

# Exhibit 1

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

IN RE SHIELDS HEALTH GROUP, INC  
DATA BREACH LITIGATION

CASE NO. 1:22-cv-10901-PBS

Hon. Patti B. Saris

AND

**COMMONWEALTH OF MASSACHUSETTS**

**NORFOLK, ss.**

**CONSTANTINE KOSSIFOS**, on behalf of  
himself and all others similarly situated,

Plaintiff,

v.

**SHIELDS HEALTH CARE GROUP,  
INC.,**

Defendant.

**SUPERIOR COURT  
TRIAL COURT DEPARTMENT**

**CASE NO. 2282-cv-00561**

**CONSOLIDATED WITH**

**ESSEX, ss.**

**AMANDA JOHNSON, CHRISTINE  
CAMBRIA, COURTNEY HORGAN, and  
KENNETH VANDAM**, on behalf of himself  
and all others similarly situated,

Plaintiff,

v.

**SHIELDS HEALTH CARE GROUP,  
INC.,**

Defendant.

**SUPERIOR COURT  
TRIAL COURT DEPARTMENT**

**CASE NO. 2277-cv-00839**

**NORFOLK, ss.**

**WILLIAM BISCAN, TENNIE KOMAR,  
and LISA SMITH**, on behalf of himself and  
all others similarly situated,

Plaintiff,

v.

**SHIELDS HEALTH CARE GROUP,  
INC.,**

Defendant.

**SUPERIOR COURT  
TRIAL COURT DEPARTMENT**

**CASE NO. 2382-cv-0023**

**CLASS ACTION SETTLEMENT AGREEMENT**

This Settlement Agreement is made by and between, as hereinafter defined: (a) the Representative Plaintiffs,<sup>1</sup> on behalf of themselves and the Settlement Class; and (b) Defendant Shields Health Care Group, Inc. (“Shields” or “Defendant”). This Agreement fully and finally compromises and settles any and all claims that are, were, or could have been asserted in the litigation in the two above-captioned consolidated actions entitled *In re Shields Health Group, Inc. Data Breach Litigation*, Case No. 1:22-cv-10901-PBS, pending in the United States District Court for the District of Massachusetts (the “Federal Action”); and *Kossifos, et al., v. Shields Health Care Group, Inc.*, Case No. 2282-cv-00561, consolidated with *Johnson et al. v. Shields Health Care Group, Inc.*, Case No. 2277-cv-00839 and *Biscan et al. v. Shields Health Care Group, Inc.*, Case No. 2382-0023, all pending in Norfolk Superior Court in the Commonwealth of Massachusetts (the “State Action”) (collectively referred to herein as “the Litigation”), as set forth herein.

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<sup>1</sup> All capitalized terms are defined in Section 2 below.

**1. Recitals**

- 1.1. On or around March 28, 2022, Shields discovered suspicious activity within its network and determined that third-party cybercriminals had gained unauthorized access to Shields' network intermittently between March 7, 2022 and March 21, 2022 (the "Data Incident").
- 1.2. Shields' investigation determined that certain files, which may have included Settlement Class Members' Personal Information, may have been viewed and/or taken by the unauthorized actors.
- 1.3. While working diligently with its counsel and a third party to perform a comprehensive review of all information contained in the databases as potentially impacted, and coordinating with its Health Care Facility Partners, Shields posted notice of the Incident on its website's home page on May 27, 2022.
- 1.4. On or around July 25, 2022, Shields began providing rolling notice of the Data Incident to impacted individuals. Shields continued to send notice to impacted victims over the next several months.
- 1.5. By April 19, 2023, Shields determined that the total number of individuals impacted by the Data Incident was 2,382,578.

**The Federal Action**

- 1.6. Beginning on June 9, 2022, Plaintiffs William Biscan, Lisa Smith, James Buechler, Elsie Diaz, Jonathan Roach Tennie Komar, Debra Monette, and Julie Colby ("Initial Federal Plaintiffs") filed proposed class action complaints in the United States District Court for the District of Massachusetts, asserting claims arising out of the Data Incident.

- 1.7. Thereafter, various Initial Federal Plaintiffs moved to consolidate and for appointment of their counsel as Interim Class Counsel.
- 1.8. By Order dated September 16, 2022, the Court appointed Interim Class Counsel, with George Feldman McDonald, PLLC, Lynch Carpenter LLP, and Keller Postman serving as Interim Co-Lead Class Counsel,<sup>2</sup> Berman Tabacco and Block & Leviton serving as Interim Co-Liaison Counsel, and the following firms serving as Interim Executive Committee: Barrack, Rodos & Bacine, Kantrowitz, Goldhamer & Graifman, P.C., Finkelstein, Blankinship, Frei-Pearson & Garber, LLP, Milberg LLP, Morgan & Morgan, Lynch Carpenter LLP, Scott+Scott Attorneys at Law LLP,<sup>3</sup> Sweeney Merrigan Law LLC, and Wolf, Haldenstein, Adler, Freeman & Herz LLP.
- 1.9. On January 9, 2023, Federal Plaintiffs—James Buechler, Julie Colby, John Kennedy, Sharon Pimental, and Cindy Tapper—filed a Consolidated Class Action Complaint (the “Federal CAC”), which, among other changes, consolidated the facts and claims of the related actions filed in this federal district and re-defined the scope of the Federal Action to be on behalf of a proposed nationwide class with the exception of plaintiffs who are citizens of the Commonwealth of Massachusetts.

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<sup>2</sup> Elizabeth Pollock Avery of Lynch Carpenter, LLP and Seth Meyer of Keller Postman LLC were initially appointed Interim Co-Lead Counsel with Lori G. Feldman of George Feldman McDonald, PLLC. By Order dated October 16, 2023, Alex Dravillas of Keller Postman LLC was substituted for Mr. Meyer as Interim Co-Lead Counsel, and by Order dated May 9, 2024, Kelly K. Iverson of Lynch Carpenter, LLP was substituted for Ms. Pollock Avery as Interim Co-Lead Counsel.

<sup>3</sup> Carey Alexander of Scott+Scott Attorneys at Law LLP was initially appointed Interim Executive Committee Member. By Order dated September 16, 2024, Anjori Mitra of Scott+Scott Attorneys at Law LLP was substituted for Mr. Alexander.

- 1.10. After the appointment of Federal Plaintiffs' leadership, but prior to the filing of the Federal CAC, counsel for Shields and Interim Co-Lead Class Counsel extensively met and conferred on issues relating to federal subject matter jurisdiction.
- 1.11. On August 23, 2023, Shields filed its motion to dismiss the Federal CAC.
- 1.12. On October 2, 2023, Federal Plaintiffs filed their opposition to the motion to dismiss filed by Shields.
- 1.13. On October 26, 2023, Shields filed its reply in further support of its motion to dismiss.
- 1.14. On November 27, 2023, the parties appeared before Judge Saris and presented oral argument relating to Shields' motion to dismiss.
- 1.15. On February 6, 2024, the parties filed a Notice of Scheduled Mediation advising the Court that they would engage in a mediation session on April 9, 2024.
- 1.16. On March 5, 2024, Judge Saris entered a Memorandum Opinion and Order allowing in part and denying in part Shields' motion to dismiss the Federal CAC.
- 1.17. On March 19, 2024, Shields filed its Answer to the Federal CAC.
- 1.18. As reflected in its Answer, Defendant denies all material allegations of wrongdoing in the Federal CAC and specifically denies all statutory, common law, and contract-related claims, including those alleging it had inadequate data security, failed to properly protect any personal data, failed to provide adequate and timely notice of the Data Incident, or committed any unfair or deceptive practices, and disputes that Plaintiffs have suffered any damages as a result of the Data Incident.
- 1.19. The parties continued to engage in discovery in the Federal Action, with work being done up until they reached an agreement-in-principle to settle the Litigation.

