IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF ORANGE

Christopher Winer, individually and on behalf of all others similarly situated; *Plaintiff*, v. Phase II Systems, d/b/a Public Agency Retirement Services, *Defendant*.	Case No.: 30-2024-01428283-CU-NP-CXC Honorable David Hoffer

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement") is entered into by and between (i) Christopher Winer ("Plaintiff" or "Settlement Class Representative"), individually and on behalf of the Settlement Class (defined below), and (ii) Phase II Systems, d/b/a Public Agency Retirement Services ("PARS" or "Defendant") in the case titled *Christopher Winer et al. v. Phase II Systems, d/b/a Public Agency Retirement Services*., Case No. 30-2024-01428283-CU-NP-CXC, in the Superior Court of the State of California for the County of Orange (the "Litigation"). Defendant and Plaintiff are collectively referred to herein as the "Parties."

I. RECITALS

WHEREAS, on September 25, 2024, Plaintiff filed a Class Action Complaint against Defendant in the Superior Court of the State of California for the County of Orange related to a cybersecurity incident that occurred in or around March 2024 (the "Security Incident") affecting Defendant;

WHEREAS, Defendant denies the allegations and causes of action pled in the Litigation, denies that this case is suitable for class treatment absent a settlement, and otherwise denies any liability to Plaintiff in any way;

WHEREAS, following prolonged and extensive arm's length negotiations, the Parties reached an agreement of the essential terms of a settlement;

WHEREAS, this Agreement is for settlement purposes only, and nothing in this Agreement shall constitute, be construed as, or be admissible in evidence as any admission of the validity of any claim or fact alleged by Plaintiff in this Action or in any other pending or subsequently filed action, of the propriety of class certification in this or any other action except for the purpose of

pursuing the settlement reflected in this Agreement, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Released Parties or admission of the validity or lack thereof of any claim, allegation, or defense asserted in this Action or any other action.

NOW, THEREFORE, in exchange for the mutual promises and valuable consideration provided for in this Agreement, the Parties agree to a full, complete, and final settlement and resolution of the Litigation and any and all Released Claims (including Unknown Claims), subject to Court approval, on the following terms and conditions:

II. DEFINITIONS

As used in this Settlement Agreement, the following terms have the meanings specified below:

1. "**Cash Fund Payment**" means the *pro rata* monetary payment to be made to Settlement Class Members from the Net Settlement Fund, as described in Paragraphs 49 and 50.

2. "**Cash Fund Payment Deadline**" means the date by which the Settlement Administrator shall issue the Cash Fund Payments to all Settlement Class Members who do not submit a timely and valid Request for Exclusion. The deadline shall be thirty (30) days after the Effective Date, or such other date as may be ordered by the Court in the Final Approval Order, and shall be clearly stated in the Final Approval Order, Notice, and on the Settlement Website.

3. "**Class Counsel**" shall mean Leigh S. Montgomery of EKSM, LLP.

4. "**Court**" shall mean the Honorable David Hoffer or any other District Court or Magistrate Judge of the Superior Court of the State of California for the County of Orange over this Litigation.

5. "**Defendant**" shall mean Phase II Systems, d/b/a Public Agency Retirement Services.

6. "**Defendant's Counsel**" shall mean Baker & Hostetler LLP.

7. "**Effective Date**" shall mean one business day after the Final Approval Order becomes Final.

8. "**Electronic Payment Election Deadline**" shall mean the last day by which a Settlement Class Member may elect to receive their Cash Fund Payment electronically by submitting a request through the Settlement Website. This deadline shall be fourteen (14) days before the Cash Fund Payment Deadline, or such other date as ordered by the Court in the Final Approval Order. The Electronic Payment Election Deadline shall be clearly stated in the Final Approval Order and on the Settlement Website.

9. "**Fee Application**" shall mean the motion to be filed by Class Counsel, in which they seek approval of an award of attorneys' fees, as well as a Service Award for the Class Representative.

10. "**Fees and Expenses Award**" shall mean the amount of attorneys' fees and reimbursement of litigation expenses awarded by the Court to Class Counsel, to be paid from the Settlement Fund.

11. "**Final**" means the point at which the Court's Final Approval Order becomes final and non-appealable. This occurs when: (1) the Final Approval Order has been entered on the docket and the time to appeal from such order has expired and no appeal has been timely filed; or (2) any appeal has been fully and finally resolved and has resulted in a final judgment affirming the Final Approval Order which is not subject to any further appeals; or (3) the Court enters a further order (or orders) approving settlement on materially the same terms set forth herein after resolution of any appeal, and that further order is no longer subject to appeal. Notwithstanding the above, any ruling or order that modifies or reverses only the attorney Fees and Expenses Award or Service Award shall not affect whether the Final Approval Order is "Final" under this definition.

12. "**Final Approval Hearing**" shall mean the hearing before the Court where the Plaintiff will request a judgment to be entered by the Court approving the Settlement Agreement, approving the Fees and Expenses Award, and approving a Service Award to the Class Representative.

