

# **EXHIBIT 1**

## **SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement and Release (“Settlement Agreement” or “Agreement”) is entered into by and between Cody Kenney and Melissa Skinner, individually and on behalf of Participating Settlement Class Members (as defined in Paragraph 26) (together, “Plaintiffs”), and (2) Centerstone of America, Inc., Centerstone of Indiana, Inc., and Centerstone of Tennessee, Inc. (“Defendant” or “Centerstone”) (collectively, the “Parties”), in the action styled *Kenney et al. v. Centerstone of America, Inc. et al.*, Civil Action No. 3:20-cv-01007, pending in the United States District Court for the Middle District of Tennessee, Nashville Division (the “Action”).

### **RECITALS**

WHEREAS, on November 20, 2020, the Action was filed against Centerstone in the United States District Court for the Middle District of Tennessee, Nashville Division;

WHEREAS, the Action relates to a data breach disclosed by Centerstone on or about October 22, 2020, potentially affecting certain personal information of current and former Centerstone patients (the “Data Breach”);

WHEREAS, Centerstone denies: a) the allegations and all liability with respect to any and all facts and claims alleged in the Action; b) that the class representatives in the Action and the class they purport to represent have suffered any damage; and c) that the Action satisfies the requirements to be certified or tried as a class action under the Federal Rules of Civil Procedure Rule 23;

WHEREAS, the Parties agreed to engage the Honorable Wayne R. Andersen (United States District Court Judge, Ret.) of JAMS ADR as a mediator to oversee settlement negotiations in the Actions. In advance of formal mediation, Centerstone provided informal discovery related to the merits of Plaintiffs’ claims and class certification and the parties discussed their respective positions on the merits of the claims and class certification; and

WHEREAS, following extensive arm’s length settlement negotiations, conducted through Judge Andersen that included a mediation session on March 12, 2021, the Parties executed a binding term sheet setting forth the essential terms of this Agreement;

NOW, THEREFORE, in exchange for the mutual promises and valuable consideration provided for in this Agreement, and without any admission or concession by either Party, the Parties agree to a full, complete, and final settlement and resolution of the Action, subject to Court approval, on the following terms and conditions:

#### **I. DEFINITIONS**

In addition to terms defined at various points within this Agreement, the following defined terms shall have the meanings set forth below:

1. “Action” means *Kenney et al. v. Centerstone of America, Inc. et al.*, Civil Action No. 3:20-cv-01007, pending in the United States District Court for the Middle District of Tennessee, Nashville Division.

2. “Approved Claim” means a Claim Form timely submitted by a Participating Settlement Member that has been approved by the Settlement Administrator.

3. “Attested Time” means time spent remedying issues related to the Data Breach, as provided in Section III of this Agreement.

4. “Centerstone’s Counsel” means Lewis Brisbois Bisgaard & Smith, LLP and Butler Snow LLP.

5. “Claim Form” or “Claim” means the form(s) Participating Settlement Class Members must submit to be eligible for reimbursement of Out-of-Pocket Losses, Attested Time, and/or to claim Credit Monitoring Services under the terms of the Settlement, which is attached hereto as Exhibit 1.

6. “Claims Deadline” means the last day to submit a timely Claim Form(s), which will occur seventy-five (75) days from the Notice Deadline.

7. “Claims Period” means the period of time during which Settlement Class Members may submit Claim Forms to receive Settlement benefits, which will end on the Claims Deadline.

8. “Class Counsel” means David K. Lietz and Gary M. Klinger of Mason Lietz & Klinger LLP.

9. “Settlement Class Representatives” means Cody Kenney and Melissa Skinner.

10. “Court” means the Honorable Eli J. Richardson in the United States District Court for the Middle District of Tennessee, or such other judge to whom the Action may hereafter be assigned.

11. “Data Breach” means the data breach initially disclosed by Centerstone in or about October 22, 2020.

12. “Effective Date” means one (1) business day following the latest of: (i) the date upon which the time expires for filing or noticing any appeal of the Final Approval Order and Judgment or one (1) business day following entry of the Final Approval Order and Judgment if no parties have standing to appeal and no objections have been filed to the Agreement; or (ii) if any appeal, petition, request for rehearing, or other review has been filed, one (1) business day after the Final Approval Order and Judgment is affirmed without material change or the appeal is dismissed or otherwise disposed of, no other appeal, petition, rehearing, or other review is pending, and the time for further appeals, petitions, requests for rehearing, or other review has expired.

13. “Fee Application” means any motion for an award of attorneys’ fees, Litigation Costs and Expenses, and Service Award Payments as set forth in Paragraphs 71 and 73.

14. “Fee Award and Costs” means the amount of attorneys’ fees and reimbursement of Litigation Costs and Expenses awarded by the Court to Class Counsel.

15. “Final Approval Order and Judgment” means an order and judgment that the Court enters after the Final Approval Hearing, which finally approves the Settlement Agreement, certifies the Settlement Class, dismisses the Action with prejudice, otherwise satisfies the settlement-related provisions of Federal Rules of Civil Procedure 23 and 58, and is consistent with all material provisions of this Settlement Agreement. Class Counsel and Centerstone’s Counsel will work together on a proposed Final Approval Order and Judgment, which Centerstone must approve before filing.

16. “Final Approval Hearing” means the hearing to be conducted by the Court to determine the fairness, adequacy, and reasonableness of the Settlement pursuant to Federal Rule of Civil Procedure 23 and whether to issue the Final Approval Order and Judgment.

17. “Identity Theft Monitoring Services” means Two (2) Years Identity Theft Monitoring for those Class Members whose personal or financial information was potentially impacted in the Data Breach, and who did not opt in for the credit monitoring services Defendant offered in connection with the consumer notice and one (1) additional year of Identity Theft Monitoring for those Class Members who elected to receive the initial one year of monitoring that Defendant offered as part of the notice of Data Breach sent to consumers. The Identity Theft Monitoring will have: real time monitoring of the credit file at all three bureaus; Dark web scanning with immediate notification of potential unauthorized use; Comprehensive public record monitoring; Medical identity monitoring; Identity theft insurance (no deductible), and; Access to fraud resolution agents to help investigate and resolve identity. The cost of Identity Theft Monitoring Services will be paid by Centerstone.

18. “Litigation Costs and Expenses” means reasonable costs and expenses incurred by counsel for Plaintiffs in connection with commencing, prosecuting, and settling the Action and any threatened litigation by other Class Members and their counsel (if any), all of which shall not exceed \$410,000 as approved by the Court.

19. “Maximum Payout Under Settlement” means the maximum payment obligation for the Defendant under this Settlement for Claims made, costs for claimed Identity Theft Monitoring Services, Settlement Administration Costs, Service Award to Named Plaintiffs, and Attorney’s Fees will be \$1,500,000. The maximum amount available to pay Claims under will be determined once Settlement Administration Costs, Service Award to Plaintiff, Identity Theft Monitoring Services claimed under this Agreement, and Attorney’s Fees owed are deducted. If the amount remaining under the Maximum Payout total under this Agreement is exceeded by amounts claimed for benefits claimed, there will be a pro-rata reduction.

20. “Notice” means notice of the proposed class action Settlement to be provided to Settlement Class Members pursuant to the Preliminary Approval Order. Notice includes the Postcard Notice (Exhibit A), Email Notice (Exhibit B) and Longform Notice (Exhibit C).

21. “Notice Deadline” means the last day by which Notice must issue to the Settlement Class Members, and will occur thirty (30) days after entry of the Preliminary Approval Order.

22. “Notice and Administrative Expenses” means all of the expenses incurred in the administration of this Settlement, including, without limitation, all expenses or costs associated with providing Notice to the Settlement Class, locating Settlement Class Members, processing claims, determining the eligibility of any person to be a Settlement Class Member, and administering, calculating and distributing the Settlement funds to Settlement Class Members. Administrative Expenses also includes all reasonable third-party fees and expenses incurred by the Settlement Administrator in administering the terms of this Agreement.

23. “Objection Deadline” is the last day on which a Settlement Class Member may file an objection to the Settlement or Fee Application, which will be forty-five (45) days after the Notice Deadline.

24. “Opt-Out Deadline” is the last day on which a Settlement Class Member may file a request to be excluded from the Settlement Class, which will be forty-five (45) days after the Notice Deadline.

25. “Out-of-Pocket Losses” means documented out-of-pocket costs or expenditures that a Settlement Class Member actually incurred that are fairly traceable to the Data Breach, and that have not already been reimbursed by a third party. Out-of-Pocket Losses may include, without limitation, unreimbursed costs associated with fraud or identity theft including professional fees including attorneys’ fees, accountants’ fees, and fees for credit repair services and miscellaneous expenses such as notary, fax, postage, copying, mileage, and long-distance telephone charges, as well as costs for credit monitoring costs or other mitigative services that were incurred on or between October 22, 2020 and the date of the close of the Claims Period.

26. “Participating Settlement Class Member” means a Settlement Class Member who does not submit a valid Request for Exclusion prior to the Opt-Out Deadline.

27. “Preliminary Approval Order” means an order directing issuance of Notice to Settlement Class Members, determining that the Court will likely be able to approve the Settlement under Federal Rule of Civil Procedure 23, and determining that the Court will likely be able to certify the Settlement Class for purposes of judgment, that is consistent with all material provisions of this Settlement Agreement. Class Counsel and Centerstone’s Counsel will work together on a proposed Preliminary Approval Order, which Centerstone must approve before filing.

28. “Released Claims” means any and all claims or causes of action of every kind and description, including any causes of action in law, claims in equity, complaints, suits or petitions, and any allegations of wrongdoing, demands for legal, equitable or administrative relief (including, but not limited to, any claims for injunction, rescission, reformation, restitution, disgorgement, constructive trust, declaratory relief, compensatory damages, consequential damages, penalties, exemplary damages, punitive damages, attorneys’ fees, costs, interest or expenses) that the Releasing Parties had, have or may claim now or in the future to have (including, but not limited to, assigned claims and any and all “Unknown Claims” as defined below) that were or could have been asserted or alleged arising out of the same nucleus of operative facts as any of the claims alleged or asserted in the Action, including but not limited to the facts, transactions, occurrences, events, acts, omissions, or failures to act that were alleged, argued, raised or asserted in any pleading or court filing in the Action, including but not limited to those concerning the Centerstone Data Breach.

29. “Request for Exclusion” is the written communication by or on behalf of a Settlement Class Member in which he or she requests to be excluded from the Settlement Class in the form and manner provided for in the Notice.

30. “Service Award Payment” means compensation awarded by the Court and paid to the Settlement Class Representatives in recognition of their role in this litigation, which shall not exceed \$2,500 to each Settlement Class Representative, as approved by the Court.

31. “Settlement” means the settlement of the Actions by and between the Parties, and the terms thereof as stated in this Settlement Agreement.

32. “Settlement Administration Costs” shall mean the costs incurred by the Settlement Administrator, including the cost of Notice, and shall not exceed \$125,000.

33. “Settlement Administrator” means KCC, subject to Court approval. Class Counsel and Centerstone’s Counsel may, by agreement, substitute a different Settlement Administrator, subject to Court approval.

34. “Settlement Class” means all individuals who were mailed a notification by or on behalf of Centerstone on or about October 22, 2020 regarding the Data Breach.

35. “Settlement Class List” means the list generated by Centerstone containing the full names, current or last known addresses, personal email addresses where known, and birthdates for Settlement Class members under the age of eighteen (18), for all persons who fall under the definition of the Settlement Class, which Centerstone shall provide to the Settlement Administrator within twenty-one (21) days of the Preliminary Approval Order.

