

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF KENTUCKY

Mireles v. Cornerstone Healthcare Group Management Services LLC d/b/a Cornerstone Specialty Hospitals, No. 3:24-cv-410-DJH

IF YOU WERE NOTIFIED BY CORNERSTONE HEALTHCARE GROUP MANAGEMENT SERVICES LLC d/b/a CORNERSTONE SPECIALTY HOSPITALS OF A DATA INCIDENT THAT OCCURRED IN DECEMBER 2023, YOU MAY BE ELIGIBLE FOR PAYMENT AND/OR CREDIT MONITORING SERVICES FROM A CLASS ACTION SETTLEMENT.

A court authorized this Notice. This is not a solicitation from a lawyer.

Si necesita ayuda en español, comuníquese con el administrador al 1-844-687-7014.

- A settlement has been reached in a class action lawsuit against Cornerstone Healthcare Group Management Services LLC d/b/a Cornerstone Specialty Hospitals, (“Cornerstone” or “Defendant”) concerning an alleged data security incident affecting Defendant that was discovered by Defendant in or around December 2023 (the “Data Incident”).
- The lawsuit is called *Mireles v. Cornerstone Healthcare Group Management Services LLC d/b/a Cornerstone Specialty Hospitals*, No. 3:24-cv-410-DJH (the “Action”). The lawsuit alleges that the Data Incident potentially exposed certain Private Information of Plaintiff and the members of the putative class.
- The Settlement Class includes all individuals identified on the Defendant’s Settlement Class List whose Private Information may have been involved in the Data Incident. It excludes: (1) the Judge presiding over this Action, and members of their direct families; (2) Defendant, and its current or former officers and directors; and (3) Settlement Class Members who submit a valid a Request for Exclusion prior to the Opt-Out Deadline.
- Your legal rights are affected regardless of whether you act. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	This is the only way you may receive benefits from this Settlement. The deadline to submit a Claim Form is May 8, 2026.
EXCLUDE YOURSELF FROM THE SETTLEMENT	You will receive no payment, but you will retain any rights you currently have with respect to Defendant and the issues in this case. The deadline to exclude yourself from the Settlement is April 8, 2026.

OBJECT TO THE SETTLEMENT	Write to the Settlement Administrator explaining why you do not agree with the Settlement but remain bound by the Settlement. The deadline to object is April 8, 2026.
ATTEND THE FINAL APPROVAL HEARING	You or your attorney may attend and speak about your objection at the Final Approval Hearing. The Final Approval Hearing will be held on May 14, 2026 at 1:30 PM EST.
DO NOTHING	You will not get any benefits from the Settlement, and you will give up certain legal rights. You will remain in the Settlement Class and be subject to the Release.

- These rights and options, and the deadlines to exercise them, are explained in this Notice. For complete details, please see the Settlement Agreement, whose terms control, available at www.CSHealthcareSettlement.com.
- The Court in charge of this case still has to decide whether to approve the Settlement. No Settlement benefits or payments will be provided unless the Court approves the Settlement and it becomes final.

BASIC INFORMATION

What is this Notice and why should I read it?

The Court authorized this Notice to inform you about a proposed Settlement with Defendant. The case is called *Mireles v. Cornerstone Healthcare Group Management Services LLC d/b/a Cornerstone Specialty Hospitals*, No. 3:24-cv-410-DJH. You have legal rights and options that you may act on before the Court decides whether to approve the proposed Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights.

What is a class action lawsuit?

A class action is a lawsuit in which one or more plaintiffs—in this case, Emilio Mireles—sue on behalf of a group of people who have similar claims. Together, this group is called a “Class” and consists of “Class Members.” In a class action, the court resolves the issues for all class members, except those who exclude themselves from the class.

THE CLAIMS IN THE LAWSUIT AND THE SETTLEMENT

What is this lawsuit about?

Plaintiff claims that Defendant failed to implement and maintain reasonable security measures to adequately protect the Private Information in its possession and to prevent the Data Incident from occurring.

Defendant denies that it is liable for the claims made in the lawsuit and denies all allegations of wrongdoing. More information about the complaint in the lawsuit can be found on the Settlement Website, at www.CSHealthcareSettlement.com.

Why is there a Settlement?

The Court has not decided whether the Plaintiff or Defendant should win this case. Instead, both sides agreed to this Settlement. That way, they can avoid the uncertainty, risks, and expense of ongoing litigation, and Settlement Class Members will be eligible to get compensation now rather than years later—if ever. The Class Representatives and attorneys for the Settlement Class Members, called Class Counsel, agree the Settlement is in the best interests of the Settlement Class Members. The Settlement is not an admission of wrongdoing by the Defendant.