13. "**Final Approval Order**" shall mean an order entered by the Court, in substantially the same form as the one attached hereto as **Exhibit E**, that:

i. Certifies the Settlement Class pursuant to California Rules of the Court Rule 3.769;

ii. Finds that the Settlement Agreement is fair, reasonable, and adequate, was entered into in good faith and without collusion, and approves and directs consummation of this Settlement Agreement;

iii. Finds that the notice program met the requirements of due process;

iv. Dismisses Plaintiff's and Participating Settlement Class Members' claims pending before it with prejudice and without costs, except as explicitly provided for in this Settlement Agreement;

v. Approves the Release provided in Section IX and orders that, as of the Effective Date, the Released Claims will be released as to Released Parties;

vi. Includes as an exhibit a list of individuals who timely and validly opted out of the Settlement;

and

vii. Finds that there is no just reason for delay of entry of Final Approval Order with respect to the foregoing.

14. "**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 that will be posted on the Settlement Website.

15. "**Litigation**" shall mean the action captioned *Christopher Winer v. Phase II Systems, d/b/a Public Agency Retirement Services.,* Case No. 30-2024-01428283-CU-NP-CXC*,* in the Superior Court of the State of California for the County of Orange, filed on September 25, 2024.

16. "**Long Form Notice**" is the content of the notice substantially in the form attached as **Exhibit B**, which will be posted on the Settlement Website and will include robust details about the Settlement.

17. **"Net Settlement Fund"** means the amount of funds that remain in the Settlement Fund after funds are paid from or allocated for payment from the Settlement Fund for the following: (1) Settlement Notice and Administrative Expenses; (2) Fees and Expenses Award; and (3) Service Awards.

18. "**Notice**" means the direct notice of this proposed Settlement, which is to be provided substantially in the manner set forth in this Settlement Agreement and **Exhibits A and B**.

19. "**Notice Deadline**" means the last day by which Notice must be issued to the Settlement Class Members and will occur thirty (30) days after the Preliminary Approval Order is entered.

20. "**Notice and Administrative Expenses**" means all of the expenses incurred in the administration of this Settlement, including, without limitation, all expenses or costs associated with preparing and sending the required notices to appropriate state and federal officials under the Class Action Fairness Act of 2005, providing Notice to the Settlement Class, locating Settlement Class Members, determining the eligibility of any person to be a Settlement Class Member, administering, calculating and distributing the Settlement Fund to Participating Settlement Class Members. Administrative Expenses also includes all reasonable third-party fees and expenses incurred by the Settlement Administrator in administering the terms of this Agreement.

21. "**Objection Deadline**" means the date by which a written objection to this Settlement Agreement submitted by a person within the Settlement Class must be filed with the Court and sent to the Settlement Administrator, which shall be designated as sixty (60) days after the Notice Deadline, or such other date as ordered by the Court.

22. "**Opt-Out Deadline**" is the last day on which a Settlement Class Member may submit a request to be excluded from the Settlement Class, which will be sixty (60) days after the Notice Deadline.

23. **"Participating Settlement Class Member**" means a Settlement Class Member who does not submit a valid Request for Exclusion prior to the Opt-Out Deadline.

24. "**Parties**" shall mean Plaintiff and Defendant, collectively.

25. "**Personal Information**" shall include, but is not limited to, full names and social security numbers.

26. "**Plaintiff**" or "**Class Representatives**" shall mean the named class representatives, Christopher Winer.

27. "**Preliminary Approval Order**" shall mean the Court's Order preliminarily approving the Settlement Agreement, certifying the Settlement Class for settlement purposes, and directing notice of the Settlement to the Settlement Class substantially in the form of the Notice attached as **Exhibit D** to this Agreement

28. **"Pro Rata Cash Payment"** means a *pro rata* cash payment of the Net Settlement Fund after payment of Notice and Administrative Expenses, Service Award payments and the Fees and Expenses Award approved by the Court.

29. "**Released Claims**" shall have the meaning ascribed to it as set forth in Section IX of this Settlement Agreement.

30. "**Released Parties**" shall have the meaning ascribed to it as set forth in Section IX of this Settlement Agreement.

31. "**Releasors**" shall refer, jointly and severally, and individually and collectively, to Plaintiff, the Participating Settlement Class Members, and to each of their respective predecessors, successors, spouses, children, beneficiaries, heirs, executors, administrators, estates, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, consultants, independent contractors, insurers, directors, managing directors, officers, partners, principals, members, any other agent or representative of any of these persons and entities, and anyone claiming by, through, or on behalf of any of these persons or entities.

32. "**Remainder Funds**" means any funds remaining in the Settlement Fund after: (1) all authorized Notice and Administration Expenses, Fees and Expense Award, Service Award, or other amounts approved by the Court under this Settlement Agreement have been paid; (2) all Cash Fund Payments to Participating Settlement Class Members have been made; (3) to the extent applicable and consistent with Paragraph 54, any second-round *pro rata* distributions to Participating Settlement Class Members have been completed; and (4) the period for cashing or depositing all Settlement Checks has expired. Any Remainder Funds will be sent to one or more court-approved charitable organizations as a *cy pres* distribution. The Parties will jointly recommend the entity or entities to the Court that will be the recipient(s) of the *cy pres* distribution.

33. "**Security Incident**" means the cybersecurity incident affecting Defendant which occurred in or around March 2024.

