

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF ALABAMA
SOUTHERN DIVISION**

[illegible]

SETTLEMENT AGREEMENT

This Settlement Agreement, dated as of July 18, 2018, is made and entered into by and among the following Settling Parties (as defined below): (i) Julie S. McGee, Adam Parker, Michael Hall, in his individual capacity and as administrator to the Estate of Sandra W. Hall, and Jack Whittle (collectively the “Representative Plaintiffs”), individually and on behalf of the Settlement Class (as defined below), by and through James M. Terrell (“Class Counsel”) and (ii) Triad of Alabama, LLC d/b/a Flowers Hospital ("Flowers"), by and through its counsel of record, Richard E. Smith of Christian & Small LLP. The Settlement Agreement is subject to Court approval and is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below), upon and subject to the terms and conditions hereof.

RECITALS

Whereas, Flowers is a general acute care hospital located in Dothan, Alabama.

Whereas, Flowers was notified by law enforcement in February 2014 that some of its reference lab patients' medical records were stolen by a hospital employee, Kamarian Millender, and/or an accomplice (the "Data Theft").

Whereas, on May 5, 2014, the plaintiffs filed this putative class action lawsuit, *Bradley S. Smith, et al. v. Triad of Alabama, LLC d/b/a Flowers Hospital*, United States District Court for the Middle District of Alabama, Case No. 2:14-cv-324 (the "Litigation").

Whereas, on March 17, 2017, the Court conditionally granted, in part, Plaintiffs' Motion for Class Certification. The Court conditionally certified a class of 1208 individuals for purposes of trying the issue of liability on a class-wide basis. The Court conditionally determined that the class would be decertified if there was a need to address causation and damages issues following the liability phase.

Whereas, over the course of several years the parties engaged in arm's length settlement negotiations, including three mediation sessions and numerous direct negotiations among counsel, and on May 21, 2018, counsel reached a proposed agreement on terms for a class action settlement at a settlement conference presided over by a United States Magistrate Judge;

Whereas, pursuant to these terms, this Settlement Agreement provides for the resolution of all claims and causes of action asserted, or that could have been asserted, against Flowers and the Released Persons by and on behalf of the Representative Plaintiffs, Settlement Class Members, and Bradley Smith against Flowers relating to the Data Theft and/or the Litigation;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Representative Plaintiffs, individually and on behalf of the Settlement Class, Class Counsel, and Flowers that, subject to the approval of the Court, the Litigation and the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice as to the Settling Parties, the Settlement Class, and the Settlement Class Members, except

those Settlement Class Members who lawfully opt-out of the Settlement Agreement, upon and subject to the terms and conditions of this Settlement Agreement, as follows:

I. DEFINITIONS.

As used anywhere in the Settlement Agreement, including the Recitals, the following terms have the meanings specified below:

1.1 “Agreement” or “Settlement Agreement” means this agreement.

1.2 “Approved Claims” means Settlement Claims in an amount approved by the Claims Administrator, as set forth in this Agreement.

1.3 “Claims Administration” means the processing and payment of claims received from Settlement Class Members by the Claims Administrator.

1.4 “Claims Administrator” means Dahl Administration, or such other company experienced in administering class action claims, generally and specifically those of the type provided for and made in data breach litigation, as may be jointly agreed upon by the Settling Parties and approved by the Court.

1.5 “Claims Deadline” means the postmark deadline for submitting valid claims pursuant to Section 2.1.

1.6 “Costs of Claims Administration” means all actual costs associated with or arising from Claims Administration arising after May 21, 2018.

1.7 “Effective Date” means the first date by which all of the events and conditions specified in Section 10.1 herein have occurred and been met.

1.8 “Final” means the occurrence of all of the following events: (i) the settlement pursuant to this Settlement Agreement is approved by the Court; (ii) the Court has entered a Judgment (as that term is defined herein); and (iii) the time to appeal or seek permission to appeal from the Judgment has expired or, if appealed, the appeal has been dismissed or otherwise disposed of in its entirety, or the Judgment has been affirmed in its entirety by the court of last resort to which such appeal may be taken, and such dismissal or affirmance has become no longer subject to further appeal or review. Notwithstanding the above, any order modifying or reversing any

attorneys' fee award or incentive award made in this case shall not affect whether the Judgment is "Final" as defined herein or any other aspect of the Judgment.

1.9 "Judgment" means a judgment rendered by the Court, in a form mutually agreeable to the parties and jointly submitted by the parties to the Court prior to the Settlement Fairness Hearing, or a judgment substantially similar to such form.

1.10 "Person" means an individual, corporation, partnership, limited partnership, limited liability company or partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity, and their respective spouses, heirs, predecessors, successors, representatives, or assignees.

1.11 "Personal Information" means information that is or could be used, whether on its own or in combination with other information, to identify, locate or contact a person, including without limitation names, addresses, birthdates, social security numbers, telephone numbers, and the names of employers and/or guarantors.

1.12 "Plaintiffs' Counsel" means Class Counsel.

1.13 "Preliminary Approval Order" means the order preliminarily approving the Settlement Agreement and ordering that notice be provided to the Settlement Class. The Settling Parties' proposed form of Preliminary Approval Order is attached as Exhibit 1.

1.14 "Class Counsel" or "Proposed Class Counsel" means James M. Terrell and the law firm of Methvin, Terrell, Yancey, Stephens & Miller, P.C. and M. Adam Jones and Jordan S. Davis and the law firm M. Adam Jones & Associates, LLC.

1.15 "Related Entities" means Flowers' past or present parents, subsidiaries, divisions, and related or affiliated entities of any nature whatsoever, whether direct or indirect, including, but not limited to, Community Health Systems, Inc. and CHSPSC, LLC, the related entities' respective predecessors, successors, directors, officers, employees, principals, agents, attorneys, insurers, and reinsurers, and includes, without limitation, any Person related to any such entity who is, was or could have been named as a defendant in any of the actions in the Litigation.

1.16 “Released Claims” shall collectively mean any and all claims and causes of action including, without limitation, any causes of action under 18 U.S.C. § 2701 *et seq.*; and all similar statutes in effect in any states in the United States as defined herein; any causes of action under 15 U.S.C. §1681, *et. seq.* (the "Fair Credit Reporting Act"); negligence; negligence per se; breach of contract; breach of implied contract; breach of fiduciary duty; any violations of a state's deceptive trade practices law; breach of confidence; invasion of privacy; misrepresentation (whether fraudulent, negligent or innocent); unjust enrichment; bailment; wantonness; failure to provide adequate notice pursuant to any breach notification statute or common law duty; and including, but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys’ fees and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, the appointment of a receiver, and any other form of relief that either has been asserted, or could have been asserted, by any Settlement Class Member or Settling Party against any of the Released Persons based on, relating to, concerning or arising out of the Data Theft, alleged theft/misuse of personal information as a result of the Data Theft or the allegations, facts, or circumstances described in the Litigation. Released Claims shall not include the right of any Settlement Class Member or any of the Released Persons to enforce the terms of the settlement contained in this Settlement Agreement, and shall not include the claims of Settlement Class Members who have timely excluded themselves from the Settlement Class.

1.17 “Released Persons” means Flowers and its Related Entities, including, as set forth in Section 1.16, each of their past or present parents, subsidiaries, divisions, and related or affiliated entities of any nature whatsoever, and each of their respective predecessors, successors, directors, officers, employees, principals, agents, attorneys, insurers, and reinsurers.