36. “Settlement Class Member” means an individual who falls within the definition of the Settlement Class.

37. “Settlement Payment” or “Settlement Check” mean the payment to be made via mailed check and/or electronic payment to a Participating Settlement Class Member pursuant to Paragraphs 44-48.

38. “Settlement Website” means the website that the Settlement Administrator will establish as soon as practicable following entry of the Preliminary Approval Order, but prior to the mailing of the Notice, as a means for Settlement Class Members to obtain notice of and information about the Settlement and relevant case documents and deadlines. The Settlement Website shall contain relevant documents, including, but not limited to, the Notice, this Agreement, Plaintiffs’ motion for preliminary approval of the Settlement, the Preliminary Approval Order, Plaintiffs’ Fee Application, and the operative complaint in the Action. The Settlement Website shall also include a toll-free telephone number, e-mail address, and mailing address through which Settlement Class Members may contact the Settlement Administrator directly. The Settlement Website shall not include any advertising and shall remain operational until at least thirty (30) days after all Settlement Payments have been distributed.

## **II. REIMBURSEMENT FOR OUT-OF-POCKET LOSSES AND ATTESTED TIME**

39. **Reimbursement for Out-of-Pocket Losses.** Subject to the Maximum Payout Under Settlement, the following compensation will be paid by Centerstone to Settlement Class Members who submit valid and timely Claim Forms. Claims will be subject to review for completeness and plausibility by a Settlement Administrator.

- a. Compensation for Ordinary Losses: Centerstone will provide compensation for unreimbursed losses, up to a total of \$500.00 per person, upon submission of a Claim Form and supporting documentation, for the following losses:
  - (1) Documented Out-of-Pocket Losses incurred as a result of the Centerstone Data Breach, including bank fees, long distance phone charges, cell phone charges (only if charged by the minute), data charges (only if charged based on the amount of data used), postage, or gasoline for local travel;
  - (2) Documented fees for additional credit reports, credit monitoring, or other identity theft insurance products purchased between October 22, 2020 and the date of the Preliminary Approval Order;
  - (3) Up to 4 hours of Attested Time, at \$15/hour, if at least one full hour was spent dealing with the Data Breach.<sup>1</sup> For Attested Time, a sworn attestation detailing how the time was spent shall constitute “supporting documentation.”

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<sup>1</sup> Claims for lost time are included within the \$500 cap on ordinary losses.

- b. **Compensation for Extraordinary Losses:** Centerstone will provide up to \$2,500.00 in compensation to each Settlement Class Member for proven monetary loss including, *inter alia*, losses arising from financial fraud or identity theft if:
- (1) The loss is an actual, documented, and unreimbursed monetary loss;
  - (2) The loss is fairly traceable to the Data Breach;
  - (3) The loss occurred during the period from December 12, 2019 through and including the end of the applicable claims period;
  - (4) The loss is not already covered as an “Ordinary Loss” pursuant to Paragraph 39(a) herein; and
  - (5) The Settlement Class Member made reasonable efforts to avoid, or seek reimbursement for, the loss.

40. **Assessing Claims for Out-of-Pocket Losses.** The Settlement Administrator shall verify that each person who submits a Claim Form is a Settlement Class Member. The Settlement Administrator shall have the sole discretion and authority to determine whether and to what extent documentation for Out-of-Pocket Losses reflects valid Ordinary Losses actually and reasonably incurred and, for Extraordinary Losses (as that term is used in Paragraph 39(b) of this Agreement), reflects losses that are fairly traceable to the Data Breach, but may consult with Class Counsel and Centerstone’s Counsel in making individual determinations. In assessing what qualifies as “fairly traceable,” the Settlement Administrator will consider (i) whether the timing of the loss occurred on or after December 12, 2019 (or for credit monitoring service cost claimed, after October 22, 2020); and (ii) whether the Personal Information used to commit identity theft or fraud consisted of the type of Personal Information identified in Centerstone’s notices of the Data Breach. Costs expended for mitigation measures like fraud resolution services, and professional services incurred to address identity theft or fraud on or after December 12, 2019, or on or after October 22, 2020 for credit monitoring services, shall be presumed “reasonably incurred.” The Settlement Administrator is authorized to contact any Settlement Class Member (by e-mail, telephone, or U.S. mail) to seek clarification regarding a submitted claim prior to making a determination as to its validity.

41. **Assessing Claims for Attested Time.** The Settlement Administrator shall have the sole discretion and authority to determine whether the prerequisites have been met in order to award payments of Attested Time, but may consult with Class Counsel and Centerstone’s Counsel in making individual determinations. The Settlement Administrator is authorized to contact any Settlement Class Member (by e-mail, telephone, or U.S. mail) to seek clarification regarding a submitted claim prior to making a determination as to its validity.

42. **Disputes.** To the extent the Settlement Administrator determines a claim for Out-of-Pocket Losses or Attested Time is deficient in whole or part, within a reasonable time of making such a determination, the Settlement Administrator shall notify the Settlement Class Member of the deficiencies and give the Settlement Class Member twenty-one (21) days to cure the deficiencies. Such notifications shall be sent via e-mail, unless the claimant did not provide an e-mail address, in which case such notifications shall be sent via U.S. mail. If the Settlement Class Member attempts to cure the deficiencies but, at the sole discretion and authority of the Settlement Administrator, fails to do so, the Settlement Administrator shall notify the Settlement Class Member of that determination within ten (10) days of the determination. The Settlement Administrator may consult with Class Counsel and Centerstone’s Counsel in making such determinations.

### **III. IDENTITY THEFT MONITORING SERVICES**

43. **Identity Theft Monitoring Services.** Centerstone shall offer to all Settlement Class Members Identity Theft Monitoring for (1) two (2) years to those Class Members whose

personal or financial information was potentially impacted in the Data Breach, and who did not opt in for the credit monitoring services Defendant offered in connection with the consumer notice and (2) one (1) additional year to those Class Members who elected to receive the initial one year of monitoring Defendant offered as part of the notice sent to consumers. The Identity Theft Monitoring will have:

- i. Real time monitoring of the credit file at all three bureaus;
- ii. Dark web scanning with immediate notification of potential unauthorized use;
- iii. Comprehensive public record monitoring;
- iv. Medical identity monitoring;
- v. Identity theft insurance (no deductible), and;
- vi. Access to fraud resolution agents to help investigate and resolve identity thefts.

#### **IV. PAYMENTS TO PARTICIPATING SETTLEMENT CLASS MEMBERS**

44. **Payment Timing.** Payments for Approved Claims for reimbursement for approved Out-of-Pocket Losses as set forth in Paragraph 39 shall be issued in the form of a check mailed and/or an electronic payment as soon as practicable after the allocation and distribution of funds are determined by the Settlement Administrator following the Effective Date.

45. **Timing.** Settlement Checks shall bear in the legend that they expire if not negotiated within one hundred and eighty (180) days of their date of issue.

46. **Returned Checks.** For any Settlement Check returned to the Settlement Administrator as undeliverable (including, but not limited to, when the intended recipient is no longer located at the address), the Settlement Administrator shall make reasonable efforts to locate a valid address and resend the Settlement Payment within thirty (30) days after the check is returned to the Settlement Administrator as undeliverable. In attempting to locate a valid address, the Settlement Administrator is authorized to send an e-mail and/or place a telephone call to that Participating Settlement Class Member to obtain updated address information. Any replacement Settlement Checks issued to Participating Settlement Class Members shall remain valid and negotiable for ninety (90) days from the date of their issuance and may thereafter automatically be canceled if not cashed by the Participating Settlement Class Members within that time.

47. **Uncashed Checks.** To the extent that a Settlement Check is not cashed within 180 days after the date of issue, the Settlement Administrator shall undertake the following actions: (1) attempt to contact the Participating Settlement Class Member by e-mail and/or telephone to discuss how to obtain a reissued check; (2) if those efforts are unsuccessful, make reasonable efforts to locate an updated address for the Participating Settlement Class Member using advanced address searches or other reasonable methods; and (3) mailing the Participating Settlement Class Member a postcard (either to an updated address if located or the original address if not) providing information regarding how to obtain a reissued check. Upon request of a Participating Settlement Class Member, the Settlement Administrator may re-issue a check for up to an additional 90-day period following the original 180-day period. Any reissued Settlement Checks issued to Participating Settlement Class Members shall remain valid and negotiable for ninety (90) days from the date of their issuance and may thereafter automatically be canceled if not cashed by the Participating Settlement Class Members within that time.

48. **Deceased Class Members.** If the Settlement Administrator is notified that a Participating Settlement Class Member is deceased, the Settlement Administrator is authorized to reissue the Settlement Check to the Participating Settlement Class Member's estate upon receiving proof the Participating Settlement Class Member is deceased and after consultation with Class



**V. CLAIMS, CAPS, AND DISTRIBUTION OF SETTLEMENT FUNDS**

49. **Submission of Electronic and Hard Copy Claims.** Participating Settlement Class Members may submit Claim Forms to the Settlement Administrator electronically via a claims website or physically by mail to the Settlement Administrator. Claim Forms must be submitted electronically or postmarked during the Claims Period and on or before the Claims Deadline.

50. **Total Cap on Settlement Class Payout.** The sum total of payments made to Settlement Class members, cost for claimed Identity Theft Monitoring Services, Settlement Administration Fees, Service Award to Named Plaintiffs, and Attorneys' Fees and costs shall not exceed \$1,500,000.00. In the event total claims exceed the net amount of Settlement funds left after payment of Administration Fees, Attorneys' fees and expenses, and Service Awards, the claim of each Settlement Class member shall be reduced on a *pro rata* basis.

51. **Order of Distribution of Funds.** The Settlement Fund shall be used to pay, in the following order: (1) all Notice and Administration Expenses; (2) any award of Attorneys' Fees and Expenses approved by the Court; (3) any Service Award to the Settlement Class Representative; (4) Approved Claims for Ordinary Losses, Extraordinary Losses, and Identity Theft Monitoring Services.

**VI. EQUITABLE RELIEF**

52. **Remedial Measures/Security Enhancements:** Centerstone improved information security enhancements to date, and will commit to additional information security enhancements in each of years 2020, 2021, and 2022. The enhancements include third party security monitoring, third party logging, network monitoring, firewall enhancements, email enhancements, and equipment upgrades.

**VII. SETTLEMENT CLASS NOTICE**

53. **Notice.** Within twenty one (21) days after the date of the Preliminary Approval Order, Centerstone shall provide the Settlement Class List to the Settlement Administrator. Within thirty (30) days after the date of the Preliminary Approval Order, the Settlement Administrator shall disseminate Notice to the members of the Settlement Class.

54. **Manner of Giving Notice.** Subject to Court approval, the Settlement Administrator will provide the Class Notice to all Class Members as described herein. The cost of such notice will be paid from the Notice and Administration Expenses. Class Counsel may direct the Settlement Administrator to send reminder notices to Settlement Class Members at any time prior to the Claims Deadline.

a. **Email Notice.** As soon as practicable, but starting no later than 30 days from the date of the Preliminary Approval Order, the Settlement Administrator shall send the Email Notice to all Class Members for whom Centerstone provided an email address. It will be conclusively presumed that the intended recipients received the Email Notice if the Settlement Administrator did not receive a hard bounce-back message.

b. **Postcard Notice.** As soon as practicable, but starting no later than 30 days from the date of the Preliminary Approval Order, the Settlement Administrator shall

disseminate the Postcard Notice via First Class Mail to all Settlement Class Members whose email addresses are not known or available. Before mailing the Postcard Notice, the Settlement Administrator will update the addresses provided by Centerstone with the National Change of Address database. It shall be conclusively presumed that the intended recipients received the Postcard Notice if the mailed Postcard Notices have not been returned to the Settlement Administrator as undeliverable within fifteen (15) days of mailing.