**The State Action**

- 1.20. Beginning on June 16, 2022, Plaintiffs Constantine Kossifos, William Biscan, Tennie Komar, Lisa Smith, Amanda Johnson, Christine Cambria, Courtney Horgan, and Kenneth Vandam (“Initial State Plaintiffs”) filed proposed class action complaints in Norfolk and Essex Counties of the Massachusetts Superior Courts, asserting claims arising out of the Data Incident.
- 1.21. On March 15, 2023, Shields moved to consolidate the Initial State Plaintiffs’ actions into a single action in Norfolk County.
- 1.22. The Initial State Plaintiffs’ cases were consolidated by Order dated March 16, 2023.
- 1.23. On September 7, 2023, State Plaintiffs—Constantine Kossifos, William Biscan, Tennie Komar, Lisa Smith, Amanda Johnson, Christine Cambria, Courtney Horgan, Kenneth Vandam, Peter Shea, and Maria Melo—filed their Consolidated Amended Complaint (the “State CAC”).
- 1.24. On February 5, 2024, Shields filed the Superior Court Rule 9A package for its motion to dismiss the State CAC. This package included the State Plaintiffs’ opposition papers and Shields’ reply brief.
- 1.25. On May 29, 2024, the parties presented oral argument on Shields’ motion to dismiss the State CAC.
- 1.26. By Order dated July 11, 2024, the Honorable Joseph Leighton issued a Memorandum and Order on Defendant’s Motion to Dismiss, allowing certain counts in the State CAC to proceed and dismissing others.
- 1.27. On July 22, 2024, Shields filed its Answer in the State Action.

- 1.28. As reflected in its Answer, Defendant denies all material allegations of wrongdoing in the State CAC and specifically denies all statutory, common law, and contract-related claims, including those alleging it had inadequate data security, failed to properly protect any personal data, failed to provide adequate and timely notice of the Data Incident, or committed any unfair or deceptive practices, and disputes that Plaintiffs have suffered any damages as a result of the Data Incident.
- 1.29. The parties continued to engage in discovery in the State Action, with work being done up until they reached an agreement-in-principle to settle the Litigation.

### **The Mediations**

- 1.30. On April 5, 2024, the Parties attended an all-day mediation before Honorable Wayne Andersen (Ret.), in which they engaged in arm's-length negotiations. The Parties failed to reach an agreement in principle during that mediation session.
- 1.31. After additional case activity, discovery, and court decisions, the Parties scheduled a second mediation with the Honorable Wayne Andersen (Ret.).
- 1.32. The second mediation took place in person in Naples, Florida on November 15, 2024. Once again, counsel engaged in arm's-length negotiations. Counsel for the Parties failed to reach an agreement in principle during that mediation but kept the session open for continuing negotiations.
- 1.33. After continued discussion facilitated through the mediator, Judge Andersen made a mediator's proposal, which ultimately led to this settlement of the Litigation.
- 1.34. The Parties recognize the expense and risk inherent in continued litigation of the Federal and State Actions through further motion practice, discovery, trial, and any possible appeals. The Parties have considered the uncertainty of the outcome of further litigation,

and the expense, difficulties, and delays inherent in such litigation. The Parties, though confident of their ability to overcome the challenges, are also aware of the burdens of proof necessary to establish liability and damages for the claims alleged in the Federal and State Actions and the defenses thereto. The Parties have determined that the settlement set forth in this Agreement is in their respective best interests and that the Agreement is fair, reasonable, and adequate. The Parties have therefore agreed to the settlement set forth in the terms and provisions of this Agreement, subject to Court approval of both the Federal and State Courts.

- 1.35. It is the intention of the Parties to resolve the disputes and claims as set forth in the terms below.

NOW, THEREFORE, in consideration of the promises, covenants, and agreements herein described, and for other good and valuable consideration acknowledged by each of the Parties to be satisfactory and adequate, and intending to be legally bound, the Parties do hereby mutually agree as follows:

## **2. Definitions**

As used in all parts of this Agreement, including the recitals above, and the exhibits hereto, the following terms have the meanings specified below:

- 2.1. “Administration and Notice Costs” means all reasonable costs and expenses incurred by the Settlement Administrator in carrying out its duties under this Agreement, including all costs and expenses incurred in connection with implementing and executing the Notice Plan and notice required by the Class Action Fairness Act, administering the Settlement, and any Taxes owed relating to the Qualified Settlement Fund Account.

- 2.2. “Agreement” or “Settlement Agreement” or “Settlement” means this Class Action Settlement Agreement and Release and all of its attachments and exhibits, which the Parties understand and agree set forth all material terms and conditions of the settlement of the Action between them and which is subject to approval by the Court.
- 2.3. “Approved Claims” means Settlement Claims completed using a Claim Form, submitted by the Claims Deadline, and found to be valid and in an amount approved by the Settlement Administrator.
- 2.4. “Attorneys’ Fees” means the attorneys’ fees that Class Counsel in the Litigation request the Court to approve for payment from the Settlement Fund as compensation for work in prosecuting and settling the Action.
- 2.5. “Business Days” means Monday, Tuesday, Wednesday, Thursday, and Friday, excluding holidays observed by the United States federal government.
- 2.6. “Claim Form” means the claim form attached as Exhibit C, or a claim form approved by the Courts that is substantially similar to Exhibit C.
- 2.7. “Claims Deadline” means the deadline by which Settlement Class Members must submit any Settlement Claims. Unless otherwise agreed by the Parties or ordered by the Court, Settlement Claims submitted after the Claims Deadline will not be timely, will not qualify for approval, and will be rejected. The Claims Deadline shall be set by the Court in the Preliminary Approval Order and shall be seventy-five (75) days after the Notice Date.
- 2.8. “Courts” means both the United States District Court for the District of Massachusetts and the Norfolk Superior Court for the Commonwealth of Massachusetts, acting separately in their respective actions (the Federal Action and the State Action), but issuing the same ruling, as described.

- 2.9. “Data Incident” means the unauthorized third-party access to Shields’ network that was discovered by Defendant on or around March 28, 2022, and which is the subject of the Litigation.
- 2.10. “Defendant” means Shields Health Care Group, Inc.
- 2.11. “Defendant’s Counsel” means the undersigned attorneys for Defendant Shields Health Care Group, Inc., from the law firm of Mullen Coughlin LLC.
- 2.12. “Defendant’s Health Care Facility Partners” means the health care facility partners of Defendant, for which Defendant maintained, stored, or had access to patient and/or employee information and which information was potentially impacted in the Incident. Such arrangement may include, but not is limited to, those entities with which Defendant has or had a relationship through a joint venture arrangement, partnership, business associate agreement, or otherwise. Defendant’s Health Care Facility Partners includes all entities disclosed by Defendant to the U.S. Dept. of Health and Human Services Office of Civil Rights and/or states’ attorneys general offices in its reporting of the Incident, which disclosures are publicly available.
- 2.13. “Effective Date” means the date set forth in Section 13 of this Agreement.
- 2.14. “Entity” means any corporation, partnership, limited liability company, association, trust, or other organization of any type.
- 2.15. “Expenses” means the reasonable costs and expenses incurred in litigating the Federal and State Actions that Class Counsel request the Courts to approve for payment from the Settlement Fund.

- 2.16. “Federal Action” means the consolidated action filed in the United States District Court for the District of Massachusetts and captioned *In Re Shields Health Group, Inc. Data Breach Litigation*, Case No. 1:22-cv-10901-PBS (D. Mass.).
- 2.17. “Federal CAC” means the Consolidated Class Action Complaint in the Federal Action, at Docket Entry Number 64, filed on January 9, 2023.
- 2.18. “Federal Court” means the United States District Court for the District of Massachusetts, where the Federal Action is pending.
- 2.19. “Federal Plaintiffs” means Plaintiffs James Buechler, Julie Colby, John Kennedy, Sharon Pimental, and Cindy Tapper, which are the plaintiffs named in the Federal CAC.
- 2.20. “Final Approval” means entry of a Final Approval Order and Judgment in both the Federal and State Actions.
- 2.21. “Final Approval Hearing” means the hearings to be conducted before the Courts to determine the fairness, adequacy, and reasonableness of the Agreement pursuant to: 1) Federal Rule of Civil Procedure 23 and whether to enter a Final Approval Order and Judgment in the Federal Action and 2) Massachusetts Rule of Civil Procedure 23 and whether to enter a Final Approval Order and Judgment in the State Action. The Final Approval Order and Judgments in each of the actions in the Litigation shall be entered no earlier than ninety (90) days after notices are mailed to ensure sufficient time for compliance with the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715 in the Federal Action.
- 2.22. “Final Approval Order(s) and Judgment(s)” means an order and judgment that each of the Courts enter after the Final Approval Hearings in the Federal and State Actions, which, among other things, finally approves the Agreement, finally certifies the

Settlement Class for settlement purposes, dismisses all claims in the Litigation against Defendant with prejudice, and releases the Released Parties from the Released Claims, materially in the form of the proposed Final Approval Order and Judgments attached as Exhibit F1 (Federal Action) and F2 (State Action).

