

NOTICE OF CLASS ACTION SETTLEMENT

UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ALABAMA

Anna Carroll v. Macy's Inc. et al., Case No. 2:18-cv-01060-RDP (N.D. Ala.)

If Macy's sent you a notification in July 2018 concerning suspected unauthorized activity as a result of the Cyber Attack, you may be eligible for a cash payment from a class action settlement.

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

- A Settlement has been reached with Macy's Inc., Macy's Retail Holdings, Inc., and Macy's Systems and Technology, Inc. (collectively, "Macy's") in a class action lawsuit about a cyber attack from May 1, 2018 through June 11, 2018, involving unauthorized access or unauthorized attempted access to online customer profiles, and Personal Information associated with those profiles, using valid user credentials (the "Cyber Attack"). Macy's denies all of the claims. The Settlement does not establish who is correct and is not an admission of fault, but rather is a compromise to end the lawsuit.
- This Settlement includes all residents of the United States who Macy's sent a notification in July 2018 concerning suspected unauthorized activity as a result of the Cyber Attack.
- The Settlement provides payments to people who submit valid Claim Forms by the Claims Deadline, which is **April 6, 2020**.

Your legal rights are affected even if you do nothing. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a Claim	This is the only way to receive a payment for losses suffered relating to the Cyber Attack.
Ask to be Excluded	You will not receive a payment, but you will retain any rights you currently have with respect to Macy's. This is the only option that allows you to bring your own lawsuit against Macy's related to the Cyber Attack.
Object	Write to the Court about why you do not like the Settlement.
Go to the Hearing	Ask to speak in Court about the fairness of the Settlement.
Do Nothing	Get no payment. Give up rights to submit a claim or bring a different lawsuit against Macy's related to the Cyber Attack.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case still has to decide whether to grant final approval of the Settlement. Payments will only be made after the Court grants final approval of the Settlement and after any appeals are resolved.

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BASIC INFORMATION

1. Why was this Notice issued and why should I read it?

The Court authorized this Notice because you may be included in the Settlement Class and have a right to know about the proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give “final approval” to the Settlement. This Notice explains the legal rights and options that you may exercise before the Court decides whether to approve the Settlement.

Judge R. David Proctor of the United States District Court for the Northern District of Alabama is overseeing this case known as *Anna Carroll v. Macy’s Inc. et al.*, Case No. 2:18-cv-01060-RDP (N.D. Ala.). The person who sued is called the Plaintiff. Macy’s is called the Defendant.

2. What is this lawsuit about?

The lawsuit claims that Macy’s was responsible for the Cyber Attack. The Cyber Attack means the criminal cyberattack from May 1, 2018 through June 11, 2018, involving unauthorized access or unauthorized attempted access to online customer profiles, and Personal Information associated with those profiles, using valid user credentials. The lawsuit asserts claims for negligence and for violation of Alabama’s Deceptive Trade Practices Act.

Macy’s denies these claims and says it did not do anything wrong.

3. Why is this lawsuit a class action?

In a class action, one or more people called representative plaintiffs or class representatives sue on behalf of all people who have similar claims. Together, all of these people are called a class and the individuals are called class members. One court resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why is there a Settlement?

The Court did not issue a ruling in favor of the Plaintiff or Macy’s. Rather, both sides, with the assistance of a mediator, agreed to a settlement. The Settlement is not an admission that Macy’s did something wrong, but rather is a compromise to end the lawsuit. By agreeing to settle, both sides avoid the cost and risk of a trial, and people who submit valid claims will get compensation. The Plaintiff (i.e., the Representative Plaintiff) and her attorneys believe the Settlement is fair, reasonable, and adequate and, thus, best for the Settlement Class.

WHO IS IN THE SETTLEMENT?

5. How do I know if I am included in the Settlement?

You are included in the Settlement if you reside in the United States and Macy’s sent you a notification in July 2018 concerning suspected unauthorized activity as a result of the Cyber Attack.

Specifically excluded from the Settlement Class are:

(i) Macy’s and its officers and directors; (ii) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; (iii) the Judge or Magistrate Judge to whom the action is assigned and any member of those Judges’ staffs or immediate family members; and (iv) any other person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the criminal activity or occurrence of the Cyber Attack or who pleads *nolo contendere* to any such charge.