- c. **Settlement Website.** Prior to the date on which the Settlement Administrator initiates the Notice, the Settlement Administrator shall establish the Settlement Website. The Parties shall meet and confer and choose a mutually acceptable URL for the Settlement Website. The Settlement Website shall remain accessible until thirty (30) days after the Settlement Administrator has completed its obligations under the Settlement Agreement. The Settlement Website shall contain: the Settlement Agreement; contact information for Class Counsel and Centerstone's Counsel; contact information for the Settlement Administrator; the publicly filed motion for preliminary approval, motion for final approval and for attorneys' fees and expenses (when they become available); the signed preliminary approval order; and a downloadable and online version of the Claim Form and Longform Notice.

## **VIII. OPT-OUTS AND OBJECTIONS**

55. **Opt-Outs.** The Notice shall explain the procedure for Settlement Class Members to exclude themselves or "opt-out" of the Settlement by submitting a Request for Exclusion to the Settlement Administrator postmarked no later than forty-five (45) days after the Notice Deadline. The Request for Exclusion must include the name of the proceeding, the individual's full name, current address, personal signature, and the words "Request for Exclusion" or a comparable statement that the individual does not wish to participate in the Settlement at the top of the communication. The Notice must state that any Settlement Class Member who does not file a timely Request for Exclusion in accordance with this Paragraph will lose the opportunity to exclude himself or herself from the Settlement and will be bound by the Settlement.

56. **Objections.** The Notice shall explain the procedure for Settlement Class Members to object to the Settlement or Fee Application by submitting written objections to the Settlement Administrator postmarked no later than forty-five (45) days after the Notice Deadline. The written objection must include (i) the name of the proceedings; (ii) the Settlement Class Member's full name, current mailing address, and telephone number; (iii) a statement of the specific grounds for the objection, as well as any documents supporting the objection; (iv) a statement as to whether the objection applies only to the objector, to a specific subset of the class, or to the entire class; (v) the identity of any attorneys representing the objector; (vi) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; and (vii) the signature of the Settlement Class Member or the Settlement Class Member's attorney. The Notice must set forth the time and place of the Final Approval Hearing (subject to change) and state that any Settlement Class Member who does not file a timely and adequate objection in accordance with this Paragraph waives the right to object or to be heard at the Final Approval Hearing and shall be forever barred from making any objection to the Settlement.

## **IX. DUTIES OF THE SETTLEMENT ADMINISTRATOR**

57. **Settlement Administration Process:** Once a Settlement Administrator is mutually agreed to by the parties and after the settlement is preliminarily approved by the Court, the Settlement Administrator will mail to each Settlement Class member a postcard (1) notifying the

Settlement Class member of the settlement and its terms; (2) providing the Settlement Class Member with the URL settlement website, and (3) instructing the Settlement Class Member on how to make a claim. The Settlement Administrator will also provide Notice via e-mail to Settlement Class Members whose personal e-mail addresses are known. Centerstone will cooperate in providing to the Settlement Administrator class member contact information, including physical addresses and email addresses (if available), which will be kept strictly confidential between the Administrator, Centerstone, and Class Counsel. After the Court enters an order finally approving the Settlement, the Settlement Administrator shall provide the requested relief to all Settlement Class Members, subject to the total cap on settlement class payout. Cash payments to Settlement Class Members will be made by check or electronic payment sent from the Administrator. Prior to mailing settlement checks, the Administrator shall attempt to update the last known addresses of the Settlement Class Members through the National Change of Address system or similar databases.

58. **Duties of Settlement Administrator.** The Settlement Administrator shall perform the functions and duties necessary to effectuate the Settlement and as specified in this Agreement, including, but not limited to, the following:

- d. Administering, and overseeing the Settlement funds provided by Centerstone to paid approved Claims;
- e. Obtaining the Settlement Class List for the purpose of disseminating Notice to Settlement Class Members;
- f. Providing Notice to Settlement Class Members via U.S. mail and e-mail;
- g. Establishing and maintaining the Settlement Website;
- h. Establishing and maintaining a toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries, and answering the questions of Settlement Class Members who call with or otherwise communicate such inquiries within one (1) business day;
- i. Responding to any mailed or emailed Settlement Class Member inquiries within one (1) business day;
- j. Reviewing, determining the validity of, and processing all claims submitted by Settlement Class Members and transmitting to Class Counsel and Centerstone's Counsel a list of approved Claims both periodically during the Claims Period and after the Claims Deadline;
- k. Receiving Requests for Exclusion and objections from Settlement Class Members and providing Class Counsel and Centerstone's Counsel a copy thereof no later than three (3) days following the deadline for submission of the same. If the Settlement Administrator receives any Requests for Exclusion, objections, or other requests from Settlement Class Members after the Opt-Out and Objection Deadlines, the Settlement Administrator shall promptly provide copies thereof to Class Counsel and to Centerstone's Counsel;
- l. Working with the provider of Credit Monitoring Services to receive and send activation codes within thirty (30) days of the Effective Date;

- m. After the Effective Date, processing and transmitting Settlement Payments to Settlement Class Members;
- n. Providing weekly or other periodic reports to Class Counsel and Centerstone's Counsel that include information regarding the number of Settlement Checks mailed and delivered, Settlement Checks cashed, undeliverable information, and any other requested information relating to Settlement Payments;
- o. In advance of the Final Approval Hearing, preparing a sworn declaration to submit to the Court that: (i) attests to implementation of Notice in accordance with the Preliminary Approval Order; and (ii) identifies each Settlement Class Member who timely and properly submitted a Request for Exclusion; and
- p. Performing any function related to Settlement administration at the agreed-upon instruction of Class Counsel or Centerstone's Counsel, including, but not limited to, verifying that Settlement Payments have been distributed.

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

60. **Indemnification.** The Settlement Administrator shall indemnify and hold harmless the Parties, Class Counsel, and Centerstone's Counsel for (i) any act or omission or determination of the Settlement Administrator, or any of Settlement Administrator's designees or agents, in connection with the Notice Plan and the administration of the Settlement; (ii) the management, investment or distribution of the Settlement funds; (iii) the formulation, design or terms of the disbursement of the Settlement funds; (iv) the determination, administration, calculation or payment of any claims asserted against the Settlement funds; (v) any losses suffered by, or fluctuations in the value of the Settlement funds; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses.

61. **Settlement Administration Fees.** All settlement administration fees will be paid from the Settlement funds and they are, in all events, solely to be borne by Centerstone, up to a maximum of \$125,000.

## **X. PRELIMINARY APPROVAL, FINAL APPROVAL, AND JURISDICTION**

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

63. **Preliminary Approval.** Following execution of this Agreement, Class Counsel shall file a motion for preliminary approval of the settlement within twenty-one (21) days of its execution.

64. **Final Approval.** Class Counsel shall move the Court for a Final Approval Order and Judgment of this Settlement, to be issued following the Final Approval Hearing within a reasonable time after the Notice Deadline, Objection Deadline, and Opt-Out Deadline.

65. **Jurisdiction.** The Court shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding or dispute arising out of or relating to this Agreement that cannot be resolved by negotiation and agreement by counsel for the Parties. The Court shall retain jurisdiction with respect to the administration, consummation and enforcement of the Agreement and shall retain jurisdiction for the purpose of enforcing all terms of the Agreement. The Court shall also retain jurisdiction over all questions and/or disputes related to the Notice and the Settlement Administrator. As part of its agreement to render services in connection with this Settlement, the Settlement Administrator shall consent to the jurisdiction of the Court for this purpose.

## **XI. MODIFICATION AND TERMINATION**

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

67. **Decertification of the Settlement Class if Settlement Not Approved.** If: (1) the Court does not issue the Preliminary Approval Order or Final Approval Order and Judgment; or (2) the Effective Date does not occur, the certification of the Settlement Class shall be void. Centerstone reserves the right to contest class certification for all other purposes. Any orders preliminarily or finally approving the certification of any class contemplated by the Settlement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity in support of claims or defenses or in support or in opposition to a class certification motion. In addition, the fact that Centerstone did not oppose certification of a class under the Settlement shall not be used or cited thereafter by any person or entity, including in a contested proceeding relating to class certification.

## **XII. RELEASES**

68. **The Release.** Upon the Effective Date, and in consideration of the Settlement benefits described herein, each of the Settlement Class Representatives and Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, successors, attorneys, and assigns shall be deemed to have released, acquitted, and forever discharged any and all Released Claims against Centerstone and its present and former predecessors, successors, assigns, parents, subsidiaries, divisions, affiliates, departments, and any and all of their past, present, and future officers, directors, employees, stockholders, partners, servants, agents, successors, attorneys, advisors, consultants, representatives, insurers, reinsurers, subrogees and the predecessors, successors, and assigns of any of the foregoing. The relief stated above will be provided to Class Members as consideration for a general release of Centerstone for all claims and causes of action pleaded or that could have been pleaded that are related in any way to the activities stemming from the Centerstone Data Breach described in the operative Complaint.

69. **Unknown Claims.** The Released Claims include the release of Unknown Claims. “Unknown Claims” means claims that could have been raised in the Action and that any of the Settlement Class Representatives or Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, successors, attorneys, and assigns does not know or suspect to exist, which, if known by him, her or it, might affect his, her or its agreement to release Centerstone and its present and former predecessors, successors, assigns, parents, subsidiaries, divisions, affiliates, departments, and any and all of their past, present, and future officers, directors, employees, stockholders, partners, servants, agents, successors, attorneys, advisors, consultants, representatives, insurers, reinsurers, subrogees and the predecessors, successors, and assigns of any of the foregoing or the Released Claims or might affect his, her or its decision to agree, object or not to object to the Settlement. Upon the Effective Date, the Settlement Class Representatives and Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, successors, attorneys, and assigns shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Upon the Effective Date, each of the Settlement Class Representatives and Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, successors, attorneys, and assigns shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law of any state, the District of Columbia or territory of the United States, by federal law, or principle of common law, or the law of any jurisdiction outside of the United States, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. The Settlement Class Representatives and Participating Settlement Class Members, and each of their respective heirs, executors, administrators, representatives, agents, partners, successors, attorneys, and assigns acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Release, but that it is their intention to finally and forever settle and release the Released Claims, including but not limited to any Unknown Claims they may have, as that term is defined in this Paragraph.

70. **Bar to Future Suits.** Upon entry of the Final Approval Order and Judgment, the Settlement Class Representatives and other Settlement Class Members shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against any of the Released Parties or based on any actions taken by any of the Released Parties that are authorized or required by this Agreement or by the Final Approval Order. Likewise, Centerstone and its representatives, officers, agents, directors, affiliates, employees, insurers, and attorneys shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against Settlement Class Representatives and Class Counsel or based on any actions taken by Settlement Class Representatives and Class Counsel that are authorized or required by this Agreement or by the Final Approval Order. It is further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section.