34. "**Service Award**" shall have the meaning ascribed to it as set forth in Section X of this Settlement Agreement. The Service Awards requested in this matter will be Three Thousand Dollars and Zero Cents ($3,000.00) to Plaintiff, subject to court approval, and shall be paid from the Settlement Fund.

35. "**Settlement Administrator**" means, subject to Court approval, Simpluris, an entity selected by Class Counsel, with the consent of Defendant's Counsel (which shall not be unreasonably withheld), to administer the Settlement.

36. "**Settlement Class**" or **"Class"** means "All individuals residing in the United States whose Personal Information was compromised in the Security Incident experienced by Defendant in or around March 2024, including all those individuals who received notice of the breach." Defendant represents that there are approximately 23,337 individuals in the Settlement Class. Excluded from the Settlement Class are: (1) the judges presiding over this Litigation, and members of their immediate families; (2) Defendant, their subsidiaries, parent companies, successors, predecessors, and any entity in which the Defendant or their parents have a controlling interest, and 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.

37. "**Settlement Class List**" means a list of each Settlement Class Member's full name, and current or last known mailing address, to the extent reasonably available in Defendant's records, which Defendant or Defendant's agent shall provide to the Settlement Administrator within seven (7) days of the entry of the Preliminary Approval Order.

38. "**Settlement Class Member**" means an individual who falls within the definition of the Settlement Class.

39. "**Settlement Fund**" means the non-reversionary common fund amount of Seven Hundred and Fifty Thousand Dollars and Zero Cents ($750,000.00) to be paid by, or on behalf of, Defendant, including any interest accrued thereon after payment, this being the full and complete limit and extent of Defendant' obligations with respect to the Settlement.

40. "**Settlement Payment**" means the payment to be made via mailed check and/or electronic payment to a Participating Settlement Class Member from the Settlement Administrator from the Settlement Fund.

41. "**Settlement Website**" means a website established and administered by the Settlement Administrator, which shall contain information about the Settlement, including electronic copies of **Exhibits A–E** (or any versions of these notices approved by the Court), this Settlement Agreement, and all relevant Court filings. The Settlement Website shall be publicly accessible and include comprehensive information about the Settlement, including but not limited to: copies of the Complaint filed in this matter; the Long Form Notice and Short Form Notice; Frequently Asked Questions (FAQs); a mechanism by which Settlement Class Members may elect to receive their Cash Fund Payment electronically; the deadlines for filing an objection or a request for exclusion; and the date of the Final Approval Hearing. The Settlement Website shall remain active until ninety (90) days after the Effective Date.

42. "**Short Form Notice**" is the postcard notice attached as **Exhibit A** that will be mailed to each available Settlement Class Member.

43. "**Taxes and Tax-Related Expenses**" means any and all applicable taxes, duties, and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction, if any, with respect to the income or gains earned by or in respect of the Settlement Fund, including, without limitation, any taxes that may be imposed upon Defendant with respect to any income or gains earned with respect to the Settlement Fund while it is held in the Settlement Fund account.

III. SETTLEMENT FUND

44. **Establishment of Settlement Fund**. Within five (5) business; days after entry of the Final Approval Order, the Settlement Administrator shall establish a qualified settlement fund account at a financial institution agreed upon by the Settlement Administrator, Class Counsel, and Defendant, and shall provide wiring instructions and a properly completed and duly executed IRS Form W-9 to Defendant. Defendant shall cause the Settlement Fund to be deposited into the settlement fund account no later than ten (10) business days after the Effective Date, provided that no appeal is pending and the time for filing any appeal has expired. Following Defendant's deposit of the Settlement Fund as set forth herein, Defendant shall have no further obligation with respect to the Settlement Fund and will have no responsibilities or liabilities with respect to the settlement fund account(s), its administration, or distribution therefrom.

45. **Qualified Settlement Fund**. The Parties agree that the Settlement Fund is intended to be maintained as a qualified settlement fund within the meaning of Treasury Regulation § 1.468 B-1, and that the Settlement Administrator, within the meaning of Treasury Regulation § 1.468 B-2(k)(3), shall be responsible for filing tax returns and any other tax reporting for or in respect of the Settlement Fund and paying from the Settlement Fund any Taxes and Tax-Related Expenses owed with respect to the Settlement Fund. The Parties agree that the Settlement Fund shall be treated as a qualified settlement fund from the earliest date possible and agree to any relation-back election required to treat the Settlement Fund as a qualified settlement fund from the earliest date possible. Any and all funds held in the Settlement Fund shall be held in an interest-bearing account insured by the Federal Deposit Insurance Corporation. Funds may be placed in a non-interest-bearing account as may be reasonably necessary during the check clearing process. The Settlement Administrator shall provide an accounting of any and all funds in the Settlement Fund, including any interest accrued thereon and payments made pursuant to this Agreement, upon request of any of the Parties.

46. **Use of the Settlement Fund**. Defendant shall fund the Settlement Fund in accordance with this Agreement. The Settlement Fund shall constitute the total monetary obligation of Defendant under this Agreement and shall be used to pay: (1) Cash Fund Payments to Participating Settlement Class Members; (2) Notice and Administrative Expenses; (3) Service Award payments approved by the Court; and (4) the Fees and Expenses Award approved by the Court. At the discretion of Class Counsel, the Settlement Fund may also be used for additional *pro rata* distributions to Participating Settlement Class Members from any Remainder Funds, if feasible. No amounts may be withdrawn from the Settlement Fund unless expressly authorized by this Agreement or approved by the Court. Responsibility for effectuating the payments described in this paragraph shall rest solely with the Settlement Administrator. Neither Defendant nor their agents shall have any responsibility whatsoever with respect to effectuating such payments.

