

STATE OF NORTH CAROLINA  
COLUMBUS COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
24 CVS 88

IN RE COLUMBUS REGIONAL  
HEALTHCARE SYSTEM DATA  
SECURITY INCIDENT  
LITIGATION

**PRELIMINARY APPROVAL ORDER**

**THIS MATTER** is before the Court on Plaintiffs Stephanie Luther, David Heller, Naqiis Lamir Johnson, and Curtis McLean’s Motion for Preliminary Approval of Class Action Settlement (“Motion for Preliminary Approval”), (ECF No. 95), filed on 2 December 2024 in the above-captioned case. Plaintiffs, individually and on behalf of the proposed Settlement Class, and Defendant Columbus Regional Healthcare System (“Defendant”), have entered into a Settlement Agreement (the “Settlement Agreement” or the “Agreement”) that settles the above-captioned litigation (the “Litigation”).

This purported class action arises out of Defendant’s alleged failure to safeguard the personally identifiable information (“PII”) of Plaintiffs and Settlement Class Members. On or about 21 May 2023, Defendant became aware of a data breach impacting certain company systems (the “Data Breach” or “Data Incident”). The Data Breach was found to have compromised private and personally identifying information stored in Defendant’s files, including names, addresses, dates of birth, Social Security numbers, and personal health information relating to medical history and health insurance. The private information of roughly 132,800 people was accessed as a result of this Data Breach.

On 18 April 2024, Plaintiffs filed a Consolidated Amended Class Action Petition (*In Re Columbus Regional Healthcare System Data Security Incident Litigation*), Master File No. 24 CVS 0088, alleging claims against Defendant for negligence, breach of implied contract, negligence per se, breach of fiduciary duty, intrusion upon seclusion/invasion of privacy, and unjust enrichment. Plaintiffs also sought, on behalf of themselves and the Class, compensatory damages and injunctive relief. (*See* ECF No. 13).

Prior to engaging in extensive motion practice or formal discovery, the parties agreed to mediate in an attempt to minimize the costs and time expended through the Litigation. Following extensive arm's length negotiations and a mediation with experienced data breach class action mediator Jill R. Sperber of Sperber Dispute Resolution, the Parties came to an agreement on the central terms of a settlement. Over the next few months, the Parties worked to negotiate the finer points of the settlement and prepare notice exhibits. The Parties have now agreed to settle the Litigation, 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 the dismissal of the Litigation with prejudice.

Having reviewed the Agreement, the Motion, Plaintiffs Memorandum in Support of the Motion, (ECF No. 96), including the exhibits attached thereto, and the Declaration of Joel Rhine in Support of the Motion, (ECF No. 96.7), and for good cause

shown, the Court hereby **ORDERS** that Plaintiffs' Motion is hereby **GRANTED** as set forth below:

1. Unless otherwise defined herein, all defined terms in this Order shall have the respective meanings ascribed to the same terms in the Settlement Agreement.

2. The Court has conducted a preliminary evaluation of the Settlement set forth in the Agreement. Based on this preliminary evaluation, the Court finds that the Agreement meets all applicable requirements of Rule 23 of the North Carolina Rules of Civil Procedure, for settlement purposes only, including that the Settlement Class is sufficiently numerous, that there are questions of law and fact common to members of the Settlement Class that predominate, that the representative parties fairly and adequately protect the interests of the class and that class treatment is an appropriate method for the fair and efficient adjudication of the controversy.

3. The Court further finds that: (i) there is good cause to believe that the Settlement is fair, reasonable and adequate, (ii) the Settlement Agreement has been negotiated at arm's length between experienced attorneys familiar with the legal and factual issues of this case, and (iii) the Settlement warrants notice of its material terms to the Settlement Class for their consideration and reaction. Therefore, the Court grants preliminary approval of the Settlement.

4. Pursuant to Rule 23, and for settlement purposes only, the Court certifies the following Settlement Class: "The individuals whose certain personal information may have been involved in the Data Incident." Excluded from the

Settlement Class are (1) the judge presiding over this Action, and members of his direct family; (2) Defendant, its subsidiaries, parent companies, successors, predecessors, and any entity in which the Defendant or its parent companies have a controlling interest and their current or former officers and directors; and (3) Class Members who submit a valid Request for Exclusion prior to the Opt-Out Deadline.

5. For settlement purposes only, the Court hereby approves the appointment of Plaintiffs Stephanie Luther, David Heller, Naqis Lamir Johnson, and Curtis McLean as Class Representatives.

6. For settlement purposes only, the Court hereby approves the appointment of Joel R. Rhine of Rhine Law Firm, P.C., Gary E. Mason of Mason LLP, Scott C. Harris of Milberg Coleman Bryson Phillips Grossman, PLLC, Bruce W. Steckler of Steckler Wayne & Love, PLLC, Tyler J. Bean of Siri & Glimstad LLP, Philip J. Krzeski of Chestnut Cambronne PA, John G. Emerson, Jr. of Emerson Firm, PLLC, and John A. Yanchunis of Morgan & Morgan Complex Litigation Group as Class Counsel and finds that they are competent and capable of exercising the responsibilities of Class Counsel.