1.18 “Representative Plaintiffs” means Julie S. McGee, Adam Parker, Michael Hall, in his individual capacity and as administrator to the Estate of Sandra W. Hall, and Jack Whittle.

1.19 As set forth in the Recitals, “Data Theft” or “Incident” means the theft of patient information perpetrated by Kamarian Millender and/or an accomplice(s), as alleged in the Second Amended Complaint in the Litigation.

1.20 “Settlement Claim” means a claim for settlement benefits made under the terms of this Settlement Agreement.

1.21 “Settlement Class” means: The 1208 individuals whose information has been provided to Class Counsel and to whom notice of the class certification has been sent, minus those individuals who have opted out of the class or who opt out of the settlement.

1.22 “Settlement Class Member(s)” means a Person(s) who falls within the definition of the Settlement Class.

1.23 “Settling Parties” means, collectively, Flowers and the Representative Plaintiffs, individually and on behalf of the Settlement Class.

1.24 “United States” as used in this Settlement Agreement includes the District of Columbia and all territories.

II. MONETARY RELIEF.

2.1 Forms of Relief

2.1.1 Expense Reimbursement Claim. All Settlement Class Members who submit a valid claim using the Claim Form, which is attached as Exhibit 2 to this Settlement Agreement, are eligible to receive reimbursement for the following out-of-pocket expenses actually incurred in response to the Data Theft: (i) the costs of credit monitoring and identity theft protection services actually purchased by Settlement Class Members between July 1, 2014 and the Claims Deadline, where there is an affirmative statement by the Settlement Class Member that the monitoring or service was purchased primarily because of the Data Theft and not for other purposes, and with proof of purchase and capped at \$250.00 per Settlement Class Member; (ii) up to four hours of documented lost time spent dealing with the Data Theft or alleged identity fraud,¹

¹ Upon a showing of good cause or substantial hardship and fully supported by documentation from third-party source(s) and by a class member’s telephone interview with the Claims Administrator, additional documented lost time up to a maximum of sixteen hours may be awarded at the sole discretion of the Claims Administrator.

but only if at least one half-hour was spent, at a pay rate calculated at the class member's normal hourly rate (or equivalent thereof) back on June 1, 2014, and only if the time can be documented with reasonable specificity by answering the questions on the Claims Form and submitting necessary documentation to support the time spent and supporting any rate of pay claimed above \$15.00 an hour ; (iii) the costs of credit report(s) actually purchased by Settlement Class Members between July 1, 2014 and the Claims Deadline, with an affirmative statement by Settlement Class Member that the credit report(s) was purchased primarily because of the Incident; (iv) any unreimbursed interest related to a delayed tax refund based on a fraudulent tax return for any return filed after June 1, 2013 and before the Claims Deadline, but only if documents are provided verifying that a fraudulent tax return was filed in the Settlement Class Members' name and documents verifying that the IRS did not reimburse for the interest of the delayed refund; and (v) any other actual, documented, and unreimbursed monetary loss attributable to the Data Theft.

Settlement Class Members seeking reimbursement under this Section 2.1.1 must complete and submit a written Claim Form to the Claims Administrator, postmarked on or before the Claims Deadline, which shall be the 120th day after the deadline for the completion of notice to Settlement Class Members set forth in Section 4.2. The Claim Form must be verified by the Settlement Class Member with a statement that his or her claim is true and correct, to the best of his or her knowledge and belief. Notarization shall not be required. The Settlement Class Member must submit reasonable documentation that the out-of-pocket expenses and charges claimed were both primarily incurred because of, and plausibly arose from, the Data Theft. Failure to provide supporting documentation as requested on the Claim Form shall result in denial of a claim. Disputes as to claims submitted under this paragraph are to be resolved pursuant to the provisions stated in Section 2.2.

2.1.2 Credit Monitoring Claim: Flowers will provide any Settlement Class Member with credit monitoring and ID theft insurance, for a value not to exceed \$250.00 per Settlement Class Member, so long as the Settlement Class Member submits the Claim Form by the Claim Deadline and affirmatively requests credit monitoring and ID theft insurance in that Claim Form. The

amount that can be received by the Settlement Class Member under the Credit Monitoring Claim will be reduced by the value of any credit monitoring expenses for which the Settlement Class Member is reimbursed through this claims process. The total value of credit monitoring reimbursement under Section 2.1.1(i) and/or a credit monitoring claim will be limited to \$250.00.

2.1.3 If a Settlement Class Member has purchased identity theft insurance that would cover any loss resulting from an identity theft incident, then the Settlement Class Member must seek to be reimbursed through that insurance prior to making a claim based on this Settlement. Settlement Class Members are prohibited from submitting reimbursement claims in this Settlement for items in which the Class Member has already been reimbursed by another source. Nothing in this Settlement Agreement shall be construed to provide for a double payment for the same loss or injury that was reimbursed or compensated by any other source. To be valid, claims for reimbursement must be complete and submitted to the Claims Administrator on or before the Claims Deadline. 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. For claims in excess of \$250.00, the Settlement Administrator may request, and the claimant must disclose upon request (if known), all other notices of a breach involving any of their payment card data or other Personal Information the claimant has received in the three-year period preceding the date of the Settlement Class Member's claim hereunder; if the claimant has received no such notice, the claimant must so state.

2.1.4 Individual Claim limitations: The total amount of relief, either in the form of expense reimbursement under 2.1.1 or a Credit Monitoring Claim under Section 2.1.2 that can be awarded to any one Settlement Class Member is \$5,000.00. As set forth in Section 2.3, if the total amount of claims submitted exceeds \$150,000.00 then the claims will be reduced pro rata as to all

claims, either under Sections 2.1.1 or 2.1.2, so that the total amount paid by Flowers does not exceed \$150,000.00.

2.2 Claims Administration & Resolution.

2.2.1 The Claims Administrator, in its sole discretion to be reasonably exercised, will determine whether: (1) the claimant is a Settlement Class Member; (2) the claimant has provided all information needed to complete the Claim Form, including any documentation that may be necessary to reasonably support the expenses described in Section 2.1.1; and (3) the information submitted could lead a reasonable person to conclude, for a claim submitted under Section 2.1.1, that the alleged expense was actually incurred and plausibly arose from the Data Theft (“Facially Valid”). The Claims Administrator may, at any time, request from the claimant in writing additional information (“Claim Supplementation”) as the Claims Administrator may reasonably require in order to evaluate the claim, *e.g.*, documentation requested on the Claim Form, information regarding the claimed losses, available insurance and the status of any claims made for benefits, and claims previously made for identity theft and the resolution thereof.

2.2.2 Upon receipt of an incomplete or unsigned Claim Form or a Claim Form that is not accompanied by sufficient documentation to determine whether the claim is Facially Valid, the Claims Administrator shall request additional information (“Claim Supplementation”) and give the claimant 30 days to cure the defect before rejecting the claim. Requests for Claim Supplementation shall be made within thirty (30) days of receipt of such Claim Form or thirty (30) days from the Effective Date, whichever comes last. In the event of unusual circumstances interfering with compliance during the 30-day period, the claimant may request and, for good cause shown (*e.g.*, illness, military service, out of the country, mail failures, lack of cooperation of third parties in possession of required information, etc.), shall be given a reasonable extension of

the 30-day deadline in which to comply; however, in no event shall the deadline be extended to later than one year from the Effective Date. If the defect is not cured, then the claim will be deemed invalid and there shall be no obligation to pay the claim.