WHO'S INCLUDED IN THE SETTLEMENT?

How do I know if I am in the Settlement Class?

You are part of the Settlement as a Settlement Class Member if you received a notification letter from Defendant stating that your Private Information was or may have been compromised in the Data Incident.

Settlement Class Members will have been mailed notice of their eligibility. If you are still not sure whether you are included, you can contact the Settlement Administrator by calling 1-844-687-7014, by emailing info@CSHealthcareSettlement.com, or by visiting the Settlement Website, at www.CSHealthcareSettlement.com.

This Settlement Class does not include (1) the Judge presiding over this Action, and members of their direct families; (2) Defendant, and its current and former officers and directors; and (3) Settlement Class Members who submit a valid a Request for Exclusion prior to the Opt-Out Deadline.

Included in the Settlement Class is one subclass: the SSN Subclass, made up of individuals whose Social Security number was potentially compromised in the Data Incident.

THE SETTLEMENT BENEFITS

What does the Settlement provide?

Under the proposed Settlement, Defendant will pay (or cause to be paid) \$2,350,000.00 into a Settlement Fund. The Settlement Fund, plus interest accrued thereon, will pay notice and administration costs, Court-approved attorneys' fees and costs, Court-approved service awards for class representatives, and certain Settlement Fund taxes and tax expenses (the "Net Settlement

Fund”). The Net Settlement Fund will be used to provide eligible Settlement Class Members with payments and benefits described below.¹

Monitoring: SSN Subclass members can claim certain monitoring products described below.

1. **SSN Subclass:** SSN Subclass members may claim 2 years of three-bureau credit monitoring and identity protection services, to include \$1 million in identity fraud insurance. The Settlement Administrator, from the Settlement Fund, will purchase and provide credit monitoring codes for such monitoring to SSN Subclass members who submit Approved Claims.

Monetary Relief: Settlement Class members may claim reimbursement of documented losses *or* a pro rata cash payment.

1. **Documented Losses:** Settlement Class members may claim reimbursement for documented losses. Members of the SSN Subclass may claim up to \$10,000 in documented losses. Remaining Settlement Class members may claim up to \$2,500 in documented losses. Any Settlement Class Member whose Documented Loss Claim is denied in full will automatically be provided a Pro Rata Cash Payment as described below.

A. Supporting Documents: To receive reimbursement for any Documented Monetary Loss, Settlement Class members must submit supporting documentation of the loss and a description of how the loss is fairly traceable to the Data Incident, if not readily apparent from the documentation. Documented monetary losses can be supported with the following evidence: receipts or other documentation not “self-prepared” by the Claimant and that demonstrates the reasonable costs actually incurred by the Claimant. “Self-prepared” documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but may be considered to add clarity or support other submitted documentation.

B. Documented Ordinary Losses: All Settlement Class members may submit a claim for documented out-of-pocket expenses fairly traceable to the Data Incident, up to \$2,500 total per individual. Documented Ordinary Losses may include various types of out-of-pocket losses that were incurred on or after December 1, 2023 through the Claims Deadline, including the following: credit

¹ If the benefits claimed by all Settlement Class Members meets or exceeds the amount of the Net Settlement Fund, then the payments and/or benefits for your Claim may be reduced *pro rata* pursuant to Paragraph 72 of the Settlement Agreement by the Settlement Administrator so that the aggregate cost of all payments and benefits does not exceed the amount of the Net Settlement Fund.

monitoring costs; unreimbursed bank fees; long distance phone charges; postage; or gasoline for local travel. This list of reimbursable documented out-of-pocket expenses is not meant to be exhaustive, but rather is exemplary. Adult Subclass Members may make claims for any documented unreimbursed out-of-pocket losses fairly traceable to the Data Incident or to mitigating the effects thereof. The Settlement Administrator shall have discretion to determine whether any claimed loss is fairly traceable to the Data Incident.

C. Documented Extraordinary Losses: SSN Subclass members are eligible to seek compensation for extraordinary losses resulting from the Data Incident, up to a maximum of \$10,000. The Claim Form and supporting documentation must demonstrate that: (i) the loss is an actual, documented, and unreimbursed monetary loss; (ii) the loss was fairly traceable to the Data Incident; (iii) the loss occurred between December 1, 2023 and the Claims Deadline; (iv) the loss is not already covered by one or more of the Documented Ordinary Loss reimbursement categories; and (v) the Claimant made reasonable efforts to avoid the loss or seek reimbursement for the loss, including, but not limited to, exhaustion of all available credit monitoring insurance and identity theft insurance. Extraordinary Losses may include, without limitation, the unreimbursed costs, expenses, losses or charges incurred as a result of identity theft or identity fraud, falsified tax returns, or other possible misuse of Private Information.

