

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

SUPERIOR COURT

WILLIAM FLACCO,

Plaintiff,

v.

COMMUNITY CARE ALLIANCE,

Defendant.

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C.A. No. PC-2024-05237

**DECLARATION OF DAVID LIETZ IN SUPPORT OF PLAINTIFF'S MOTION FOR  
AWARD OF ATTORNEYS' FEES, REIMBURSEMENT OF EXPENSES,  
AND SERVICE AWARD TO CLASS REPRESENTATIVE**

I, David K. Lietz, being competent to testify, make the following declaration:

1. I am currently a senior partner of the law firm of Milberg Coleman Bryson Phillips Grossman, PLLC ("Milberg"). I am one of the lead attorneys for Plaintiff and court-appointed Class Counsel, and my credentials were set forth in the declaration I submitted in connection with the Unopposed Motion for Preliminary Approval. I have substantial experience in both class actions generally, and complex consumer class actions involving cybersecurity incidents in particular. I submit this declaration in support of Plaintiff's Motion for an Award of Attorneys' Fees, Reimbursement of Expenses, and Service Award to Class Representative.

2. As the Court is aware, this is a putative class action brought by Plaintiff William ("Plaintiff" or "Class Representative"), individually and on behalf of all others similarly situated (the "Settlement Class"), against Defendant Community Care Alliance ("CCA" or "Defendant," and together with Plaintiff, the "Parties").

3. The action arises out of an alleged July 29, 2024 cyberattack and data breach, which allowed unauthorized third-party cybercriminals (the well-known Rhysida Ransomware gang) to view, access, and exfiltrate the personally identifiable information (“PII”) and protected health information (“PHI”) of Plaintiff and members of the Settlement Class who entrusted CCA with this information. CCA allegedly detected the intrusion on July 29, 2024 and subsequently notified Settlement Class Members about the Data Breach beginning March 7, 2025.

4. However, my team and I became aware of this breach and the involvement of the Rhysida gang long before that. Through investigation into dark web postings, we determined that between July 1, 2024 and July 6, 2024, the Rhysida gang was active within CCA’s environment. On July 29, 2024, the Rhysida gang began posting information about this breach on dark web sites that traffic in the potential sale of compromised data.

5. I and my team vigorously and aggressively gathered all the information that was available regarding CCA and the alleged Data Breach. The initial investigation into the facts and circumstances of the alleged Data Breach revealed that the cyberattack against CCA likely involved the PII and PHI of thousands of individuals that was contained in CCA’s computer network.

6. On September 24, 2024, we filed this lawsuit styled *Flacco v. Community Care Alliance*, Case No. PC -2024-05237, in the Providence Superior Court of the State of Rhode Island (the “Litigation”).

7. The Class Action Complaint in the Litigation asserts the following claims: (i) negligence, (ii) breach of implied contract, and (iii) unjust enrichment. Plaintiff alleged that Defendant failed to safeguard the PII that it collected and maintained from and for Plaintiff and class members. Defendant denies all liability and wrongdoing.

8. After a period of informal discovery and mutual exchange of information, the Parties agreed to a formal mediation. Prior to negotiating, CCA providing information related to, among other things, the nature and cause of the incident, the number and geographic location of victims impacted by the Data Incident, and the specific type of information breached.

9. On March 6, 2025, the Parties engaged in an arms-length mediation before Bennett G. Picker, Esq. of the Stradley Ronon law firm. Mr. Picker is a highly sought after and accomplished mediator with a plethora of experience mediating data breach cases. At the mediation, the Parties reached an agreement to resolve all claims arising from or related to the Incident.

10. This Settlement came about as the result of protracted, arms' length negotiations. Throughout the negotiations, Defendant was ably represented by the well-regarded defense firm with experience in cyber-security investigation and litigation. The Parties negotiated in good faith and zealously defended their respective positions as they negotiated the Settlement Agreement. Both Parties strongly advocated for their respective client's positions. The Parties negotiated the proposed settlement over a period of several months before finally reaching a settlement in principal.

11. . While negotiations were always collegial and professional between the Parties, there is no doubt that the negotiations were also adversarial in nature, with both Parties strongly advocating their respective client's positions.

12. The Settlement provides a very favorable result for the Settlement Class, including substantial monetary benefits and identity theft protection from the sizable \$1,090,000 non-reversionary common fund.

13. This result is even more remarkable because, although the Plaintiff believes in the merits of his claims, this litigation was inherently risky and complex. The claims involve the intricacies of data breach litigation (a fast-developing area in the law), and Plaintiff faced risks as each stage of litigation.

14. This case exemplifies the public good that can be accomplished through the class action device; no class member had a large enough claim to retain counsel to pursue it individually. In counsel's experience, a settlement in this range is likely to be viewed favorably by the class members who will appreciate receiving compensation from this lawsuit without having to expend any resources of their own

15. It is my opinion that the Settlement achieved here represents an excellent result considering the significant benefits to the Settlement Class as well as the risks and delays attendant to further protracted litigation.