### **XIII. SERVICE AWARD PAYMENTS**

71. **Service Award Payments.** At least fourteen (14) days before the Opt-Out and Objection Deadlines, Class Counsel will file a Fee Application that will include a request for Service Award Payments for the Settlement Class Representatives in recognition for their contributions to this Action. The named Plaintiffs shall seek, and Centerstone agrees to pay a service award up to \$2,500 each Settlement Class Representative, subject to Court approval. This service award shall be separate and apart from any other benefits available to the Settlement Class Representatives and Participating Settlement Class Members under the terms of this Agreement. The Settlement Administrator shall make the Service Award Payments to the Settlement Class Representatives from the Settlement funds. Such Service Award Payment shall be paid by the Settlement Administrator, in the amount approved by the Court, no later than thirty (7) days after the Effective Date.

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

### **XIV. ATTORNEYS' FEES, COSTS, EXPENSES**

73. **Attorneys' Fees and Costs and Expenses.** At least fourteen (14) days before the Opt-Out and Objection Deadlines, Class Counsel will file a Fee Application for an award of attorneys' fees and Litigation Costs and Expenses to be paid from the Settlement funds. Centerstone agrees not to oppose an application by Plaintiffs' counsel for an award of attorneys' fees, costs, and expenses up to \$410,000.00 (27 1/3% of the \$1,500,000.00 Settlement Cap). Prior to the disbursement or payment of the Fee Award and Costs under this Agreement, Class Counsel shall provide to Centerstone and the Settlement Administrator a properly completed and duly executed IRS Form W-9. Fee Award and Costs (plus any interest accrued thereon) shall be paid by the Settlement Administrator or directly by Centerstone, in the amount approved by the Court, no later than seven (7) days after the Effective Date.

74. **Allocation.** Unless otherwise ordered by the Court, Class Counsel shall have the sole and absolute discretion to allocate any approved Fee Award and Costs amongst Plaintiffs' counsel and any other attorneys. Centerstone shall have no liability or other responsibility for allocation of any such attorneys' fees and costs.

### **XV. NO ADMISSION OF LIABILITY**

75. **No Admission of Liability.** The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties either previously or in connection with the negotiations or proceedings connected with this Agreement shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made, or an acknowledgment or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever.

76. **No Use of Agreement.** Neither the Settlement Agreement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (i) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by Plaintiffs; or (ii) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or

omission by Centerstone in the Action or in any proceeding in any court, administrative agency or other tribunal.

## **XVI. MISCELLANEOUS**

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

78. **Execution in Counterparts.** This Agreement shall become effective upon its execution by the Parties, Class Counsel, and counsel for Centerstone. The Agreement may be executed in counterparts. Each counterpart shall be deemed an original, and execution of the counterparts shall have the same force and effect as if all Parties had signed the same instrument.

79. **No Construction Against the Drafter.** This Agreement shall be deemed to have been drafted by the Parties, and any rule that a document shall be interpreted against the drafter shall not apply to this Agreement. The Settlement Class Representatives and Centerstone each acknowledge that each have been advised and are represented by legal counsel of his or her own choosing throughout the negotiations preceding execution of this Agreement and have executed the Agreement after having been so advised.

80. **Entire Agreement.** This Agreement, including all exhibits hereto, shall constitute the entire Agreement among the Parties with regard to the subject matter hereof and shall supersede any previous agreements, representations, communications and understandings among the Parties. This Agreement may not be changed, modified, or amended except in writing signed by all Parties, and, once a motion for Preliminary Approval has been filed, subject to Court approval. The Parties contemplate that, subject to Court approval or without such approval where legally permissible, the exhibits to this Agreement may be modified by subsequent agreement of the Parties.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS HEREOF, the undersigned have caused this Settlement Agreement to be executed as of the dates set forth below.

CODY KENNEY, individually and as Class Representative

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

MELISSA SKINNER, individually and as Class Representative

Signature: *MWLN*  
Melissa D Skinner (Apr 23, 2021 22:41 EDT)

Date: Apr 23, 2021

CENTERSTONE OF AMERICA, INC.  
CENTERSTONE OF INDIANA, INC.  
CENTERSTONE OF TENNESSEE, INC.

By: *Steven C Holman*

Print Name: Steven C Holman

Title: CFO

Date: 4/23/21

MASON LIETZ & KLINGER LLP, as Class Counsel

By: *David Lietz*  
David, Inc (Apr 23, 2021 17:01:07)

Print Name: David Lietz

Date: Apr 23, 2021

LEWIS BRISBOIS BISGAARD & SMITH, LLP, as Defendants' Counsel

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

IN WITNESS HEREOF, the undersigned have caused this Settlement Agreement to be executed as of the dates set forth below.

CODY KENNEY, individually and as Class Representative

Signature:   
Cody Kenney (Apr 26, 2021 09:10 EDT)

Date: Apr 26, 2021

MELISSA SKINNER, individually and as Class Representative

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

CENTERSTONE OF AMERICA, INC.  
CENTERSTONE OF INDIANA, INC.  
CENTERSTONE OF TENNESSEE, INC.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

MASON LIETZ & KLINGER LLP, as Class Counsel

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

LEWIS BRISBOIS BISGAARD & SMITH, LLP, as Defendants' Counsel

By: 

Print Name: Eric Kizirian

Date: April 21, 2021

BUTLER SNOW LLP, as Defendants' Counsel

By: 

Print Name: Valerie Diden Moore

Date: April 23, 2021

# **EXHIBIT 1A**

**If you were mailed a notice by Centerstone on or about October 22, 2020 regarding a Data Breach, you may be eligible for compensation and credit monitoring.**

*Si desea recibir esta notificación en español, llámenos o visite nuestra página web.*

A settlement has been reached in a class action lawsuit against Centerstone of America, Inc., Centerstone of Indiana, Inc., and Centerstone of Tennessee, Inc. (collectively “Centerstone”) relating to the unauthorized access of certain of Centerstone’s employee’s email accounts in December 2019 (the “Data Breach”). The computer systems possibly affected by the Data Breach potentially contained certain personal and protected health information relating to current and former Centerstone patients. The Plaintiffs claim that Centerstone was responsible for the Data Breach and assert claims including: negligence, negligence *per se*, breach of implied contract, violation of the Tennessee Consumer Protection Act, intrusion upon seclusion/invasion of privacy, breach of confidence, and unjust enrichment. Centerstone denies all of the claims and says it did not do anything wrong.

**WHO IS INCLUDED?** Centerstone records show you are an individual whose private information was potentially impacted by the Data Breach, and who was mailed a notification of the Data Breach on or about October 22, 2020. Therefore, you are included in this Settlement as a “Settlement Class member.”

**SETTLEMENT BENEFITS.** There are two types of payments available to people who submit valid claims and have incurred one or both of the following: 1) up to \$500 for out-of-pocket expenses and documented lost time that resulted from the Data Incident; and 2) Reimbursement of up to \$2,500 for extraordinary expenses which were more likely than not caused by the Security Incident. Settlement Class Members can also submit a claim for credit monitoring and identity theft protections. Centerstone has also committed to improved data security measures in the future.

**THE ONLY WAY TO RECEIVE A MONETARY BENEFIT OR CREDIT MONITORING IS TO FILE A CLAIM.** To get a Claim Form, visit the website or call 1-XXX-XXX-XXXX. The claim deadline is **Month Day, 2021**.

**OTHER OPTIONS.** If you do nothing, you will remain in the class, you will not be eligible for benefits, and you will be bound by the decisions of the Court and give up your rights to sue Centerstone for the claims resolved by this Settlement. If you do not want to be legally bound by the Settlement, you must exclude yourself by **Month Day, 2021**. If you stay in the Settlement, you may object to it by **Month Day, 2021**. A more detailed notice is available to explain how to exclude yourself or object. Please visit the website or call **1-XXX-XXX-XXXX** for a copy of the more detailed notice. On **Month Day, 2021**, the Court will hold a Fairness Hearing to determine whether to approve the Settlement, Class Counsel’s request for attorneys’ fees, costs, and expenses of \$410,000 and a service award of \$2,500 for each of the Representative Plaintiffs. The Motion for attorneys’ fees will be posted on the website after it is filed. You or your own lawyer, if you have one, may ask to appear and speak at the hearing at your own cost, but you do not have to. This is only a summary. For more information, call or visit the website below.

[www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com)

1-XXX-XXX-XXXX

# **EXHIBIT 1B**

To [NAME],

**If you were mailed a notice by Centerstone on or about October 22, 2020 regarding a Data Breach, you may be eligible for compensation and credit monitoring.**

*Si desea recibir esta notificación en español, llámenos o visite nuestra página web.*

A settlement has been reached in a class action lawsuit against Centerstone of America, Inc., Centerstone of Indiana, Inc., and Centerstone of Tennessee, Inc. (collectively “Centerstone”) relating to the unauthorized access of certain of Centerstone’s employee’s email accounts in December 2019 (the “Data Breach”). The computer systems possibly affected by the Data Breach potentially contained certain personal and protected health information relating to current and former Centerstone patients. The Plaintiffs claim that Centerstone was responsible for the Data Breach and assert claims including: negligence, negligence *per se*, breach of implied contract, violation of the Tennessee Consumer Protection Act, intrusion upon seclusion/invasion of privacy, breach of confidence, and unjust enrichment. Centerstone denies all of the claims and says it did not do anything wrong.

**WHO IS INCLUDED?** Centerstone records show you are an individual whose private information was potentially impacted by the Data Breach, and who was mailed a notification of the Data Breach on or about October 22, 2020. Therefore, you are included in this Settlement as a “Settlement Class member.”

**SETTLEMENT BENEFITS.** The Settlement provides for payments, credit monitoring, and equitable relief. There are two types of payments available to people who submit valid claims and have incurred one or both of the following: 1) up to \$500 for out-of-pocket expenses and documented lost time that resulted from the Data Incident; and 2) Reimbursement of up to \$2,500 for extraordinary expenses which were more likely than not caused by the Security Incident. Settlement Class Members can also submit a claim for credit monitoring and identity theft protections. Centerstone has also committed to improved data security measures in the future.

**THE ONLY WAY TO RECEIVE A MONETARY BENEFIT OR CREDIT MONITORING IS TO FILE A CLAIM.** To get a Claim Form, visit the website or call 1-XXX-XXX-XXXX. The claim deadline is **Month Day, 2021**.

**OTHER OPTIONS.** If you do nothing, you will remain in the class, you will not be eligible for benefits, and you will be bound by the decisions of the Court and give up your rights to sue Centerstone for the claims resolved by this Settlement. If you do not want to be legally bound by the Settlement, you must exclude yourself by **Month Day, 2021**. If you stay in the Settlement, you may object to it by **Month Day, 2021**. A more detailed notice is available to explain how to exclude yourself or object. Please visit the website or call 1-XXX-XXX-XXXX for a copy of the more detailed notice. On **Month Day, 2021**, the Court will hold a Fairness Hearing to determine whether to approve the Settlement, Class Counsel’s request for attorneys’ fees, costs, and expenses of \$410,000 and a service award of \$2,500 for each of the Representative Plaintiffs. The Motion for attorneys’ fees will be posted on the website after it is filed. You or your own lawyer, if you have one, may ask to appear and speak at the hearing at your own cost, but you do not have to. This is only a summary. For more information, call or visit the website below.