- 2.23. “Judgment(s)” means the Final Approval Order and Judgments entered in the Federal Action and the State Action.
- 2.24. “Litigation” means the State Action and the Federal Action, collectively.
- 2.25. “Long Notice” means the long form notice attached as Exhibit B, or substantially similar to the long form notice attached as Exhibit B.
- 2.26. “Notice Date” means the date by which notice will be fully commenced, which shall be no later than thirty (30) days after the Courts enter the Preliminary Approval Order.
- 2.27. “Notice Plan” means the settlement notice program attached as Exhibit D, or substantially similar to the settlement notice program attached as Exhibit D, to be presented to the Courts for approval in connection with a motion seeking a Preliminary Approval Order.
- 2.28. “Objection Deadline” means the deadline by which objections to the Settlement must be postmarked or submitted electronically to the Settlement Administrator. Such deadline shall be sixty (60) days after the Notice Date.
- 2.29. “Opt-Out Deadline” means the deadline by which any requests for exclusion from the Settlement submitted by members of the Federal Action Settlement Class must be postmarked or submitted electronically as set forth in the Federal Action Preliminary Approval Order. Such deadline shall be sixty (60) days after the Notice Date.

- 2.30. “Parties” means the Representative Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant Shields Health Care Group, Inc.
- 2.31. “Parties’ Counsel” means Plaintiffs’ Class Counsel and Defendant’s Counsel.
- 2.32. “Personal Information” means all Settlement Class Member-specific information identified by Shields as being potentially compromised, accessed, exfiltrated, or otherwise impacted as a result of the Data Incident, including any personal health information.
- 2.33. “Plaintiffs” or “Representative Plaintiffs” means Federal Plaintiffs and State Plaintiffs, as defined herein.
- 2.34. “Plaintiffs’ Counsel,” “Representative Plaintiffs’ Counsel” or “Class Counsel” means George Feldman McDonald, PLLC; Lynch Carpenter LLP; Keller Postman; Morgan & Morgan; Mazow McCullough, PC; Barrack, Rodos & Bacine; Kantrowitz, Goldhamer & Graifman, P.C.; Finkelstein, Blankinship, Frei-Pearson & Garber, LLP; Milberg LLP; Scott+Scott Attorneys at Law LLP; Sweeney Merrigan Law LLC; Wolf, Haldenstein, Adler, Freeman & Herz LLP; Berman Tabacco; and Block & Leviton;
- 2.35. “Preliminary Approval Order” means the Courts’ order preliminarily approving the Settlement Agreement and, among other things, ordering that notice be provided to the Settlement Class, and in the form of, or materially in the form of, the proposed Preliminary Approval Orders attached as Exhibit E1 (Federal Action) and E2 (State Action).
- 2.36. “Qualified Settlement Fund Account” means the account established by the Settlement Administrator and controlled by the Settlement Administrator subject to the terms of this Agreement and the Courts’ orders in which the Settlement Fund will be held, as described

in Section 3.2 of this Agreement. The Qualified Settlement Fund Account is intended to be a “qualified settlement fund” within the meaning of Internal Revenue Code § 468B and Treasury Regulation § 1.468B-1. Defendant shall retain no rights or reversionary interests in the settlement monies once transferred to the Qualified Settlement Fund Account, except as set forth in Section 13.2.

2.37. “Related Entities” means Defendant and Defendant’s Health Care Facility Partners’ past or present parent companies, subsidiaries, divisions, related or affiliated individuals and entities, divisions, successors, predecessors (including companies they have acquired, purchased or absorbed), subcontractors, assigns and joint ventures, and each of their respective successors, predecessors, officers, partners, directors, owners, stockholders, servants, agents, shareholders, members, managers, principals, investment advisors, consultants, employees, representatives, attorneys, accountants, lenders, underwriters, benefits administrators, investors, funds, indemnities, insurers and reinsurers, past, present, and future, and all persons acting under, by or through, or in concert with any of them, other than any individual who is found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the criminal activity or occurrence of the Data Incident or who pleads nolo contendere to any such charge.

2.38. “Released Claims” means any and all claims, defenses, demands, actions, causes of action, rights, offsets, setoffs, suits, remedies, damages, lawsuits, costs, relief for contempt, losses, attorneys’ fees, expenses, or liabilities of any kind whatsoever, in law or in equity, for any relief whatsoever, including but not limited to monetary sanctions or damages for contempt, injunctive or declaratory relief, mandamus, rescission, general, direct, compensatory, special, liquidated, indirect, incidental, consequential, or punitive

damages, as well as any and all claims for double, treble, or multiple damages, statutory damages, penalties, interest, attorneys' fees, costs, or expenses, whether known or unknown (including Unknown Claims), suspected or unsuspected, existing or potential, contingent or vested, accrued or not accrued, liquidated or unliquidated, matured or unmatured, that in any way concern, arise out of, or relate to the Data Incident, any legal, factual, or other allegations in the Action, or any theories of recovery that were, or could have been, raised at any point in the Action, including but not limited to those in the Federal CAC, State CAC, and the pre-consolidation complaints filed in the Litigation.

For the avoidance of doubt, Released Claims are to be construed broadly and include, without limitation, any claims that a Releasing Party may have under the law of any jurisdiction, including, without limitation, those arising under state or federal law of the United States (including, without limitation, any causes of action under the Massachusetts Consumer Protection Act, Mass. Gen. Laws ch. 93A *et seq.*; Mass. Gen. Laws c. 214, § 1B; Mass. Gen. Laws c. 111, § 70E; the Rhode Island Deceptive Trade Practices Act, R.I. Gen. Laws § 6-13.1-1, *et seq.*; the Maine Unfair Trade Practices Act, Me. Rev. Stat. tit. 5 §§ 205, 213, *et seq.*; the Maine Uniform Deceptive Trade Practices Act, Me. Rev. Stat. tit. 10 § 1212, *et seq.*; the Maine Confidentiality of Health Care Information Law, Me. Rev. Stat. tit. 22 § 1711-C, *et seq.*; the Maryland Consumer Protection Act, Md. Code Ann., Com. Law § 13-101, *et seq.*; the Maryland Personal Information Protection Act; Md. Code Ann., Com. Law § 14-3501, *et seq.*; the Maryland Social Security Number Privacy Act, Md. Code Ann., Com. Law § 4-3401, *et seq.*; the New Hampshire Consumer Protection Act, N.H. Rev. Stat. Ann. 358-A, *et seq.*; the New Hampshire Notice of Security Breach statute, N.H. Rev. Stat. Ann. § 359-C:20, *et seq.*; the California Consumer Privacy Act,

Cal. Civ. Code §§ 1798.100 *et seq.*; and any similar statutes in effect in the United States or in any state in the United States); causes of action under the common or civil laws of any state in the United States, including but not limited to: unjust enrichment, negligence, bailment, conversion, negligence *per se*, breach of contract, breach of implied contract, breach of fiduciary duty, breach of confidence, breach of implied covenant of good faith and fair dealing, misrepresentation (whether fraudulent, negligent, or innocent), fraudulent concealment or nondisclosure, invasion of privacy, public disclosure of private facts, and misappropriation of likeness and identity; any causes of action based on privacy rights provided for under the constitution of the United States or of any state in the United States; any statutory claims under state or federal law; and also including, but not limited to, any and all claims in any state or federal court of the United States, for damages, injunctive relief, restitution, mandamus, disgorgement, declaratory relief, equitable relief, attorneys' fees and expenses, pre-judgment interest, credit or financial account monitoring services, identity theft insurance, the creation of a fund for future damages, statutory penalties, restitution, the appointment of a receiver, and any other form of relief.

- 2.39. "Released Party" or "Released Parties" means Defendant, Defendant's Health Care Facility Partners, the Related Entities and each of their past or present parent companies, subsidiaries, related or affiliated individuals and entities, divisions, successors, predecessors (including companies they have acquired, purchased or absorbed), subcontractors, assigns and joint venturers, and each of their respective successors, predecessors, officers, partners, directors, owners, stockholders, servants, agents, shareholders, members, managers, principals, investment advisors, consultants,

employees, representatives, attorneys, accountants, lenders, underwriters, benefits administrators, investors, funds, indemnities, insurers and reinsurers, past, present, and future, and all persons acting under, by or through, or in concert with any of them.