2.2.3 As soon as reasonably possible after the Claims Deadline, the Claims Administrator will send those Settlement Class Members who filed a claim notice of the Claims Administrator's decision on the Settlement Class Member's claim. The Claims Administrator's decision is final.

2.3 Aggregate Cap on Claims. The aggregate amount of claims reimbursement under Sections 2.1-2.2 above for which Flower shall be responsible to pay is capped at \$150,000.00. If the total amount of Facially Valid claims submitted under Sections 2.1-2.2 above exceed the \$150,000.00 cap, each individual claim amount shall be reduced in a pro rata amount so that the aggregate claims reimbursement is exactly \$150,000.00.

2.4 Settlement Class Certification. The Settling Parties agree to the certification of the Settlement Class. If the settlement set forth in this Settlement Agreement is not substantially approved by the Court, or if the Settlement Agreement is terminated or cancelled pursuant to the terms of this Settlement Agreement, this Settlement Agreement, and the certification of the Settlement Class provided for herein, will be vacated and the Litigation shall proceed as though no settlement has been reached, without prejudice to any Person's or Settling Party's position on the issue of class certification or any other issue. The Settling Parties' agreement to the certification of the Settlement Class is also without prejudice to any position asserted by the Settling Parties in any other proceeding, case or action, as to which all of their rights are specifically preserved.

2.5 Confidentiality of Information Submitted by Settlement Class Members.

Information submitted by Settlement Class Members pursuant to Sections 2.1 through 2.2 of this Settlement Agreement shall be deemed confidential and protected as such by Flowers and the Claims Administrator.

III. ORDER OF PRELIMINARY APPROVAL AND PUBLISHING OF NOTICE OF FAIRNESS HEARING.

3.1 As soon as practicable after the execution of the Settlement Agreement, Class Counsel and counsel for Flowers shall jointly submit this Settlement Agreement to the Court and file a motion for preliminary approval of the settlement with the Court requesting entry of a Preliminary Approval Order in the form attached hereto as Exhibit 1, or an order substantially similar to such form in both terms and cost, requesting, *inter alia*:

- (a) certification of the Settlement Class for settlement purposes;
- (b) preliminary approval of the Settlement Agreement as set forth herein;
- (c) appointment of Class Counsel as Settlement Class Counsel;
- (d) approval of a customary form of notice to be individually mailed to the Settlement Class Members in a form substantially similar to the one attached hereto as Exhibit 3, which together shall include a fair summary of the parties' respective litigation positions, the general terms of the settlement set forth in the Settlement Agreement, instructions for how to object to the settlement, the process and instructions for making claims to the extent contemplated herein, and the date, time and place of the Final Fairness Hearing;
- (e) appointment of Dahl Administration as Claims Administrator, or such other provider of claims administrative service, as may be jointly agreed to by the Settling Parties; and
- (f) approval of a claim form substantially similar to that attached hereto as Exhibit 2. See Sections 2.1 and 2.2 above.

The Notice and Claim Form shall be reviewed by the Claims Administrator and may be revised as agreed upon by the Settling Parties prior to such submission to the Court for approval.

3.2 Flowers shall pay for providing notice to the Settlement Class in accordance with the Preliminary Approval Order, and the costs of such notice, together with the Costs of Claims Administration. Attorneys' fees, costs, and expenses of Class Counsel, and incentive awards to Class Representatives, shall be paid by Flowers as set forth in Section 7 below. Notice shall be provided to Settlement Class Members via the physical addresses for class members that Flowers has in its records. The notice plan shall be subject to approval by the Court as meeting constitutional due process requirements.

3.3 Proposed Class Counsel and Flower's counsel shall request that after notice is substantially completed, the Court hold a hearing (the "Final Fairness Hearing") and grant final approval of the settlement set forth herein.

IV. OBJECTION PROCEDURES.

4.1 Each Settlement Class Member desiring to object to the Settlement Agreement shall submit a timely written notice to the Settling Parties and the Court of his or her objection. Such notice shall state: (i) the objector's full name, address, telephone number, and e-mail address (if any); (ii) information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class (e.g., copy of notice, copy of original notice of the Data Theft); (iii) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (iv) the identity of all counsel representing the objector; (v) the identity of all counsel representing the objector who will appear at the Final Fairness Hearing; (vi) a list of all persons who will be called to testify at the Final Fairness Hearing in support of the objection and a list of all exhibits to be introduced at the Final Fairness Hearing in support of the objection; (vii) a statement confirming whether the objector intends to personally appear and/or testify at the Final Fairness Hearing; (viii) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (ix) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last 3 years; (x)

a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last 3 years; and (xi) a list, by case name, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative. To be timely, written notice of an objection in the appropriate form must be filed with the Clerk of the Court no later than seventy-eight (78) days from the date on which notice commences pursuant to Section 3.2, and served concurrently therewith upon Class Counsel, James M. Terrell, Methvin, Terrell, Yancey, Stephens & Miller, P.C., The Highland Building, 2201 Arlington Avenue South, Birmingham, AL 35205; and counsel for Flowers, Richard E. Smith, Christian Small LLP, 505 20th Street North, Suite 1800, Birmingham, AL 35203.

4.2 Any Settlement Class Member who fails to comply with the requirements for objecting in Section 5.1 shall waive and forfeit any and all rights he or she may have to appear separately and/or to object to the Settlement Agreement, and shall be bound by all the terms of the Settlement Agreement and by all proceedings, orders and judgments in the Litigation. The exclusive means for any challenge to the Settlement Agreement shall be through the provisions of Section 5.1. Without limiting the foregoing, any challenge to the Settlement Agreement, the final order approving this Settlement Agreement, or the Judgment to be entered upon final approval shall be pursuant to appeal under the Federal Rules of Appellate Procedure and not through a collateral attack.

V. RELEASE.

5.1 Upon the Effective Date, each Settlement Class Member, including the Representative Plaintiffs, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against all Released Persons, as defined in Section 1.17 and 1.18. Further, upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member, including the Representative Plaintiffs, shall, either directly, indirectly, representatively, as a member of or on behalf of the general public or in any capacity, be permanently barred and enjoined from commencing,

prosecuting, or participating in any recovery in any action in this or any other forum (other than participation in the settlement as provided herein) in which any of the Released Claims is asserted.

VI. PLAINTIFF'S COUNSEL'S ATTORNEYS' FEES, COSTS, AND EXPENSES; INCENTIVE AWARD TO REPRESENTATIVE PLAINTIFF.

6.1 The Settling Parties did not negotiate the payment of the Representative Plaintiffs' attorneys' fees, costs and expenses, as provided for in Section 7.2, until after the substantive material terms of the settlement had been agreed upon, other than that Flowers would pay reasonable attorneys' fees, costs, and expenses as may be agreed to by Flowers and Class Counsel and/or as ordered by the Court, or in the event of no agreement, then as ordered by the Court.

6.2 Class Counsel has agreed to request the total amount of \$125,000.00 from the Court for their attorneys' fees, reasonable costs and expenses, including class administration costs occurring prior to May 21, 2018, incurred in relation to the Data theft and the Litigation. Flowers agrees not to object to this request, and to pay the amount the Court awards to Class Counsel for their attorneys' fees, reasonable costs and expenses, up to and including \$125,000.00 and no more than that amount. Flowers agrees not to appeal any award of attorneys' fees, reasonable costs and expenses that does not exceed \$125,000.00. Class Counsel, in their sole discretion, shall allocate and distribute the amount of attorneys' fees, costs, and expenses awarded by the Court among the different attorneys who have represented the plaintiffs, the Settlement Class Members and the Class Representatives.