2. **Pro Rata Cash Payment:** In lieu of claiming the Documented Losses set forth above, Settlement Class Members may claim a Pro Rata Cash Payment. Pro Rata Cash Payments will be calculated based on whether a claimant is a member of the SSN Subclass or not. SSN Subclass Members' Cash Payments shall equal three times (3x) the amount of Settlement Class members not belonging to the SSN Subclass. The payments shall be calculated by dividing the funds remaining in the Settlement Fund after payment of Settlement Administration Fees, Fee Award and Expenses, Service Awards, Minor Monitoring, Credit Monitoring and Identity Restoration Services, and Documented Monetary Losses.

HOW TO GET BENEFITS

How do I make a Claim?

To qualify for a cash benefit under the Settlement or to request credit monitoring services you must complete and submit a Claim Form.

Settlement Class Members who want to submit a Claim must fill out and submit a Claim Form online at the Settlement Website at www.CSHealthcareSettlement.com, or by mail to the Settlement Administrator. Claim Forms are available through the Settlement Website at www.CSHealthcareSettlement.com or by calling 1-844-687-7014.

All Claim Forms must be submitted no later than May 8, 2026.

When will I get my payment?

The hearing to consider the fairness of the Settlement is scheduled for May 14, 2026. If the Court approves the Settlement, eligible Settlement Class Members whose claims were approved by the Settlement Administrator will be sent payment after all appeals and other reviews, if any, are completed. Please be patient.

THE LAWYERS REPRESENTING YOU

Do I have a lawyer in this case?

Yes, the Court has appointed Mason LLP and EKSM LLP as “Class Counsel” to represent you and all Settlement Class Members. You will not be charged for these lawyers. You can ask your own lawyer to appear in Court for you at your own expense if you want someone other than Class Counsel to represent you.

Danielle L. Perry Mason LLP 5335 Wisconsin Ave. NW, Ste. 640 Washington, DC 20015 202-640-1168	Leigh Montgomery EKSM LLP 4200 Montrose, Ste. 200 Houston, TX 77006 888-350-3931
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How will the lawyers be paid?

To date, Class Counsel has not received any payment for their services in conducting this litigation on behalf of the Class and have not been paid for their out-of-pocket expenses. Class Counsel will ask the Court for an award of attorneys’ fees not to exceed 35% of the Settlement Fund, or \$822,500, and for the reimbursement of litigation costs and expenses which were incurred in connection with the Action, not to exceed \$25,000.00. Such sums as may be approved by the Court will be paid from the Settlement Fund.

Class Counsel will also request a service award payment of \$3,000 for the Class Representative to be paid from the Settlement Fund.

The Court will determine the proper amount of any attorneys’ fees, costs, and expenses to award Class Counsel and the proper amount of any service awards to the Class Representative.

Class Counsel will file their request for attorneys' fees, costs, and expenses and service awards for the Class Representatives with the Court, which will also be posted on the Settlement Website, at www.CSHealthcareSettlement.com.

YOUR RIGHTS AND OPTIONS

What claims do I give up by participating in this Settlement?

If you do not exclude yourself from the Settlement, you will not be able to sue Defendant about the Data Incident and you will be bound by all decisions made by the Court in this case, the Settlement, and its included Release. This is true regardless of whether you submit a Claim Form. However, you may exclude yourself from the Settlement (*see* below). If you exclude yourself from the Settlement, you will not be bound by any of the Released Claims, which are described in the Settlement Agreement available on the Settlement Website, at www.CSHealthcareSettlement.com.

What happens if I do nothing at all?

If you do nothing, you will receive no benefits under the Settlement. You will be in the Settlement Class, and if the Court approves the Settlement, you will also be bound by all orders and judgments of the Court, the Settlement, and its included Release. You will be deemed to have participated in the Settlement and will be subject to the provisions of the Settlement Agreement. Unless you exclude yourself, you won't be able to file a lawsuit or be part of any other lawsuit against Defendant for the claims or legal issues released in this Settlement.

What happens if I ask to be excluded?

