

**SUPERIOR COURT OF NEW JERSEY LAW
DIVISION: MONMOUTH COUNTY**

IN RE: CENTRASTATE HEALTHCARE
DATA-SECURITY INCIDENT LITIGATION

Master File No. MON-L-000504-23
(CBLP)

This Document Relates To:
All Tracks

**ORDER GRANTING PRELIMINARY
APPROVAL OF PROPOSED
SETTLEMENT AUTHORIZING
DISSEMINATION OF NOTICE OF THE
SETTLEMENT, AND SCHEDULING A
HEARING FOR FINAL APPROVAL OF
THE PROPOSED SETTLEMENT**

WHEREAS, this matter having come before the Court by way of Plaintiffs' Motion for Preliminary Approval of Proposed Settlement Between Plaintiffs and Defendants CentraState Healthcare System, Inc. ("CentraState") and Atlantic Health System, Inc. ("Atlantic Health System") (together, "Defendants") Authorizing Dissemination of Notice of the Settlement, and Scheduling a Hearing for Final Approval of the Proposed Settlement ("Motion");

WHEREAS, on April 18, 2024, Plaintiffs, individually and on behalf of the putative Settlement Class (as defined below), and Defendants entered into a Settlement Agreement ("Settlement"), which, if finally approved by the Court, will result in the settlement of all claims asserted against the Defendants in the above-captioned action ("Action"); and

WHEREAS, in full and final settlement of the claims asserted against the Defendants, Defendants agree to pay \$3,000,000 into a common fund for: the payment of claims asserted by individuals for whom CentraState notified that it maintained their private and confidential medical information and were allegedly impacted by the data breach announced on February 10, 2023 ("Security Incident"), plus administrative expenses and Plaintiffs' counsel fees to be awarded by the Court, as well other benefits as further described in the Declaration of James E. Cecchi; and

WHEREAS, Plaintiffs have moved pursuant to Rule 4:32 of the Rules Governing the Courts of the State of New Jersey for an order preliminarily approving the Settlement Agreement, which sets forth the terms and conditions of the Settlement with CentraState;

WHEREAS, Plaintiffs have further moved for this Court to: (1) grant preliminary approval of the proposed Settlement; (2) certify a Settlement Class pursuant to the R. 4:32-2(e); (3) designate the moving Plaintiffs as Class Representatives, (4) designate Carella Byrne Cecchi Brody & Agnello, P.C.; Nussbaum Law Group, P.C.; and Finkelstein, Blankinship, Frei-Pearson & Garber, LLP as Class Counsel; (5) approve dissemination of notice to the absent class members and direct that notice of the proposed settlement be provided to them; (6) schedule a Final Approval Hearing; and (7) enter this proposed Order for Preliminary Approval;

WHEREAS, Plaintiffs and CentraState have agreed to the entry of this Order (the “Order”);

WHEREAS, all terms with initial capitalization used in this Order shall have the same meanings as set forth in the Settlement Agreement, unless otherwise defined herein; and

WHEREAS, the Court has considered the Settlement Agreement and the other documents submitted by the Parties in connection with Plaintiffs’ Motion, and good cause appearing therefore:

IT IS THIS 7th day of June, 2024;

ORDERED as follows:

I. Preliminary Approval of the Settlement

1. Upon review of the record, the Court finds that the Settlement Agreement resulted from arm’s-length negotiations between highly experienced counsel and falls within the range of possible approval. Therefore, the Settlement Agreement is hereby preliminarily approved, subject to further consideration thereof at the Fairness Hearing described below. The Court preliminarily finds that the Settlement set forth in the Settlement Agreement raises no obvious reasons to doubt its fairness and raises a reasonable basis for presuming that it satisfies the requirements under Rule

4:32 of the Rules Governing the Courts of the State of New Jersey and due process so that notice of the Settlement should be given as provided in this Order.

