

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

This notice pertains to the settlement of a class action lawsuit entitled *In Re Rechnitz Nursing Facilities*, Case No. JCCP4988 [Lead Case No. BC711982], in Los Angeles County Superior Court (the “Lawsuit”). The Settlement Class Members include all persons who resided in one or more of the following facilities during the time period specified below (the “Resident Class”) or, if such a resident is now deceased, his or her heir or legal successor-interest (the “Successor Class Members”). To confirm whether you are a Settlement Class Member, visit www.cptgroupcaseinfo.com/rechnitznursingsettlement or call 1-888-498-1124.

Facility: << <i>Facility Name</i> >>	Applicable Time Period: << <i>Class Period</i> >>

The Lawsuit was filed against the above-referenced Facilities and related entities (collectively, “Defendants”).

WHAT IS THE LAWSUIT ABOUT?

Plaintiffs allege that Defendants failed to meet California’s nurse staffing requirements during the above times (defined as the “Settlement Class Period” as to each Facility). Defendants deny these allegations. The parties agreed to settle the Lawsuit. The Court preliminarily approved the settlement and this notice.

WHAT ARE THE KEY SETTLEMENT TERMS?

1. **Cash Payments:** Defendants have agreed to pay every Settlement Class Member who is a current resident of one of the Facilities an automatic credit of \$125 (one hundred twenty-five dollars) to that Settlement Class Member’s Facility trust account, every Settlement Class Member who is a former resident of one of the Facilities and who timely submits a claim a cash payment in the amount of \$125 (one hundred twenty-five dollars), and the successors-in-interest of each deceased Settlement Class Member who timely submit a claim a cash payment in the total amount of \$100 (one hundred dollars) (“Cash Payment”) up to the total Settlement Amount of \$12,000,000.00 (twelve million dollars), net of other contractually provided for payments from the Settlement Amount.

To obtain a payment, Settlement Class Members who are current residents need to do nothing. Settlement Class Members who are former residents or the successors-in-interest of deceased Settlement Class Members must submit a timely and complete claim form (described below), that is postmarked no later than April 20, 2024. More information can be found at www.cptgroupcaseinfo.com/rechnitznursingsettlement. Authorized personal representatives of any Settlement Class Member may submit a claim or opt-out or object to this settlement.

1.1 **Final Effective Date**

As used herein, the term Final Effective Date generally means the date the deadline to appeal the Settlement Agreement runs, or if an appeal is taken, the day the appeal process ends. Please see the Settlement Agreement for the precise definition.

2. **Staffing Contract:** As part of the settlement, Defendants have agreed to a Staffing Contract that requires the Facility Defendants to ensure that nursing staff levels remain adequate to ensure quality resident care based on the needs of individual residents in compliance with California law. The Staffing Contract will begin on the Final Effective Date and will remain in place for two (2) years thereafter. Under the Staffing Contract, Defendants will submit biannual reports to a third party Monitor detailing their nurse staffing levels during that time period. Defendants have agreed to pay for all costs associated with the Staffing Contract and the Monitor pursuant to the Settlement Agreement.

3. **Releases:** In exchange for these benefits, Settlement Class Members will be releasing all claims under Health and Safety Code section 1430(b) based on California Code of Regulations, title 22, sections 72329.1 and 72527(a)(25), including any related federal statutes and regulations (e.g., 42 C.F.R. section 483.35) and Health and Safety Code section 1599.1(a), as well as California’s Consumers Legal Remedies Act, and all causes of action that were alleged in the operative complaint or could have been alleged in the action by the class representatives. Claims for personal injuries, wrongful death, or elder abuse are specifically excluded from the Lawsuit and settlement. By releasing these claims, you will be giving up important rights and benefits, so you may wish to consult with your own attorney regarding participation in the settlement.

4. **Attorneys’ Fees and Costs:** The Court has appointed Garcia & Artigliere to serve as Settlement Class Counsel. These lawyers have worked on the case since its inception and have not been paid any money for their services to date. At the same time as the final settlement approval hearing, described below, Settlement Class Counsel will petition the Court for an award of attorneys’ fees for their services on behalf of the class in the amount of \$3.5 million. This amount is inclusive of the out-of-pocket expenses incurred by Settlement Class Counsel. The fees and costs paid to Settlement Class Counsel, whatever the amount the Court determines it to be, will be paid for by the Defendants out of the Settlement Amount of \$12,000,000.00 but otherwise will not impact in any way the payments to class members.

Settlement Class Counsel will submit their application for attorneys’ fees to the Court no later than April 2, 2024. The application for attorneys’ fees will be posted on the class action website www.cptgroupcaseinfo.com/rechnitznursingsettlement. The Court will ultimately determine what constitutes a reasonable attorneys’ fee.