[www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com)

1-XXX-XXX-XXXX

# **EXHIBIT 1C**



UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE

**If you were mailed a notice by Centerstone on or about  
October 22, 2020 regarding a Data Breach, you may be eligible for  
compensation and credit monitoring.**

*Para una notificación en Español, visitar [www.XXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXX.com).*

*A District Court authorized this Notice. This is not junk mail, an advertisement, or a solicitation from a lawyer.*

- A settlement has been proposed in a class action lawsuit against Centerstone of America, Inc., Centerstone of Indiana, Inc., and Centerstone of Tennessee, Inc. (collectively “Centerstone”) relating to the unauthorized access of certain of Centerstone’s employee’s email accounts in December 2019 (the “Data Breach”). The email accounts accessed may have contained some combination of patient names, social security numbers, dates of birth, driver’s license or state identification card numbers, medical diagnosis or treatment information, Medicaid and/or Medicare information, and/or health insurance information related to the care received at Centerstone.
- If you received a notification from Centerstone, you may be included in this Settlement as a “Settlement Class member.”
- The Settlement provides payments to people who submit valid claims for reimbursement of certain expenses related to the Data Breach. It also provides for identity theft monitoring services to be provided to claimants as well as for improvements to be made to Centerstone’s data security systems.
- Your legal rights are affected regardless of whether you do or do not act. Read this notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	This is the only way you can get payment or receive Monitoring Services.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT</b>	You will not get any payment or Monitoring Services from the Settlement, but you also will not release your claims against Centerstone. This is the only option that allows you to be part of any other lawsuit against Centerstone for the legal claims resolved by this Settlement.
<b>OBJECT TO THE SETTLEMENT</b>	Write to the Court with reasons why you do not agree with the Settlement.
<b>GO TO THE FINAL FAIRNESS HEARING</b>	You may ask the Court for permission for you or your attorney to speak about your objection at the Final Fairness Hearing.
<b>DO NOTHING</b>	You will not get any payment from this Settlement and you will give up certain legal rights. Submitting a claim form is the only way to obtain payment from this Settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice. For complete details, view the Settlement Agreement, available at [www.XXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXX.com), or call 1- - - .
- The Court in charge of this case still has to decide whether to grant final approval the Settlement. Payments will only be made after the Court grants final approval of the Settlement and after any appeals are resolved.

## WHAT THIS NOTICE CONTAINS

<b>BASIC INFORMATION.....</b>	<b>PAGE 3</b>
1. Why is this Notice being provided?	
2. What is this lawsuit about?	
3. What is a class action?	
4. Why is there a Settlement?	
<b>WHO IS INCLUDED IN THE SETTLEMENT?.....</b>	<b>PAGE 3</b>
5. How do I know if I am part of the Settlement?	
6. Are there exceptions to being included in the Settlement?	
<b>THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY.....</b>	<b>PAGE 4</b>
7. What does the Settlement provide?	
8. What payments are available for Expense Reimbursement?	
9. What payments are available for Extraordinary Expense Reimbursement?	
10. What is included in the Identity Theft Monitoring Services?	
<b>HOW TO GET BENEFITS—SUBMITTING A CLAIM FORM.....</b>	<b>PAGE 5</b>
11. How do I get benefits from the Settlement?	
12. How will claims be decided?	
13. When will I get my payment?	
<b>REMAINING IN THE SETTLEMENT.....</b>	<b>PAGE 5</b>
14. Do I need to do anything to remain in the Settlement?	
15. What am I giving up as part of the Settlement?	
<b>EXCLUDING YOURSELF FROM THE SETTLEMENT.....</b>	<b>PAGE 6</b>
16. If I exclude myself, can I still get payment from the Settlement?	
17. If I do not exclude myself, can I sue Centerstone for the same thing later?	
18. How do I get out of the Settlement?	
<b>THE LAWYERS REPRESENTING YOU.....</b>	<b>PAGE 6</b>
19. Do I have a lawyer in this case?	
20. How will Class Counsel be paid?	
<b>OBJECTING TO THE SETTLEMENT.....</b>	<b>PAGE 6</b>
21. How do I tell the Court that I do not like the Settlement?	
22. What is the difference between objecting to and excluding myself from the Settlement?	
<b>THE COURT’S FINAL FAIRNESS HEARING.....</b>	<b>PAGE 7</b>
23. When and where will the Court decide whether to approve the Settlement?	
24. Do I have to come to the Final Fairness Hearing?	
25. May I speak at the Final Fairness Hearing?	
<b>IF YOU DO NOTHING.....</b>	<b>PAGE 8</b>
26. What happens if I do nothing?	
<b>GETTING MORE INFORMATION.....</b>	<b>PAGE 7</b>
27. Are more details about the Settlement available?	
28. How do I get more information?	

## BASIC INFORMATION

### **1. Why is this Notice being provided?**

The Court directed that this Notice be provided because you have a right to know about a proposed settlement that has been reached in this class action lawsuit and about all of your options before the Court decides whether to grant final approval of the Settlement. If the Court approves the Settlement, and after objections or appeals, if any, are resolved, the Settlement Administrator appointed by the Court will distribute the payments that the Settlement allows. This Notice explains the lawsuit, the Settlement, your legal rights, what payments are available, who is eligible for them, and how to get them.

The Court overseeing this case is the United States District Court for the Middle District of Tennessee. The case is known as *Kenney et al. v. Centerstone of America, Inc., et al.*, Case No. 3:20-cv-01007 (the “Lawsuit”). The people who filed the Lawsuit are called the Plaintiffs and the entities they sued, Centerstone, are called the Defendants.

### **2. What is this lawsuit about?**

The Lawsuit claims that Centerstone is liable for the Data Breach and asserts claims such as: negligence, negligence *per se*, breach of implied contract, violation of the Tennessee Consumer Protection Act, intrusion upon seclusion/invasion of privacy, breach of confidence, and unjust enrichment. The Lawsuit seeks, among other things, payment and credit monitoring for persons who were injured by the Data Breach.

Centerstone has denied and continues to deny all of the claims made in the Lawsuit, as well as all charges of wrongdoing or liability against it.

### **3. What is a class action?**

In a class action, one or more people called Class Representatives (in this case, Cody Kenney and Melissa Skinner) sue on behalf of people who have similar claims. Together, all these people are called a Class or Class members. If a class is certified, one Court and one judge resolves the issues for all Class members, except for those who exclude themselves from the Settlement Class.

### **4. Why is there a Settlement?**

The Court did not decide in favor of the Plaintiffs or Centerstone. Instead, the Plaintiffs negotiated a settlement with Centerstone that allows both Plaintiffs, the proposed Class, and Centerstone to avoid the risks and costs of lengthy and uncertain litigation and the uncertainty of a trial and appeals. The Settlement provides benefits and allows Settlement Class members to obtain payment for certain costs without further delay. The Class Representatives and their attorneys think the Settlement is in the best interest of all Settlement Class members. This Settlement does not mean that Centerstone did anything wrong.

## WHO IS INCLUDED IN THE SETTLEMENT?

### **5. How do I know if I am part of the Settlement?**

You are part of this Settlement as a Settlement Class member if you were mailed a notice by Ccenterstone in approximately October 2020 regarding the Data Breach. Approximately 66,000 individuals were notified of the Data Breach.

**6. Are there exceptions to being included in the Settlement?**

Yes. Specifically excluded from the Settlement Class are: any Person who submits a valid request for exclusion to the Settlement Administrator.

**THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY**

**7. What does the Settlement provide?**

The Settlement provides for a Maximum Payout of \$1,500,000 which will include payments for claimed expense reimbursements by members of the Class, costs for claimed Identity Theft Monitoring Services, settlement administration costs, service awards to named Plaintiffs, and attorney's fees and costs.

There are two types of payments that are available to Settlement Class Members: (1) Expense Reimbursements (Question 8, below) and (2) Extraordinary Expense Reimbursements (Question 9, below). You may submit a claim for either or both types of payments if you have incurred the defined costs under these categories. To claim each type of payment, you must provide related documentation with the Claim Form.

The Settlement also provides for Identity Theft Monitoring Services (Question 10, below) to be provided to Settlement Class Members who submit a valid claim for such services.

The Settlement also provides that Centerstone has improved information security enhancements since the Data Breach, and will commit to continuing security enhancements in each of years 2020, 2021, and 2022. The enhancements include: third-party security monitoring, third-party logging, network monitoring, firewall enhancements, email enhancements, and equipment upgrades.

**8. What payments are available for Expense Reimbursement?**

Class Members are eligible to receive reimbursement of up to \$500 (in total) for the following categories of out-pocket expenses that are attributable to the Data Breach:

- bank fees, long distance phone charges, cell phone charges (only if charged by the minute), data charges (only if charged based on the amount of data used), postage, or gasoline for local travel;
- fees for credit reports, credit monitoring, or other identity theft insurance product purchased between October 22, 2020 and [DATE – insert the date of the Preliminary Approval Order];
- reimbursement of up to four hours of documented lost time (at \$15 per hour) spent dealing with the Data Breach, e.g., time spent dealing with replacement card issues, reversing fraudulent charges, rescheduling medical appointments and/or finding alternative medical care and treatment, retaking or submitting to medical tests, locating

medical records, retracing medical history, and any other demonstrable form of disruption to medical care and treatment, but only if at least one full hour was spent, and only if the time can be documented with a sworn attestation detailing how the time was spent.

#### **9. What payments are available for Extraordinary Expense Reimbursement?**

Class Members who had other extraordinary unreimbursed monetary losses because of information compromised as part of the Breach, above and beyond those categories of costs above under “Expense Reimbursement,” are eligible to make a claim for reimbursement of up to \$2,500. As part of the claim, the Class Member must show that: (1) it is an actual, documented, and unreimbursed monetary loss; (2) the loss fairly traceable to the Data Breach; (3) the loss occurred during the time period from December 12, 2019 through and including the end of the applicable claims period; (4) the loss is not already covered by one or more of the categories in Question 8; and (5) a reasonable effort was made to avoid or seek reimbursement for the loss (including exhaustion of all available credit monitoring insurance and identity theft insurance).

More details are provided in the Settlement Agreement, which is available at [www.XXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXX.com).

#### **10. What is included in the Identity Theft Monitoring Services?**

The Identity Theft Monitoring Services offered by Centerstone will be provided to valid claimants for (1) two years to those Class Members whose personal or financial information was potentially impacted in the Data Breach, and who did *not* opt in for the credit monitoring services Defendant offered in connection with the consumer notice and (2) one additional year to those Class Members who elected to receive the initial one year of monitoring Defendant offered as part of the notice sent to consumers.

The Identity Theft Monitoring Services include:

- Real time monitoring of the credit file at all three bureaus;
- Dark web scanning with immediate notification of potential unauthorized use;
- Comprehensive public record monitoring;
- Medical identity monitoring;
- Identity theft insurance (no deductible), and;
- Access to fraud resolution agents to help investigate and resolve identity thefts.

#### **HOW TO GET BENEFITS—SUBMITTING A CLAIM FORM**

#### **11. How do I get benefits from the Settlement?**

To ask for a payment, you must complete and Submit a Claim Form. Claim Forms are available at [www.XXXXXXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXXXXXX.com), or you may request one by mail by calling 1-XXX-XXX-XXXX. Read the instructions carefully, fill out the Claim Form, and submit it online or mail it postmarked no later than **Month Day, 2021** to:

Centerstone Claims Administrator  
PO Box XXXXX  
City, State zip code

**12. How will claims be decided?**

The Claims Administrator has sole discretion to decide whether the information provided on a Claim Form is complete and valid. The Claims Administrator may require additional information from any claimant. If the required information is not timely provided, the claim will be considered invalid and will not be paid.

**13. When will I get my payment?**

The Court will hold a Final Fairness Hearing at  **: 0 .m. on Month Day, 2021** to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether any appeals can be resolved favorably, and resolving them can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed, depending on the number of claims submitted and whether any appeals are filed. Please be patient.

