

**SUPERIOR COURT OF THE STATE OF CALIFORNIA,
COUNTY OF MONTEREY**

V.C. et al. v. Salinas Valley Memorial Healthcare System, Case No. 20-cv-001923

NOTICE OF CLASS ACTION SETTLEMENT

The Court has authorized this Notice. This is not a solicitation from a lawyer.

Your legal rights are affected whether or not you act. Please read this notice carefully.

- A settlement has been proposed to resolve a lawsuit against Salinas Valley Memorial Healthcare System (“Salinas Valley”) brought on behalf of patients as a result of third-party criminal data breaches of Salinas Valley’s email systems, first reported on June 29, 2020 (the “Data Breach”).
- The lawsuit alleges that Salinas Valley is legally responsible for the Data Breach and asserts claims for violation of the California Confidential Medical Information Act, as well as claims for injunctive relief. Salinas Valley denies these allegations and claims it did not do anything wrong.
- A Settlement Class Member, who timely submits a valid claim form, can receive compensation for out of pocket expenses and time spent dealing with the notice of Data Breach.

SUBMIT A CLAIM FORM on or before August 26, 2022	If eligible, you will receive a cash payment.
EXCLUDE YOURSELF on or before August 11, 2022	If you ask to be excluded, you may be able to file your own lawsuit against Salinas Valley for the same claims. This is the only option that leaves you the right to file your own lawsuit against Salinas Valley for the claims that are being resolved by the Settlement. In order to be effective, a request to be excluded from the Settlement must include all information required by the Settlement.
OBJECT TO THE SETTLEMENT on or before August 11, 2022	You can remain in the Settlement Class and file an objection telling the Court why you do not like the Settlement. If your objections are overruled, you will be bound by the Settlement.
DO NOTHING	If you do nothing, you will not receive any cash payment. If you do nothing, you will also remain in the Settlement Class and forfeit your right to sue or bring any claim against Salinas Valley related to the Data Breach.

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of this case still must decide whether to approve the Settlement. Cash payments will be provided to the eligible Class Members only if the Court grants final approval of the Settlement. Please be patient.

1. Why did I Receive this Notice?

You received this Notice because Salinas Valley’s records show that you were mailed a Notice of Data Breach letter stating that your information may have been contained in an email account that was accessible to unknown and unauthorized third parties as a result of the Data Breach first reported on June 29, 2020, the Court granted preliminary approval of the Settlement, approving this Notice.

You are being provided this Notice because you have a right to know about a proposed settlement of this class action, and about your rights and options, before the Court decides whether to grant final approval of the Settlement. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who may be eligible for those benefits, and how to get them.

2. *What is a Class Action?*

A class action is a lawsuit where one or more persons sue not only for themselves, but also for other people who have similar claims. These other people are known as the “Class” or “Class Members.” In a class action, one court resolves the issues for all Class Members, except for those who exclude themselves or “opt out” from the Class. The Court has not made any ruling on the merits of this case. The attorneys for the Class Representatives and Salinas Valley have agreed to settle the lawsuit, subject to the approval of the Court.

3. *What is this Class Action About?*

The Class Representative filed a complaint against Salinas Valley. The complaint alleges that Salinas Valley acted unlawfully by failing to prevent the Data Breach. The Class Action claimed that Salinas Valley failed to fulfill its legal duty to adequately secure and safeguard the information of the Class Representative and Class Members and that Salinas Valley breached promises made to the Class Representative and Class Members concerning the security of their data.

In her complaint, the Class Representative asserts claims for violations of the California Confidential Medical Information Act, Civil Code §§ 56 *et seq.*

Salinas Valley denies the allegations asserted by the Class Representative in the Action and contends that Salinas Valley was and is complying with applicable state law. The Court has not made any ruling on the merits of this case. The attorneys for the Class Representative and Salinas Valley have agreed to settle the Action, subject to the approval of the Court.

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

If you received this Notice, Salinas Valley’s records indicate that you are included in the Settlement Class. “Settlement Class” or “Settlement Class Members” means All citizens of the State of California whose personal data or medical information stored or possessed by Salinas Valley Memorial Healthcare System was potentially accessed by one or more authorized parties between April 30, 2020 and June 5, 2020. Excluded from the definition of Settlement Class or Settlement Class Members are all persons who validly opt out of the settlement by following the procedures set forth herein. More specifically, the Settlement Class includes all persons who were previously mailed the Notice of Data Breach. If you are not sure whether you are included, call 1-888-598-3502.