2.40. “Releasing Party” or “Releasing Parties” means the Representative Plaintiffs and all Settlement Class Members who do not timely and validly opt out of the Settlement.

2.41. “Remainder Funds” means any funds that remain in the Settlement Fund after all deductions from the Settlement Fund provided for in this Settlement Agreement. The funds remaining in the Settlement Fund after settlement payments have been distributed and the time for cashing and/or depositing checks has expired will be Remainder Funds. The Remainder Funds will be sent to the Massachusetts Local Consumer Aid Fund, if approved by the Courts, and, if not, one or more other Court-approved charitable organization(s) as a *cy pres* distribution. If the Courts do not approve the Massachusetts Local Consumer Aid Fund, Defendant shall select the alternative charitable organization or organizations to be recipient(s) of any *cy pres* distribution, and, if such selection is approved by Settlement Class Counsel (which approval shall not be unreasonably withheld), the Parties will jointly recommend the entity or entities to the Courts as recipient(s) of any *cy pres* distribution. The parties shall provide notice to the Massachusetts IOLTA Committee of any *cy pres* distribution in order to provide it an opportunity to also apply to receive any *cy pres* distribution.

2.42. “Service Awards” means the amount awarded by the Courts and paid to the Representative Plaintiffs in recognition of their role in the Action, as set forth in Section 12 of this Settlement Agreement.

- 2.43. “Settlement Administrator” means Analytics Consulting, LLC, which the parties have agreed on to serve as settlement administrator. A different Settlement Administrator may be substituted if approved by order of the Courts.
- 2.44. “Settlement Claims” means any claim or request for settlement benefits provided for in this Settlement Agreement.
- 2.45. “Settlement Class” means all persons residing in the United States that Shields identified as potentially having their Personal Information impacted by the Data Incident. Defendant represents that the Settlement Class consists of approximately 2,382,578 individuals.
- 2.45.1. The Settlement Class specifically excludes: (1) any Judge or Magistrate Judge presiding over the Litigation, any members of the Judges’ respective staffs, and immediate members of the Judges’ respective families; (2) officers, directors, members, and shareholders of the Defendant; (3) persons in the Federal Action Settlement Class who timely and validly request exclusion from and/or opt-out of the Settlement Class and the successors and assigns of any such excluded persons; (4) any persons whose claims in this matter have been finally adjudicated on the merits or otherwise released; (5) Parties’ Counsel; and (6) any person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding, or abetting the criminal activity or occurrence of the Data Incident or who pleads nolo contendere to any such charge.
- 2.45.2. “Federal Action Settlement Class” means all Settlement Class Members that are residents of any U.S. State, U.S. territory, or the District of Columbia, other than Massachusetts.

- 2.45.3. “State Action Settlement Class” means all Settlement Class Members that are residents of Massachusetts.
- 2.46. “Settlement Class Member” means any person who falls within the definition of the Settlement Class.
- 2.46.1. “Settlement Class Counsel” means George Feldman McDonald, PLLC; Lynch Carpenter LLP; Keller Postman; Morgan & Morgan; and Mazow McCullough, PC.
- 2.47. “Settlement Fund” means the fifteen million three hundred fifty thousand United States Dollars (\$15,350,000.00) that Defendant shall cause to be fully paid pursuant to Section 3 of this Settlement Agreement once the Effective Date has passed.
- 2.48. “Settlement Website” means the Internet website to be created, launched, and maintained by the Settlement Administrator, and which: allows for the electronic submission of Claim Forms and any requests by the Federal Action Settlement Class members for exclusion from the Settlement, and provides access to relevant case documents, information about the submission of Claim Forms, and other relevant documents, including downloadable Claim Forms.
- 2.49. “Short Notice” means the short form fold-over post-card notice attached as Exhibit A or substantially similar to the short form notice attached as Exhibit A.
- 2.50. “State Action” means the consolidated action filed in Norfolk Superior Court in the Commonwealth of Massachusetts entitled *Kossifos v. Shields Health Care Group, Inc.*, No. 2282-cv-00561 (Norfolk County), consolidated with *Johnson v. Shields Health Care Group, Inc.*, No. 2277-cv-00839 (Essex County) and *Biscan v. Shields Health Care Group, Inc.*, No. 2382-cv-0023 (Norfolk County).

- 2.51. “State CAC” means the Consolidated Class Action Complaint in the State Action at Ref. File No. 12, filed on September 7, 2023.
- 2.52. “State Court” means the Norfolk Superior Court in the Commonwealth of Massachusetts where the State Action is pending.
- 2.53. “State Plaintiffs” means Plaintiffs Constantine Kossifos, William Biscan, Tennie Komar, Lisa Smith, Amanda Johnson, Christine Cambria, Courtney Horgan, Kenneth Vandam, Peter Shea, and Maria Melo, which are the plaintiffs named in the State CAC.
- 2.54. “Taxes” means (i) any applicable taxes, duties, and similar charges imposed by a government authority (including any estimated taxes, interest, or penalties) arising in any jurisdiction 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 the Parties or the Parties’ Counsel with respect to any income or gains earned by or in respect of the Settlement Fund; (ii) any other taxes, duties, and similar charges imposed by a government authority (including any estimated taxes, interest, or penalties) relating to the Settlement Fund that the Settlement Administrator determines are or will become due and owing, if any; and (iii) any and all expenses, liabilities, and costs incurred in connection with the taxation of the Settlement Fund (including without limitation, expenses of tax attorneys and accountants).
- 2.55. “Unknown Claims” means any and all Released Claims that any Representative Plaintiff or Settlement Class Member does not know or suspect to exist in his or her favor as of the Effective Date and which, if known by him or her, might have affected his or her decision(s) with respect to this Settlement Agreement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date,

Representative Plaintiffs and Settlement Class Members 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 acknowledge, and each Settlement Class Member by operation of law shall be deemed to have acknowledged, 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.

### **3. Settlement Fund**

3.1. The Settlement Fund shall consist of a common fund of fifteen million three hundred and fifty thousand United States Dollars (\$15,350,000.00), which shall be paid as follows:

3.1.1. Within twenty (20) days of the Preliminary Approval Order, Defendant will pay or cause to be paid to the Settlement Administrator an amount indicated by the Settlement Administrator as the estimated cost for notice to be sent to all Settlement Class Members, which amount will be credited towards the \$15,350,000.00 total amount of the Settlement Fund. The Settlement Administrator shall provide an invoice for this amount, as well as payment instructions, within five (5) days of the Preliminary Approval Order.

- 3.1.2. Within twenty (20) days of the Effective Date, Defendant shall deposit or cause to be deposited the remaining balance of the Settlement Fund into the Settlement Fund Account.
- 3.2. The Settlement Fund shall be deposited into an interest-bearing Qualified Settlement Fund Account, established and maintained by the Settlement Administrator, for the benefit of the Settlement Class.
- 3.3. The Settlement Fund shall be used to pay for: (i) Administration and Notice Costs; (ii) Approved Claims; (iii) Service Awards for the Representative Plaintiffs approved by the Courts; and (iv) Attorneys' Fees and Expenses approved by the Courts. In no event shall Defendant be obligated to pay more than fifteen million three hundred fifty thousand United States Dollars (\$15,350,000.00) in connection with the Settlement Agreement, except as expressly set forth in Section 5 of this Agreement.
- 3.4. All Taxes relating to the Qualified Settlement Fund Account shall be paid out of the Qualified Settlement Fund Account, shall be considered to be an Administration and Notice Cost, and shall be timely paid by the Settlement Administrator without prior order of the Court. Further, the Qualified Settlement Fund Account shall indemnify and hold harmless the Parties and the Parties' Counsel for Taxes (including, without limitation, taxes payable by reason of any such indemnification payments).

#### **4. Settlement Benefits**

- 4.1. All Settlement Class Members who submit a valid and timely Approved Claim using the Claim Form, which is attached as Exhibit C to this Settlement Agreement, are eligible to receive:
- 4.2. Reimbursement for "Ordinary" Out-of-Pocket Losses and/or Ordinary Attested Time.  
All Settlement Class Members may submit a claim for Ordinary Out-of-Pocket Losses

or Ordinary Attested Time up to a total of two thousand five hundred United States Dollars (\$2,500.00) per individual.