**REMAINING IN THE SETTLEMENT**

**14. Do I need to do anything to remain in the Settlement?**

You do not have to do anything to remain in the Settlement, but if you want a payment or to receive Identity Theft Monitoring Services, you must submit a Claim Form online or postmarked by **Month Day, 2021**.

**15. What am I giving up as part of the Settlement?**

If the Settlement becomes final, you will give up your right to sue Centerstone for the claims being resolved by this Settlement. The specific claims you are giving up against Centerstone are described in Paragraphs 28, and 68-70 of the Settlement Agreement. You will be “releasing” Centerstone and all related people or entities as described in Section XII of the Settlement Agreement. The Settlement Agreement is available at **www.XXXXXXXXXXXXXX.com**.

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions about what this means you can talk to the law firms listed in Question 19 for free or you can, of course, talk to your own lawyer at your own expense.

**EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep the right to sue Centerstone about issues in the Litigation, then you must take steps to get out of the Settlement Class. This is called excluding yourself from – or is sometimes referred to as “opting out” of – the Settlement Class.

**16. If I exclude myself, can I still get payment from the Settlement?**

No. If you exclude yourself from the Settlement, you will not be entitled to any benefits of the Settlement, but you will not be bound by any judgment in this case.

**17. If I do not exclude myself, can I sue Centerstone for the same thing later?**

No. Unless you exclude yourself from the Settlement, you give up any right to sue Centerstone for the claims that this Settlement resolves. You must exclude yourself from the Settlement Class to start your own lawsuit or to be part of any different lawsuit relating to the claims in this case. If you exclude yourself, do not submit a Claim Form to ask for a payment.

**18. How do I get out of the Settlement?**

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from the Settlement in *Kenney et al. v. Centerstone of America, Inc., et al.*, Case No. 3:20-cv-01007. Your letter must also include your full name, current address, and signature. You must mail your exclusion request postmarked no later than **Month \_\_, 2021 to:**

Centerstone Settlement Exclusions

P.O. Box \_\_\_\_\_

[City] [ST] \_\_\_\_\_ - \_\_\_\_\_

**THE LAWYERS REPRESENTING YOU**

**19. Do I have a lawyer in this case?**

Yes. The Court appointed David K. Lietz of Mason Lietz & Klinger LLP, 5101 Wisconsin Avenue NW, Suite 305 Washington, DC 20016, and Gary M. Klinger of Mason Lietz & Klinger LLP, 227 W. Monroe St., Suite 2100 Chicago, IL 60606 to represent you and other Settlement Class members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**20. How will Class Counsel be paid?**

If the Settlement is approved and becomes final, Class Counsel will ask the Court to award attorneys' fees, costs, and expenses in the amount of \$410,000 (27 1/3% of the \$1,500,000 Maximum Payout). Class Counsel will also request approval of a service award of \$2,500 for each of the Class Representatives. If approved, these amounts, as well as the costs of notice and settlement administration, will be paid by Centerstone out of the Maximum Payout Under Settlement.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

**21. How do I tell the Court that I do not like the Settlement?**

If you are a Settlement Class member, you can object to the Settlement if you do not like the benefits available under the Settlement, the attorney's fees claimed, or other aspect of the Settlement. You can give reasons why you think the Court should not approve the Settlement. The Court will consider your views before making a decision. To object, you must submit a written objection to the Settlement Administrator stating that you object to the Settlement in *Kenney et al. v. Centerstone of America, Inc., et al.*, Case No. 3:20-cv-01007.



Your objection must include:

- (i) the name of the proceedings;
- (ii) the Settlement Class Member's full name, current mailing address, and telephone number;
- (iii) a statement of the specific grounds for the objection, as well as any documents supporting the objection;
- (iv) a statement as to whether the objection applies only to the objector, to a specific subset of the class, or to the entire class;
- (v) the identity of any attorneys representing the objector;
- (vi) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; and
- (vii) the signature of the Settlement Class Member or the Settlement Class Member's attorney.

Your objection must be postmarked no later than **Month \_\_, 2021**, and sent to

**Centerstone Settlement Objections**  
P.O. Box \_\_\_\_\_  
[City] [ST] \_\_\_\_\_ - \_\_\_\_\_

Any Settlement Class Member who does not send a timely and adequate objection in accordance with this section and Paragraph 56 of the Settlement Agreement may be deemed by the Court to have waived the right to object or to be heard at the Final Approval Hearing and may be forever barred from making any objection to the Settlement.

**22. What is the difference between objecting to and excluding myself from the Settlement?**

Objecting is telling the Court that you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Class in this Settlement. If you exclude yourself from the Settlement, you have no basis to object or submit a Claim Form because the Settlement no longer affects you.

**THE COURT'S FINAL FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to. You cannot speak at the hearing if you exclude yourself from the Settlement.

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

The Court will hold a Final Fairness Hearing at **\_\_ : 0 \_\_.m. on Month \_\_, 2021**, in the United States District Court for the Middle District of Tennessee, 800 Broadway, Nashville, TN 37203. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will take into consideration any timely sent written objections and may also listen to people who have asked to speak at the hearing (*see* Question 21). The Court will also decide whether to approve fees and costs to Class Counsel, and the service awards to the Class Representatives.

**24. Do I have to come to the Final Fairness Hearing?**

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you file an objection, you do not have to come to Court to talk about it. You may also hire your own lawyer to attend, at your own expense, but you are not required to do so.

**25. May I speak at the Final Fairness Hearing?**

Yes, you may ask the Court for permission to speak at the Final Fairness Hearing. To do so, you must follow the instructions provided in Question 21 above. You cannot speak at the hearing if you exclude yourself from the Settlement.

**IF YOU DO NOTHING**

**26. What happens if I do nothing?**

If you do nothing, you will not receive any compensation or Identity Theft Monitoring Services from this Settlement. If the Court approves the Settlement, you will be bound by the Settlement Agreement and the Release. This means you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Centerstone or related parties about the issues involved in the Lawsuit, resolved by this Settlement, and released by the Settlement Agreement.

**GETTING MORE INFORMATION**

**27. Are more details about the Settlement available?**

Yes. This Notice summarizes the proposed Settlement. More details are in the Stipulation and Settlement Agreement, which is available at [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com), or by writing to the Centerstone Settlement Administrator, P.O. Box \_\_\_\_\_, [City] [ST] \_\_\_\_\_ - \_\_\_\_\_.

**28. How do I get more information?**

Go to [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com), call 1-\_\_\_\_-\_\_\_\_-\_\_\_\_, or write to the Centerstone Settlement Administrator, P.O. Box \_\_\_\_\_, [City] [ST] \_\_\_\_\_ - \_\_\_\_\_.

***Please do not call the Court or the Clerk of the Court for additional information.  
They cannot answer any questions regarding the Settlement or the Lawsuit***

# **EXHIBIT 1D**

**CLAIM FORM**

This claim form should be filled out online or submitted by mail if you received a notification from Centerstone of America, Inc., Centerstone of Indiana, Inc., and Centerstone of Tennessee, Inc. (collectively "Centerstone") relating to the unauthorized access of certain of Centerstone's employee's email accounts in December 2019 (the "Data Breach"), and you wish to make a claim for Identity Theft Monitoring Services, had out-of-pocket expenses, fraudulent charges, lost time spent dealing with the Data Breach, or unreimbursed extraordinary monetary losses as a result of the Data Breach. You may get a check and/or a code for Monitoring Services if you fill out this claim form, if the settlement is approved, and if you are found to be eligible.

The settlement notice describes your legal rights and options. Please visit the official settlement administration website, [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or call 1-\_\_\_\_\_ for more information.

If you wish to submit a claim for a settlement payment or Identity Theft Monitoring Services, you need to provide the information requested below. Please type or print clearly in blue or black ink. This claim form must be submitted online OR mailed and postmarked by \_\_\_\_\_, 2021.

**1. CLASS MEMBER INFORMATION**

Name (REQUIRED): \_\_\_\_\_

\_\_\_\_\_  
Number and Street (REQUIRED)

\_\_\_\_\_  
City (REQUIRED) State (REQUIRED) Zip Code (REQUIRED)

Telephone Number (REQUIRED): (\_\_\_\_) \_\_\_\_\_ Email Address (REQUIRED) \_\_\_\_\_

**2. IDENTITY THEFT MONITORING SERVICES**

- I would like to receive an enrollment code for Identity Theft Monitoring Services.
- I do NOT want to receive an enrollment code for Identity Theft Monitoring Services.

**3. PAYMENT ELIGIBILITY INFORMATION**

Please review the notice and paragraphs 39 through 42 of the Settlement Agreement (available at [www.\\_\\_\\_\\_\\_.com](http://www._____.com)) for more information on who is eligible for a payment and the nature of the expenses or losses that can be claimed.

*Please provide as much information as you can to help us figure out if you are entitled to a settlement payment.*

**PLEASE PROVIDE THE INFORMATION LISTED BELOW:**

Check the box for each category of out-of-pocket expenses, fraudulent charges, or lost time that you incurred/experienced as a result of the Data Breach. Please be sure to fill in the total amount you are claiming for each category and to attach documentation of the charges as described in **bold type** (if you are asked to provide account statements as part of proof required for any part of your claim, you may mark out any unrelated transactions if you wish).

**a. Ordinary Expenses Resulting from the Data Breach:**

- Ordinary Unreimbursed charges incurred as a result of the Data Breach.**

Examples - Bank fees, long distance phone charges, cell phone charges (only if charged by the minute), data charges (only if charged based on the amount of data used), postage, or gasoline for local travel incurred between December 12, 2019 and the date of the Preliminary Approval Order. Other examples include: fees for credit reports, credit monitoring, or other identity theft insurance product purchased between October 22, 2020 and the date of the Preliminary Approval Order.

Total amount for this category \$ \_\_\_\_\_

**If you are seeking reimbursement for fees, expenses, or charges, please attach a copy of a statement from the company that charged you, or a receipt for the amount you incurred.**

**If you are seeking reimbursement for credit reports, credit monitoring, or other identity theft insurance product purchased between October 22, 2020 and the date of the Preliminary Approval Order, please attach a copy of a receipt or other proof of purchase for each credit report or product purchased. (Note: By claiming reimbursement in this category, you certify that you purchased the credit monitoring or identity theft insurance product primarily because of the Centerstone Data Breach and not for any other purpose).**

You may mark out any transactions that are not relevant to your claim before sending in the documentation.

**Between one and three hours of documented time spent dealing with the Data Breach**

Examples – You spent at least one full hour calling customer service lines, writing letters or emails, or on the Internet in order to get fraudulent charges reversed or in updating automatic payment programs because your card number changed. You spent at least one full hour rescheduling medical appointments and/or finding alternative medical care and treatment, retaking or submitting to medical tests, locating medical records, retracing medical history as a result of the Data Breach. **Please note that the time that it takes to fill out this Claim Form is not reimbursable and should not be included in the total.**

Total number of hours claimed \_\_\_\_\_

**If the time was spent online or on the telephone, briefly describe what you did, or attach a copy of any letters or emails you wrote. If the time was spent trying to reverse fraudulent charges, briefly describe what you did. If the time was spent updating accounts due to your card being reissued, identify the other accounts that had to be updated. If the time spent related to your medical records or treatment, briefly describe what you did.**

You may mark out any transactions that were not fraudulent and any other information that is not relevant to your claim before sending in the documentation.