5. *Why is there a Settlement?*

The Court did not decide in favor of the Class Representative or Salinas Valley. Instead, both sides agreed to settle this case to avoid the additional cost and risk of trial and appellate proceedings. This way, they avoid the cost and burden of a trial and the people affected can get benefits. The Class Representative and her attorneys think the Settlement is best for all Class Members. The Court still must decide whether to grant final approval of the Settlement. Cash payments to those who are eligible will be provided only if the Court grants final approval of the Settlement.

6. *What Does the Settlement Provide?*

If the Court grants final approval, Salinas Valley will provide the following Settlement benefits to the Class Members:

- **Cash Payment:** For those who submit a valid and timely claim form, a pro-rata cash distribution of up to \$750.00 of the funds remaining in the Settlement Fund after payment of attorneys’ fees, costs, expenses, and other amounts approved or ordered by the Court. This means if you have out of pocket expenses or you spent time remediating the Data Breach that can reasonably be traced to the Data Breach, you can get

a cash payment from the settlement fund. File a claim by going to the following website: www.SalinasValleyMemorialSettlement.com.

- **Remedial Measures:** Additional data security measures to be taken by Salinas Valley, including hiring third-party auditors to conduct regular penetration tests, maintaining firewalls and access control, providing regular training of all personnel relating to phishing and other security attacks and conducting regular computer system scanning and security checks.

7. *How Can I Receive a Cash Payment from the Settlement Fund?*

If you are an eligible Settlement Class Member and you do not exclude yourself from the Settlement, and if you wish to receive a cash payment from the Settlement Fund, then you must submit a valid claim by August 26, 2022. To receive a cash payment for your out of pocket expenses or for time spent related to the Data Breach, you must complete a Claim Form online or mail a Claim Form postmarked no later than August 26, 2022 to the Settlement Administrator, V.C. et al. v. Salinas Valley Memorial Healthcare System, c/o CPT Group Inc., 50 Corporate Park, Irvine, CA 92606. Online Claim Forms may be electronically completed and submitted online at www.SalinasValleyMemorialSettlement.com by August 26, 2022. Claim Forms postmarked or electronically submitted after August 26, 2022 will not be paid.

If the Court approves the amounts to be requested for the cost of the settlement administration, including notice to Class Members and reasonable fees of the Settlement Administrator, Class Counsels' fees and expenses, and Class Representative service award, a check or electronic payment will be sent for your approved claimed damages for out of pocket expenses and/or time spent up to a total limit of \$750.00.

8. *When and How Will I Receive a Payment from the Settlement?*

If the Settlement is approved by the Court and if you have timely submitted a valid claim by the deadline of August 26, 2022, you will be sent a check via U.S. mail or electronic payment for your approved benefits. If the Court approves the settlement, and there are no objections to the settlement, payments are anticipated to be sent out approximately three (3) months after the final approval hearing on October 28, 2022, or in January 2023. You may visit www.SalinasValleyMemorialSettlement.com or otherwise contact the Settlement Administrator at any time for an update on the status of the Action or the Settlement.

9. *What are the Additional Remedial Measures being Implemented by Salinas Valley?*

As a result of this Action, Salinas Valley has and will be implementing various security-related remedial measures, which will include:

- Hiring third-party auditors to conduct regular penetration tests;
- Maintaining firewalls and access control;
- Providing regular training of all personnel relating to phishing and other security attacks; and,
- Conducting regular computer system scanning and security checks.

10. *What Am I Giving Up as Part of The Settlement by Staying in the Class?*

If the Settlement is granted final approval by the Court, Final Settlement Class Members will be releasing Salinas Valley and Released Parties, as further described in Section 9 of the Settlement Agreement, from any and all claims that were or reasonably could have been asserted based on the factual allegations contained in the Action concerning Defendant's purported exposure of the Settlement Class Members' information in 2020. This means that you will no longer be able to file a lawsuit against Salinas Valley or the Released Parties for the same claims brought in this case or that could have been brought in the lawsuit. The Settlement Agreement is available at www.SalinasValleyMemorialSettlement.com.

11. *How Do I Exclude Myself from the Class?*

You have the right to exclude yourself from (i.e., "opt out" of) the Settlement. If you exclude yourself, you will

be giving up the right to receive the cash payments for reimbursement for out of pocket expenses and time spent and the right to object, but you will not be releasing the claims that are released in the Settlement.

