Alabama Supreme Court In Special Session at Jacksonville State University Tuesday, September 17, 2024

SC-2023-0784 -- <u>Shymikka Griggs, individually and on behalf of</u> <u>all others similarly situated v. NHS Management, LLC</u>

<u>Attorneys</u>: Taylor C. Bartlett, Gary E. Mason, and Lisa A. White for Shymikka Griggs, and H. Thomas Wells III and Spencer Persson for NHS Management, LLC.

Summary¹

NHS Management, LLC ("NHS"), provides administrative services for skilled-nursing and physical-rehabilitation centers in several states, including Alabama. In performing its services, NHS collects personalidentification information and personal-health information from employees and patients of its client facilities.

In May 2021, NHS discovered that a cyberattack on its computer network had occurred and that unknown cybercriminals had obtained access to the personal information stored on NHS's network. In March 2022, NHS notified the individuals whose data had been potentially accessed, including Griggs, who is a former employee of NHS, of the data breach. In its notice, NHS informed the potential victims that the breached information included their names, dates of birth, Social Security numbers, medical information, and health-insurance information.

Griggs filed a class-action complaint in the circuit court on her own behalf and as the class representative for all other persons similarly situated whose personal information had been accessed in the data breach. In her complaint, Griggs alleged that, after she had received

¹This summary is provided as a courtesy to members of the public who are attending this oral argument. It is in no way intended to reflect the thoughts or opinions of the members of the Court on the present case.

NHS's notice informing her of the data breach, she was notified by a credit-monitoring service that her personal information had been found on the "dark web." She also alleged that she has spent considerable time working to freeze her credit and to correct errors on her credit report. She further alleged that she has been receiving a high number of spam emails, calls, and texts. Griggs alleged that she has received several calls from Apple's fraud department asking whether she had made certain Apple-product purchases worth about \$3,000 that she did not make. She also alleged that she has received harassing phone calls and emails stating that she owes money for "payday loans" that she does not owe. She alleged that those payday loans resulted from the sale of her personal information on the "dark web" after the data breach. Griggs also alleged that she spends about 15 minutes every day monitoring her financial accounts and that she anticipates spending more time and money to mitigate harm caused by the data breach. Griggs asserted numerous tort claims against NHS.

NHS moved to dismiss Griggs's claims. In its motion, NHS argued that Griggs could not establish "standing" because the injuries she alleged were not injuries in fact. NHS also argued that Griggs has failed to state a claim on which relief could be granted. The circuit court dismissed Griggs's claims without specifying its reasons for doing so. Griggs appeals to this Court, requesting that this Court reverse the judgment dismissing her claims on the grounds that (1) she did not have to allege an injury in fact to demonstrate "standing" under Alabama law and (2) she sufficiently pleaded her tort claims against NHS.