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b. Extraordinary Expenses

**Extraordinary Unreimbursed expenses resulting from identity theft or fraud.**

Total amount for this category \$ \_\_\_\_\_

**Attach a copy of statements that demonstrate that identity theft or fraud occurred and any correspondence showing that you reported the fraud. If you do not have anything in writing, tell us the approximate date that you reported and to whom you reported the fraud.**

You may mark out any information that is not relevant to your claim before sending in the documentation.

**Date reported**

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**Description of the person(s) to whom you reported the fraud**

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# **EXHIBIT 1E**

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE

CODY KENNEY and MELISSA  
SKINNER, individually and on behalf of all  
similarly situated persons,

Plaintiffs,

v.

CENTERSTONE OF AMERICA, INC.,  
CENTERSTONE OF INDIANA, INC., and  
CENTERSTONE OF TENNESSEE, INC.,

Defendants.

Case No. 3:20-cv-01007

JUDGE ELI J. RICHARDSON

MAGISTRATE JUDGE  
BARBARA D. HOLMES

**[PROPOSED] PRELIMINARY APPROVAL ORDER  
GRANTING MOTION FOR PRELIMINARY APPROVAL OF CLASS SETTLEMENT**

This matter came before the Court on Plaintiff's Unopposed Motion for Preliminary Approval of Class Settlement Agreement. Plaintiffs, individually and on behalf of the proposed Settlement Class, and Defendants have entered into a Settlement Agreement (the "Settlement Agreement") that settles the above-captioned litigation on a class basis.

In December 2019, Centerstone became the victim of a criminal act effectuated by cybercriminals, who gained access to Centerstone's company email accounts for a short time period in a phishing attack ("Data Incident"). Centerstone notified approximately 66,000 individuals that their information *may* have been impacted (the "Notice").

Plaintiffs filed a putative class action complaint on November 20, 2020, commencing this litigation (the "Litigation"). The causes of action in the complaint include negligence, negligence *per se*, breach of implied contract, violation of the Tennessee Consumer Protection Act, intrusion upon seclusion/invasion of privacy, breach of confidence, and unjust enrichment.

The Parties, through their counsel, have entered into a Settlement Agreement following good faith, arm's-length negotiations and a mediation overseen by Hon. Wayne Andersen (Ret.)



of JAMS. The Parties have agreed to settle this action, pursuant to the terms of the Settlement Agreement, and subject to the approval and determination of the Court as to the fairness, reasonableness, and adequacy of the Settlement which, if approved, will result in dismissal of this action with prejudice.

Having reviewed the Settlement Agreement, including the exhibits attached thereto, and all prior proceedings herein, and for good cause shown, it is hereby ordered that Plaintiff's Motion for Preliminary Approval is granted as set forth herein.<sup>1</sup>

1. **Class Certification for Settlement Purposes Only.** For settlement purposes only and pursuant to Rule 23(b)(3) and (e), the Court provisionally certifies a Settlement Class in this matter defined as follows:

All individuals who were mailed a notification by or on behalf of Centerstone on or about October 22, 2020 regarding the Data Breach.

The Court provisionally finds, for settlement purposes only, that: (a) the Settlement Class is so numerous that joinder of all Settlement Class Members would be impracticable; (b) there are issues of law and fact common to the Settlement Class; (c) the claims of the Settlement Class Representative are typical of and arise from the same operative facts and seek similar relief as the claims of the Settlement Class Members; (d) the Settlement Class Representatives and Settlement Class Counsel will fairly and adequately protect the interests of the Settlement Class as the Settlement Class Representative has no interest antagonistic to or in conflict with the Settlement Class and has retained experienced and competent counsel to prosecute this matter on behalf of the Settlement Class; (e) questions of law or fact common to Settlement Class Members predominate over any questions affecting only individual members; and (f) a class action and class settlement is superior to other methods available for a fair and efficient resolution of this controversy.

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<sup>1</sup> Unless otherwise indicated, capitalized terms used herein have the same meaning as in the Settlement Agreement.

**2. Settlement Class Representatives and Settlement Class Counsel.**

Cody Kenney and Melissa Skinner are hereby provisionally designated and appointed as the Settlement Class Representatives. The Court provisionally finds that the Settlement Class Representatives are similarly situated to absent Class Members and therefore typical of the Class and that they will be adequate Settlement Class Representatives.

The Court finds that the following counsel are experienced and adequate counsel and are hereby provisionally designated as Settlement Class Counsel: David K. Lietz and Gary M. Klinger, of Mason Lietz & Klinger, LLP.

**3. Preliminary Settlement Approval.** Upon preliminary review, the Court concludes and finds that the proposed Settlement is fair, reasonable, and adequate to warrant providing Notice of the Settlement to the Settlement Class and accordingly is preliminarily approved.

**4. Jurisdiction.** The Court concludes that it has subject matter jurisdiction and personal jurisdiction over the Parties before it for the purposes of the Settlement. Additionally, venue is proper in this court.

**5. Final Approval Hearing.** A Final Approval Hearing shall be held on \_\_\_\_\_ at \_\_\_:00 a.m. on Month \_\_, 2021, in the United States District Court for the Middle District of Tennessee, 800 Broadway, Nashville, TN 37203, to determine, among other things, whether: (a) this matter should be finally certified as a class action for settlement purposes; (b) the Settlement should be finally approved as fair, reasonable, and adequate; (c) the action should be dismissed with prejudice pursuant to the terms of the Settlement Agreement; (d) Settlement Class Members should be bound by the releases set forth in the Settlement Agreement; (e) the motion of Settlement Class Counsel for an award of attorneys' fees, costs, and expenses (the "Fee Request") should be approved; and (f) the motion of the Settlement Class Representative for a Service Award (the "Service Award Request") should be approved.

Plaintiff's Motion for Attorneys' Fees, Costs, and a Service Award shall be filed 14 Days prior to Settlement Class Members' Deadlines to object to or exclude themselves from the

Settlement Agreement. By no later than 14 Days prior to the Final Approval Hearing, the Parties shall file responses, if any, to any objections, and any replies in support of Plaintiff's Motion for Attorneys' Fees, Costs, and a Service Award.

Plaintiff's Motion for Final Approval of the Settlement shall be filed with the Court at least 14 Days prior to the Final Approval Hearing. By no later than 7 Days prior to the Final Approval Hearing, the Parties shall file responses, if any, to any objections, and any replies in support of final approval of the Settlement and/or the Service Award Request and Fee Request.

**6. Administration.** The Court appoints KCC as the Settlement Administrator, with responsibility for class notice and claims administration and to fulfill the duties of the Settlement Administrator set forth in the Settlement Agreement. Defendants shall pay all costs and expenses associated with providing notice to Settlement Class Members including, but not limited to, the Settlement Administrator's fees, as well as the costs associated with administration of the Settlement.

**7. Notice to the Class.** The proposed Notice Program set forth in the Settlement Agreement, and the Short-Form Notice, Email Notice, Long-Form Notice, and Claim Form attached to the Settlement Agreement as Exhibits A, B, C, and D satisfy the requirements of Federal Rules of Civil procedure, provide the best notice practicable under the circumstances and are hereby approved. Non-material modifications to these Exhibits may be made without further order of the Court. The Settlement Administrator is directed to carry out the Notice Program in conformance with the Settlement Agreement.

Within **30 days from the date of this Order** (the "Notice Deadline"), the Settlement Administrator shall complete the Notice Program in the manner set forth in Section IX of the Settlement Agreement.

**8. Findings and Conclusions Concerning Notice.** The Court finds that the form, content, and method of giving notice to the Settlement Class as described in in this Order and in Section VII of the Settlement Agreement (including the exhibits thereto): (a) will constitute the best practicable notice to the Settlement Class; (b) are reasonably calculated to apprise Settlement

Class Members of the pendency of the action, the terms of the proposed Settlement, and their rights under the proposed Settlement, including but not limited to their rights to object to or exclude themselves from the proposed Settlement and other rights under the terms of the Settlement Agreement; (c) are reasonable and constitute due, adequate, and sufficient notice to all Class Members and other persons entitled to receive notice; and the Court concludes that the Notice Program meets all applicable requirements of law, including Rule 23(c) and (e), and the Due Process Clause(s) of the United States Constitution. The Court further finds that the Notice is written in plain language, uses simple terminology, and is designed to be readily understandable by Class Members.

**9. Exclusion from Class.** Any Settlement Class Member who wishes to be excluded from the Settlement Class must mail a written notification of the intent to exclude himself or herself from the Settlement Class to the Settlement Administrator at the address provided in the Notice, postmarked no later than **45 Days after the Notice Deadline** (the “Opt-Out Period”). The written notification must include the individual’s full name, and current address; an unequivocal statement that he or she wants to be excluded from the Settlement Class; and the original signature of the individual or a person previously authorized by law, to act on behalf of the individual with respect to the claims asserted in this Action.

The Settlement Administrator shall provide the Parties with copies of all completed opt-out notifications, and a final list of all who have timely and validly excluded themselves from the Settlement Class, which Settlement Class Counsel may move to file under seal with the Court no later than **10 Days prior to the Final Approval Hearing**.

Any Settlement Class Member who does not timely and validly exclude herself or himself from the Settlement shall be bound by the terms of the Settlement Agreement. If Final Order and Judgment is entered, any Settlement Class Member who has not submitted a timely, valid written notice of exclusion from the Settlement Class shall be bound by all proceedings, orders, and judgments in this matter, including but not limited to the Release set forth in the Final Order and Judgment, including Settlement Class Members who have previously initiated or who

subsequently initiate any litigation against any or all of the Released Persons relating to the claims and transactions released in the Settlement Agreement. All Settlement Class Members who submit valid and timely notices of exclusion from the Settlement Class shall not be entitled to receive any benefits of the Settlement.

**10. Objections and Appearances.** A Settlement Class Member who complies with the requirements of this paragraph may object to the Settlement, the Service Award Request, or the Fee Request.

No Settlement Class Member shall be heard, and no papers, briefs, pleadings, or other documents submitted by any Settlement Class Member shall be received and considered by the Court, unless the objection is postmarked and mailed to the Settlement Administrator by no later than **45 Days after the Notice Deadline** (the “Objection Deadline”). For an objection to be considered by the Court, the objection must also include all of the information set forth in Paragraph 56 of the Settlement Agreement, which is as follows:

- (i) the name of the proceedings;
- (ii) the Settlement Class Member’s full name, current mailing address, and telephone number;
- (iii) a statement of the specific grounds for the objection, as well as any documents supporting the objection;
- (iv) a statement as to whether the objection applies only to the objector, to a specific subset of the class, or to the entire class;
- (v) the identity of any attorneys representing the objector;
- (vi) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; and

(vii) the signature of the Settlement Class Member or the Settlement Class Member's attorney.

Any Settlement Class Member who fails to comply with the provisions in this Paragraph may waive and forfeit any and all rights he or she may have to object, and shall be bound by all the terms of the Settlement Agreement, this Order, and by all proceedings, orders, and judgments in this matter, including, but not limited to, the release in the Settlement Agreement if Final Order and Judgment is entered.

Any Settlement Class Member, including a Settlement Class Member who submits a timely written objection, as described above, may appear at the Final Approval Hearing, either in person or through counsel hired at the Settlement Class Member's expense, to object to or comment on the fairness, reasonableness, or adequacy of the Settlement, the Service Award Request, or the Fee Request.