6.3 Subject to Court approval, Flowers has also agreed to pay incentive awards up to \$5,000.00 to each Representative Plaintiff. Flowers agrees not to appeal any incentive award provided by the Court to the Representative Plaintiffs that does not exceed \$5,000 per Representative Plaintiff.

6.4 Within fifteen (15) business days after the Effective Date, Flowers shall pay the attorneys' fees, costs, expenses, and incentive awards to the Representative Plaintiffs, as set forth above in Sections 7.2 and 7.3, to an account established by Class Counsel. Class Counsel shall

thereafter distribute the award of attorneys' fees, costs, and expenses among Plaintiff's Counsel and incentive award to the Representative Plaintiffs as directed by Sections 7.2 and 7.3.

6.5 The amount(s) of any award of attorneys' fees, costs, and expenses, and the incentive award to the Representative Plaintiffs, are intended to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the settlement. 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 incentive award ordered by the Court to Class Counsel or the Representative Plaintiffs shall affect whether the Judgment is Final or constitute grounds for cancellation or termination of this Settlement Agreement.

VII. ADMINISTRATION OF CLAIMS.

7.1 The Claims Administrator shall administer and calculate the claims submitted by Settlement Class Members pursuant to Sections 2.1 and 2.2. Class Counsel and Flowers shall be given regular, periodic reports as to both claims and distribution, and have the right to review and obtain supporting documentation and challenge such reports if they believe them to be inaccurate or inadequate. The Claims Administrator's determination of the validity or invalidity of any such claims shall be binding. All claims agreed to be paid in full or in part by Flowers shall be deemed valid up to the amount paid.

7.2 Checks for approved claims shall be mailed and postmarked within 60 days of the Effective Date, or within 30 days of the date that the claim is approved, whichever is latest.

7.3 All Settlement Class Members who fail to timely submit a claim for any benefits hereunder within the time frames set forth herein, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments or benefits pursuant to the settlement set forth herein, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement, the releases contained herein and the Judgment.

7.4 No Person shall have any claim against the Claims Administrator, Flowers, Class Counsel, Plaintiff's Counsel, Flowers' counsel, and/or the Representative Plaintiffs based on distributions of benefits to Settlement Class Members.

**VIII. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL, CANCELLATION, OR
TERMINATION.**

8.1 The Effective Date of the settlement shall be conditioned on the occurrence of all of the following events:

(a) the Court has entered the Order of Preliminary Approval and Publishing of Notice of a Final Fairness Hearing, as required by Section 3.1;

(b) the Court has entered the Judgment granting final approval to the settlement as set forth herein; and

(c) the Judgment has become Final, as defined in Section 1.10.

8.2 If all of the conditions specified in Section 8.1 hereof are not satisfied, the Settlement Agreement shall be canceled and terminated subject to Section 8.3 unless Class Counsel and Flowers' counsel mutually agree in writing to proceed with the Settlement Agreement.

8.3 In the event that the Settlement Agreement is not approved by the Court or the settlement set forth in the Settlement Agreement is terminated in accordance with its terms, (i) the Settling Parties shall be restored to their respective positions in the Litigation and shall jointly request that all scheduled litigation deadlines be reasonably extended by the Court so as to avoid prejudice to any Settling Party or Settling Party's counsel, and (b) the terms and provisions of the Settlement Agreement and statements made in connection with seeking approval of the Agreement shall have no further force and effect with respect to the Settling Parties and shall not be used in the Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Settlement Agreement shall be treated as vacated, *nunc pro tunc*. Notwithstanding any statement in this Settlement Agreement to the contrary, no order of the Court or modification or reversal on appeal of any order reducing the amount of attorneys' fees, costs, expenses, and/or incentive awards shall constitute grounds for cancellation or termination of the Settlement Agreement.

IX. MISCELLANEOUS PROVISIONS.

9.1 The Settling Parties (i) acknowledge that it is their intent to consummate this Agreement; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Settlement Agreement, and to exercise their best efforts to accomplish the terms and conditions of this Settlement Agreement.

9.2 The Settling Parties intend this settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The settlement compromises claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. Flowers maintains that it did not breach any applicable standard of care, statute, regulation or applicable industry best practices in the storage and protection of patient information. The Settling Parties each agree that the settlement was negotiated in good faith by the Settling Parties, and reflects a settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum that the Litigation was brought or defended in bad faith or without a reasonable basis.

9.3 Neither the Settlement Agreement, nor the settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the settlement (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or lack thereof of any Released Claim, or of any wrongdoing or liability of any of the Released Persons; or (ii) 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 Persons in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Any of the Released Persons may file the Settlement Agreement and/or the Judgment in any action that may be brought against them or any of them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.4 The Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.5 The Settlement Agreement, together with the Exhibits attached hereto, constitutes the entire agreement among the parties hereto, and no representations, warranties or inducements have been made to any party concerning the Settlement Agreement other than the representations, warranties and covenants contained and memorialized in such document. Except as otherwise provided herein, each party shall bear its own costs. This agreement supersedes all previous agreements made by the parties.

9.6 Class Counsel, on behalf of the Settlement Class, is expressly authorized by Representative Plaintiffs to take all appropriate actions required or permitted to be taken by the Settlement Class pursuant to the Settlement Agreement to effectuate its terms, and also are expressly authorized to enter into any modifications or amendments to the Settlement Agreement on behalf of the Settlement Class which they deem appropriate in order to carry out the spirit of this Settlement Agreement and to ensure fairness to the Settlement Class.

9.7 Each counsel or other Person executing the Settlement Agreement on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

9.8 The Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

9.9 The Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

9.10 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement Agreement, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Settlement Agreement.

9.11 The Settlement Agreement shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Alabama, and the rights and obligations

of the parties to the Settlement Agreement shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Alabama without giving effect to choice of law principles.

9.12 As used herein, “he” means “he, she, or it;” “his” means “his, hers, or its,” and “him” means “him, her, or it.”

9.13 All dollar amounts are in United States dollars (USD).

9.14 Cashing a settlement check is a condition precedent to any Settlement Class Member’s right to receive settlement benefits. All settlement checks shall be void 60 days after issuance and shall bear the language: “This check must be cashed within 60 days, after which time it is void.” If a check becomes void, the Settlement Class Member shall have until six months after the Effective Date to request re-issuance. If no request for re-issuance is made within this period, the Settlement Class Member will have failed to meet a condition precedent to recovery of settlement benefits, the Settlement Class Member’s right to receive monetary relief shall be extinguished, and Flowers shall have no obligation to make payments to the Settlement Class Member for expense reimbursement under paragraph 2.1 or paragraph 2.2 or any other type of monetary relief. The same provisions shall apply to any re-issued check. For any checks that are issued or re-issued for any reason more than 180 days from the Effective Date, requests for re-issuance need not be honored after such checks become void.

9.15 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Settlement Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the Settlement Agreement to be executed, by their duly authorized attorneys.

Dated: July 18, 2018

Representative Plaintiff's and Class Counsel

A handwritten signature in black ink, appearing to be "J. M. Ta", written over a horizontal line.