47. **Direct Payments to Settlement Class Members**. Settlement Class Members who do not timely and validly exclude themselves from the Settlement shall automatically receive a Cash Fund Payment by mailed check or, if elected, by electronic payment. No claim form shall be required. The amount of each payment will be determined on a pro rata basis from the Net Settlement Fund.

48. **Taxes and Representations**. Taxes and Tax-Related Expenses relating to the Settlement Fund, if any, shall be considered Notice and Administrative Expenses and shall be timely paid by the Settlement Administrator out of the Settlement Fund without prior order of the Court. Further, the Settlement Fund shall indemnify and hold harmless the Parties and their counsel for Taxes and Tax-Related Expenses (including, without limitation, taxes payable by reason of any such indemnification payments). The Parties and their respective counsel have made no representation or warranty, and have no responsibility, with respect to the tax treatment by any Settlement Class Representative or any Settlement Class Member of any payment or transfer made pursuant to this Agreement or derived from or made pursuant to the Settlement Fund. Each Class Representative and Participating Settlement Class Member shall be solely responsible for the federal, state, and local tax consequences to him, her, or it of the receipt of funds from the Settlement Fund pursuant to this Agreement.

IV. SETTLEMENT BENEFITS AND ADMINISTRATION

49. **Cash Fund Payment Distribution:** The Settlement Administrator shall distribute Cash Fund Payments from the Net Settlement Fund to all Participating Settlement Class Members by the Cash Fund Payment Deadline. Payments shall be issued by mailed check unless a Settlement Class Member timely elects to receive payment electronically through the Settlement Website by the Electronic Payment Election Deadline.

50. **Electronic Payment Election**. Settlement Class Members may elect to receive their Cash Fund Payment electronically by submitting a request through the Settlement Website on or before the Electronic Payment Election Deadline. All information submitted in connection with such requests shall be treated as confidential by the Settlement Administrator, shall not be shared with Class Counsel, Defense Counsel, or any other person or entity, and shall be permanently deleted or destroyed by the Settlement Administrator no later than one hundred eighty (180) days after the Cash Fund Payment Deadline.

51. **Disputes**. If the Settlement Administrator receives a communication from an individual asserting that they are a Settlement Class Member but did not receive Notice, the Settlement Administrator shall, within a reasonable time of making a determination, notify the individual of the reason(s) they did not receive Notice. The individual shall then have twenty-one (21) days to submit documentation demonstrating that they are, or should have been, included on the Settlement Class List. Such notifications shall be sent via email unless no email address was provided, in which case notification shall be sent via U.S. mail. If the individual submits documentation but, in the sole discretion of the Settlement Administrator, fails to establish eligibility, the Settlement Administrator shall notify the individual of that determination within ten (10) days. Such determination shall be final. The Settlement Administrator may consult with Class Counsel and Defendant's Counsel in making such determinations.

52. **Non-Reversionary Nature of the Fund**. No portion of the Settlement Fund shall revert to or otherwise be repaid to either Defendant under any circumstances, except as expressly provided in the Termination provisions of this Agreement or if the Effective Date does not occur.

53. **Unclaimed Property**. If any funds remain in the Settlement Fund more than one hundred fifty (150) days after the initial distribution of Settlement Checks to Participating

Settlement Class Members, or thirty (30) days after any reissued checks are no longer negotiable—whichever is later—such funds may, at the discretion of Class Counsel, be redistributed to Participating Settlement Class Members, if feasible. If redistribution is not practicable, the remaining funds shall constitute Remainder Funds and shall be distributed as a *cy pres* award to a charitable organization jointly proposed by the Parties and approved by the Court.

54. **Returned Checks**. For any Settlement Check returned to the Settlement Administrator as undeliverable (including, but not limited to, when the intended recipient is no longer located at the address), the Settlement Administrator shall make reasonable efforts to locate a valid address and resend the Settlement Payment within thirty (30) days after the check is returned to the Settlement Administrator as undeliverable. In attempting to locate a valid address, the Settlement Administrator is authorized to send an e-mail and/or place a telephone call to that Participating Settlement Class Member to obtain updated address information. Any replacement Settlement Checks issued to Participating Settlement Class Members shall remain valid and negotiable for sixty (60) days from the date of their issuance and may thereafter automatically be canceled if not cashed by the Participating Settlement Class Members within that time.

55. **Uncashed Checks**. To the extent that a Settlement Check is not cashed within ninety (90) days after the date of issue, the Settlement Administrator shall undertake the following actions: (1) attempt to contact the Participating Settlement Class Member by e-mail and/or telephone to discuss how to obtain a reissued check; (2) if those efforts are unsuccessful, make reasonable efforts to locate an updated address for the Participating Settlement Class Member using advanced address searches or other reasonable methods; and (3) reissuing a check or mailing the Participating Settlement Class Member a postcard (either to an updated address if located or the original address if not) providing information regarding how to obtain a reissued check. Any reissued Settlement Checks issued to Participating Settlement Class Members shall remain valid and negotiable for sixty (60) days from the date of their issuance and may thereafter automatically be canceled if not cashed by the Participating Settlement Class Members within that time.