- 4.2.1. “Ordinary Out-of-Pocket Losses” are unreimbursed costs, losses, or expenditures incurred by a Settlement Class Member in responding to the Data Incident and/or notice of the Data Incident. Ordinary Out-of-Pocket Losses may include, without limitation, the following: (1) costs associated with accessing or freezing/unfreezing credit reports with any credit-reporting agency; (2) other miscellaneous expenses incurred related to any Ordinary Out-of-Pocket Loss such as notary, fax, postage, copying, mileage, and long-distance telephone charges; and (3) credit monitoring or other mitigative costs.
- 4.2.2. “Ordinary Attested Time” means up to five (5) hours of time at a rate of thirty United States Dollars (\$30.00) per hour attested to be spent in responding to the Data Incident and/or notice of the Data Incident.
- 4.2.3. Settlement Class Members who elect to submit a claim for reimbursement of Ordinary Out-of-Pocket Losses must provide to the Settlement Administrator the information and third-party documentation required to evaluate the claim as set forth in the Claim Form, including but not limited to: (1) the Settlement Class Member’s name and current address; (2) documentation supporting the unreimbursed cost(s), loss(es), or expenditure(s); and (3) a brief description of the documentation describing the nature of the cost(s), loss(es), or expenditure(s), if the nature of the cost(s), loss(es), or expenditure(s) are not apparent from the documentation alone. Documentation supporting Ordinary Out-of-Pocket Losses may include receipts or other documentation not “self-prepared” by the Settlement

Class Member that documents the cost(s), loss(es), or expenditure(s) incurred as a result of the Data Incident.

4.3. Reimbursement for “Extraordinary” Losses and Extraordinary Attested Time. In addition to submitting a claim for Ordinary Out-of-Pocket Losses, Settlement Class Members who believe they have suffered identity theft, fraud, or other extraordinary losses may submit a claim for Extraordinary Losses and/or Extraordinary Attested Time up to twenty-five thousand United States Dollars (\$25,000.00) per individual, in the aggregate as set forth herein.

4.3.1. “Extraordinary Losses” are unreimbursed costs, losses, or expenditures incurred by a Settlement Class Member that are more likely than not connected to the Data Incident, and are costs, losses, or expenditures that are not reimbursable as Ordinary Out-of-Pocket Losses. Extraordinary Losses may include, without limitation, any unreimbursed costs, losses, or expenditures incurred as a result of identity theft, fraud, falsified tax returns, real estate title fraud, financial fraud, government benefits fraud, or other misuse of the Settlement Class Member’s Personal Information.

4.3.2. “Extraordinary Attested Time” means up to twenty (20) hours of time spent remedying identity theft, fraud, or other misuse of their Personal Information more likely than not connected to the Data Incident at a rate of thirty United States Dollars (\$30.00) per hour by providing an attestation and a brief description of: (1) the nature and date(s) of identity theft, fraud, or misuse of Personal Information; (2) the actions taken to remedy identity theft, fraud, or other misuse of their Personal Information; and (3) the total time associated with each action.

The Settlement Administrator may request third-party documentation, not self-prepared, if deemed necessary to validate an allegation of identity theft, fraud or misuse that is the basis of a claim for Extraordinary Attested Time. The combined total of claimed Ordinary Attested Time and Extraordinary Attested Time cannot exceed 20 hours. Such time may not also be accounted for through reimbursement of Extraordinary Losses.

- 4.3.3. Settlement Class Members who elect to submit a claim for reimbursement of Extraordinary Losses must provide to the Settlement Administrator all information required to evaluate the claim as set forth in the Claim Form, including but not limited to: (1) the Settlement Class Member's name and current address; (2) third-party documentation supporting the unreimbursed cost(s), loss(es), or expenditure(s); and (3) a brief description of the documentation describing the nature of the cost(s), loss(es), or expenditure(s), if the nature of the cost(s), loss(es), or expenditure(s) is not apparent from the documentation alone. Documentation supporting Extraordinary Losses may include receipts or other documentation not "self-prepared" by the Settlement Class Member that documents the unreimbursed cost(s), loss(es), or expenditure(s) incurred.
- 4.3.4. Extraordinary Losses will be deemed "more likely than not connected" to the Data Breach if: (1) the unreimbursed cost(s), loss(es), or expenditure(s) were incurred in responding to the Data Incident and/or notice of the Data Incident; and (2) the personal information used to commit identity theft, fraud, or other misuse consisted of the same type of Personal Information that was provided to Defendant

prior to the Data Incident or that can be reasonably obtained on the basis of Personal Information that was provided to Defendant prior to the Data Incident.

- 4.4. The total amount of compensation that can be claimed for Ordinary Out-of-Pocket Losses, Ordinary Attested Time, Extraordinary Losses, and Extraordinary Attested Time cannot exceed twenty-five thousand United States Dollars (\$25,000.00) per individual in the aggregate.
- 4.5. Alternative Cash Payment. As an alternative to making a claim for any combination of Ordinary Out-of-Pocket Losses, Ordinary Attested Time, Extraordinary Out-of-Pocket Losses, and/or Extraordinary Attested Time, Settlement Class Members may elect to receive a flat cash payment of fifty United States Dollars (\$50.00).
- 4.6. Settlement Class Members requesting any benefits under the Settlement must complete and submit either a hard copy or online Claim Form to the Settlement Administrator, postmarked or electronically submitted on or before the Claims Deadline. For Settlement Class Members who submit a claim for Ordinary Out-of-Pocket Losses, Ordinary Attested Time, Extraordinary Losses, and/or Extraordinary Attested Time, the Claim Form must be verified by the Settlement Class Member with an attestation that the Settlement Class Member believes that the harm, loss(es), unreimbursed cost(s), and/or expenditure(s) were incurred as a result of the Data Incident and/or notice of the Data Incident. Settlement Class Members who received written notice of the Data Incident must include their Unique Class Member ID on their Claim Form. The Unique Class Member ID can be found on the Short Form Notice.
- 4.7. Pro Rata Increase / Reduction. If the total amount of Approved Claims submitted under Section 4, after accounting for Administration and Notice Costs, Service Awards, and

Attorneys' Fees and Expenses as approved by the Court, exceeds the amount of the Settlement Fund, then Approved Claims under Section 4 shall be reduced on a *pro rata* basis such that the total aggregate amount of Approved Claims under Section 4, after accounting for Administration and Notice Costs, Service Awards, and Attorneys' Fees and Expenses as approved by the Court, does not exceed the amount of the Settlement Fund. If the total amount of Approved Claims submitted under Section 4, after accounting for Administration and Notice Costs, Service Awards, and Attorneys' Fees and Expenses as approved by the Court, is less than the amount of the Settlement Fund, then Approved Claims under Section 4 shall be increased on a *pro rata* basis such that the total aggregate amount of Approved Claims under Section 4, after accounting for Administration and Notice Costs, Service Awards, and Attorneys' Fees and Expenses as approved by the Court, equals (as reasonably close as possible and without exceeding) the amount of the Settlement Fund. The Settlement Administrator shall reasonably exercise its discretion for purposes of implementing any *pro rata* increase or decrease provided herein to account for estimated, but not yet incurred, Administration and Notice Costs. However, in no event shall any Settlement Class Member receive more than four hundred dollars (\$400.00) in addition to what they will receive for an Approved Claim that does not require third-party documentation. For the avoidance of doubt, in no event shall Defendant's liability or obligation under this Settlement Agreement exceed the Settlement Fund.

- 4.8. Remainder Funds. Approved Claims will be paid via electronic payment or check mailed to the Settlement Class Member. Settlement Class Members will have ninety (90) days to cash the checks or electronically receive the payments, after which any uncashed

checks will be void and the ability to receive electronic payments will expire. All funds remaining in the Qualified Settlement Fund Account after the disbursement to Settlement Class Members, for Notice and Administration, and for Attorneys' Fees, Costs, and Services Awards, and following the preparation of any required tax documents, will become the Remainder Fund for *cy pres* distribution, subject to approval by the Courts.