Counsel for Flowers and Duly Authorized Signatory

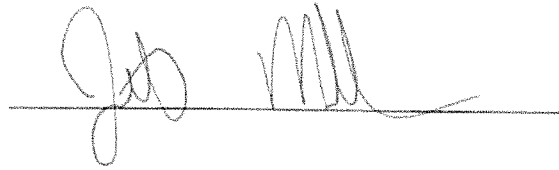
A handwritten signature in black ink, appearing to be "J. M. Ta", written over a horizontal line.

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF ALABAMA
SOUTHERN DIVISION**

**JULIE S. MCGEE, ADAM
PARKER, MICHAEL HALL and
JACK WHITTLE,**

Plaintiffs,

vs.

**TRIAD OF ALABAMA, LLC,
d/b/a FLOWERS HOSPITAL,**

Defendant.

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**CIVIL ACTION NO:
1:14-CV-00324**

**PRELIMINARY ORDER FOR NOTICE AND HEARING IN
CONNECTION WITH SETTLEMENT PROCEEDINGS**

WHEREAS, on July 18, 2018, the Plaintiffs Julie S. McGee, Adam Parker, Michael Hall, and Jack Whittle, (together, “Plaintiffs”) and Defendant Triad of Alabama d/b/a Flowers Hospital ("Flowers), entered into a Settlement Agreement (the “Settlement Agreement”) which is subject to review under Rule 23(e) of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement of the Settled Claims on the merits and with prejudice; and

WHEREAS, pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure, the Action was previously conditionally certified as a class action, to address the issues of liability, on behalf of a class defined as follows:

All non-hospital patients of Flowers Hospital, as defined on page four of the certification order, whose personal identifying information or protected health information was stolen or may have been stolen from Flowers Hospital by Kamarian Millender and/or his accomplice(s). Excluded from the class are the (i) owners, officers, directors, employees, agents and/or representatives of Defendant and its parent entities, subsidiaries, affiliates, successors, and/or assigns, and (ii) the court, court personnel, and members of their immediate families.

Notice was previously given to the 1208 members of the Class advising them of the pendency of the Action as a class action and Class Members were given the opportunity to exclude themselves from the Class; and

WHEREAS, the parties have submitted herewith a Joint Motion For Preliminary Approval Of Settlement And For Order Directing Notice To The Class (the "Motion") seeking preliminary approval of the settlement set forth in the Settlement Agreement and approving dissemination to the Class of the proposed notice (the "Notice") referenced in the Motion and attached as Exhibit C to the Settlement Agreement; and

WHEREAS, the Court having read and considered the Settlement Agreement and the accompanying documents, and the parties to the Settlement Agreement having consented to the entry of this Order, and all capitalized terms used herein having the meanings defined in the Settlement Agreement;

IT IS HEREBY ORDERED this ____ day of _____, 2018 that:

1. A Settlement Fairness Hearing (the "Settlement Fairness Hearing") shall be held before the Court on _____, 2018, at _____ in the

United States District Court for the Middle District of Alabama, Northern Division, in the United States Courthouse, One Church Street, Montgomery, Alabama, for the purposes of:

- (a) Determining whether the proposed Settlement of the Action on the terms and conditions provided for in the Settlement Agreement is fair, reasonable, and adequate and should be approved by the Court, and whether the Order and Final Judgment provided for in the Settlement Agreement should be entered thereon;
- (b) Determining whether the proposed allocation of the proceeds of the Settlement is fair and reasonable, and should be approved by the Court;
- (c) Considering the application of Class Counsel for Class Counsel Fees and Expenses;
- (d) Considering the application of Class Counsel for Class Representative Awards to Plaintiffs; and
- (e) Ruling on such other matters as the Court may deem appropriate.

The Court may adjourn the Settlement Fairness Hearing (including consideration of Class Counsel's application for an award of Class Counsel Fees and Expenses) or any adjournment thereof without further notice to the Class other than by announcement at the Settlement Fairness Hearing or any adjournment thereof.

2. The Court approves the form, substance and requirements of the Notice attached as Exhibit C to the Settlement Agreement.

3. The Court approves the appointment of Dahl Administration as the Settlement Administrator for the Settlement.

4. On or before August 15, 2018, the Settlement Administrator shall:

- (a) Cause copies of the Notice to be mailed by first-class mail to all Class Members; and
- (b) Cause copies of the Claim Form to be mailed by first-class mail to all Class Members that are entitled to receive Claim Forms pursuant to the Settlement Agreement.

At or before the Settlement Fairness Hearing, the parties shall file proof, by affidavit, of such mailings. Flowers shall pay all reasonable costs and expenses related to the delivery of the Notice.

5. The Court finds that the mailing and distribution of the Notice, substantially in the manner and form set forth in this Order, meets the requirements of Rule 23 of the Federal Rules of Civil Procedure and due process, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.

6. Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable, unless such persons had previously requested exclusion from the Class. No further opportunity to request exclusion need be given in this Action. No additional requests for exclusion from the Class will be accepted in this Action. The individuals that requested exclusion from the Class in response to the prior notice of pendency of the Action are excluded from the Class and shall not be entitled to receive any of the proceeds of the Settlement as described in the Settlement Agreement and in the Notice.

7. Any Class Member who wishes to receive a distribution of cash pursuant to the Settlement must return a signed Claim Verification Form (a “Claim Form”) to the Settlement Administrator. In order to constitute a timely settlement claim under the Settlement Agreement, the Claim Form must be postmarked or received for delivery by a private courier service on or before December 13, 2018.

8. The Court will consider Class Members’ comments and/or objections to the Settlement, the proposed allocation of the proceeds of the Settlement, Class Counsel’s application for an award of Class Counsel Fees and Expenses or the Class Representative Awards only if such comments or objections and any supporting papers are filed in writing on or before November 1, 2018 with the Clerk of the Court at the following address:

Ms. Debra P. Hackett
Clerk of Court
U.S. District Court
P.O. Box 711
Montgomery, AL 36101-0711

and copies of all such papers are served by mail or private delivery service and are received for delivery (as applicable) on or before November 1, 2018 upon each of the following:

Class Counsel
James M. Terrell
Methvin, Terrell, Yancey, Stephens & Miller, P.C.
The Highland Building
2201 Arlington Avenue South
Birmingham, AL 35205

and

Counsel for Flowers Hospital
Richard E. Smith
Christian Small LLP
505 20th Street North, Suite 1800
Birmingham, AL 35203

Any objection to the Settlement must contain a caption or title that identifies it as "Objection to Class Settlement in *Bradley S. Smith, et al. v. Triad of Alabama, LLC d/b/a Flowers Hospital*, United States District Court for the Middle District of Alabama, Case No. 2:14-cv-324." Any objection must also contain the following information: (i) the objector's full name, address, telephone number, and e-mail address (if any); (ii) information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class (e.g., copy of notice, copy of original notice of the Data Theft); (iii) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (iv) the identity of all counsel representing the objector; (v) the identity of all counsel representing the objector who will appear at the Final Fairness Hearing; (vi) a list of all persons who will be called to testify at the Final Fairness Hearing in support of the objection and a list of all exhibits to be introduced at the Final Fairness Hearing in support of the objection; (vii) a statement confirming whether the objector intends to personally appear and/or testify at the Final Fairness Hearing; (viii) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with

documentation setting forth such representation); (ix) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last 3 years; (x) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last 3 years; and (xi) a list, by case name, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative.

