

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

OKLAHOMA LAW ENFORCEMENT
RETIREMENT SYSTEM, Individually And
On Behalf Of All Others Similarly Situated,

Plaintiff,

vs.

ADEPTUS HEALTH INC., *et al.*,

Defendants.

Case No. 4:17-CV-0449-ALM

Judge Amos L. Mazzant, III

NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (“Action”) pending in the United States District Court for the Eastern District of Texas (“Court”) if, during the period from June 25, 2014 through March 1, 2017, inclusive (“Class Period”), you purchased or otherwise acquired Adeptus Health Inc. (“Adeptus”) Class A common stock, and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiffs Alameda County Employees’ Retirement Association (“ACERA”) and Arkansas Teacher Retirement System (“ATRS” and, together with ACERA, “Lead Plaintiffs”) and additional named plaintiff Miami Fire Fighters’ Relief and Pension Fund (“Miami” and, together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined in ¶ 26 below), have reached a proposed settlement of the Action with Defendants for \$44,000,000 in cash that, if approved, will resolve all claims in the Action (“Settlement”).²

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have questions about this Notice, the Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Clerk’s Office, Adeptus, Defendants, or Defendants’ Counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 69 below).

Additional information about the Settlement is available on the website, www.AdeptusHealthSecuritiesLitigation.com.

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending putative securities class action brought by Adeptus investors alleging, among other things, that Defendants violated the federal securities laws by making false and misleading statements and omissions about Adeptus’s business. A more detailed description of the Action is set forth in ¶¶ 11-25 below. The Settlement, if approved by the Court, will settle the claims of the Settlement Class, as defined in ¶ 26 below.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated as of November 26, 2019 (“Stipulation”), which is available at www.AdeptusHealthSecuritiesLitigation.com.

² Defendants are: (i) Thomas S. Hall, Timothy L. Fielding, and Graham B. Cherrington (collectively, “Executive Defendants”); (ii) entities operating under the trade name Sterling Partners, SC Partners III, L.P., SCP III AIV THREE-FCER Conduit, L.P., SCP III AIV THREE-FCER L.P., Sterling Capital Partners III, LLC, Sterling Capital Partners III, L.P., Sterling Fund Management LLC, Sterling Fund Management Holdings, L.P., and Sterling Fund Management Holdings GP, LLC (collectively, “Sterling Defendants”); (iii) Richard Covert, Daniel Rosenberg, Daniel J. Hosler, Steven Napolitano, Ronald L. Taylor, Gregory W. Scott, Jeffrey S. Vender, and Stephen M. Mengert (collectively, “Director Defendants”); (iv) Goldman Sachs & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated (n/k/a BofA Securities, Inc.), BMO Capital Markets Corp., Evercore Group L.L.C., Piper Jaffray & Co., Dougherty & Company LLC, Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, and RBC Capital Markets, LLC (collectively, “Underwriter Defendants”); and (v) Frank R. Williams, Jr. (“Williams” and, collectively with Executive Defendants and Director Defendants, the “Individual Defendants”). Williams, Daniel J. Hosler, Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, and RBC Capital Markets, LLC are no longer defendants in the Action and are considered Defendants solely for purposes of the Settlement.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$44,000,000 in cash ("Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon ("Settlement Fund") less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys' fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation ("Plan of Allocation") is attached hereto as Appendix A.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Plaintiffs' damages consultant's estimate of the number of shares of Adeptus Class A common stock purchased or otherwise acquired during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) per eligible share of Adeptus Class A common stock is approximately \$0.89. **Settlement Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors: (i) when and the price at which they purchased/acquired shares of Adeptus Class A common stock; (ii) whether they purchased shares of Adeptus Class A common stock in an offering or on the open market; (iii) whether they sold their shares of Adeptus Class A common stock and, if so, when; (iv) the total number and value of valid Claims submitted to participate in the Settlement; (v) the amount of Notice and Administration Costs; and (vi) the amount of attorneys' fees and Litigation Expenses awarded by the Court. Distributions to Settlement Class Members will be made based on the Plan of Allocation attached hereto as Appendix A or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share of Adeptus Class A common stock that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel have not received any payment of attorneys' fees for their representation of the Settlement Class in the Action and have advanced the funds to pay expenses incurred to prosecute this Action with the expectation that if they were successful in recovering money for the Settlement Class, they would receive fees and be paid for their expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP, on behalf of Plaintiffs' Counsel, will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement or payment of Litigation Expenses incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the claims against Defendants, in an amount not to exceed \$1,975,000, plus interest, which amount may include a request for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class in accordance with 15 U.S.C. §78u-4(a)(4), in an aggregate amount not to exceed \$40,000. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost per eligible share of Adeptus Class A common stock, if the Court approves Lead Counsel's fee and expense application, is approximately \$0.26 per share. **Please note that this amount is only an estimate.**

