

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

A federal court has authorized this Notice. It is not a solicitation from a lawyer.

If you resided at any of the California assisted living facilities owned, managed and/or operated by Atria Senior Living (“Atria”) at any time between June 12, 2010 through and including March 17, 2016, or are the heir or legal successor for any such resident, your rights are affected by a class settlement of a lawsuit. Please read this notice carefully in its entirety. You are a member of the settlement class described below and, as such, you must decide whether to:

- 1) include yourself in the settlement class and seek money from the class settlement, but give up your right to sue in a different case about the same subject matter. If you choose this option, you do not need to do anything, as you will automatically be included in the settlement class;
- 2) include yourself in the settlement class and seek money from the class settlement, give up your right to sue in a different case about the same subject matter, but object to the terms of the settlement. If you choose this option, you do not need to do anything in order to be included in the settlement class, as you will automatically be included in the settlement class. However, if you want to object to the terms of the settlement, you or your own counsel will need to prepare and submit a written objection; or
- 3) exclude yourself from the settlement class and give up your right to seek money from the class settlement, but keep your right to sue in a different case about the same subject matter. If you choose this option, you will need to prepare and submit a written request to be excluded from the settlement class.

The lawsuit is entitled *Thomas Carnes, by and through his Guardian ad litem, Juliana Christine Clegg, on his own behalf and on behalf of others similarly situated v. Atria Senior Living*, Case Number 3:14-cv-02727-VC pending in the United States District Court for the Northern District of California (the “Lawsuit”). The Lawsuit was filed by plaintiff Thomas Carnes, by and through his guardian ad litem and legal successor, Juliana Christine Clegg (“Plaintiff” or “Class Representative”), on behalf of himself and all of the other Settlement Class Members (as defined below).

The parties have reached a proposed settlement on the terms and conditions set forth in the Stipulation of Settlement entered into by and between Plaintiff and Atria. The Court in charge of the Lawsuit still has to decide whether to approve the settlement. A settlement fund will be available for distribution to the Settlement Class only if the settlement is approved by the Court and the approval is upheld following any appeals.

The following provides a detailed description about the proposed class settlement and the rights you have if you are a Settlement Class Member, the benefits available under the settlement and how you can get the benefits, including the relevant deadlines and requirements.

BASIC INFORMATION

WHAT IS THIS LAWSUIT ABOUT?

Plaintiff brings this proposed class action on behalf of residents of California assisted living communities owned, managed or operated by Atria, alleging that Atria made purportedly misleading statements about how resident evaluations would be used to determine, set and monitor staffing levels at Atria’s assisted living facilities in California, which Plaintiff alleges resulted in monetary damages to residents. Atria denies all allegations and claims in the Lawsuit, and denies that it committed any wrongdoing. Atria is entering into the settlement to avoid burdensome and costly litigation and disruption to its business operations. This settlement is not an admission of any wrongdoing by Atria. The Parties have agreed to settle the Lawsuit on the terms and conditions explained in this notice.

WHY IS THIS A CLASS ACTION?

In a class action, one or more people, called class representatives (in this case, Juliana Christine Clegg), sue on behalf of people who have similar claims. All of these people are called a class or class members. One court resolves the issues for all class members, except for those who choose to exclude themselves from the class. United States District Court Judge Vince G. Chhabria is in charge of this proposed class action.

WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiff or Atria. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial and settlement benefits go to the Settlement Class Members. The Class Representative and the attorneys think the settlement is in the best interest of the Settlement Class Members taking in to account the benefits of the proposed settlement, the risks of continued litigation and the delay in obtaining relief for the Settlement Class if the Lawsuit continues.

WHO IS IN THE SETTLEMENT CLASS?

You are a member of the Settlement Class if you resided at any assisted living facility owned, managed and/or operated by Atria located in California at any time between June 12, 2010 through and including March 17, 2016. To be eligible for benefits under the settlement, you must be a Settlement Class Member, or the heir or legal successor to a deceased Class Member.