- 4.9. For the avoidance of doubt, following payment of the Settlement Fund monies as described in Section 3 of this Settlement Agreement, Defendant shall have no responsibility, financial obligation, or liability whatsoever with respect to payment of federal, state, and local income, employment, unemployment, excise, and any other Taxes, penalties, interest, or other charges related to Taxes imposed on the Settlement Fund Account or its disbursements.

## **5. Data Security Enhancements**

- 5.1. Since the Incident, Defendant has invested significantly in remediation, cybersecurity enhancements, and expansion of its IT workforce ("Data Security Enhancements"), and has committed to maintaining those investments and measures for the foreseeable future, details of which were confidentially shared with Plaintiffs' Counsel during settlement negotiations.
- 5.2. Actual costs for the implementation and maintenance of the Data Security Enhancements will be paid by Defendants apart from the Settlement Fund described in Section 3 of this Agreement.
- 5.3. Defendant shall provide a confidential declaration detailing all Data Security Enhancements implemented as a result of the Data Incident, which shall be filed under seal only upon the Courts' request.

**6. Preliminary Approval Orders and Notice of Final Approval Hearing**

- 6.1. As soon as practicable following execution of this Settlement Agreement, Representative Plaintiffs shall submit this Settlement Agreement to the Courts in the Litigation and file motions for preliminary approval of the Settlement with the Courts requesting entry of Preliminary Approval Orders substantially in the form attached hereto as Exhibits E1 (Federal Action) and E2 (State Action), requesting, among other things:
- 6.1.1. Certification of the Settlement Class for settlement purposes only;
  - 6.1.2. Preliminary approval of the Settlement Agreement;
  - 6.1.3. Appointment of Settlement Class Counsel as Settlement Class Counsel;
  - 6.1.4. Appointment of Representative Plaintiffs as Settlement Class Representatives;
  - 6.1.5. Approval of a Notice Plan substantially similar to the one attached hereto as Exhibit D;
  - 6.1.6. Approval of a Short Notice substantially similar to the one attached hereto as Exhibit A;
  - 6.1.7. Approval of a Long Notice substantially similar to the one attached hereto as Exhibit B;
  - 6.1.8. Approval of a Claim Form substantially similar to the one attached hereto as Exhibit C; and
  - 6.1.9. Appointment of the Settlement Administrator.
- 6.2. The Long Notice, Short Notice, and Claim Form shall be reviewed by the Settlement Administrator and may be revised as agreed by the parties prior to submission to the Courts for approval.

**7. Duties of the Settlement Administrator**

7.1. The duties of the Settlement Administrator shall include:

7.1.1. Reviewing, determining the validity of, and processing all claims submitted by Settlement Class Members. Specifically, the Settlement Administrator, in its sole discretion to be reasonably exercised, will determine whether: (i) the claimant is a Settlement Class Member; (ii) the claimant has provided all information required to complete the Claim Form by the Claims Deadline, including any documentation that may be necessary to reasonably support amounts claimed as Ordinary Out-of-Pocket Losses or Extraordinary Losses; and (iii) the information submitted would lead a reasonable person to conclude, for a claim for Ordinary Out-of-Pocket Losses or Extraordinary Losses, that the alleged cost(s), loss(es), and/or expenditure(s) are more likely than not connected to the Data Incident.

7.1.2. The Settlement Administrator may at any time request from the claimant (including via email) supplemental claim information as the Settlement Administrator may reasonably require in order to evaluate the Settlement Claim, including documentation requested on the Claim Form and information regarding the claimed cost(s), loss(es), and/or expenditure(s). The Settlement Administrator shall use its good faith judgment to determine whether to request additional information for a deficient Claim. If supplemental claim information is requested, the Settlement Administrator shall give the claimant reasonable time, as determined by the Settlement Administrator's discretion but not exceeding thirty (30) days, to provide the requested supplemental claim information before rejecting the claim. Supplemental information, beyond membership in the

Settlement Class, contact information, and completion of the Claim Form, shall not be required for claims made for Attested Losses and Harm pursuant to Section 4.2.

- 7.1.3. Establishing and maintaining a post office box for, among other things, receiving requests from Federal Action Settlement Class members for exclusion from the Settlement;
- 7.1.4. Establishing and maintaining a Settlement website;
- 7.1.5. Responding to Settlement Class Member inquiries via U.S. mail, email, and/or telephone;
- 7.1.6. Establishing a toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries;
- 7.1.7. Paying all Taxes relating to the Settlement Fund and Settlement Fund Account;
- 7.1.8. Receiving and processing all written requests from Federal Action Settlement Class Members for exclusion from the Settlement and providing copies thereof to Defendant's Counsel and Settlement Class Counsel. If the Settlement Administrator receives any requests for exclusion or other requests after the Opt-Out Deadline, the Settlement Administrator shall promptly provide copies thereof to Defendant's Counsel and Settlement Class Counsel;
- 7.1.9. Providing weekly reports to the Defendant's Counsel and Settlement Class Counsel summarizing the number of claims, written requests for exclusion, objections, and any other information requested by the Defendant's Counsel and Settlement Class Counsel;

- 7.1.10. Within five (5) Business Days after the Opt-Out Deadline, providing a final report to Defendant's Counsel and Settlement Class Counsel summarizing the number of written requests for exclusion (*i.e.*, requests to opt out of the Settlement), a list of all individuals who have timely and validly excluded themselves from the Settlement in accordance with the requirements of the Settlement, and any other information requested by Defendant's Counsel and Settlement Class Counsel;
  - 7.1.11. After the Effective Date, processing and transmitting any and all distributions to Settlement Class Members;
  - 7.1.12. Prior to the Final Approval Hearings, preparing and executing an affidavit or declaration to submit to the Federal Action Court that identifies each Federal Action Settlement Class Member who timely and validly requested exclusion from the Settlement;
  - 7.1.13. As specified in Section 3.3, all Administration and Notice Costs incurred by the Settlement Administrator or otherwise in connection with administering the Settlement shall be paid from the Settlement Fund; and
  - 7.1.14. Performing any other functions that the parties jointly agree are necessary to accomplish administration of the Settlement.
- 7.2. Neither the parties nor the parties' Counsel shall have any liability whatsoever with respect to any act or omission of the Settlement Administrator, or any of its designees or agents, in connection with its performance of its duties under this Agreement, or under the Notice Plan once approved by the Courts.
  - 7.3. Settlement Class Counsel shall request that, after notice is completed, the Courts hold Final Approval Hearings and grant final approval of the Settlement set forth herein.

**8. Notice Plan**

- 8.1. The Settlement Administrator shall be responsible for implementing and executing the Notice Plan consistent with Exhibit D, once approved by the Court.
- 8.2. Within two (2) Business Days after the Court's entry of a Preliminary Approval Order, Defendant shall provide the Settlement Administrator with all known and readily available mailing information for Settlement Class Members, including their U.S. mail addresses and, where available, email addresses.
- 8.3. As specified in Section 3.3, all costs incurred by the Settlement Administrator or otherwise relating to providing notice to Settlement Class Members shall be paid from the Settlement Fund.

**9. CAFA Notice**

- 9.1. Defendant will serve or cause to be served the notice required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, no later than ten (10) days after this Agreement is filed with the Court.
- 9.2. The cost of providing notice pursuant to 28 U.S.C. § 1715 shall be paid from the Settlement Fund as an Administration and Notice Cost.

**10. Opt-Outs by members of the Federal Action Settlement Class**

- 10.1. Each individual within the Federal Action Settlement Class who wishes to exclude themselves from the Settlement must submit a written request for exclusion to the Settlement Administrator, which shall be postmarked or submitted electronically no later than the Opt-Out Deadline.
- 10.2. The written request for exclusion must:
  - (i) Identify the case name and number of the Action;

- (ii) Identify the name and address of the individual seeking exclusion from the Settlement;
  - (iii) Be personally signed by the individual seeking exclusion;
  - (iv) Include a statement clearly indicating the individual's intent to be excluded from the Settlement; and
  - (v) Request exclusion only for that one individual whose personal signature appears on the request.
- 10.3. Opt-out requests seeking exclusion on behalf of more than one individual shall be deemed invalid by the Settlement Administrator.
- 10.4. Opt-out requests seeking exclusion on behalf of a member of the State Action Settlement Class shall be deemed invalid by the Settlement Administrator, but shall be provided to Parties' Counsel.
- 10.5. Any member of the Federal Action Settlement Class who submits a valid and timely request for exclusion in the manner described herein shall not: (i) be bound by any orders or judgments entered in the Federal Action in connection with the Settlement Agreement; (ii) be entitled to any relief under, or be affected by, the Settlement Agreement; (iii) gain any rights by virtue of the Settlement Agreement; or (iv) be entitled to object to any aspect of the Settlement Agreement.
- 10.6. Any member of the Federal Action Settlement Class who does not submit a valid and timely request for exclusion in the manner described herein shall be deemed to be a Settlement Class Member upon expiration of the Opt-Out Deadline, and shall be bound by all subsequent proceedings, orders, and judgments applicable to the Settlement Class. Any individuals who submit a valid and timely request to be excluded from the

Settlement Class, referred to herein as “Opt-Outs,” shall not receive any benefits of and/or be bound by the terms of this Settlement Agreement. All individuals falling within the definition of the Settlement Class who do not request to be excluded from the Settlement Class in the manner set forth herein shall be bound by the terms of this Settlement Agreement.