6. **Identification of Attorneys' Representatives:** Plaintiffs and the Settlement Class are represented by Jeremy P. Robinson, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, 1-800-380-8496, settlements@blbglaw.com, www.blbglaw.com; and Gregory M. Castaldo, Esq. of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, 1-610-667-7706, info@ktmc.com, www.ktmc.com. Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Lead Counsel or the Claims Administrator at: *Adeptus Health Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173087, Milwaukee, WI 53217, 1-866-778-9468, info@AdeptusHealthSecuritiesLitigation.com, www.AdeptusHealthSecuritiesLitigation.com.

7. **Reasons for the Settlement:** Plaintiffs' principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays and costs inherent in further litigation. Indeed, Adeptus already declared bankruptcy in April 2017. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery – or no recovery at all – might be achieved after full discovery, contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, have determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions of the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

<p>SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN JUNE 8, 2020.</p>	<p>This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 35 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 36 below), so it is in your interest to submit a Claim Form.</p>
<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN APRIL 29, 2020.</p>	<p>Get no payment. If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that may allow you to ever be part of any other lawsuit against the Defendants concerning the claims that were, or could have been, asserted in the Action. It is also the <i>only</i> way for Settlement Class Members to remove themselves from the Settlement Class. If you are considering excluding yourself from the Settlement Class, please note that there is a risk that Defendants will claim or a Court may determine that certain claims asserted against Defendants are no longer timely and are time-barred.</p>
<p>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN APRIL 29, 2020.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the requested attorneys' fees and Litigation Expenses, you may object by writing to the Court and explaining why you do not like them. In order to object, you must be a member of the Settlement Class and you may not exclude yourself from the Settlement Class.</p>
<p>GO TO A HEARING ON MAY 20, 2020 AT 11:30 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN APRIL 29, 2020.</p>	<p>If you have filed a written objection and wish to appear at the hearing, you must also file a notice of intention to appear by April 29, 2020, which allows you to speak in Court, at the discretion of the Court, about the fairness of the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing.</p>
<p>DO NOTHING.</p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

These rights and options – and the deadlines to exercise them – are further explained in this Notice. **Please Note:** The date and time of the Settlement Hearing – currently scheduled for May 20, 2020 at 11:30 a.m. – is subject to change without further notice to the Settlement Class. If you plan to attend the hearing, you should check the website www.AdeptusHealthSecuritiesLitigation.com or with Lead Counsel as set forth above to confirm that no change to the date and/or time of the hearing has been made.

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WHY DID I GET THIS NOTICE?

8. The Court authorized that this Notice be sent to you because you or someone in your family, or an investment account for which you serve as custodian, may have purchased or otherwise acquired shares of Adeptus Class A common stock during the Class Period. The Court has directed us to send you this Notice because as a potential Settlement Class Member you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you (if you are a Settlement Class Member) might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses ("Settlement Hearing"). *See* ¶ 60 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time.

WHAT IS THIS CASE ABOUT?

