications to this Agreement to address any issues identified by the Court or that otherwise caused the Preliminary Approval Order or Final Approval Order not to issue or the Effective Date not to occur. If such efforts are unsuccessful, either Party may at their sole discretion terminate this Agreement on 7 days written notice to the other Party. For avoidance of any doubt, neither Party may terminate the Agreement

while an appeal from an order granting approval of the Settlement is pending.

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

XII. EFFECT OF TERMINATION

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

104. Any orders preliminarily or finally approving the certification of any class contemplated by the Settlement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity in support of claims or defenses or in support or in opposition to a class certification motion. In addition: (a) the fact that Defendant did not oppose certification of a class under the Settlement shall not be used or cited thereafter by any person or entity, including in a contested proceeding relating to class certification and (b) in the event of such a termination, all the Parties' respective pre-Settlement claims and defenses will be preserved.

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

XIII. NO ADMISSION OF LIABILITY

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

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

108. 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.

109. Neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement (a) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by Plaintiffs or Settlement Class Members, or of any wrongdoing or liability of the Released Parties; or (b) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of any of the Released Parties, in the Action or in any proceeding in any court, administrative agency, or other tribunal.

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

XIV. MISCELLANEOUS PROVISIONS

111. ***Confidentiality.*** To the extent permitted by ethics rules, the Parties and their counsel shall keep confidential all settlement communications, including communications regarding the negotiation and drafting of this Agreement. The Parties will not make any public statement about the Settlement that has not been approved by all Parties, except as required by law. If a public statement is required by law, the Party required to make the statement shall seek approval of the statement from the other Party, and in such case, approval of any required proposed public

statement of the other Party will not be unreasonably withheld. The Parties will cooperate with each other regarding public statements about the Settlement and may issue a joint statement/press release if they mutually agree to do so. This paragraph shall not be construed to limit or impede the Notice requirements contained in this Settlement Agreement, nor shall this paragraph be construed to prevent Class Counsel or Defendant's Counsel from notifying or explaining that the Action has settled or limit the representations that the Parties or their counsel may make to the Court to assist in the Court's evaluation of the Settlement, Preliminary Approval, Final Approval, and any objection to the Settlement's terms. Defendant may also provide information about the Settlement Agreement to its attorneys, members, partners, insurers, reinsurers, brokers, agents, regulators, and other persons or entities as required by securities laws or other applicable laws and regulations.

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

113. ***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.

114. ***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.

115. ***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.

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

117. ***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.

118. ***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 New Hampshire, without regard to the principles thereof regarding choice of law.

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

120. ***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.

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

If to Plaintiffs or Class Counsel:

Jeff Ostrow
Kopelowitz Ostrow P.A.
1 West Las Olas Blvd., Ste. 500
Fort Lauderdale, FL 33301
ostrow@kolawyers.com

Leanna A. Loginov
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980 N. Michigan Avenue, Suite 1610
Chicago, IL 60611
raina@straussborrelli.com

If to Defendant or Defendant's Counsel:

Edward Finn
Meghan J. Wood
Claudia McCarron
Mullen Coughlin LLC
426 W. Lancaster Avenue, Suite 200
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Gary M. Burt #5510
Primmer Piper Eggleston & Cramer PC
900 Elm Street, 19th Floor
P.O. Box 3600
Manchester, NH 03105
(603) 626-3300
gburt@primmer.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.

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

123. ***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.

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

125. ***Agreement Mutually Prepared.*** Neither Plaintiffs nor Defendant shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute,

case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

126. ***Independent Investigation and Decision to Settle.*** The Parties understand and acknowledge they: (a) have performed an independent investigation of the allegations of fact and law made in connection with this Action; and (b) that even if they may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with respect to the subject matter of the Action as reflected in this Agreement, that will not affect or in any respect limit the binding nature of this Agreement. All Parties recognize and acknowledge they reviewed and analyzed data that they and their experts used to make certain determinations, arguments, and settlement positions. The Parties agree this Settlement is fair, reasonable, and adequate, and will not attempt to renegotiate or otherwise void or invalidate or terminate the Settlement irrespective of what any unexamined data later shows. It is the Parties' intention to resolve their disputes in connection with this Action pursuant to the terms of this Agreement now and thus, in furtherance of their intentions, the Agreement shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and this Agreement shall not be subject to rescission or modification by reason of any changes or differences in facts or law, subsequently occurring or otherwise.

127. ***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.

CLASS COUNSEL (on behalf of Plaintiffs and the Settlement Class)

Jeff Ostrow

JEFF OSTROW
KOPELOWITZ OSTROW P.A.

Leanna Loginov

LEANNA A. LOGINOV
SHAMIS & GENTILE, P.A.

Marc H. Edelson

MARC H. EDELSON
EDELSON LECHTZIN LLP

Raina Borrelli

RAINAH BORRELLI
STRAUSS BORRELLI PLLC

DEFENDANT

Charles Chapman

By: CHARLES CHAPMAN
Its CEO - Northeast Rehabilitation Hospital Network

COUNSEL FOR DEFENDANT

Edward Finn

EDWARD FINN
MULLEN COUGHLIN LLC