## **11. Objections**

11.1. Any Settlement Class Member in either the Federal Action Settlement Class or the State Action Settlement Class who wishes to object to the Settlement must submit a written objection electronically or by first-class postage prepaid mail to the Settlement Administrator on or before the Objection Deadline, as specified in the Preliminary Approval Orders.

11.2. The written objection must include:

- a. the objector’s full name, mailing address, telephone number, and email address (if any);
- b. all grounds for the objection, accompanied by any legal support for the objection known to the objector or objector’s counsel;
- c. the identity of all counsel (if any) representing the objector who will appear at the Final Approval Hearing;
- d. a list of all expert witnesses who will be called to testify at the Final Approval Hearing in support of the objection (if any);
- e. a statement confirming whether the objector intends to personally appear and/or testify at the Final Approval Hearing; and
- f. the objector’s signature (or, if represented by counsel, an attorney’s

signature).

- 11.3. Any Objector may be subject to discovery upon order of the Court.
- 11.4. Settlement Class Counsel shall file all objections received by the Settlement Administrator with the Courts in conjunction with their Motion for Final Approval.
- 11.5. Any Settlement Class Member who fails to object to the Settlement in the manner described herein, in the Preliminary Approval Orders, and in the notice provided pursuant to the Notice Plan shall be deemed to have waived any such objection, shall not be permitted to object to any terms or approval of the Settlement at the Final Approval Hearings, and shall be precluded from seeking any review of the Settlement Agreement or the terms of the Settlement Agreement by appeal or any other means.

**12. Attorneys' Fees and Expenses and Representative Plaintiffs' Service Awards**

- 12.1. The parties did not discuss the payment of Attorneys' Fees and Expenses, other than that the Settlement Fund would be used to pay Attorneys' Fees and Expenses.
- 12.2. Class Counsel may seek approval by the Courts for an award of Attorneys' Fees in an amount not to exceed 33 1/3% (\$5,116,666.67) of the Settlement Fund, plus any Expenses. Any request for Attorneys' Fees and Expenses must be filed by Settlement Class Counsel with the Courts no later than thirty (30) days before the Objection Deadline. The Settlement Administrator shall pay any Attorneys' Fees and Expenses approved by the Courts, from the Settlement Fund, within five (5) days after Defendant makes the final payment to the Settlement Fund.
- 12.3. If this Agreement is terminated or otherwise does not become final (*e.g.*, disapproval by the Courts or any other court of competent jurisdiction), Defendant shall have no obligation to pay Attorneys' Fees or Expenses and shall only be required to pay any

Administration and Notice Costs already incurred. Under no circumstances will Class Counsel or any Settlement Class Member be liable for any Administration and Notice Costs.

- 12.4. Defendant agrees not to oppose a request by Settlement Class Counsel for payment of Service Awards to the Representative Plaintiffs of up to \$2,500 per Plaintiff.
- 12.5. Any award of Attorneys' Fees and Expenses are intended to be considered by the Courts separately from the Courts' consideration of the fairness, reasonableness, and adequacy of the Settlement. No order of the Courts, or modification or reversal or appeal of any order of the Courts, concerning the amount(s) of any Attorneys' Fees and Expenses awarded by the Courts to Class Counsel or Representative Plaintiffs shall affect the finality of the Settlement or constitute grounds for cancellation or termination of this Settlement Agreement.

**13. Conditions of Settlement, Effective Date, Cancellation or Termination**

- 13.1. The Effective Date of the Settlement shall be the first Business Day after all of the following conditions have occurred:
  - 13.1.1. The Parties execute this Agreement;
  - 13.1.2. The Courts enter their respective Preliminary Approval Order without material change to the parties' agreed-upon proposed Preliminary Approval Orders attached as Exhibits E1 and E2, which shall include approval of the Notice Plan;
  - 13.1.3. Notice is provided to the Settlement Class in accordance with the Preliminary Approval Orders and Notice Plan;
  - 13.1.4. Both Courts enter their respective Final Approval Order and Judgment; and

- 13.1.5. One of the following occurs: (i) any deadline to seek appeal, petition, rehearing, or other review of the Final Approval Order and Judgments has expired; or (ii) if any appeal, petition, or request for rehearing or other review has been filed, the Final Approval Order and Judgments are affirmed without material change, or the appeal is dismissed or otherwise disposed of, and no other appeal, petition, rehearing, or other review is pending, and the time for further appeals, petitions, and requests for rehearing or other review has expired.
- 13.2. In the event that the Settlement Agreement is not approved by both Courts or the Settlement Agreement is terminated in accordance with its terms: (i) the parties shall be restored to their respective positions in the Action as if the Settlement Agreement had never been entered into (and without prejudice to any of the parties' respective positions on the issue of class certification or any other issue) and shall jointly request that all scheduled litigation deadlines be reasonably extended by the Court so as to avoid prejudice to the parties; and (ii) the terms and provisions of the Settlement Agreement shall be void and have no further force and effect with respect to the parties and shall not be used in the Action 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 Courts or modification or reversal on appeal of any order reducing the amount of Attorneys' Fees and Expenses shall constitute grounds for cancellation or termination of the Settlement Agreement. Further, notwithstanding any statement in this Settlement Agreement to the contrary, Defendant shall be obligated to pay amounts already incurred for Administration and Notice Costs

that have not already been paid after Preliminary Approval. Any amounts paid to the Settlement Administrator after Preliminary Approval for administration or notice costs or expenses not yet incurred, if any, shall be returned to Defendant. Defendant shall not otherwise, at any time, seek recovery of the same from any other party in the Action or from counsel to any other party to the Action.

- 13.3. This Settlement Agreement may be terminated and/or cancelled by any of the parties if: (i) either Court rejects, materially modifies, materially amends or changes, or declines to preliminarily approve or finally approve the Settlement Agreement, apart from the award of Attorneys' Fees and Expenses; (ii) any appellate court reverses the Preliminary Approval Order and/or Judgment, and the Settlement Agreement is not reinstated and finally approved without material change by the Courts on remand; or (iii) the Courts or any reviewing appellate court incorporates material terms or provisions into, or deletes or strikes material terms or provisions from, or materially modifies, amends, or changes, the proposed Preliminary Approval Order, the Preliminary Approval Order, or the Settlement Agreement, apart from the award of Attorneys' Fees and Expenses
- 13.4. Defendant shall have the right to, in its sole discretion, terminate the Agreement if more than a specified number of Settlement Class Members submit valid requests to opt out of the Settlement Class, as agreed to by the Parties in a separate writing that has been executed by the Parties contemporaneous with the execution of this Agreement and, if requested, will be submitted to the Court for *in camera* review. In no event will Class Counsel, the Settlement Class Representatives, Defendant's officers or employees, or Defendant's Counsel encourage Class Members to opt out of the Settlement Class. If Defendant elects to terminate the Settlement pursuant to this Section, it shall provide

written notice to Settlement Class Counsel no later than ten (10) days after the Opt-Out Deadline.

- 13.5. The parties shall have sixty (60) days from the date of such occurrence or non-occurrence listed above to work together in good faith to consider, draft, and submit reasonable modifications to the Agreement to address any issues identified by the Courts or that otherwise caused the Preliminary Approval Order and Judgments or Final Approval Order and Judgments not to issue or the Effective Date not to occur. If such efforts are unsuccessful, either party may at their sole discretion terminate the 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.