2. At or after the Fairness Hearing, the Court shall determine, among other matters, whether the Settlement warrants final approval.

II. Provisional Certification of the Settlement Class

3. Pursuant to Rule 4:32-1(a), and solely for the purpose of effectuating the Settlement, this Court provisionally certifies a settlement class defined as the “569,984 persons who were notified that their Personal Information may have been disclosed in the Security Incident announced by CentraState on or around February 10, 2023.” The following entities and individuals are excluded from the definitions of “Settlement Class Members” or “Class Members”:

- a. CentraState;
- b. Any entity in which CentraState has a controlling interest;
- c. Any parent or subsidiary of CentraState;
- d. Any entity that is controlled by CentraState;
- e. The officers, directors, affiliates, legal representatives, heirs, predecessors, successors, and assigns of CentraState;
- f. All judges and court personnel involved in this Action, along with their immediate family members.

The provisional certification of the Settlement Class shall be vacated if the Settlement is terminated or not approved by the Court.

4. Solely for purposes of effectuating the proposed Settlement, the Court preliminarily finds that the prerequisites for class action certification under Rule 4:32-1(a) are satisfied as: (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Plaintiffs are typical of the claims of the Settlement Class; (d) the interests of all

Settlement Class Members are adequately represented by Plaintiffs and Class Counsel; (e) the issues common to Settlement Class Members predominate over any individualized issues; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. These preliminary findings shall be vacated if the Settlement is terminated or not approved by the Court.

5. Pursuant to Rule 4:32-1(a), and solely for the purposes of effectuating the Settlement, Plaintiffs Frederick Dawes, Ricardo Cubides, and Laura Kanthal-Cubides, are appointed as class representatives for the Settlement Class and Class Counsel are appointed as class counsel for the Settlement Class. These designations shall be vacated if the Settlement is terminated or not approved by the Court.

III. Notice to the Settlement Class

6. The Court approves the appointment of A.B. Data as Settlement Administrator for the Settlement.

7. The Court finds the proposed form of Notice to Settlement Class Members of the proposed Settlement between Plaintiffs and Defendants (“Notice”), the proposed summary form of notice (“Summary Notice”), and the proposed methods of dissemination thereof, as set forth herein, satisfy the requirements under Rule 4:32-2(b)(2) and due process, and therefore are approved.

8. Within fourteen (14) days of the date hereof, Defendants shall gather and provide to the Claims Administrator at CentraState’s expense and in such form as kept in the regular course of business (electronic format if available) the last known names and mailing and/or email addresses of Class Members were affected by the Security Incident.

9. The Settlement Administrator shall cause the Postcard Notice, substantially in the form attached to Declaration of Justin Parks as Exhibit B filed concurrently, to be disseminated

no later than forty-five (45) calendar days following the date of the entry of this Order (the “Notice Deadline”) via first class mail, postage prepaid to each potential Settlement Class Member who is readily and reasonably identified.

10. On or before the Notice Date, the Settlement Administrator create a website for the Settlement using the domain name *CentraStateSettlement.com* (the “Settlement Website”) and establish a settlement-specific toll-free telephone number.

11. The Settlement Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit D, Long Form Notice, substantially in the form attached hereto as Exhibit C, and the Claim Form, substantially in the form attached hereto as Exhibit B, to be posted on the Settlement Website as soon as practicable after the Notice Date.

12. On or before the Notice Date, the Settlement Administrator shall establish a post office box where Settlement Class Members can send completed Claim Forms, requests for exclusion, and other correspondence relating to the Settlement.

IV. Schedule and Procedure for Requesting Exclusion and Submitting Objections

13. The deadline for Settlement Class Members to request exclusion from the Settlement Class shall be sixty (60) days after the Notice Deadline.