56. **Settlement Administration Fees**. The Settlement Fund amount provided by Defendant, or on behalf of Defendant, shall be used to pay the entirety of the Notice and Administrative Expenses, including the cost of Notice. Class Counsel has solicited competitive bids for settlement administration services and agree to rely upon direct mail postcard notice, including reminder postcards if necessary, to minimize administration costs while ensuring effective notice to the Class. Settlement Administration Fees shall be paid from the Settlement Fund and are limited to the total amount of the common fund.

57. Provided that Final Approval of this Settlement Agreement is granted by the Court without material change, material amendment, or material modification, the Settlement Fund will be used to satisfy Cash Fund Payments to Settlement Class Members in exchange for a full, fair, and complete release of all Released Parties from Released Claims, and dismissal of the Litigation with prejudice.

58. The Settlement Fund represents the total extent of Defendant's monetary obligations under the Settlement Agreement. Defendant's contribution to the Settlement Fund shall be fixed under this Section and shall be final. Defendant shall have no obligation to make further payments into the Settlement Fund and shall have no financial responsibility or obligation relating

to the Settlement beyond payment of monies into the Settlement Fund in the amount set forth in Paragraph 39 above.

59. Once a Settlement Administrator has been selected by Plaintiff, with the consent of Defendant (which shall not be unreasonably withheld), and approved by the Court in the Preliminary Approval Order, the Settlement Administrator shall implement the Notice Plan described in this Agreement. The Notice Plan shall include direct mail notice to Settlement Class Members. The form and manner of Notice shall be as set forth in the Preliminary Approval Order and in accordance with the Notice provisions of this Agreement.

60. After the Effective Date, and in compliance with the deadlines established in the final Settlement Agreement and the Final Approval Order, the Settlement Administrator shall make Cash Fund Payments to all Participating Settlement Class Members subject to the procedure set forth herein.

61. The Parties, Class Counsel, and Defendant's Counsel shall not have any liability whatsoever with respect to (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the formulation, design or terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses.

V. ADDITIONAL SECURITY MEASURES

62. **Additional Security Measures**. Defendant has confirmed that they have implemented security-related measures and, upon the Court's request, will generally attest that security-related measures have been implemented in a confidential declaration submitted for *in camera* review in support of the Settlement. The costs associated with these security-related measures shall be borne solely by Defendant and shall be separate and apart from any other settlement benefits and from the Settlement Fund. Although the exact cost of the security-related measures is not available, they are believed to be significant.

VI. SETTLEMENT CLASS NOTICE, OPT-OUTS, AND OBJECTIONS

63. **Timing of Notice**. Within seven (7) days after entry of the Preliminary Approval Order, Defendant shall provide the Settlement Class List to the Settlement Administrator. Within thirty (30) days after entry of the Preliminary Approval Order, the Settlement Administrator shall disseminate Notice via direct mail to Settlement Class Members for whom it has a valid mailing address. The Settlement Administrator shall also post the Long Form Notice on the Settlement Website, along with a mechanism by which Settlement Class Members may elect to receive their Cash Fund Payment electronically. No claim form shall be required.

64. **Form of Notice**. Notice shall be disseminated via postcard through First Class U.S. mail to Settlement Class Members on the Settlement Class List. Notice shall also be made available on the Settlement Website. The mailed Notice shall consist of a Short Form Notice in a form substantially similar to that attached as **Exhibit A**. The Settlement Administrator shall have

discretion to format the Short Form Notice in a reasonable manner to minimize mailing and administrative costs. Before any Notice is mailed, Class Counsel and Defense Counsel shall be provided with a proof copy for review and shall have the right to inspect the Notice for compliance with the Settlement Agreement and any Court orders. For any postcard Notices returned as undeliverable, the Settlement Administrator shall use reasonable efforts (e.g., skip tracing) to identify an updated mailing address and re-mail the postcard if one is identified. The Long Form Notice approved by the Court may be modified by the Settlement Administrator, in consultation with the Parties, as reasonably necessary and not inconsistent with Court approval.

65. **Reminder Notice**. Reminder notices shall be sent to Settlement Class Members if Class Counsel, in their sole discretion, determines they are appropriate. If directed by Class Counsel, the Settlement Administrator shall send such reminder notices sixty (60) days after the Notice Date. The cost of any reminder notices shall be considered Notice and Administrative Expenses and paid from the Settlement Fund

66. **Settlement Website**. The Settlement Administrator shall establish and make the Settlement Website live no later than five (5) days before the mailing of the Notice to Settlement Class Members, and in any event prior to the dissemination of any Notice. The Settlement Website shall contain relevant documents, including but not limited to: the Long Form Notice, this Agreement, Plaintiff's motion for preliminary approval of the Settlement, the Preliminary Approval Order, Plaintiff's motion for an award of attorneys' fees, costs, expenses, and service awards, and the operative complaint in the Litigation. The Settlement Website shall also include a toll-free telephone number and mailing address through which Settlement Class Members may contact the Settlement Administrator. In addition, the Settlement Website shall include a mechanism by which Settlement Class Members may elect to receive their Cash Fund Payment electronically. The Settlement Website shall not include any advertising and shall remain operational until at least sixty (60) days after all Settlement Payments have been distributed.