7. On 9 April 2024 at 2:00 PM, this Court will hold a Final Approval Hearing on the fairness, adequacy and reasonableness of the Settlement Agreement and to determine whether: (a) final approval of the Settlement Agreement should be granted and (b) Class Counsel's application for attorney's fees and expenses and an incentive award to the Class Representative should be granted. No later than 14 days prior to the deadline to opt out of or object to the Settlement, Plaintiffs must file

any papers in support of Class Counsel's application for attorneys' fees and Service Awards to the Class Representatives, and no later than 14 days prior to Final Approval Hearing, Plaintiffs must file any papers in support of final approval of the Settlement Agreement and in response to any objections.

8. Pursuant to the Settlement Agreement, Simpluris is hereby appointed as the Settlement Administrator and shall be required to perform all of the duties of the Settlement Administrator as set forth in the Settlement Agreement or this Order.

9. The Court approves the proposed plan for giving notice to the Settlement Class, as fully described in the Agreement. The plan for giving notice, in form, method and content, fully complies with the requirements of North Carolina law and due process and is due and sufficient notice to all persons entitled thereto.

10. The Court hereby directs the parties and Settlement Administrator to complete all aspects of the Notice Plan no later than 30 days after entry of this Order (the "Notice Deadline").

11. All persons who meet the definition of the Settlement Class and who wish to exclude themselves from the Settlement Class must submit their request for exclusion in writing no later than the Objection/Exclusion deadline, which is 60 days after the Notice Deadline. Any Settlement Class Member who fails to timely and properly exclude themselves from the Settlement through the procedure outlined in the Notice shall be deemed to remain a Settlement Class Member and shall be bound as a Settlement Class Member by the Agreement. Settlement Class Members shall be bound by all determinations and orders pertaining to the Settlement Agreement,

including the release of all claims to the extent set forth in the Agreement, whether favorable or unfavorable, unless such persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided and as provided in the Agreement. Settlement Class Members who do not timely and validly request exclusion shall be so bound even if they have previously initiated or subsequently initiate litigation or other proceedings against Defendant or the Released Parties relating to the claims released under the terms of the Settlement Agreement.

12. Any member of the Settlement Class who intends to object to the Settlement Agreement must include in his or her written objection: (1) the name of the proceedings; (2) the Class Member's full name, current mailing address, email address, and telephone number; (3) a statement of the specific grounds for the objection, as well as any documents supporting the objection; (4) the identity of any attorneys representing the objector; (5) a statement regarding whether the Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; (6) a statement identifying all class action settlements objected to by the Class Member and his or her attorneys, if applicable, in the previous five years; and (7) the signature of the Class Member or the Class Member's attorney.

13. Any Settlement Class Member who fails to timely file a written objection with the Court in accordance with the terms of this Order and as detailed in the Notice, and at the same time provide copies to designated counsel for the parties, shall not be permitted to object to the Settlement Agreement at the Final Approval Hearing, and shall be foreclosed from seeking any review of the Agreement by appeal

or other means and shall be deemed to have waived his or her objections and be forever barred from making any such objections in the Litigation or any other action or proceeding.

14. Class Members who wish to participate in the Settlement and receive their share of the Settlement Proceeds shall complete and submit a claim form in accordance with the terms and conditions of the Settlement Agreement. The Settlement Administrator shall accept and process claim forms in accordance with the Agreement.

15. The certification of the Settlement Class shall be binding only with respect to the Settlement of the Litigation. In the event the Settlement Agreement fails to become effective, is overturned on appeal, or does not become final for any reason whatsoever, the parties shall be restored to their respective positions in the Litigation as of the date of the signing of the Agreement, and no reference to the Settlement Class, the Settlement Agreement, or any documents, communications or negotiations related in any way thereto shall be made for any purpose.

16. Pending the final determination of the fairness, reasonableness and adequacy of the Settlement, no Settlement Class Member may prosecute, institute, commence or continue any lawsuit (individual action or class action) with respect to the Released Claims against any of the Released Parties.

17. The Final Approval Hearing may be postponed, adjourned, transferred or continued by order of the Court without further notice to the Settlement Class. At or following the Final Approval Hearing, the Court may enter a judgment approving the

Agreement and a Final Approval Order in accordance with the Settlement Agreement that adjudicates the rights of all Settlement Class Members.

18. Settlement Class Members do not need to appear at the Final Approval Hearing or take any other action to indicate their approval.

19. All discovery and other proceedings in the Litigation as between Plaintiffs and Defendant are stayed and suspended until further order of the Court except such actions as may be necessary to implement the Settlement Agreement and this Order.

20. For clarity, the deadlines set forth above and in the Settlement Agreement are as follows:

**Notice 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:** 60 Days after Notice Deadline

**Objection Deadline:** 60 Days after Notice Deadline

**Claim Deadline:** 90 Days after Notice Deadline

**SO ORDERED**, this the 3rd day of December, 2024.

/s/ Louis A. Bledsoe, III  
Louis A. Bledsoe, III  
Chief Business Court Judge