14. As set forth in the Notice, in order to request exclusion, a Settlement Class Member must email or mail a written request to the following address:

CentraState Settlement Administrator
Attn: Exclusions
A.B. Data, Ltd.
P.O. Box 0000
Milwaukee, WI 53217

15. The written request for exclusion must include the following information: (i) a statement indicating the Settlement Class Member’s desire to be excluded from the CentraState Settlement Class in *In re: CentraState Healthcare Data-Security Incident Litigation*, Master File

No. MON-L-000504-23 (CBLP) (N.J. Sup.); (ii) the Settlement Class Member's full name, address, telephone number, and personal signature.

16. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above or the request for exclusion is otherwise accepted by the Court. Persons or entities that request exclusion from the Settlement Class shall not be entitled to share in the benefits of the Settlement, nor be bound by any judgment whether favorable or adverse.

17. The Settlement Administrator shall keep track of any and all requests for exclusion.

18. On or before seven (7) days after the Opt-Out Deadline, the Claims Administrator shall provide to Class Counsel a report that summarizes the number of written notifications of exclusion received that week, the total number of written notifications of exclusion received to date, and other pertinent information as requested by Counsel.

19. Prior to the Final Approval Hearing, the Claims Administrator shall provide a sworn declaration that: (i) attests to implementation of the Notice Plan in accordance with the Preliminary Approval Order; and (ii) identifies each Settlement Class Member who timely and properly provided written notification of exclusion from the Settlement Class;

20. Settlement Class Members who wish to object or otherwise be heard with respect to the Settlement, and to appear in person at the Fairness Hearing, must first file a written objection with the Court on or before sixty (60) days after the Notice Deadline. The objection must include: (i) the case caption, *In re: CentraState Healthcare Data-Security Incident Litigation*, Master File No. MON-L-000504-23 (CBLP) (N.J. Sup.); (ii) the objector's full name, current address, personal signature and a statement of the grounds for the objection. If the objector is represented by an attorney, the objection must also set forth the identity of the attorney and the attorney's signature.

21. Any objections to the Settlement must also be sent to:

James E. Cecchi
**CARELLA BYRNE CECCHI
BRODY & AGNELLO, P.C.**
5 Becker Farm Road
Roseland, NJ 07068
Telephone: (973) 994-1700

Casie D. Collignon
BAKER & HOSTETLER LLP
1801 California Street
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FREI-PEARSON & GARBER, LLP**
One North Broadway, Suite 900
White Plains, NY 10601
Telephone: (844) 431-0695

Proposed Settlement Class Counsel

22. Any Settlement Class Member who does not make their objection in the manner provided above shall be deemed to have waived their right to object to any aspect of the Settlement, the Plan of Distribution, and Class Counsel's requests for attorneys' fees, reimbursement of expenses and Incentive Awards Plaintiffs and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Plan of Distribution or the requested attorneys' fees and expenses, or from otherwise being heard concerning the Settlement, the Plan of Distribution or the requested attorneys' fees and expenses in this or any other proceeding.

V. Schedule and Manner for Submitting Claim Forms

23. Settlement Class Members who wish to participate in the Settlement and be eligible to receive a payment from the Settlement Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked (if mailed) and received (if submitted online) no later than ninety (90)

days after the Notice Deadline. Notwithstanding the foregoing, Class Counsel may, at its discretion, accept for processing late Claim Forms provided such acceptance does not delay the distribution of the Settlement Fund. By submitting a Claim Form, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its claim and the subject matter of the Settlement.

24. Each Claim Form submitted must contain the information set forth the Claim Form to satisfy the conditions for claiming Out-of-Pocket Losses and whether they wish to enroll in Medical Data Monitoring. All claim forms: (a) must be properly completed, signed and submitted in a timely manner; and (b) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Class Member must be included in the Claim Form to the satisfaction of Class Counsel or the Settlement Administrator; and (c) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

25. Any eligible Settlement Class Member that does not timely and validly submit a Claim Form or whose claim is not otherwise approved by the Court: (a) shall be deemed to have waived their right to share in the Settlement Fund; (b) shall be forever barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Settlement Agreement and the Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the judgment and the releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Claims against CentraState, as more fully described in the Settlement Agreement and Notice.