5. **Service Payments:** Subject to Court approval, Defendants will pay service payments of \$10,000 to each of the named plaintiffs. These payments are for the services the class representatives provided on behalf of the settlement class.

FINAL SETTLEMENT APPROVAL

The Court has set the date for hearing on the motion for final settlement approval and for the approval of Settlement Class Counsel’s fees and costs for April 2, 2024, at 10:00 a.m. (the “Final Approval Hearing”). The Final Approval Hearing will take place in Department 7 of the Los Angeles County Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012.

Though no change to the date for the Final Approval Hearing is anticipated, the date may change without further notice to the class. To confirm the date, please visit www.cptgroupcaseinfo.com/rechnitznursingsettlement.

WHAT ARE YOUR OPTIONS?

If you wish to participate in the settlement here is what you have to do. Settlement Class Members do not need to do anything to remain in the Settlement Class. **In order to receive a Cash Payment, Settlement Class Members who are a former resident of one of the Facilities, or the successor-in-interest of a deceased former resident, or their personal representatives, MUST COMPLETE THE ENCLOSED CLAIM FORM and submit it along with the required documentation.** Claim forms and other required documentation must be sent to the settlement administrator, postmarked on or before April 20, 2024. If the Court approves the settlement and you have submitted a timely and complete claim form, you will be mailed a check. Before cashing the check, however, you should consider whether the receipt of settlement funds will impact your eligibility for Medi-Cal or other benefits. Information regarding this issue is available by visiting www.cptgroupcaseinfo.com/rechnitznursingsettlement. You will be legally bound by all orders and the judgment of the Court, and you will not be able to sue, or continue to sue, the Defendants relating to their staffing levels during the Class Period.

If you do not want to remain a Settlement Class Member, you may choose to exclude yourself from the Lawsuit, by sending a signed letter stating “I hereby opt-out of the Rechnitz Class Action Settlement” to In Re Rechnitz Nursing Facilities c/o CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. In that letter, you must include your printed name, address and signature. **The request for exclusion (opt-out) letter must be postmarked no later than February 20, 2024, and** must be signed by the person(s) to whom this Notice is addressed, or their legally authorized representative. If you opt-out, you will not receive any settlement payment. However, you will retain your right to sue the Defendants for any claims you may have and will not be bound by any Court orders or judgments.

If you wish to remain a Settlement Class Member but object to the proposed settlement or the request for fees and costs by Settlement Class Counsel, you must notify the Court and Counsel for the Parties of your intent to do so. Any objections to the proposed settlement or fee request must be in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense, provided you notify the Court of your intent to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing: (a) must clearly identify the case name and number (In Re Rechnitz Nursing Facilities, Case No. JCCP4988 [Lead Case No. BC711982]); (b) must be submitted to the Court either by mailing to: Clerk of the Court, Los Angeles County Superior Court, 312 North Spring Street, Los Angeles, CA 90012, or by filing in person at that location; (c) must be mailed to the law firms identified below; and (d) **must be postmarked on or before February 20, 2024** by the Court and by Counsel below:

Garcia & Artigliere
c/o Stephen M. Garcia
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Suite 1950
Long Beach, CA 90831
(562) 216-5270
Class Counsel

Hooper, Lundy & Bookman, P.C.
c/o Mark A. Johnson
101 W. Broadway, Suite 1200
San Diego, CA 92104
(619) 744-7301
Defendants’ Counsel

Bird Marella, P.C.
c/o Paul S. Chan
1875 Century Park East, 23rd Floor
Los Angeles, CA 90067-2561
(310) 201-2100
Defendants’ Counsel

SUMMARY OF KEY DATES FOR SETTLEMENT APPROVAL PROCESS

- **February 20, 2024 - Deadline to Submit Request for Exclusion Letter**
- **February 20, 2024 - Deadline to Submit Notice of Objection and/or Intent to Appear at the Final Approval Hearing**
- **April 2, 2024 at 10:00 a.m. - Final Approval Hearing**
- **April 20, 2024 - Deadline to Submit Claim Form**

HOW CAN YOU GET MORE INFORMATION?

This notice summarizes the Settlement Agreement only. To obtain information regarding the case, including the complete Settlement Agreement, official case notices and other documents, visit www.cptgroupcaseinfo.com/rechnitznursingsettlement, or contact the Settlement Administrator at 1-888-498-1124. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined at the Courthouse located at 312 North Spring Street, Los Angeles, CA 90012, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. Do not otherwise contact the court staff for such information, but you may submit timely objections to the proposed settlement according to the instructions provided above. You may also review relevant court filings at www.cptgroupcaseinfo.com/rechnitznursingsettlement.