9. Any Class Member who files and serves a timely written comment or objection may also appear at the Settlement Fairness Hearing either in person or through counsel retained at the Class Member's expense. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement, the proposed allocation of the proceeds of the Settlement, the application for Class Counsel Fees and Expenses and/or the application for Class Representative Awards must also file and serve with their written objection a written notice of intention to appear at the Settlement Fairness Hearing.

10. Class Members who intend to object to the proposed Settlement, the proposed allocation of the proceeds of the Settlement, the application for Class Counsel Fees and Expenses and/or the application for Class Representative Awards,

and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

11. Unless the Court otherwise directs, no member of the Class shall be entitled to object to the Settlement, the proposed allocation of the proceeds of the Settlement, the application for Class Counsel Fees and Expenses and/or the application for Class Representative Awards, or otherwise to be heard, except by serving and filing written objections as described above. Any Class Member who fails to object in the manner provided above shall be deemed to have waived such objection and shall forever be barred from making any such objection in this Action or in any other action or proceeding. The Court shall not consider comments and/or objections filed by individuals who excluded themselves from the Class.

12. Following the Settlement Fairness Hearing, if the Court approves the Settlement provided for in the Settlement Agreement, judgment shall be entered substantially in the form attached to the Settlement Agreement.

13. If any specified condition to the Settlement set forth in the Settlement Agreement is not satisfied and Class Counsel or Counsel for Flowers elect to terminate the Settlement as provided in the Settlement Agreement, then, in any of

such events, the Settlement Agreement, the Settlement proposed in the Settlement Agreement (including any amendments thereof), and any actions taken or to be taken with respect to the Settlement proposed in the Settlement Agreement, and the Settlement shall be of no further force or effect and shall be null and void, and shall be without prejudice to any of the parties hereto, which shall be restored in all respects to their respective positions existing prior to the execution of the Settlement Agreement, except that Defendant shall not be entitled to reimbursement of sums expended for the mailing and distribution of the Notice as directed by this Order.

14. The Court reserves the right to approve the Settlement Agreement and the Settlement with modifications and without further notice to Class Members, and retains jurisdiction over this Action to consider all further applications arising out of or connected with the proposed Settlement.

15. Pending final determination of whether the Settlement should be approved, Plaintiffs and all Class Members, and any of them, are hereby barred and enjoined from asserting, commencing, prosecuting, assisting, instigating or in any way participating in the commencement or prosecution of any action asserting any Settled Claims.

Dated: July __, 2018.

Honorable W. Keith Watkins
CHIEF UNITED STATES DISTRICT JUDGE

EXHIBIT 2

**JULIE S. MCGEE, ET AL. V. TRIAD OF ALABAMA, LLC
D/B/A FLOWERS HOSPITAL**

CLAIM FORM

Instructions: As a Settlement Class Member, you must return this Claim Form in order to request reimbursement for out of pocket expenses resulting from the Data Theft and to receive credit monitoring services. You are not required to submit this Claim Form. If you do, a neutral, third-party claims administrator will review your Claim Form and the documentation you provide and will make a determination whether your claim is valid and whether you are entitled to reimbursement for any expenses. The claims administrator may contact you directly if additional documentation/information is needed to verify your claim. The decision of the claims administrator is final.

Once completed, return this Claim Form to: _____ [address]. This Claim Form must be postmarked or set up for personal delivery on or before December 13, 2018. Any Claim Forms submitted after that date will not be considered.

YOUR CONTACT INFORMATION
Name: (First) _____ (Middle) _____ (Last) _____
Address: (Street) _____ (City) _____ (State) _____ (Zip Code) _____
Current Phone Number: (____) _____ - _____ (Please provide a phone number where you can be reached if further information is required.)
Email Address: _____
IDENTITY THEFT EXPENSE REIMBURSEMENT CLAIM
1. Have you purchased any credit monitoring or identity theft protection services after June 1, 2014? _____ No (Skip to question #3.)

QUESTIONS? CALL 1-

_____ Yes (If yes, go to question #2.)

2. Did you purchase credit monitoring or identity theft protection services as a result of receiving notice from Flowers Hospital that your information have been compromised?

_____ No

_____ Yes (If yes, please provide proof of purchase for any credit monitoring or identify theft protection services you have purchased since June 1, 2014.)

3. Have you purchased any credit reports after June 1, 2014?

_____ No (Skip to question #5.)

_____ Yes (If yes, go to question # 4.)

4. Did you purchase a credit report as a result of receiving notice from Flowers Hospital that your information may have been compromised?

_____ No

_____ Yes (If yes, please provide proof of purchase for any credit report since June 1, 2014.)

5. Have you received notice from the IRS or other appropriate governmental agency on or after June 1, 2013 that a tax return was fraudulently filed in your name?

_____ No (Skip to question #7.)

_____ Yes (If yes, go to question #6.)

6. If you have been notified by the IRS or other appropriate governmental agency after June 1, 2013 that you were the victim of a fraudulent tax return, did the IRS or other appropriate governmental agency provide you with interest on any delayed tax refund arising from the fraudulent tax return?

_____ No, I did not receive interest from the IRS or other appropriate governmental agency for the delay of a tax refund that I was owed. If you did not receive interest for a delayed tax refund, please provide documentation that a fraudulent tax return was filed in your name and provide documents showing that the IRS or other appropriate governmental agency did not reimburse you for the interest of the delayed refund.

_____ Yes, I received interest on any delayed tax refund.

QUESTIONS? CALL 1-

____ I was not entitled to a tax refund for the year in question. I owed money to the IRS.

7. Following your receipt of the notice in 2014 about the data theft at Flowers Hospital, have you spent any time away from work to remedy any identity theft issues (such as time spent filing a police report, time spent with any government agency, or time spent working with a credit reporting agency)?

____ No (Skip to question #8.)

____ Yes If yes, please provide the following information:

(i) Describe what actions you undertook in response to receiving notification that you may be an identity theft victim: _____

(ii) Please provide the total amount of hours spent in correcting any identity theft issues that you believe are related to the Flowers Hospital data theft. _____ hours

(iii) If you made over \$15.00 an hour on June 1, 2014, please provide the amount you made on an hourly basis _____. Please provide documentation that you were making that amount as of June 1, 2014.

8. Have you incurred any other unreimbursed out of pocket expenses after June 1, 2013 that you believe are related to the theft of information at Flowers Hospital?

____ No

____ Yes. If yes, please outline all types of out of pocket damages you have incurred after June 1, 2014. In addition, please attach all supporting documentation of the identify theft and amount of losses to this Claim Form. (Claims submitted without documentation under this question will NOT be considered valid.)

Credit Monitoring Claim

Flowers Hospital has agreed to provide credit monitoring and ID theft insurance for those Class Members who request these services. The maximum value of credit monitoring and ID theft insurance to be provided shall not exceed \$250.00 per Class Member, and the value of services provided will be reduced if the Class Member is seeking reimbursement for credit monitoring or identity theft protection services already purchased by the Class Member.

QUESTIONS? CALL 1-

Would you like to receive credit monitoring and ID theft insurance services?