16. Subsequent to reaching agreement on the Settlement's terms, Plaintiff's Counsel drafted, and Defendant's Counsel reviewed, the Settlement Agreement and the associated exhibits. The Settling Parties finalized the Class Settlement Agreement on or about April 28, 2025.

17. Plaintiff's Counsel also drafted the preliminary approval motion, and sought and obtained Defendant's assent to that motion.

18. Plaintiff then moved for preliminary approval on April 29, 2025, and appeared before this Court for a preliminary approval hearing on May 15, 2025. The motion was then granted by the Court on June 3, 2025.

19. After preliminary approval was granted, we spent time working with the Settlement Administrator (EAG) on finalizing the notices (by adding the selected URL, telephone number, email address, mailing address, formatting the final postcard notice, and correcting any typos and

errors ), testing the settlement website, reviewing the script for the interactive voice response system, and working with EAG to get notice issued on time.

20. We then monitored the notice and claims process to ensure that adequate notice was issued to the Settlement Class, and that the claims process was proceeding smoothly.

21. We will continue to work throughout the claims period for this case. To date, this work has involved drafting and moving for final approval of the settlement, monitoring for and defending against potential objections (there are none to date), and the supervision of the claims administration process and the distribution of the settlement proceeds. I also drafted the instant motion for attorneys' fees.

22. Pursuant to the Settlement Agreement, the Notices provided to the members of the Settlement Class state that Class Counsel would apply for attorneys' fees not to exceed one-third of the Settlement Fund, and would request reimbursement of litigation expenses. SA, Exhibits B and C.

23. To date, no Class Members have filed an objection to either the Settlement or the requested attorneys' fees. This is a strong indicator of the favorability of the Settlement. It further supports the appropriateness of Class Counsel's fee request.

24. Class Counsel prosecuted this case on a contingency basis, committed substantial resources, and advanced out-of-pocket costs without any compensation or guarantee of success. Class Counsel have received no compensation during the course of this Litigation, which has required counsel to incur thousands of dollars in billable attorneys' fees and expenses, all of which have gone unpaid.

25. Class Counsel assumed significant risk of nonpayment or underpayment. Fees were not guaranteed. The purely contingent basis upon which Class Counsel took the case meant that

Class Counsel assumed significant risk. Class Counsel spent time on this matter that could have otherwise been spent on other, fee-generating matters, and shouldered the risk of expending substantial costs and time without any monetary gain in the case of adverse judgment. Nonetheless, Class Counsel took on these risks knowing full well their efforts may not bear fruit and their willingness to take on this litigation in the face of such risk deserves to be rewarded.

26. This litigation was inherently risky. Aside from the potential that either side will lose at trial, Plaintiffs would likely need to counter a motion for summary judgment, and both gain and maintain certification of the class. Even if successful with their class certification argument, Plaintiffs would face a near inevitable interlocutory appeal attempt. Without a certified class, no class member would likely receive any recovery. Further, summary judgment, trial, and appeal present significant risks in any case.

27. If the case had advanced through class certification, the case expenses would have increased many-fold, and Class Counsel would have been required to advance these expenses potentially for several years to litigate this action through judgment and appeals.

28. Even if the claims survived after the pending appeals are decided, Defendant would have contested class certification, and Plaintiff would have faced serious risks even before getting to class certification. Defendants most certainly would have sought summary judgment, as well as engaged in extensive and protracted discovery.

29. Against all these risks, it was through the skill and hard work of Class Counsel and the Class Representative that the Settlement was achieved for the benefit of the Class members. Class Counsel maintains a national class action practice and has particularly specialized skill in data breach class actions. These skills have been recognized courts across the country.

30. Class Counsel led the litigation and prosecution of this Litigation. Among other responsibilities, Class Counsel: (i) conducted extensive pre-suit research; (ii) researched and drafted the initial complaint; (iii) conducted informal discovery; (iv) prepared a thorough mediation statement and settlement demand; (v) participated in formal mediation; (vi) reached an agreement on the settlement in principle; (vii) obtained proposals from various potential claims administrators and worked with Defendant's counsel to select a knowledgeable settlement and claims administrator for the settlement; (viii) drafted and negotiated the Settlement Agreement and the exhibits thereto, including the notices and claim form; (ix) prepared and filed the motion for preliminary approval of the Settlement and the supporting documents; (x) supervised (and are still currently supervising) the Settlement Administration, the creation and operation of the Settlement Website and the claims process; and (xi) assisted (and are still assisting) in answering questions from Class Members regarding the Settlement and the submission of claims.

31. I reviewed our billing and expense reports, and backup documentation where necessary or appropriate, in connection with the preparation of this declaration. The purpose of this review was to confirm both the accuracy of the entries as well as the necessity for, and reasonableness of, the time and expenses committed to the litigation. Based on this review and the adjustments made, I believe that the time reflected in the lodestar calculation and the expenses for which payment is sought herein are reasonable and were necessary for the effective and efficient prosecution and resolution of the litigation.