6. What if I am not sure whether I am included in the Settlement?

The Settlement website at www.MCOMsettlement.com provides additional information. If you are not sure whether you are included in the Settlement, you may call 1-866-580-1705 with questions. You may also write with questions to Macy’s Cyber Attack Settlement Administrator, P.O. Box 43499, Providence, RI 02940-3499.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

7. What does the Settlement provide?

The Settlement provides two types of payments to people who submit valid claims. You may submit a claim for either or both types of payments.

- (1) Reimbursement of up to \$1,500.00 for certain documented out-of-pocket expenses and lost time that resulted from the Cyber Attack.
- (2) Reimbursement for undocumented time spent dealing with the repercussions of the Cyber Attack for up to 2 hours at \$15.00/hour (\$30.00 total).

The Settlement will provide cash payments to people who submit valid claims up to a total of \$192,500.00. In order to receive payment for documented out-of-pocket expenses and time (i.e., category number 1 above), you must submit supporting documentation. Documentation is *not* required for reimbursement for undocumented time (i.e., category number 2 above).

8. What payments are available for Documented Expense Reimbursement?

Settlement Class Members are eligible to receive reimbursement of up to \$1,500.00 for documented out-of-pocket expenses and lost time that were incurred as a result of the Cyber Attack for one or more of the following, not to exceed a total of \$1,500.00 per Settlement Class Member:

- costs and expenses spent addressing identity theft or fraud;
- preventative costs, including purchasing credit monitoring, placing security freezes on credit reports, or requesting copies of credit reports for review;
- up to five hours of documented time spent dealing with the repercussions of the Cyber Attack (calculated at the rate of \$15.00 per hour); and
- other documented losses that were not reimbursed.

9. What payments are available for Undocumented Time Spent?

Settlement Class Members who spent time dealing with the repercussions of the Cyber Attack, but do not have documentation of such time, are eligible to submit a Claim Form for time spent in an amount of \$15.00/hour, up to 2 hours (\$30 total).

HOW DO YOU SUBMIT A CLAIM?

10. How do I get a payment?

To receive a payment, you must complete and submit a Claim Form. Claim Forms may be submitted electronically by going to www.MCOMsettlement.com. Claim Forms are also available at www.MCOMsettlement.com or by calling 1-866-580-1705. Read the instructions carefully, fill out the Claim Form, provide the required documentation, and submit it online (via the website: www.MCOMsettlement.com) or mail it to the address below. Claim Forms must be postmarked and, if completed online, submitted electronically no later than **April 6, 2020** to:

Macy's Cyber Attack
Settlement Administrator
P.O. Box 43499
Providence, RI 02940-3499

11. How will claims be decided?

The Settlement Administrator will decide whether the information provided on each Claim Form is complete and valid.

Approved Claims are those submitted in a timely manner and found to be valid by and in an amount approved by the Settlement Administrator.

Macy's payments under the Settlement for Approved Claims is capped at \$192,500.00, which is referred to as the Settlement Fund. If the total amount of Approved Claims exceeds \$192,500.00, then the Settlement Administrator will reduce the amount of each Approved Claim on a pro rata (i.e., proportionate) basis until the total amount of Approved Claims equals \$192,500.00. If, on the other hand, the total amount of Approved Claims is less than \$192,500.00, then the Settlement Administrator will make a pro rata (i.e., proportionate) *increase* in the amount of each Approved Claim until the total amount of Approved Claims equals \$192,500.00.

The aggregate amount of the Settlement Fund, the incentive award to the Representative Plaintiff, the award of costs and expenses to Class Counsel, and the award of attorneys' fees to Class Counsel is capped at and shall not exceed \$257,500.00. However, Macy's will pay the Costs of Settlement Administration (i.e., the costs of providing notice and administering the Settlement) separate from and in addition to these amounts.

12. When will I get my payment?

The Court will hold a hearing on **April 30, 2020 at 10:00 am CT** to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for *all* the Claim Forms to be processed, which is necessary in order to determine whether a pro rata increase or decrease will be required. Please be patient.

WHAT DOES MACY'S GET?