To exclude yourself from the Settlement, you must mail your request to the Settlement Administrator at the address listed below. To be valid, a request for exclusion must include your name, address, and signature and must specifically state that you wish to be excluded from the Settlement in the case entitled *V.C. v. Salinas Valley Memorial Healthcare System*, Case No. 20-CV-001923. To be timely, you must mail a request for exclusion postmarked no later than August 26, 2022 to *V.C. v. Salinas Valley Memorial Healthcare System, Case No. 20-CV-009123*, c/o CPT Group, Inc, 50 Corporate Park, Irvine, CA 92606.

If you submit a request for exclusion, you will not be bound by any judgment in the Action and you will be able to file your own lawsuit against Salinas Valley at your own expense. **DO NOT SUBMIT BOTH A CLAIM FORM AND A REQUEST FOR EXCLUSION. If you submit both a Claim Form and a Request for Exclusion, your Request for Exclusion will be disregarded, and your Claim Form will be processed.**

12. *If I do not Exclude Myself from the Class, Can I File a Lawsuit against Defendant for the Same Thing Later?*

No. If you do not exclude yourself, you give up any right to bring your own individual lawsuit against Defendant with regard to the claims brought in this case or that could have been brought in this case. If you have a pending lawsuit, speak to your lawyer in that case immediately to see if this Notice will affect your other case. Remember, the exclusion deadline is August 11, 2022.

13. *If I Exclude Myself from the Class, Can I Get Money From this Settlement?*

No. If you exclude yourself, you will not receive any money from this lawsuit if the Settlement is approved by the Court. However, by excluding yourself, you may file a separate lawsuit to sue Salinas Valley regarding these same claims at your own expense.

14. *Do I have a Lawyer in this Case?*

The Court appointed Gayle M. Blatt of Casey Gerry Schenk Francavilla Blatt & Penfield LLP and Joshua B. Swigart of Swigart Law Group, APC., as Settlement Class Counsel to represent the Settlement Class. Together, these lawyers are called Settlement Class Counsel or Class Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. For more information, please contact the designated member of Class Counsel:

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Casey Gerry Schenk Francavilla Blatt &
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110 Laurel St.
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619-238-1811
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2221 Camino del Rio S., Ste. 308
San Diego, CA 92108
866-219-3343
Josh@swigartlawgroup.com

15. *How Will the Lawyers be Paid?*

At the final approval hearing, Class Counsel will ask the Monterey Superior Court to approve payment to them from the Settlement Fund for their reasonable attorneys' fees and litigation costs and expenses from the Settlement Fund in an amount not to exceed one hundred, thirteen thousand and three hundred and thirty-three dollars and thirty-three cents (\$113,333.33), which is one third (1/3) of the Settlement Fund, and \$5,000 as partial reimbursement of expenses. The award of reasonable attorneys' fees and litigation costs would compensate Class Counsel for work that they reasonably have performed and partially reimburse expenses they reasonably have incurred in this action, including filing briefs, engaging in discovery, investigating the facts, and attending mediation, and court hearings and conferences.

Class Counsel will also ask the Court to approve payment to the Settlement Administrator from the Settlement Fund for the cost of the Class Notice, settlement website, 800 number, and the cost of distributing and administering the benefits of the Settlement Agreement. Class Counsel will also ask the Court to approve payment to the named Plaintiff as a Service Award payment from the Settlement Fund in an amount not to exceed \$2,000, in recognition of the risks taken by the named Plaintiff as the Class Representative in commencing the Action, both financial and otherwise.

16. *How Can I Tell the Court If I Object to the Settlement?*

You have the right to object to the Settlement if you do not like some or all of it. In your objection, you must state your reasons why you think the Court should not approve the Settlement. If the Court rejects your objection and approves the Settlement, you will still be bound by the terms of the Settlement.

To state a valid objection, you must provide the following information in your written objection: (i) full name, current address, current telephone number, and personally signed; (ii) documentation sufficient to establish your membership in the Class, such as a copy of the Class Notice you received; (iii) a statement of the position(s) that you, as the objector, wish to assert, including the factual and legal grounds for the position(s); (iv) provide copies of any other documents that you, as the objector, wish to submit in support of your position; (v) whether you, as the objector, or your attorney intend to appear at the Final Approval Hearing; and (vi) whether you, as the objector, are represented by your own lawyer, and if so, the name, address, and telephone number of your lawyer. To be timely, your written objection must be mailed to *V.C. v. Salinas Valley Memorial Healthcare Systems, Case No. 20-CV-001923*, c/o CPT Group, Inc, 50 Corporate Park, Irvine, CA 92606, and be postmarked no later than August 11, 2022.

