

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

This notice pertains to the settlement of a class action lawsuit entitled Hernandez et al. v. Golden Gate Equity Holdings, LLC et al., San Francisco County Superior Court, Case No. CGC-10-505288 (the "Lawsuit"). The Settlement Classes include Resident Class Members, who are all persons who resided in one or more of the California Facilities listed below at any time from November 10, 2006 through and including March 15, 2013 (the "Settlement Class Period"), and Successor Class Members, who are all persons named as a beneficiary in a will or living trust of a deceased Resident Class Member, or if there was no will or living trust and depending on the circumstances, may be the surviving spouse, domestic partner, child, parent, sibling, grandchild, grandparent or other relative of a deceased Resident Class Member. To confirm whether you are a Settlement Class Member, visit www.goldenlivingsettlement.com or call (888) 275-5728.

Golden LivingCenter-Galt
Golden LivingCenter-Chateau
Golden LivingCenter-Hy-Pana
Golden LivingCenter-Portside
Golden LivingCenter-Redding
Golden LivingCenter-Clovis
Golden LivingCenter-Fowler
Golden LivingCenter-Country View Alzheimer's Care
Golden LivingCenter-Hillcrest

Golden LivingCenter-Hy-Lond
Golden LivingCenter-Reedley
Golden LivingCenter-Sanger
Golden LivingCenter-Shafter
Golden LivingCenter-Bakersfield
Golden LivingCenter-Fresno
Golden LivingCenter-Napa
Golden LivingCenter-Petaluma
Golden LivingCenter-Santa Rosa
Golden LivingCenter-London House Sonoma

The Lawsuit was filed against the above-referenced Facilities and GGNSC Holdings LLC; Golden Gate National Senior Care LLC; GGNSC Holdings LLC; Drumm Corp.; Fillmore Strategic Investors LLC; Fillmore Strategic Management LLC; Fillmore Capital Partners LLC; Ronald E. Silva; GGNSC Clinical Services LLC; GGNSC Administrative Services LLC; Beverly Enterprises, Inc.; Beverly Health and Rehabilitation Services, Inc.; Beverly Healthcare - California, Inc.; GGNSC Fresno LP; GGNSC Stockton LP; and GGNSC Shafter LP (collectively, "Defendants"). Plaintiffs allege that Defendants failed to comply with California's nurse staffing requirements. Defendants deny these allegations. The parties have agreed to settle and the Court has preliminarily approved the settlement.

KEY SETTLEMENT TERMS

1. **Cash Payments:** Defendants will pay up to \$5,499,620 total to Settlement Class Members. The specific payments (each, a "Cash Payment") will be based on an estimate of the number of days during the resident's stay that each Facility allegedly fell below 3.2 nursing hours per patient day or "NHPPD" (a "Subject Day"). For purposes of settlement, the Parties have agreed to a "yearly missed rate average" that is shown on Exhibit A to the Settlement Agreement, which can be found at www.goldenlivingsettlement.com. The number of subject days will then be multiplied by \$20 (the "Subject Day Amount.") Thus, if a Settlement Class Member resided at a Facility for 100 days during the Settlement Class Period, and the violation rate during that period was 10%, they would be entitled to receive \$200 (100 days x 10% x \$20).

To obtain a Cash Payment, Former Residents (meaning, a resident who has left a Facility before the Class Notice Date) and Successor Class Members must file a claim form, which is available at www.goldenlivingsettlement.com. **Claim forms must be completed and mailed not later than July 23, 2013 to Gilardi & Co. LLC, PO Box 8060, San Rafael, CA 94912-8060.** Current Residents will be paid their Cash Payments without the need to file a claim form.

2. **Stipulated Compliance Protocol:** Defendants will staff the Facilities at or above the minimum requirement of 3.2 NHPPD for three years, and also budget for least 3.4 NHPPD for two years.

3. **Releases:** Settlement Class Members will be releasing all claims under Health and Safety Code section 1430(b), Title 22 California Code of Regulation section 72527, Health and Safety Code section 1599.1(a), Health and Safety Code section 1276.5, the Consumers Legal Remedies Act and California's Unfair Competition Law based on the acts and omissions alleged in the Action only. Claims for personal injuries or wrongful death 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. **Other Terms:** Subject to Court approval, Defendants will pay service payments of \$5,000 to each of the two named plaintiffs, settlement administration expenses not to exceed \$150,000, reimbursement of reasonable litigation costs not to exceed \$147,826 and reasonable attorneys' fees not to exceed \$2,975,000 to Class Counsel.

FINAL SETTLEMENT APPROVAL

The Court hearing on Plaintiffs' motion for final settlement approval and approval of the service payments, attorneys' fees and litigation costs is set for August 23, 2013 at 1:30 pm in Department 303 of the San Francisco Superior Court located at 400 McAllister Street, San Francisco, CA 94102.

WHO REPRESENTS YOU?

The Court has appointed Stebner and Associates; The Arns Law Firm; The Law Offices of Michael D. Thamer; Janssen, Malloy, LLP; and McKenna, Long & Aldridge, LLP as Class Counsel.

WHAT ARE YOUR OPTIONS?

If you wish to participate in the settlement, here is what you need to do. Current Residents of the Facilities do not need to submit claim forms. If you are a Former Resident or Successor Class Member, you need to complete and mail a claim form post-marked by **July 23, 2013** to Gilardi & Co., LLC, P.O. Box 8060, San Rafael, CA 94912-8060. Claim forms are available at www.goldenlivingsettlement.com.

If you do not want to remain a Class Member, you may choose to exclude yourself from the Lawsuit by mailing an opt-out request post-marked by July 23, 2013 to Gilardi & Co., LLC, P.O. Box 6002, Larkspur, CA 94977-6002. For opt-out instructions, visit www.goldenlivingsettlement.com or call (888) 275-5728.

If you wish to remain a Settlement Class Member but object to the proposed settlement, you must notify the Court and the Parties' counsel of your intent. Any objections to the proposed settlement 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. 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 (Hernandez et al. v. Golden Gate Equity Holdings, LLC et al., San Francisco County Superior Court, Case No. CGC-10-505288); (b) must be submitted to Gilardi & Co., LLC, P.O. Box 6002, Larkspur, CA 94977-6002, and the law firms identified below; and (c) **must be post-marked on or before July 23, 2013.**

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Class Counsel

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San Francisco, CA 94111
(415) 262-4500
Defendants' Counsel

HOW CAN YOU GET MORE INFORMATION?

This notice summarizes the settlement only. To obtain a full copy of the Settlement Agreement and more information, visit www.goldenlivingsettlement.com or call (888) 275-5728.

PLEASE DO NOT CONTACT THE COURT.

By order of the Honorable Judge Richard Kramer, San Francisco County Superior Court.