VI. The Court's Final Approval Schedule and Fairness Hearing Date

26. All briefs and materials in support of Class Counsel's fee and expense application, and any application for Incentive Awards to Plaintiffs, shall be filed with the Court no later than twenty-one (21) days before the Objection Deadline. The applications described in this paragraph shall promptly be posted on the Settlement Website, and shall be considered as separate and apart from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. All briefs and materials in support of final approval of the Settlement also shall be filed with the Court no later than twenty-one (21) days before the Objection Deadline.

27. All reply submissions, including any responses to any objections by Settlement Class Members, shall be filed with the Court no later than seven (7) calendar days prior to the date of the Fairness Hearing.

28. A hearing on final approval of the Settlement ("Fairness Hearing") shall be held before this Court on September 27, 2024 at 8:30 a.m. in the Courtroom assigned to the Hon. Mara Zazzali-Hogan, J.S.C. at the Superior Court of New Jersey Law Division: Monmouth County, 71 Monument St, Freehold, New Jersey 07728. At the Fairness Hearing, the Court will, among other things, consider:

- a. final certification of the Settlement Class for purposes of effectuating the Settlement with CentraState;
- b. the fairness, reasonableness and adequacy of the Settlement with CentraState and whether the Settlement should be finally approved and consummated according to its terms;
- c. whether the Court should approve the proposed Plan for Distribution of the Settlement Fund (*i.e.*, net of the costs of settlement administration and notice and any Court-awarded attorneys' fees, expenses and Incentive Awards) to eligible Settlement Class Members;
- d. whether notice of the Settlement constitutes due, adequate and sufficient notice of the Settlement meeting the requirements of due process and the Rules Governing the Courts of the State of New Jersey;

- e. whether the Action shall be dismissed with prejudice as to CentraState;
- f. whether the release of any and all Released Claims with respect to CentraState shall be deemed effective as of Final Judgment;
- g. whether the Releasing Parties are permanently enjoined and barred from instituting, commencing, or prosecuting any action or other proceeding asserting any Released Claims against CentraState;
- h. whether the Court retains continuing and exclusive jurisdiction over the Settlement for all purposes, including its administration and execution and disputes that may arise concerning CentraState; and
- i. whether there is any just reason for delay and whether an order of dismissal as CentraState shall be final and appealable and entered forthwith.

29. The Fairness Hearing may be rescheduled or continued; in this event, the Court will furnish all counsel with appropriate notice. Class Counsel shall be responsible for communicating any such notice promptly to the Settlement Class by posting conspicuous notice on the Settlement Website.

30. In the event that the Settlement does not become final, then, subject to approval of the Court, litigation of the Action against CentraState will resume in a reasonable manner to be approved by the Court upon joint application by the Parties.

31. If the Court does not grant final approval of the Settlement or the Settlement is terminated in accordance with the applicable provisions of the Settlement Agreement, the Settlement shall be deemed null and void and shall have no further force and effect, and neither the Settlement nor the negotiations leading to it shall be used or referred to by any person or entity in this or in any other action or proceeding for any purpose.

32. Neither this Order nor the Settlement Agreement nor any Settlement-related document nor any proceeding undertaken in accordance with the terms set forth in the Settlement Agreement or in any other Settlement-related documents, shall constitute, be construed as or be deemed to be an admission or evidence of any violation of any statute or law or of any liability or

wrongdoing by CentraState, or likewise, constitute, be construed as or be deemed to be an admission or evidence of or presumption against Plaintiffs or any other Settlement Class Member that any of their claims are without merit or infirm, that a class should not be certified, or that recoverable damages against the CentraState would not have exceeded the Settlement Funds.

/s/ Mara Zazzali-Hogan

HON. MARA ZAZZALI-HOGAN, J.S.C.