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

If the Settlement becomes final and you do not exclude yourself from the Settlement, you will remain a Settlement Class Member and you will give up your right to sue Macy's and Released Persons for any Released Claims. The specific claims being released are described below and in the "Release" section (§ VII) of the Settlement Agreement. Capitalized terms in the Release below are defined in the Settlement Agreement. If you have any questions you can talk to the law firms listed in Question 19 for free or you can, of course, talk to your own lawyer.

Release

Upon the Effective Date, each Settlement Class Member, including Representative Plaintiff, shall be deemed to have, and by operation of the Judgment shall have, completely, fully, finally, irrevocably, and forever released, relinquished, and discharged all Released Claims. Further, upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member, including Representative Plaintiff, shall, either directly, indirectly, representatively, as a member of or on behalf of the general public or in any capacity, be permanently barred and enjoined from commencing, prosecuting, or participating in any recovery in any action in this or any other forum in which any of the Released Claims are asserted.

"Released Claims" are defined as:

Any and all claims, rights, rights of set-off and recoupment, demands, actions, obligations, and causes of action of any and every kind, nature, and character, known and unknown (including "Unknown Claims"), that any Settlement Class Member has, has asserted, could have asserted, or could assert against any of the Released Persons based on, relating to, concerning, or arising out of the Cyber Attack (including but not limited to the theft or compromise of Personal Information) or the allegations, facts, or circumstances described in the Litigation and/or

Complaint. “Released Claims” include, without limitation, negligence, negligence per se, breach of contract, breach of implied contract, breach of fiduciary duty, breach of confidence, invasion of privacy, misrepresentation (whether fraudulent, negligent, or innocent), unjust enrichment, bailment, wantonness, failure to provide adequate notice pursuant to any breach notification statute or common law duty, any federal, state, or local statutory or regulatory claims, including, but not limited to, pursuant to consumer protection laws, unfair and deceptive trade practice laws, and further including, but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys’ fees, costs, and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, the appointment of a receiver, and any other form of relief.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to be part of this Settlement, but you want to keep the right to sue Macy’s about the legal issues in this case, 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.

14. If I exclude myself, can I get a payment from this Settlement?

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

15. If I do not exclude myself, can I sue Macy’s for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Macy’s (and the Released Persons) 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.

If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this class action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitations or repose.

16. How do I exclude myself from the Settlement?

To exclude yourself, you must mail your exclusion request postmarked by **January 7, 2020** to the address below. In your exclusion request, include your name and address; the name of this Litigation (i.e., *Anna Carroll v. Macy’s Inc. et al.*, Case No. 2:18-cv-01060-RDP (N.D. Ala.)), the words “Request for Exclusion” or a clear statement that you want to be excluded from the Settlement Class; and your signature.

Macy’s Cyber Attack
Settlement Administrator
P.O. Box 43499
Providence, RI 02940-3499

OBJECTING TO THE SETTLEMENT

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

You can tell the Court that you do not agree with the Settlement or some part of it by objecting to the Settlement. The Court will consider your views in its decision to approve the Settlement. To object, you must file a written objection in the Litigation’s electronic docket via CM/ECF no later than **January 7, 2020**, *or* you must mail your objection via first class, postage-prepaid United States mail to the Court, Class Counsel, and Defense Counsel, postmarked no later than **January 3, 2020**, at the addresses below.

Your objection must state: (i) the name of this Litigation (i.e., *Anna Carroll v. Macy's Inc. et al.*, Case No. 2:18-cv-01060-RDP (N.D. Ala.)); (ii) your full name, address, telephone number, and e-mail address (if any); (iii) information identifying you as a Settlement Class Member, including proof that you are a member of the Settlement Class; (iv) a written statement of all grounds for the objection, accompanied by any legal support for the objection you believe applicable; (v) the identity of all counsel representing you; (vi) the identity of all counsel representing you who will appear at the fairness hearing; (vii) a list of all persons who will be called to testify at the fairness hearing in support of the objection; (viii) a statement confirming whether you intend to personally appear and/or testify at the fairness hearing; (ix) your signature and the signature of your duly-authorized attorney or other duly-authorized representative (along with documentation setting forth such representation); (x) a list, by case name, court, and docket number, of all other cases in which you (directly or through counsel) have filed an objection to any proposed class action settlement within the last 3 years; (xi) a list, by case name, court, and docket number, of all other cases in which your counsel (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last 3 years; and (xii) a list, by case name, court, and docket number, of all other cases in which you have been a named plaintiff in any class action or served as a lead plaintiff or class representative.