If Final Order and Judgment is entered, any Settlement Class Member who fails to object in the manner prescribed herein shall be deemed to have waived his or her objections and shall be forever barred from making any such objections in this action or in any other proceeding or from challenging or opposing, or seeking to reverse, vacate, or modify any approval of the Settlement Agreement, the Service Award Request, or the Fee Request.

**11. Claims Process and Distribution and Allocation Plan.** Settlement Class Representatives and Defendants have created a process for assessing and determining the validity and value of claims and a payment methodology to Settlement Class Members who submit a timely, valid Claim Form. The Court preliminarily approves the plan for remuneration described in Section IV of the Settlement Agreement and directs that the Settlement Administrator effectuate the distribution of Settlement consideration according to the terms of the Settlement Agreement, should the Settlement be finally approved.

Settlement Class Members who qualify for and wish to submit a Claim Form shall do so in accordance with the requirements and procedures specified in the Notice and the Claim Form.

If Final Order and Judgment is entered, all Settlement Class Members who qualify for any benefit under the Settlement but fail to submit a claim in accordance with the requirements and procedures specified in the Notice and the Claim Form shall be forever barred from receiving any such benefit, but will in all other respects be subject to and bound by the provisions in the Settlement Agreement, the Release included in that Settlement Agreement, and the Final Order and Judgment.

**12. Termination of Settlement.** This Order shall become null and void and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing as of the date of the execution of the Settlement Agreement if the Settlement is not finally approved by the Court or is terminated in accordance with the Settlement Agreement. In such event, the Settlement and Settlement Agreement shall become null and void and be of no further force and effect, and neither the Settlement Agreement nor the Court's orders, including this Order, relating to the Settlement shall be used or referred to for any purpose whatsoever.

**13. Use of Order.** This Order shall be of no force or effect if Final Order and Judgment is not entered or there is no Effective Date and shall not be construed or used as an admission, concession, or declaration by or against Defendants of any fault, wrongdoing, breach, liability, or the certifiability of any class. Nor shall this Order be construed or used as an admission, concession, or declaration by or against the Settlement Class Representative or any other Settlement Class Member that his or her claim lacks merit or that the relief requested is inappropriate, improper, unavailable, or as a waiver by any Party of any defense or claim he, she, or it may have in this litigation or in any other lawsuit.

**14. Stay of Proceedings.** Except as necessary to effectuate this Order, all proceedings and deadlines in this matter are stayed and suspended pending the Final Approval Hearing and issuance of the Final Order and Judgment, or until further order of this Court.

**15. Continuance of Hearing.** The Court reserves the right to adjourn or continue the Final Approval Hearing and related deadlines without further written notice to the Settlement Class. If the Court alters any of those dates or times, the revised dates and times shall be posted on the website maintained by the Settlement Administrator.

16. **Summary of Deadlines.** The preliminarily approved Settlement shall be administered according to its terms pending the Final Approval Hearing. Deadlines arising under the Settlement Agreement and this Order include but are not limited to:

**Notice Completion Deadline:** 30 Days after Preliminary Approval

**Motion for Final Approval:** 14 Days before Final Approval Hearing

**Motion for Service Award, Attorneys' Fees and Costs:** 14 Days before the deadline for Class Members to Opt-Out or Object

**Opt-Out Deadline:** 45 Days after Notice Completion Deadline

**Objection Deadline:** 45 Days after Notice Completion Deadline

**Replies in Support of Final Approval, Service Award and Fee Requests:** 7 Days before Final Approval Hearing

**Claim Deadline:** 75 Days after Notice Completion Deadline

**Final Approval Hearing:** \_\_\_\_\_ (at least 90 Days after Preliminary Approval)

IT IS SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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# **EXHIBIT 1F**

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE

CODY KENNEY and MELISSA  
SKINNER, individually and on behalf of all  
similarly situated persons,

Plaintiffs,

v.

CENTERSTONE OF AMERICA, INC.,  
CENTERSTONE OF INDIANA, INC., and  
CENTERSTONE OF TENNESSEE, INC.,

Defendants.

Case No. 3:20-cv-01007

JUDGE ELI J. RICHARDSON

MAGISTRATE JUDGE  
BARBARA D. HOLMES

**[PROPOSED] ORDER**  
**GRANTING FINAL APPROVAL OF CLASS SETTLEMENT**

Before the Court is Plaintiffs' unopposed motion requesting that the Court enter an Order granting final approval of the class action Settlement involving Plaintiff Cody Kenney and Melissa Skinner ("Plaintiffs" or "Settlement Class Representatives") and Defendants Centerstone of America, Inc., Centerstone of Indiana, Inc., and Centerstone of Tennessee, Inc., ("Defendants" or "Centerstone") as fair, reasonable, and adequate.

Having reviewed and considered the Settlement Agreement and the motion for final approval of the settlement, and having conducted a Final Approval Hearing, the Court makes the findings and grants the relief set forth below approving the Settlement upon the terms and conditions set forth in this Final Order and Judgment.

**THE COURT** not being required to conduct a trial on the merits of the case or determine with certainty the factual and legal issues in dispute when determining whether to approve a proposed class action settlement; and

**THE COURT** makes the findings and conclusions hereinafter set forth for the limited

purpose of determining whether the Settlement should be approved as being fair, reasonable, adequate and in the best interests of the Settlement Class;

**IT IS ON THIS** \_\_\_\_\_ day of \_\_\_\_\_, 2021,

**ORDERED** that:

1. The Settlement involves allegations in Plaintiffs' Class Action Complaint that Defendants failed to safeguard and protect the personally identifiable information and/or protected health information of its patients and that this alleged failure caused injuries to Plaintiffs and the Class.

2. The Settlement does not constitute an admission of liability by Defendants, and the Court expressly does not make any finding of liability or wrongdoing by Defendants.

3. Unless otherwise noted, words spelled in this Order with initial capital letters have the same meaning as set forth in the Settlement Agreement.

4. On \_\_\_\_\_ the Court entered an Order which among other things: (a) approved the Notice to the Settlement Class, including approval of the form and manner of notice under the Notice Program set forth in the Settlement Agreement; (b) provisionally certified a class in this matter, including defining the class, appointed Plaintiffs as the Settlement Class Representatives, and appointed Settlement Class Counsel; (c) preliminarily approved the Settlement; (d); set deadlines for opt-outs and objections; (e) approved and appointed the Claims Administrator; and (f) set the date for the Final Approval Hearing.

5. In the Order Granting the Motion for Preliminary Approval of Class Settlement Agreement, pursuant to Rule 23(b)(3) and 23(e), for settlement purposes only, the Court certified the Settlement Class, defined as follows:

All individuals who were mailed a notification by or on behalf of Centerstone on or about October 22, 2020 regarding the Data Breach.

6. The Court, having reviewed the terms of the Settlement Agreement submitted by the parties pursuant to Rule 23(e), grants final approval of the Settlement Agreement and defines the Settlement Class as defined therein and in the Preliminary Approval Order, and finds that the settlement is fair, reasonable, and adequate and meets the requirements of Rule 23.

7. The Settlement Agreement provides, in part, and subject to a more detailed description of the settlement terms in the Settlement Agreement, for:

- a. A process for Settlement Class Members to submit claims for compensation that will be evaluated by a Claims Administrator mutually agreed upon by Settlement Class Counsel and Defendants.
- b. A process for Settlement Class Members to submit claims for Identity Theft Monitoring Services.
- c. Defendants to pay all Notice and Claims Administration costs.
- d. Defendants to pay a Court-approved amount for attorneys' fees, costs, and expenses of Settlement Class Counsel not to exceed \$410,000, constituting 27 1/3% of the Settlement Cap.
- e. Defendants to pay a Service Award not to exceed \$2,500 to each of the named Plaintiff.

8. The terms of the Settlement Agreement are fair, reasonable, and adequate and are hereby approved, adopted, and incorporated by the Court. The Parties, their respective attorneys, and the Claims Administrator are hereby directed to consummate the Settlement in accordance with this Order and the terms of the Settlement Agreement.

9. Notice of the Final Approval Hearing, the proposed motion for attorneys' fees, costs, and expenses, and the proposed Service Award payment to Plaintiffs have been provided to Settlement Class Members as directed by this Court's Orders, and an affidavit or declaration of the Settlement Administrator's compliance with the Notice Program has been filed with the Court.

10. The Court finds that such Notice as therein ordered, constitutes the best possible notice practicable under the circumstances and constitutes valid, due, and sufficient notice to all Settlement Class Members in compliance with the requirements of Rule 23(c)(2).

11. As of the final date of the Opt-Out Period, \_\_\_\_ potential Settlement Class Members have submitted a valid Opt-Out Request to be excluded from the Settlement. The names of those persons are set forth in Exhibit A to this Order. Those persons are not bound by this Final Order and Judgment, as set forth in the Settlement Agreement.

12. The Court has considered all the documents filed in support of the Settlement, and has fully considered all matters raised, all exhibits and affidavits filed, all evidence received at the Final Approval Hearing, all other papers and documents comprising the record herein, and all oral arguments presented to the Court.

13. Pursuant to the Settlement Agreement, Defendants, the Claims Administrator, and the Claims Referee shall implement the Settlement in the manner and time frame as set forth therein.

14. Pursuant to the Settlement Agreement, Plaintiff and the Settlement Class Members release claims against Defendants and all Released Persons, as defined in the Settlement Agreement, as follows:

Any and all claims or causes of action of every kind and description, including any causes of action in law, claims in equity, complaints, suits or petitions, and any allegations of wrongdoing, demands for legal, equitable or administrative relief (including, but not limited to, any claims for injunction, rescission, reformation, restitution, disgorgement, constructive trust, declaratory relief, compensatory damages, consequential damages, penalties, exemplary damages, punitive damages, attorneys' fees, costs, interest or expenses) that the Releasing Parties had, have or may claim now or in the future to have (including, but not limited to, assigned claims and any and all "Unknown Claims" as defined below) that were or could have been asserted or alleged arising out of the same nucleus of operative facts as any of the claims alleged or asserted in the Action, including but not limited to the facts, transactions, occurrences, events, acts, omissions, or failures to act that were alleged, argued, raised or asserted in any

pleading or court filing in the Action, including but not limited to those concerning the Centerstone Data Breach.

Released Claims shall not include the right of any Settlement Class Member or any of the Released Persons to enforce the terms of the Settlement contained in this Settlement Agreement and shall not include the claims of those persons identified in Exhibit A to this Order who have timely and validly requested exclusion from the Settlement Class.

15. On the Effective Date and in consideration of the promises and covenants set forth in this Settlement Agreement, (i) Plaintiff and each Settlement Class Member, and each of their respective spouses and children with claims on behalf of the Settlement Class Member, executors, representatives, guardians, wards, heirs, estates, successors, predecessors, next friends, co-borrowers, co-obligors, co-debtors, legal representatives, attorneys, agents, and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf (including the government in the capacity as *parens patriae* or on behalf of creditors or estates of the releasors), and each of them (collectively and individually, the “Releasing Persons”), and (ii) Settlement Class Counsel and each of their past and present law firms, partners, or other employers, employees, agents, representatives, successors, or assigns will be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally, completely, and forever released and discharged the Released Persons from the Released Claims.

16. The matter is hereby dismissed with prejudice and without costs except that the Court reserves jurisdiction over the consummation and enforcement of the Settlement.

17. In accordance with Rule 23, this Final Order and Judgment resolves all claims against all parties in this Action and is a final order. There is no just reason to delay the entry of final judgment in this matter, and the Clerk is directed to file this Order as the final judgment in

this matter.

Done and ordered this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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