67. **Final Approval Hearing**. The Notice must set forth the time and place of the Final Approval Hearing (subject to change) and state that any Settlement Class Member who does not file a timely and adequate objection in accordance with this Paragraph waives the right to object or to be heard at the Final Approval Hearing and shall be forever barred from making any objection to the Settlement.

68. **Opt-Outs**. The Notice shall explain the procedure for Settlement Class Members to exclude themselves or "opt-out" of the Settlement by mailing a request for exclusion to the Settlement Administrator at the address identified in the Notice, postmarked no later than the Opt-Out Deadline. Requests for exclusion that are sent to a different address or that are postmarked after the Opt-Out Deadline are invalid and the person shall remain a Participating Settlement Class Member. The request for exclusion must include the name of the proceeding, the individual's full name, current address, personal signature, and the words "Request for Exclusion," or a comparable statement that the individual does not wish to participate in the Settlement, or some other clear manifestation of the individual's intent to opt-out of the Settlement in the written communication. Each request for exclusion must request exclusion only for that one individual whose personal signature appears on the request. Mass or group opt-outs are not allowed. The Notice must state that any Settlement Class Member who does not file a timely request for exclusion in accordance with this Paragraph will lose the opportunity to exclude himself or herself from the Settlement and

will be bound by the Settlement. No later than seven (7) days after the Opt-Out Deadline, the Settlement Administrator shall furnish to Defense Counsel a complete list of all Class Members who have timely requested exclusion from the Settlement Class.

69. **Objections**. The Notice shall explain the procedure for Settlement Class Members to object to the Settlement or Fee and Expense Application by filing written objections to the Court no later than the Objection Deadline. A written objection must include (i) the name of the Litigation; (ii) the Settlement Class Member's full name, current mailing address, and telephone number; (iii) a statement of the specific grounds for the objection, as well as any documents supporting the objection and a description of whether the objection applies only to the Settlement Class Member, a subset of the Settlement Class, or the entire Settlement Class; (iv) the identity of any attorneys representing the objector (if any); (v) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; (vi) a description and/or copies of evidence that may be introduced at fairness hearing; (vii) a list of proceedings in which the Settlement Class Member has submitted an objection during the past five years; and (viii) the signature of the Settlement Class Member or the Settlement Class Member's attorney. A copy of the objection must also be mailed to the Settlement Administrator, Class Counsel, and Defense Counsel at the addresses specified in the Notice. Objections that do not comply with the requirements in this Settlement Agreement are invalid.

VII. PRELIMINARY APPROVAL, FINAL APPROVAL, AND JURISDICTION

70. **Certification of the Settlement Class**. For purposes of this Settlement only, the Parties stipulate to the certification of the Settlement Class, which is contingent upon both the Court entering the Final Approval Order of this Settlement and the occurrence of the Effective Date.

71. **Preliminary Approval**. Following execution of this Agreement, Class Counsel shall file a motion for preliminary approval of the Settlement, in a form agreeable to the Parties, within thirty (30) days thereof or a date thereafter that is agreeable to the Parties and the Court or that is otherwise ordered by the Court.

72. **Final Approval**. Class Counsel shall move the Court for a Final Approval Order of this Settlement, to be issued following the Final Approval Hearing; within a reasonable time after the Notice Deadline, Objection Deadline, and Opt-Out Deadline; and at least one hundred and twenty (120) days after entry of the Preliminary Approval Order.

73. **Jurisdiction**. The Court 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 retain jurisdiction with respect to the administration, consummation and enforcement of the Agreement and shall retain jurisdiction for the purpose of enforcing all terms of the Agreement. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice Plan and the Settlement Administrator. As part of its agreement to render services in connection with this Settlement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose.

VIII. MODIFICATION AND TERMINATION

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

75. **Opt-Out Termination Right.** Defendant shall have the right to terminate this Agreement in the event that more than 150 members of the Settlement Class timely and validly request exclusion.

76. **Settlement Not Approved**. If: (1) the Court does not issue the Preliminary Approval Order or Final Approval Order; (2) the Effective Date does not occur; or (3) the Final Approval Order is modified or reversed in any material respect by any appellate or other court, the Parties shall have sixty (60) days from the date of such occurrence or 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 seven (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.

77. **Effect of Termination**. In the event of a termination as provided in Paragraph 75, this Agreement and the Settlement shall be considered null and void; all of the Parties' obligations under the Agreement shall cease to be of any force and effect and the Parties shall return to the status quo ante in the Litigation as if the Parties had not entered into this Agreement or the Settlement. Further, in the event of such a termination, the certification of the Settlement Class shall be void. Defendant reserves the right to contest class certification and all other issues for all purposes other than this Settlement. 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 of the Parties' respective pre-Settlement claims and defenses will be preserved.