32. Members of my law firm and I have expended 116.7 hours of work on this matter to date. This equates to a current lodestar of \$122,254.40 at our typical and customary rates, which for Milberg are set by adherence to the Laffey Matrix rates, without alteration.

33. The rates we charge are well within the acceptable range for class action litigators in general and are in line with or less than hourly rates that were approved in other complex data breach class action litigation

34. Our hourly rates have been approved, for purposes of a lodestar crosscheck, by multiple federal courts in New England in data breach cases. *See, e.g. In re Emmanuel College Data Security Incident*, Case No. 1:24-CV-10314-AK (D. Mass.), ECF 46 (July 29, 2025) (granting final approval and awarding one-third of the \$925,000 common fund as reasonable attorneys' fees); *Webb v. Injured Workers Pharmacy*, Case No. 1:22-cv-10797-RGS (D. Mass.), ECF 61 (January 16, 2025) (granting final approval of a non-reversionary common fund data breach settlement and attorneys' fees of one-third of the \$1,075,000 Settlement Fund); *Kondo et al. v. Creative Services, Inc.*, Case No. 1:22-cv-10438-DJC (D. Mass.), ECF 39 (September 7, 2023) (granting final approval of non-reversionary common fund data breach settlement and attorneys' fees of 33% of \$1.2 million Settlement Fund).

35. Also, I am personally conversant with the national bar of attorneys who handle data breach cases. I know from personal experience that there is no Rhode Island practitioner who regularly files and prosecutes data breach class actions from the plaintiffs' side. While there are many fine attorneys in Rhode Island, there are not any of whom I am aware that have the specialized knowledge and expertise in the data breach litigation space.

36. Although a lodestar crosscheck is not required, a breakdown of the combined lodestar for Class Counsel is provided below:

<u>Individual</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Exp. Years</u>	<u>Lodestar</u>
David K. Lietz (Partner)	102.10	\$1141	34	\$116,496.10
Chiamaka Echebiri (Associate)	1.0	\$473	2	\$473.00
Dean Meyer (Associate)	5.5	\$581	4	\$3,195.50



Ashley Tyrell (Paralegal)	0.2	\$258		\$51.60
Heather Sheflin (Paralegal)	1.3	\$258		\$335.40
Sandra Passanisi (Paralegal)	2.3	\$258		\$593.40
Amanda Mkamanga	0.3	\$258		\$77.40
Michelle Benvenuto (Paralegal)	4.0	\$258		\$1,032.00
<b>Total</b>	<b>116.7</b>			<b>\$122,254.40</b>

37. I and my expect to spend another 40-50 hours of time consummating this Settlement, including continuing my work monitoring the notice and claims process, working with EAG to prepare the declaration in support of the motion for final approval, drafting and filing the final approval motion, traveling to and participating in the final approval hearing, assisting Settlement Class Members with their claims and answering their questions, and working with the Settlement Administrator on claims administrator and distribution of benefits to the Settlement Class. A conservative estimate is that this additional time will accrue another \$40,000 in lodestar, meaning that the lodestar to completion of the case should be not less than \$162,254.40

38. With the additional time that will be spent bringing this case to final approval, and closing out the case, the lodestar multiplier will very likely be 2.23 or below, once these additional attorney and staff hours are expended.

39. The lodestar reported here does not include the time spent by my local Rhode Island counsel, Mr. Gemma and his law firm.

40. As part of the fee and expense request made here, we are seeking reimbursement for the reasonable out-of-pocket case expenses incurred. Due to the early stage of litigation at which Plaintiff was able to reach settlement, litigation costs incurred by Plaintiff are relatively low. To date, we have incurred \$12,231.62 in expenses, consisting entirely of court fees and the cost (\$12,000) of the highly sought after mediator, Bennett Picker, Esq.. For the final approval hearing currently scheduled for October 10, 2025, I will likely incur an additional \$1000 in travel expenses

associated with traveling from Washington, DC to Providence, a modest hotel in or around Providence (along the lines of the Hilton Garden Inn by T.F. Green International Airport), ground transportation, and modest meals (most likely a corned beef sandwich at McShawn's).

41. Plaintiff made vital contributions to our litigation efforts. Specifically, he provided documents to Class Counsel, reviewed pleadings, and remained in frequent contact with me and my firm in order to keep apprised of the status of proceedings and keep informed on important decision-making processes. Plaintiff was subjected to extensive interviews by his counsel and submitted documentation to prove the hardship that the Data Breach caused him, and was prepared to take on the responsibilities of a class representative, including being deposed and testifying at trial. I believe that Plaintiff should receive a service award and I support his request that the Court award Plaintiff \$2,500 in recognition of the time, effort, and expense he incurred pursuing claims that benefited the Settlement Class.

\* \* \* \* \*

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct, and that this declaration was executed in Washington, D.C. on this 15th day of August, 2025.

/s/ David K. Lietz  
David. Lietz (*pro hac vice*)  
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