**14. Release**

- 14.1. Upon the Effective Date, each Settlement Class Member, including the Representative Plaintiffs, shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, completely, fully, finally, irrevocably, and forever released, relinquished, and discharged Defendant, Defendant's Health Care Facility Partners, the Related Entities, and the Released Parties from all Released Claims. 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, on their own behalf or on behalf of any class or other person or entity, 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, regulatory action, arbitration, or court or other proceeding in this or any other forum (other than

participation in the Settlement as provided herein) in which any Released Claim is asserted.

**15. Notices**

15.1. All notices to Class Counsel provided for in this Agreement shall be sent by email and First-Class U.S. Mail to the following:

Lori G. Feldman  
GEORGE FELDMAN MCDONALD, PLLC  
102 Half Moon Bay Drive  
Croton-on-Hudson, NY 10520  
Telephone: (917) 983-9321  
Facsimile: (888) 421-4173  
Email: lfeldman@4-justice.com

Kelly Iverson  
LYNCH CARPENTER, LLP  
1133 Penn Avenue, 5th Floor  
Pittsburgh, PA 15222  
Telephone: (412) 322-9243  
Facsimile: (412) 231-0246  
Email: kelly@lcllp.com

John Yanchunis  
MORGAN & MORGAN  
COMPLEX LITIGATION GROUP  
201 N. Franklin Street, 7th Floor  
Tampa, Florida 33602  
Telephone: (813) 559-4908  
Facsimile: (813) 223-5402  
Email: jyanchunis@forthepeople.com

15.2. All notices to Defendant or Defendant's Counsel provided for in this Agreement shall be sent by email and First-Class U.S. Mail to the following:

Claudia D. McCarron  
Jordan S. O'Donnell  
MULLEN COUGHLIN LLC  
426 W. Lancaster Avenue, Suite 200  
Devon, PA 19333  
Telephone : (267) 930-4770

Email : cmccarron@mullen.law  
jsodonnell@mullen.law

- 15.3. All notices to the Settlement Administrator provided for in this Agreement shall be sent by First-Class U.S. Mail to the following:

Shields Data Incident  
PO Box 2010  
Chanhassen, MN 55317-2010

- 15.4. The notice recipients and addresses designated in this Section may be changed by written notice posted to the Settlement website.

**16. Miscellaneous Provisions**

- 16.1. The parties: (i) acknowledge that it is their intent to consummate this Settlement Agreement; (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Settlement Agreement; and (iii) agree to exercise their commercially reasonable best efforts to accomplish the terms and conditions of this Settlement Agreement.
- 16.2. The parties intend for this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Settlement compromises claims that are contested and shall not be deemed an admission by the parties as to the merits of any claim or defense. The parties each agree that the Settlement was negotiated in good faith by the parties, that it reflects a Settlement that was reached voluntarily after consultation with competent legal counsel, and that 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. The 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 Action was brought or

defended in bad faith or without a reasonable basis. It is agreed that no party shall have any liability to any other party as it relates to the Action, except as set forth herein.

- 16.3. Neither this Settlement Agreement, nor the terms and conditions contained herein, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement: (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 Parties; 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 Parties in any civil, criminal or administrative proceeding in any court, administrative agency, or other tribunal. If this Settlement Agreement does not become effective or is cancelled or terminated for any reason, the Agreement along with all related communications and documents exchanged in connection with the Agreement and mediation between the Parties shall be deemed a negotiation for settlement purposes only under Federal Rule of Procedure 408 and will not be admissible in evidence or usable for any purpose whatsoever in the Action or any proceeding between the parties or in any other action related to the Released Claims or otherwise involving the parties or any Released Parties. Any of the Released Parties may file the Settlement Agreement and/or the Final Approval Order and 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, reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.
- 16.4. The terms and conditions of this Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all parties or their respective

successors-in-interest and approved by the Courts; provided, however, that after entry of the Preliminary Approval Order, the parties may, by written agreement, effect such amendments or modifications of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Settlement Class or approval by the Courts if such changes are consistent with the Courts' Preliminary Approval Orders and do not materially alter, reduce, or limit the rights of Settlement Class Members under this Agreement.

- 16.5. This Settlement Agreement 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 herein. Except as otherwise provided herein, each party shall bear its own costs. This Agreement supersedes all previous agreements made between Representative Plaintiffs and Defendant.
- 16.6. Settlement 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 are also 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.
- 16.7. The parties understand that if the facts upon which this Agreement is based are hereafter found 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 release contained herein, shall remain effective notwithstanding such difference in facts. The parties agree that by entering into this Agreement, it is understood and agreed that each party relies wholly upon their own judgment, belief, and knowledge, and that each party does not rely on any inducements, promises, or representations other than those contained herein.

- 16.8. If any of the dates or deadlines specified herein falls on a weekend or legal holiday, the applicable date or deadline shall fall on the next Business Day. All reference to “days” in this Agreement shall refer to calendar days unless otherwise specified.
- 16.9. Before filing any motion with the Courts raising a dispute arising out of or related to this Agreement, the parties, through their respective counsel, shall consult with each other in good faith prior to seeking Court intervention.
- 16.10. Parties’ Counsel, or any other individual executing the Settlement Agreement on behalf of the Parties, hereby warrants that such individual(s) have the full authority to do so.
- 16.11. 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 executed counterparts shall be filed with the Court.
- 16.12. The Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties.
- 16.13. The Courts shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement Agreement, and all parties submit to the jurisdiction of the Courts for purposes of implementing and enforcing the Settlement Agreement.
- 16.14. The Settlement Agreement shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the Commonwealth of Massachusetts, and the

rights and obligations of the Parties shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the Commonwealth of Massachusetts.

- 16.15. The Final Approval Hearings—one in the Federal Action and one in the State Action—shall be scheduled no earlier than: (i) ninety (90) days after the notices are mailed in compliance with the Class Action Fairness Act of 2005, 28 U.S.C. § 1715(d); or (ii) fourteen (14) days after the Claims Deadline, whichever is later. The parties agree to work cooperatively in an effort to coordinate any Preliminary Approval and/or Final Approval hearings to occur either jointly or close in time in the two Courts involved in the Litigation.
- 16.16. The parties agree to keep this Settlement confidential until it is submitted to the Courts for preliminary approval, except as otherwise contemplated and agreed by the parties.
- 16.17. All dollar amounts are in United States Dollars (USD).
- 16.18. All agreements made and orders entered during the course of the Actions relating to the confidentiality of information shall survive this Settlement Agreement.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed by themselves or by their duly authorized counsel:

**Plaintiffs' Settlement Class Counsel:**

**Counsel for Defendant Shields Health Care Group, Inc.**

/s/ Lori G. Feldman

Name: Lori G. Feldman

George Feldman McDonald, PLLC

Date: 5/15/2025

Name: Claudia D. McCarron

Jordan O' Donnell

Mullen Coughlin, LLC

Date:

/s/ Kelly K. Iverson

Name: Kelly K. Iverson

Lynch Carpenter, LLP

Date: 5/15/2025

/s/ Alex Dravillas

Name: Alex Dravillas

Keller Postman LLC

Date: 5/15/2025

/s/ John A. Yanchunis

Name: John A. Yanchunis

Morgan & Morgan

Complex Litigation Group

Date: 5/15/2025

/s/ Michael Forrest

Name: Michael Forrest

Mazow|McCullough,

PC Date: 5/15/2025

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed by themselves or by their duly authorized counsel:

**Plaintiffs' Settlement Class Counsel:**

Name: Lori G. Feldman  
George Feldman McDonald, PLLC  
Date:

Name: Kelly K. Iverson  
Lynch Carpenter, LLP  
Date:

Name: Alex Dravillas  
Keller Postman LLC  
Date:

Name: John A. Yanchunis  
Morgan & Morgan  
Complex Litigation Group  
Date:

Name: Michael Forrest  
Mazow|McCullough, PC  
Date:

**Counsel for Defendant Shields Health Care Group, Inc.**



Name: Claudia D. McCarron  
Jordan O' Donnell  
Mullen Coughlin, LLC  
Date: 5/15/2025

**Defendant Shields Health Care Group, Inc.**



Name: **THOMAS A. SHIELOS**  
Title: **CHIEF EXECUTIVE OFFICER**  
Date: **5/15/25**