IX. RELEASES

78. Upon Final Approval of this Settlement Agreement, Releasors release, acquit, and forever discharge Defendant and each of their present and former parents, subsidiaries, divisions, and related or affiliated entities, and each of their respective predecessors, successors, assigns, parents, subsidiaries, owners, principals, managers, managing directors, representatives, administrators, shareholders, holding companies, partners, members, employers, employees,

independent contractors, vendors, agents, advisors, attorneys, consultants, insurers, and reinsurers, including, without limitation, any person or entity who is, was or could have been named as a defendant in the Litigation ("Released Parties"), including Defendant's clients, from all liabilities, rights, claims, actions, causes of action, demands, damages, penalties, costs, attorneys' fees, losses, and remedies, whether known or unknown, existing or potential, suspected or unsuspected, legal, statutory, or equitable, that result from, arise out of, are based upon, or relate to the Security Incident, and conduct that was alleged or could have been alleged in the Litigation related to the Security Incident by any Class Member against any Released Parties, including, without limitation, any claims, actions, causes of action, demands, damages, penalties, losses, or remedies relating to, based upon, resulting from, or arising out of the Security Incident (the "Released Claims"), provided that nothing in this Release is intended to, does or shall be deemed to release any claims not arising out of, based upon, resulting from, or related to the Security Incident. Released Claims shall not include the right of any Class Member or any of the Released Persons to enforce the terms of the settlement contained in this Settlement Agreement.

79. Each Releasor 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.

80. **Mutual Understanding.** The Parties understand that if the facts upon which this Agreement is based are found hereafter to be different from the facts now believed to be true, each Party expressly assumes the risk of such possible difference in facts, and agrees that this Agreement, including the releases contained herein, shall remain effective notwithstanding such difference in facts. The Parties agree that in entering this Agreement, it is understood and agreed that each Party relies wholly upon its own judgment, belief, and knowledge and that each Party does not rely on inducements, promises, or representations made by anyone other than those embodied herein.

81. **Bar to Future Suits.** Upon entry of the Final Approval Order, Releasors shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against Defendant or Released Parties or based on any actions taken by any of the Released Parties that are authorized or required by this Agreement or by the Final Approval Order. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section.

82. **Release of Class Representatives and Class Counsel**. Upon the Effective Date, Defendant and their representatives, officers, agents, directors, principals, affiliates, employees, insurers, and attorneys shall be deemed to have released, acquitted, and forever discharged the Settlement Class Representatives and Class Counsel from any and all claims or causes of action of every kind and description, including any causes of action in law, claims in equity, complaints, suits or petitions, and any allegations of wrongdoing, demands for legal, equitable or administrative relief (including, but not limited to, any claims for injunction, rescission, reformation, restitution, disgorgement, constructive trust, declaratory relief, compensatory damages, consequential damages, penalties, exemplary damages, punitive damages, attorneys' fees, costs, interest or expenses), whether known or unknown, that arise out of, are based upon, or relate to prosecution of the Litigation, the Settlement Agreement, or the Settlement claims process

(provided, however, that this release and discharge shall not include claims relating to the enforcement of the terms of the Settlement or this Agreement).

83. **Unknown Claims.** "Unknown Claims" means any and all Released Claims that Plaintiff does not know or suspect to exist in his favor as of the Release Effective Date and which, if known by him or her, might have affected his decision(s) with respect to this Settlement Agreement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Release Effective Date, Representative Plaintiffs shall have waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, the District of Columbia, or principle of common law or otherwise, which includes or is similar, comparable, or equivalent to Cal. Civ. 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.**

The Representative Plaintiffs and Class Counsel acknowledge that the inclusion of "Unknown Claims" in the definition of Released Claims is a material element of the Settlement Agreement of which this release is a part.

X. SERVICE AWARD PAYMENTS

84. **Service Award Payments**. At least fourteen (14) days before the Opt-Out and Objection Deadlines, Class Counsel will file a Fee Application that will include a request for Service Award payments for the Settlement Class Representatives in recognition for their contributions to this Litigation not to exceed $3,000.00. The Settlement Administrator shall make any Service Award payments approved by the Court in the Final Approval Order to the Settlement Class Representatives from the Settlement Fund. Such Service Award payments shall be paid by the Settlement Administrator, in the amount approved by the Court, no later than thirty (30) days after the Effective Date.

85. **No Effect on Agreement**. In the event the Court declines to approve, in whole or in part, the payment of Service Awards in the amount requested, the remaining provisions of this Agreement shall remain in full force and effect. No decision by the Court, or modification or reversal or appeal of any decision by the Court, concerning the amount of the Service Awards shall constitute grounds for termination of this Agreement.

XI. ATTORNEYS' FEES, COSTS, EXPENSES

86. **Attorneys' Fees, Costs and Expenses**. At least fourteen (14) days before the Opt-Out and Objection Deadlines, Class Counsel will file a Fee and Expense Application seeking an award of attorneys' fees and reimbursement of litigation expenses to be paid from the Settlement Fund. The Fee and Expense Application shall not exceed 28% of the Settlement Fund, or $210,000.

Prior to any disbursement of the Fee Award and Expenses under this Agreement, Class Counsel shall provide the Settlement Administrator with a properly completed and duly executed IRS Form W-9. The Fee Award and Expenses (plus any accrued interest) shall be paid by the Settlement Administrator, in the amount approved by the Court, no later than thirty (30) days after the Effective Date.