Any member of the Settlement Class who does not mail an objection postmarked by August 11, 2022, shall be deemed to have waived all objections and forever shall be foreclosed from making any objection to the fairness, justness, reasonableness or adequacy of the Settlement, and objecting to any motion for payment from the Settlement Fund, unless otherwise ordered by the Court.

17. *What is the Difference Between Objecting to the Settlement vs. Asking to be Excluded?*

Objecting to the Settlement is a way of formally telling the Court that you do not like something about the Settlement and do not think the Court should approve the Settlement for a particular reason or reasons. You can object only if you stay in the Settlement Class and do not request exclusion. If the Court rejects your objection and approves the Settlement, you will still be bound by the terms of the Settlement.

Excluding yourself (i.e., “opting out” of) the Settlement is the way to tell the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you cannot object to the Settlement and you will not be eligible to receive any benefits under the Settlement because you have requested not to be part of the case and its Settlement. By excluding yourself, you will still be able to file a separate lawsuit to sue Salinas Valley Memorial Healthcare System regarding these same claims at your own expense and with or without your own attorney.

18. *When and Where Will the Court Decide Whether to Give Final Approval of Settlement?*

The Court will hold a Final Approval Hearing at 8:30 a.m., on October 28, 2022 at the Superior Court of California for the County of Monterey located at 1200 Aguajito Road, Monterey, California 93940. At the Final Approval Hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate. The Court may also consider Class Counsel’s request for payment of attorneys’ fees and costs, payment of the Settlement Administrator’s fees and costs, and payment of a Service Award to the Class Representative. If there are objections, the Court will consider them. After the Final Approval Hearing, the Court will decide whether to approve the proposed Settlement, how much to award to Class Counsel as fees and costs, to the Settlement Administrator as fees and costs, and the amount of any Service Award to the Class Representative.

The Final Approval Hearing may be moved to a different date or time without additional notice being mailed to the Class Members. For update information, please visit www.SalinasValleyMemorialSettlement.com.

19. Do I have to come to the Final Approval Hearing?

No, you do not have to attend the Final Approval Hearing. Class Counsel will answer any questions the Court may have regarding the Settlement. However, you are welcome to attend the hearing at your own expense. If you have mailed in your valid written objection on time, the Court will consider it. You do not have to come to the Final Approval Hearing if you send in a written objection, however, you may attend the hearing if you have provided Notice of Intention to Appear as described above. You also may pay your own lawyer to attend the Final Approval Hearing, but their attendance is not necessary.

20. May I Speak at the Final Approval Hearing?

Yes, you may speak at the Final Approval Hearing if you have served a Notice of Intention to Appear, as described above. If you wish to appear at the Final Approval Hearing, in person or by your own lawyer at your expense, to show cause why the proposed Settlement should not be approved as fair, adequate, and reasonable, or object to any motion for payment from the Settlement Fund, you must send a Notice of Intention to Appear at the Final Approval Hearing to the Settlement Administrator on or before August 11, 2022. The Notice of Intention to Appear should include copies of any papers, exhibits, or other evidence that the objecting Settlement Class Member (or his/her counsel) will present to the Court in connection with the Final Approval Hearing.

You will not be permitted by the Court to speak at the hearing if you exclude yourself (or opt-out) from the Settlement.

21. What Happens If I do Nothing at all?

If you are a Settlement Class Member and do nothing after receiving this Notice you will be legally bound by the Settlement and will be releasing Defendant and Released Parties, as defined in Paragraph 9.1 and described in Section 9 of the Settlement Agreement, from any and all claims or causes of action alleged in this Action and that could have been alleged in this Action.

22. How Can I Get More Information?

(1) If you have any questions, please contact the Settlement Administrator via U.S. Mail to *V.C. v. Salinas Valley Memorial Healthcare System, Case No. 20-CV-001923*, c/o CPT Group, Inc, 50 Corporate Park, Irvine, CA 92606, or via telephone at 1-888-598-3502.

(2) You may also visit the website at www.SalinasValleyMemorialSettlement.com that has links to the settlement notice and the important documents in the case, viewable free of charge.

(3) You can also see any document filed in the case by requesting the file at the Monterey County Superior Court located at 1200 Aguajito Road, Monterey, California 93940.

(4) You can also contact Class Counsel directly. The contact information of the designate member of Class Counsel is set forth in answer to Question 14 above.

Please do not write or call the Court with questions about the Settlement.