_____ No

_____ Yes

AFFIRMATION

The Claims Administrator may audit any and all claims and may require the submission of supplemental information to evaluate any claims. **I declare under penalty of perjury that the foregoing is true and correct. If I am submitting this form on someone else's behalf, I declare under penalty of perjury that I am authorized to do so.**

Signature: _____ Date: _____

Print Name: _____

QUESTIONS? CALL 1-

EXHIBIT 3

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF ALABAMA
JULIE S. MCGEE, et. al. v. TRIAD OF ALABAMA, LLC d/b/a FLOWERS HOSPITAL
CASE No. 1:14-cv-00324

**AS A MEMBER OF THE CLASS, YOU MAY BE ENTITLED TO BENEFITS UNDER
A CLASS ACTION SETTLEMENT.
READ THIS NOTICE CAREFULLY.**

The United States District Court for the Middle District of Alabama authorized this notice.

*This is not a solicitation from a lawyer. **You are not being sued.**
YOU MAY RECEIVE A CASH BENEFIT FROM THIS SETTLEMENT.*

- The named plaintiffs and Triad of Alabama, LLC d/b/a Flowers Hospital (“Flowers Hospital”) have reached an agreement on the settlement terms of a class action involving the theft of information at Flowers Hospital.
- Under the proposed Settlement Agreement, you, as a class member, have the right to submit a written claim for reimbursement for verified and documented out-of-pocket expenses that you incurred as a result of receiving notification from Flowers Hospital that your information may have been compromised by a data theft incident. In addition to reimbursement for expenses, you can receive credit monitoring services by requesting these services by timely submitting the enclosed Claim Form.
- Flowers Hospital has agreed to pay up to \$150,000.00 to fund the reimbursement requests and request for credit monitoring services. If the total amount of valid reimbursement requests and credit monitoring services exceeds \$150,000.00, then your claim could be prorated.
- **You must return the attached Claim Form** if you wish to receive any benefit from this settlement.
- The following chart describes your rights and options at this time. **Please read this notice carefully:**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:	
IF YOU WANT TO RECEIVE A CASH SETTLEMENT PAYMENT, YOU MUST RETURN THE ATTACHED CLAIM FORM BY DECEMBER 13, 2018:	If you wish to receive the cash settlement payment described in this Notice, <u>you must fill out and return the attached Claim Form.</u> If your address is different than the address on the Claim Form, be sure to change your address where indicated. Checks will be mailed within sixty (60) days after the Fairness Hearing (<u>see question 13, below</u>). By returning a Claim Form, you release certain claims against Flowers Hospital (<u>see question 5, below</u>).
IF YOU WANT TO OBJECT TO THE SETTLEMENT, YOU MUST DO SO	You have the right to object to the settlement terms if you feel they are not fair. You must do this in writing, as long as you do it by the deadline. <u>If you object and the settlement is nonetheless approved,</u>

QUESTIONS? CALL 1-

BEFORE NOVEMBER 1, 2018.	you will still receive any payment you are otherwise entitled to. <u>If your objection is sustained by the Court, and the entire settlement is set aside, then the litigation will go forward as though no settlement had been reached.</u> For instructions concerning objections, see question 12, below.
IF YOU WANT TO ATTEND A HEARING ON THE FAIRNESS OF THE SETTLEMENT, YOU MAY DO SO ON _____, 2018 AT _____ .M.	A Fairness Hearing will be held at which time the federal court judge will make a final decision as to whether the settlement is fair to all Class Members. If you wish, you may attend the hearing and/or object to the settlement at that time, see question 13, below.
IF YOU DO NOTHING	If you do nothing, you will remain a member of the class and your claims against Flowers Hospital will be released (see question 9, below).

BASIC INFORMATION

1. Why did I get this notice?

This notice is about the settlement of a class action lawsuit arising out of the theft of patient information at Flowers Hospital (**See question 2, below**). The parties have reached a settlement, and the Court has ordered that you be sent this Notice, because you have a right to know your options before the Court decides whether to approve the settlement. This Notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Middle District of Alabama, and the case is named Julie S. McGee, et al. v. Triad of Alabama, LLC d/b/a Flowers Hospital, Case No. 1:14-cv-00324. The judge in this case is Chief United States District Court Judge W. Keith Watkins, whose chambers are in Montgomery, Alabama.

2. What is this lawsuit about?

This case arises from the theft of Flowers' laboratory documents by a former Hospital employee, Kamarian Millender ("Millender") and/or by his accomplice(s). Law enforcement notified the Hospital about the data theft in February 2014 following Millender's arrest. In June 2014, two hospital patients filed the Complaint in this case, seeking to represent a putative class. The Complaint was amended to add three additional Plaintiffs. The lawsuit contains a number of causes of action that allege that Flowers Hospital did not properly safeguard patient information against the theft. On March 17, 2017, the Court granted the Plaintiffs' motion to certify a class for purposes of the liability phase of the case. The class consists of 1,208 individuals (the "1208") whose information may have been compromised due to the employee theft.

Flowers Hospital denies that it has done anything wrong and maintains that it properly protected (and protects) its patients' information from theft or improper disclosure. Nothing in this notice should be

QUESTIONS? CALL 1-

interpreted as a finding or an admission of any kind by Flowers Hospital that the claims alleged have any merit whatsoever. Flowers Hospital has agreed to this settlement for convenience, and not as an admission of any wrongdoing.

3. What is a class action?

In a class action, one or more plaintiffs, called (“**Class Representatives**”), filed a lawsuit on behalf of Flowers Hospital’s patients who may have been affected by the data theft at issue. All these patients, including yourself, are “**Class Members**.” One court resolves the issues for all Class Members, except those who previously voluntarily excluded themselves (“opted out”) from the class.

4. Who in the Class is affected by this Settlement?

The parties believe you are a member of the Class based upon the records of Flowers Hospital and you did not previously exclude yourself from this class action. The federal court has certified a class described as follows:

All non-hospital patients of Flowers Hospital, as defined on page four of the certification order, whose personal identifying information or protected health information was stolen or may have been stolen from Flowers Hospital by Kamarian Millender and/or his accomplice(s). Excluded from the class are the (i) owners, officers, directors, employees, agents and/or representatives of Defendant and its parent entities, subsidiaries, affiliates, successors, and/or assigns, and (ii) the court, court personnel, and members of their immediate families.

5. Why is there a settlement?

The Court did not decide in favor of either side. Instead, both sides agreed to a compromise settlement. That way, they avoid the cost and uncertainty of a trial and a possible appeal.

Under the settlement, you have the right to return the enclosed Claim Form seeking reimbursement of your verified and documented out of pocket expenses related to the Flowers Hospital data theft and/or requesting credit monitoring services. You are not required to submit a claim form, but if you do not, you will not receive any of the relief provided by this settlement. Either way, however, your right to proceed against Flowers Hospital for the claims asserted in this case (described in question 2 above) will be released, and you will not be able to assert such claims against Flowers Hospital.

6. What are the settlement terms?

Flowers has agreed to pay up to \$150,000.00 to reimburse Class Members for out of pocket expenses resulting from the data theft and to allow Class Members to sign up for credit monitoring services for a value up to \$250.00. All Settlement Class Members who submit a valid claim are eligible to receive reimbursement for the following out-of-pocket expenses actually incurred in response to the Data Theft:

QUESTIONS? CALL 1-

(i) the costs of credit monitoring and identity theft protection services actually purchased by Settlement Class Members; (ii) reimbursement for documented lost time spent dealing with the Data Theft as set out in the Settlement Agreement; (iii) the costs of credit report(s) actually purchased by Settlement Class Members; (iv) any un-reimbursed interest related to a delayed tax refund based on a fraudulent tax return for any return filed after June 1, 2013; and (v) any other actual, documented, and unreimbursed monetary loss attributable to the Data Theft.