87. **No Effect on Agreement**. In the event the Court declines to approve, in whole or in part, the payment of the Fees and Expenses Award in the amount requested, the remaining provisions of this Agreement shall remain in full force and effect. No decision by the Court, or modification or reversal or appeal of any decision by the Court, concerning the amount of the Fees and Expenses Award shall constitute grounds for termination of this Agreement.

XII. NO ADMISSION OF LIABILITY

88. **No Admission of Liability**. The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties either previously or in connection with the negotiations or proceedings connected with 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.

89. **No Use of Agreement**. Neither the Settlement Agreement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (i) 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 Plaintiff; or (ii) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission by Defendant in the Litigation or in any proceeding in any court, administrative agency or other tribunal.

XIII. MISCELLANEOUS

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

91. **Entire Agreement**. This Agreement, including all exhibits hereto, shall constitute the entire Agreement among the Parties with regard to the subject matter hereof and shall supersede any previous agreements, representations, communications, and understandings among the Parties. This Agreement may not be changed, modified, or amended except in writing signed by all Parties, subject to Court approval. The Parties contemplate that, subject to Court approval or without such approval where legally permissible and where such changes are non-material, the exhibits to this Agreement may be modified by subsequent agreement of counsel for the Parties prior to dissemination of the Settlement Class Notice to the Settlement Class.

92. **Deadlines**. If any of the dates or deadlines specified herein falls on a weekend or legal holiday, including without limitation the Notice Deadline, the applicable date or deadline shall fall on the next business day. All reference to "days" in this agreement shall refer to calendar days unless otherwise specified.

93. **Construction**. For the purpose of construing or interpreting this Agreement, the Parties agree that this Agreement is to be deemed to have been drafted equally by all Parties hereto and shall not be construed strictly for or against any Party.

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

95. **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 in good faith prior to seeking Court intervention.

96. **Class Action Fairness Act**. The Settlement Administrator shall provide notice of this proposed class settlement to the appropriate state and federal authorities in compliance with the Class Action Fairness Act ("CAFA").

97. **Governing Law**. The Agreement shall be construed in accordance with, and be governed by, the laws of the state of California, without regard to the principles thereof regarding choice of law.

98. **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 signatories do not sign the same counterparts. Original signatures are not required. Any signature submitted electronically through e-mail of an Adobe PDF shall be deemed an original.

99. **Notices**. All notices to Class Counsel provided for herein, shall be sent by overnight mail and email to:

Leigh S. Montgomery
EKSM, LLP
4200 Montrose Blvd., Ste. 200
Houston, TX 77006
Tel: 713-244-6363
service@eksm.com

All notices to Defendant provided for herein, shall be sent by overnight mail and email to:

Raymond O. Aghaian
Baker & Hostetler LLP
1900 Avenue of the Stars
Suite 2700
Los Angeles, CA 90067
Tel: (310) 820 - 8800
Direct: : (310) 979 – 8442
raghaian@bakerlaw.com

The notice recipients and addresses designated above may be changed by written notice.

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

101. **No Government Third-Party Rights or Beneficiaries**. No government agency or official can claim any rights under this Agreement or Settlement.

102. **No Collateral Attack**. The Settlement Agreement shall not be subject to collateral attack, including by any Settlement Class Member or any recipient of notices of the Settlement after issuance of the Final Approval Order.

103. **Survival**. The Parties agree that the terms set forth in this Settlement Agreement shall survive the signing of the Settlement Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused the Settlement Agreement to be executed,

_____ Dated: _____

Plaintiff Christopher Winer,

Todd Hammerat, CFO Dated: 10/29/2025

Defendant Phase II Systems, d/b/a
Public Agency Retirement Services,

Dated: 10/31/2025

/s/

Raymond O. Aghaian
Baker & Hostetler LLP
1900 Avenue of the Stars
Suite 2700
Los Angeles, CA 90067
Tel: (310) 820 - 8800
Direct: : (310) 979 – 8442
raghaian@bakerlaw.com

Counsel for Defendant

Dated: _____

/s/

Leigh S. Montgomery*
EKSM, LLP
4200 Montrose Blvd., Ste. 200
Houston, TX 77006
(713) 390-3931
lmontgomery@eksm.com
**Pro Hac Vice*

Counsel for Plaintiff and Proposed Settlement Class

IN WITNESS WHEREOF, the Parties hereto have caused the Settlement Agreement to be executed,

Christopher Winer
Christopher Winer (Oct 6, 2025 14:47:51 PDT)

Plaintiff Christopher Winer,

Dated: 10/06/2025

_____

Defendant Phase II Systems, d/b/a
Public Agency Retirement Services,

Dated: _____

Dated: _____

/s/ _____

Raymond O. Aghaian
Baker & Hostetler LLP
1900 Avenue of the Stars
Suite 2700
Los Angeles, CA 90067
Tel: (310) 820 - 8800
Direct: : (310) 979 – 8442
raghaian@bakerlaw.com

Counsel for Defendant

Dated: 10/06/2025

/s/ _____

Leigh S. Montgomery*
EKSM, LLP
4200 Montrose Blvd., Ste. 200
Houston, TX 77006
(713) 390-3931
lmontgomery@eksm.com
**Pro Hac Vice*

Counsel for Plaintiff and Proposed Settlement Class

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: $750K Public Agency Retirement Services Settlement Ends Data Breach Lawsuit