THE SETTLEMENT BENEFITS

CASH PAYMENTS AND INJUNCTIVE RELIEF

Under the terms of the settlement, Atria has agreed to provide a total settlement fund of \$6.4 million (the “Fund”) in full settlement of the claims of the Settlement Class. The Fund will be used to pay for class notice and payment distribution administration expenses (estimated at \$120,000), as well as Class Counsel’s attorneys’ fees not to exceed one-third of the Fund, litigation expenses of approximately \$135,000, and a service award of \$3,500 to the Class Representative. The remaining amount (the “Net Settlement Fund”) will be used to make cash payments to Settlement Class Members (or if a Class Member is deceased, to their legal successor). It is estimated that the cash payment for each Settlement Class Member will be approximately \$290. The settlement distribution process will be administered by an independent settlement administrator (the “Settlement Administrator”) approved by the Court. **The settlement amount and Net Settlement Fund are contingent on final approval by the Court.**

In addition, as part of the settlement and a Court-approved injunction, Atria has agreed, among other terms, to include language in Atria’s residency agreements and other documents stating that resident assessments and other factors are considered in setting, monitoring or modifying staffing levels at Atria’s facilities. The injunction will begin on the Effective Date (as defined in the Stipulation of Settlement) and remain in place for three years.

AMOUNT OF CASH PAYMENT

The actual cash payment amounts to Class Members will be determined by the Settlement Administrator based on the formula described in the settlement agreement, and may be increased if funds are available. Subject to Court approval, the Administrator will reserve \$25,000 from the Fund to pay late distribution requests. Any amounts left in the Fund and not paid from the reserve or from uncashed checks, if any, will be paid to the Institute on Aging, or other non-profit organizations approved by the Court.

HOW CAN I GET A CASH PAYMENT?

If you are a Class Member and the address above is correct, **you do not need to take any action.** Your cash payment will be mailed to you if the settlement is approved by the Court and becomes Effective. If your address has changed, you must provide your new address to the Settlement Administrator not later than 30 days after the Effective Date, as defined in the Stipulation of Settlement. If a Class Member is deceased, his or her heir or legal successor must submit a payment request and supporting documentation to the Settlement Administrator not later than 30 days after the Effective Date. To contact the Settlement Administrator, visit www.CaliforniaAssistedLivingSettlement.com or call 1-844-850-7137.

WHEN WILL I RECEIVE MY SETTLEMENT AWARD?

The Court will hold a final approval hearing on **June 30, 2016 at 10:00 a.m.**, to decide whether to approve the settlement. **The date or time of the final approval hearing may be changed by the Court without notice to the Settlement Class, and you should check the Settlement Website at www.CaliforniaAssistedLivingSettlement.com or the public court records on file in this lawsuit for any updates.** If the Court approves the settlement, there may be appeals, which could extend the process by 18 months or more.

IN RETURN FOR THESE SETTLEMENT BENEFITS, WHAT AM I GIVING UP?

If the Court approves the proposed settlement and you do not request to be excluded from the Settlement Class, you must release (meaning, give up) all legal claims concerning Atria’s alleged misrepresentations and nondisclosures with respect to whether or how resident assessments are used to set, determine or monitor staffing levels or care amounts provided in Atria’s facilities. **This includes any other lawsuit or proceeding already in progress.** The Release does not include claims solely for personal injury, emotional distress or bodily harm. The judgment and orders entered in this case, whether favorable or unfavorable, will bind all Settlement Class Members who do not request to be excluded. The full terms of the Release are contained in the Stipulation of Settlement that is available on the Settlement Website at www.CaliforniaAssistedLivingSettlement.com, or at the public court records on file in the Lawsuit.

THE LAWYERS REPRESENTING YOU

DO I HAVE A LAWYER IN THIS CASE?

All Settlement Class Members are represented by Plaintiffs' Counsel, who have been preliminarily approved by the Court to serve as Class Counsel representing the Settlement Class for purposes of the settlement. If you want to be represented by your own lawyer, you may hire one at your own expense and enter an appearance through your own counsel.

HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to award attorneys' fees not to exceed one-third of the Fund (approximately \$2.1 million), and litigation expenses not to exceed \$135,000. Atria has agreed not to oppose this request. Any award of attorneys' fees and litigation expenses must be approved by the Court as fair, reasonable and consistent with prevailing marketplace standards. The amount of attorneys' fees and costs awarded by the Court will be paid from the Fund.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue Atria, on your own, about the legal issue in this case, then you must take steps to be excluded from the settlement. This is called excluding yourself – or is sometimes referred to as opting out of the Settlement Class.

HOW DO I GET OUT OF THE SETTLEMENT?

If you do not wish to be included in the Settlement Class and receive a cash payment, you must send a letter stating that you want to be excluded from the Settlement Class in *Thomas Carnes v. Atria Senior Living and DOES 1 through 100*, case no. 3:14-cv-02727-VC (N.D. Cal.). Be sure to include your name, address, telephone number, signature, and a statement that you are covered by this settlement. You must mail your letter requesting exclusion postmarked no later than **May 31, 2016** to: Carnes v. Atria Senior Living Administrator, P.O. Box 40007, College Station, TX 77842-4007.