Under the Court-approved Plan of Distribution, Class Members must return a Claim Form in order to receive a cash payment or credit monitoring services under this settlement.

7. Do the Class Representatives and their attorneys recommend this settlement?

Yes. The settlement was reached following formal and informal mediation proceedings after nearly four years of litigation. For complex reasons pertaining to the actual law governing both the substantive claims and the procedures surrounding class actions, the Class Representatives and their attorneys believe this is the best settlement available, and that it is preferable to the expense, duration and uncertainty that a trial and any subsequent appeals present which would further delay the recovery, if any.

8. What must I do to get reimbursed for expenses and to request credit monitoring services?

You must fill out and return the enclosed Claim Form on or before December 13, 2018. Be sure to include your correct current address where indicated. If there are no unexpected delays, and if your claim is determined to be valid, a check will be mailed and/or information about credit monitoring services will be provided approximately 60 days after the Fairness Hearing.

9. What happens if I do nothing?

If you do nothing, you will receive no settlement check or credit monitoring services, because settlement checks and credit monitoring services will **only** be sent to those class members who submit valid claims. But, your claims against Flowers Hospital will nonetheless be released.

10. Do I need a lawyer in this case?

The Court has appointed the law firms of Methvin, Terrell, Yancey, Stephens & Miller, P.C. and M. Adam Jones & Associates, LLC to represent you and other Class Members. Together, the lawyers are called Class Counsel. If you want to be represented by your own separate lawyer, you may hire one at your own expense, but you do not need to do so.

11. How will the lawyers be paid?

Class Counsel will ask the Court to award them a fee equal to \$125,000.00, which is inclusive of approximately \$18,000.00 in expenses. Class Counsel will also ask the Court to award the named Plaintiffs an incentive award of \$5,000 each for their time and effort in pursuing this class action.

QUESTIONS? CALL 1-

The amounts being requested by Class Counsel will ultimately have to be approved by the Court. The amounts approved by the Court will not directly or indirectly reduce the \$150,000.00 in settlement benefits being provided by Flowers Hospital.

12. How do I object to the Court if I don't like the Settlement?

You may object to any aspect of this case, any order heretofore entered by the Court, or any term of the Settlement Agreement. Such objection must be in writing and must provide evidence of your membership in the Class. The procedures for submitting written objections are set forth below. **A written objection (and any support for it) must be received by the Court and by the following attorneys no later than November 1, 2018 (the "Objection Deadline"):**

CLASS COUNSEL	DEFENSE COUNSEL	COURT
James M. Terrell Methvin, Terrell, Yancey, Stephens & Miller, P.C. The Highland Building 2201 Arlington Avenue South Birmingham, AL 35205	Richard E. Smith Jonathan W. Macklem J. Paul Zimmerman CHRISTIAN & SMALL LLP 505 20 th Street North, Suite 1800 Birmingham, AL 35203	Ms. Debra P. Hackett Clerk of Court U.S. District Court P.O. Box 711 Montgomery, AL 36101- 0711

If you hire an attorney in connection with making an objection, that attorney must file with the Court and serve on the counsel identified above a notice of appearance. **The notice of appearance must be received by the Court and the attorneys identified above, no later than the Objection Deadline.** If you do hire your own attorney, you will be responsible for payment of all fees and expenses that the attorney incurs on your behalf. Even if you hire your own attorney, you must still personally sign any objection filed on your behalf to the Settlement.

Any objection to the Settlement must contain a caption or title that identifies it as "Objection to Class Settlement in Bradley S. Smith, et al. v. Triad of Alabama, LLC d/b/a Flowers Hospital (Civil Action No. 1:14-cv-00324)." Any objection must also contain the following information: (i) the objector's full name, address, telephone number, and e-mail address (if any); (ii) information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class (e.g., copy of notice, copy of original notice of the Data Theft); (iii) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (iv) the identity of all counsel representing the objector; (v) the identity of all counsel representing the objector who will appear at the Final Fairness Hearing; (vi) a list of all persons who will be called to testify at the Final Fairness Hearing in support of the objection and a list of all exhibits to be introduced at the Final Fairness Hearing in support of the objection; (vii) a statement confirming whether the objector intends to personally appear and/or testify at the Final Fairness Hearing; (viii) the objector's signature and the signature of the objector's duly authorized attorney or other duly authorized representative (along with documentation setting forth such representation); (ix) a list, by case name, court, and docket number, of all other cases in which the

QUESTIONS? CALL 1-

objector (directly or through counsel) has filed an objection to any proposed class action settlement within the last 3 years; (x) a list, by case name, court, and docket number, of all other cases in which the objector's counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last 3 years; and (xi) a list, by case name, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative.

If (and only if) you make a written objection to the Settlement as set out above, may you choose to speak — either in person or through an attorney hired at your own expense — at the Final Fairness Hearing (see **Question 15, below**) the Court has set to consider whether to give final approval to the Stipulation. You are not required to attend the hearing. Lack of attendance at the Final Fairness Hearing will not prevent the Court from considering your objection. If you (or your attorney) intend to speak at the Final Fairness Hearing, you must file with the Court and serve on the attorneys identified above a notice of intent to appear. **Again, the notice of intent to appear must be received by the Court, and by the attorneys identified above, no later than the Objection Deadline.**

If you do not file an objection as described in this Notice Package, you will be deemed to have waived any and all objections to the Settlement, to have consented to the Court's certification of and jurisdiction over the Settlement Class, and to have released the Claims as defined in the Stipulation (which is reproduced from the Settlement Agreement in Appendix A hereto).

13. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at _____ a.m. on _____, _____, at the Courtroom of Chief United States District Court Judge W. Keith Watkins, Frank M. Johnson U.S. Courthouse Complex, Courtroom ____ One Church Street, Montgomery, Alabama 36104. At this hearing, the Court will consider whether the settlement is fair, reasonable and adequate. **You are not required to attend the hearing, but may do so if you wish.** If there are objections, the Court will consider them. Judge Watkins will listen to people who ask to speak at the hearing. Judge Watkins will also decide whether to pay Class Counsel the amount they are requesting for attorneys' fees and reimbursement of litigation expenses, as well as any class representative incentive awards. After the hearing, the Court will decide whether to approve the settlement.

If you plan to attend the hearing, you should call Class Counsel two or three days ahead of time to find out if the hearing has been rescheduled.

15. How do I get more information?

This Notice is just a summary, and you are entitled, if you wish, to read the entire Settlement Agreement and any pleadings filed in the case. The Settlement Agreement and the complete pleadings filed in this lawsuit can be inspected or copied during normal business hours at the Clerk of Court's Office, U.S. District Court, Frank M. Johnson U.S. Courthouse Complex, One Church Street, Montgomery, AL 36104. For convenient reference, certain pleadings can be reviewed online at the following website:

QUESTIONS? CALL 1-

<https://ecf.almd.uscourts.gov/cgi-bin/login.pl>. To view these pleadings, you may need to register with the Administrative Office of U.S. Courts Pacer Service Center and may be charged a fee.

You may also call 1-_____ toll free to get a copy of the agreement and other information.

Please **do not** contact the Court or Clerk of Court with any questions regarding this case.

BY ORDER OF THE COURT:

CLERK, UNITED STATES DISTRICT COURT

/s/ Debra P. Hackett

QUESTIONS? CALL 1-_____