If you exclude yourself from the Settlement, you will receive no benefits under the Settlement. However, you will not be in the Settlement Class and will not be legally bound by the Court's judgments related to the Settlement Class and Defendant in this class action.

How do I ask to be excluded?

You can ask to be excluded from the Settlement. To do so, you must send a written notification to the Settlement Administrator stating that you want to be excluded from the Settlement in *Mireles v. Cornerstone Healthcare Group Management Services LLC d/b/a Cornerstone Specialty Hospitals*, No. 3:24-cv-410-DJH. Your written notification must include: (1) the name of the proceeding; (2) your full name and current address; (3) your signature; and (4) the words "Request for Exclusion" or a comparable statement that you not wish to participate in the Settlement at the top of the communication. You must mail your exclusion request, postmarked no later than April 8, 2026, to the following address:

Cornerstone Data Incident Settlement Administrator
PO Box 2271
Baton Rouge, LA 70821

You cannot exclude yourself by phone or email. Any individual who wants to be excluded from the Settlement must submit his or her own exclusion request. No group opt-outs shall be permitted.

If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims or legal issues released in this Settlement, even if you do nothing.

If I exclude myself, can I get anything from this Settlement?

No. If you exclude yourself, do not submit a Claim Form to ask for any benefits.

How do I object to the Settlement?

If you do not exclude yourself from the Settlement Class, you can object to the Settlement if you do not agree with any part of it. You can give reasons why you think the Court should deny approval by filing an objection. To object, you must mail a written objection to the Settlement Administrator stating that you object to the Settlement in *Mireles v. Cornerstone Healthcare Group Management Services LLC d/b/a Cornerstone Specialty Hospitals*, No. 3:24-cv-410-DJH. Your objection must be filed no later than April 8, 2026.

The objection must be in writing and be personally signed by you. The 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) the identity of any attorneys representing the objector; (v) a statement regarding whether the Settlement Class Member (or his/her attorney) intends to appear at the Final Approval Hearing; (vi) a statement identifying all class action settlements objected to by the Settlement Class Member in the previous 5 years; and (vii) the signature of the Settlement Class Member or the Settlement Class Member's attorney.

Written objections should be submitted to the Court at the address listed below:

United States District Court for the Western District of Kentucky, Louisville Division
601 W. Broadway, Rm. 106
Gene Snyder United States Courthouse
Louisville, KY 40202

You must also mail the objection to the Settlement Administrator at the address listed below, postmarked no later than April 8, 2026:

Cornerstone Data Incident Settlement Administrator
PO Box 2271
Baton Rouge, LA 70821

What's the difference between objecting and excluding myself from the Settlement?

Objecting simply means telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself from the Settlement Class is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

When and where will the Court hold a hearing on the fairness of the Settlement?

The Court will hold the Final Approval Hearing on May 14, 2026 at 1:30 P.M EST at the Courthouse located at the U.S. Courthouse in Louisville, KY. The purpose of the hearing is for the Court to determine whether the Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class. At the hearing, the Court will hear any objections and arguments concerning the fairness of the proposed Settlement, including those related to the amount requested by Class Counsel for attorneys' fees, costs, and expenses and the service awards to Class Representatives.

The location, date and time of the Final Approval Hearing are subject to change by Court order. Any changes will be posted at the Settlement Website, at www.CSHealthcareSettlement.com, or through the Court's publicly available docket. You should check the Settlement Website to confirm the date and time have not been changed.

Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to attend the hearing at your own expense. If you send an objection, you don't have to come to Court to talk about it. If your written objection was filed or mailed on time and meets the other criteria described in the Settlement, the Court will consider it. However, you may appear on your behalf or pay a lawyer to attend on your behalf to assert your objection if you would like.

May I speak at the hearing?

Yes. If you do not exclude yourself from the Settlement Class, you (or your attorney) may appear and speak at the Final Approval Hearing concerning any part of the proposed Settlement.

GETTING MORE INFORMATION

Where can I get additional information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement, which is available at www.CSHealthcareSettlement.com or by writing to Cornerstone Data Incident Settlement Administrator, PO Box 2271, Baton Rouge, LA, 70821.

How do I get more information?

Go to the Settlement Website, at www.CSHEALTHCARESETTLEMENT.COM, call 1-844-687-7014, email info@CSHealthcareSettlement.com or write to Cornerstone Data Incident Settlement Administrator, PO Box 2271, Baton Rouge, LA, 70821.

PLEASE DO NOT CALL THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR THE DEFENDANT WITH QUESTIONS ABOUT THE SETTLEMENT OR CLAIMS PROCESS.