You cannot exclude yourself via telephone, fax, or email.

WHAT HAPPENS IF I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. However, you will not be legally bound by anything that happens in this lawsuit and you will keep your right to separately pursue claims against Atria relating to the subject matter of this lawsuit.

IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANTS FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up the right to sue Atria for the claims that this settlement resolves. You must exclude yourself from *this* case and the Settlement Class to pursue your own lawsuit. Remember, your letter requesting exclusion must be postmarked on or before **May 31, 2016**.

IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from the settlement. But, you will not lose any right you may have to sue (or continue to sue) in a different lawsuit against Atria about the legal issues or claims in this case. If you choose to initiate a new lawsuit, your claim will be subject to time limitations, so you must act promptly.

OBJECTING TO THE SETTLEMENT

You can tell the court that you do not like the settlement or some part of it.

HOW DO I TELL THE COURT THAT I DO NOT LIKE THE SETTLEMENT?

If you are a Settlement Class Member, you can object to the settlement if you do not like any part of it, and the Court will consider your views. To object, you must send a letter to the Court and the parties saying that you object to the settlement in *Thomas Carnes v. Atria Senior Living and DOES 1 through 100*, case no. 3:14-cv-02727-VC (N.D. Cal.). Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. You must also affirm under penalty of perjury that you are a Settlement Class Member (or a legal successor to a Class Member) or provide other proof of Settlement Class membership. If you are represented by counsel, be sure to include the name, address, and telephone number of that lawyer.

Your objection ***must be mailed to*** these three different places no later than **May 31, 2016**:

Clerk of the Court
United States District Court,
Northern District of California
450 Golden Gate Avenue
Courtroom 4 – 17th Floor
San Francisco, CA 94102

Kathryn A. Stebner
STEBNER AND ASSOCIATES
870 Market Street, Suite 1212
San Francisco, CA 94102
Telephone: (415) 362-9800

Darren Cottriel
JONES DAY
3161 Michelson Drive, Suite 800
Irvine, California 92612-4408
Telephone: (949) 553-7548

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?

Objecting is telling the Court that you do not like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class or the lawsuit. You cannot request exclusion **and** object to the settlement. If you exclude yourself, you have no basis to object because the lawsuit and settlement no longer affect you.

THE FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the settlement. You may attend, and you may ask to speak at the hearing, but you are not required to do either. Absent good cause shown, a Settlement Class Member will be permitted to speak at the Final Approval Hearing in support of an objection only if he or she has timely submitted a written objection.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at **10:00 a.m. on June 30, 2016** at the Courtroom of the Honorable Vince G. Chhabria: 450 Golden Gate Avenue, Courtroom 4 – 17th Floor, San Francisco, CA 94102. **The hearing date or time may be changed by the Court without notice to the Settlement Class, and you should check the Settlement Website at www.CaliforniaAssistedLivingSettlement.com or the public court records on file in this lawsuit at <https://www.pacer.gov/> for any updates.** At the Final Approval Hearing, the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the settlement. The Court will also consider how much to award Class Counsel as reasonable attorneys' fees and litigation expenses. We do not know how long this decision will take.

DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come to the hearing at your own expense. If you submit an objection, you do not have to attend the hearing. As long as you filed and delivered your written objection on time, signed it and provided all of the required information, the Court will consider it. You may also pay your own lawyer to attend the hearing, but it is not necessary.

MAY I SPEAK AT THE HEARING?

If you are a Settlement Class Member, you may speak at the Final Approval Hearing, subject to any limitations made by the judge presiding over the hearing. You cannot speak at the hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing, you will be part of the Settlement Class. You will receive a cash payment from the settlement and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Atria about the claims and issues in this case.

GETTING MORE INFORMATION

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The Stipulation of Settlement contains the complete terms of the parties' agreement. You can get a copy at www.CaliforniaAssistedLivingSettlement.com, or by reviewing the records on file in the court clerk's office at <https://www.pacer.gov/>.

The pleadings and other documents in this lawsuit may also be examined during regular business hours at the Office of the Clerk, United States District Court for the Northern District of California, 450 Golden Gate Ave., San Francisco, California.

If you have additional questions, you may call the Settlement Administrator at **1-844-850-7137**

DO NOT CONTACT THE COURT OR COURT CLERK'S OFFICE
REGARDING THIS NOTICE.

DATED: April 26, 2016

[/s/ The Honorable Vince G. Chhabria]
UNITED STATES DISTRICT JUDGE