To be considered, your objection must be electronically filed in the Litigation's electronic docket via CM/ECF no later than **January 7, 2020**, *or* you must mail your objection via first class, postage-prepaid United States mail to the Court, Class Counsel, and Defense Counsel, postmarked no later than **January 3, 2020**:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Hugo L. Black United States Courthouse 1729 5th Avenue North Birmingham, AL 35203	Nicholas W. Armstrong Price Armstrong, LLC 2226 First Avenue South, Suite 105 Birmingham, AL 35233	Kristine M. Brown Alston & Bird LLP 1201 West Peachtree Street Atlanta, GA 30309

18. What is the difference between objecting and asking to be excluded?

Objecting is telling the Court that you do not like the Settlement and why you do not think it should be approved. You can object only if you are a member of the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class and do not want to receive any payment from the Settlement. If you exclude yourself, you have no basis to object because you are no longer a member of the Settlement Class and the case no longer affects you.

THE LAWYERS REPRESENTING YOU

19. Do I have a lawyer in this case?

Yes. The Court appointed Nicholas Armstrong and Oscar M. Price IV of Price Armstrong, LLC Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

20. How will the lawyers be paid?

Class Counsel will ask the Court for an award for attorneys' fees of \$60,000.00, plus reasonable costs and expenses up to \$2,500.00. Any award for attorneys' fees, plus reasonable costs and expenses, would compensate Class Counsel for investigating the facts, litigating the case, and negotiating the settlement and will be the only payment to them for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis.

Class Counsel will also ask the Court for an incentive award up to \$2,500.00 for the Representative Plaintiff Anna Carroll.

Any award for attorneys' fees, costs and expenses for Class Counsel, and an incentive award to the Representative Plaintiff must be approved by the Court. If approved, these amounts will be paid separate and apart from and in addition to the Settlement Fund of \$192,500.00. Class Counsel's papers in support of final approval of the Settlement and their application for attorneys' fees, costs and expenses, and an incentive award will be filed no later than **March 31, 2020**.

THE COURT'S FAIRNESS HEARING

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

The Court will hold a final fairness hearing on **April 30, 2020 at 10:00 am CT**, at the Hugo L. Black United States Courthouse, 1729 5th Avenue North, Birmingham, AL 35203. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are timely objections, the Court will consider them and will listen to people who have asked to speak at the hearing if such a request has been properly made. The Court will also consider the request for an award of attorneys' fees and reasonable costs and expenses, as well as the request for an incentive award for the Representative Plaintiff. At or after the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.MCOMsettlement.com or call 1-866-580-1705.

22. Do I have to attend the hearing?

No. Class Counsel will present the Settlement Agreement to the Court. You or your own lawyer are welcome to attend at your expense, but you are not required to do so. If you send an objection, you do not have to come to the Court to talk about it. As long as you filed your written objection on time with the Court or mailed it according to the instructions provided in Question 17, the Court will consider it.

23. May I speak at the hearing?

You may ask the Court for permission to speak at the final fairness hearing. To do so, you must file an objection according to the instructions in Question 17, including all the information required. Your objection must be electronically **filed** in the Litigation's electronic docket via CM/ECF no later than **January 7, 2020**. Alternatively, you must **mail** a copy of your objection via first class, postage-prepaid United States mail to the Court, Class Counsel, and Defense Counsel at the addresses listed in Question 17, postmarked no later than **January 3, 2020**.

IF YOU DO NOTHING

24. What happens if I do nothing?

If you do nothing, you will not get any money from this Settlement and after the Settlement is granted final approval and the judgment becomes final, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Macy's and the other Released Persons about the Cyber Attack, ever again.

GETTING MORE INFORMATION

25. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement, which is available at www.MCOMsettlement.com. You may also call the Settlement Administrator with questions or to get a Claim Form at 1-866-580-1705. You may also contact Class Counsel at 1-205-208-9588. Do NOT call the Court with questions.