11. This is a securities class action against (a) certain former Adeptus executives and directors; (b) a private equity firm, Sterling Partners (together with certain affiliated entities, "Sterling" or the "Sterling Defendants"), which had a significant investment in Adeptus; and (c) the underwriters of Adeptus's July 2015 and June 2016 secondary public offerings of Adeptus Class A common stock. Plaintiffs alleged that, during the Class Period, certain Defendants made false and misleading statements regarding Adeptus's business, including the profitability and economic risk associated with Adeptus's joint ventures, Adeptus's ability to collect payment from insurers (based on the claimed high acuity level of its patients), and its internal controls. Plaintiffs also alleged that Adeptus's executives and Sterling engaged in insider trading.

12. The Action was commenced on October 27, 2016, with the filing of a putative securities class action complaint in this Court. Three other putative class actions related to Adeptus were filed in the Court from December 2016 through April 2017. On June 23, 2017, the Court (the Honorable Robert W. Schroeder, III) entered an order consolidating the four cases and transferring them from the Tyler Division of the Court to the Sherman Division.

13. On April 19, 2017, Adeptus filed bankruptcy petitions in the United States Bankruptcy Court for the Northern District of Texas.

14. Pursuant to the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended (“PSLRA”), notice to the public was issued setting forth the deadline by which putative class members could move the Court to be appointed to act as lead plaintiffs. By Order dated August 31, 2017, this Court (the Honorable Amos L. Mazzant, III) appointed ACERA and ATRS as Lead Plaintiffs and approved Lead Plaintiffs’ selection of Bernstein Litowitz Berger & Grossmann LLP and Kessler Topaz Meltzer & Check, LLP as Lead Counsel for the class.

15. On November 21, 2017, Plaintiffs filed and served the Consolidated Class Action Complaint (“Consolidated Complaint”). The Consolidated Complaint alleged claims under Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and U.S. Securities and Exchange Commission (“SEC”) Rule 10b-5 promulgated thereunder against the Executive Defendants; and claims under Section 20(a) of the Exchange Act against the Executive Defendants and certain of the Sterling Defendants. The Consolidated Complaint also alleged claims under Section 11 of the Securities Act of 1933 (“Securities Act”) against the Executive Defendants, the Director Defendants, and the Underwriter Defendants; claims under Section 12(a)(2) of the Securities Act against the Underwriter Defendants; and claims under Section 15 of the Securities Act against the Executive Defendants and certain of the Sterling Defendants. The Consolidated Complaint alleged that the price of Adeptus Class A common stock was artificially inflated during the Class Period as a result of certain Defendants’ allegedly false and misleading statements, and declined when the truth was revealed through a series of alleged corrective disclosures beginning in November 2015. The Consolidated Complaint also alleged that the offering documents for Adeptus’s June 25, 2014 initial public offering (“IPO”) of common stock and its May 11, 2015, July 29, 2015, and June 8, 2016 secondary offerings of Adeptus common stock contained false and misleading statements.

16. On February 5, 2018, Defendants moved to dismiss the Consolidated Complaint. This motion was fully briefed by the parties. On September 12, 2018, the Court issued a Memorandum Opinion and Order denying in part and granting in part the motions to dismiss. More specifically, the Court dismissed Plaintiffs’ Securities Act claims arising out of the IPO and the May 2015 offering for lack of standing, but sustained the Securities Act claims arising out of the July 2015 and June 2016 offerings and all of the Exchange Act claims asserted.

17. On September 25, 2018, Plaintiffs filed and served the Amended Consolidated Class Action Complaint (“Amended Complaint”). The Amended Complaint conformed the pleading to the Court’s motion to dismiss order; including by alleging the same claims under the Exchange Act as alleged in the Consolidated Complaint. The Amended Complaint also alleged claims under the Securities Act but only relating to shares of Adeptus Class A common stock purchased in or traceable to Adeptus’s secondary offerings that occurred on or about July 29, 2015 and June 8, 2016 (*i.e.*, the two offerings not dismissed by the Court). Specifically, the Amended Complaint alleged claims under Section 11 against the Executive Defendants, the Director Defendants (other than Daniel J. Hosler), and Goldman Sachs & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated (n/k/a BofA Securities, Inc.), BMO Capital Markets Corp., Evercore Group L.L.C., Piper Jaffray & Co., and Dougherty & Company LLC (collectively, the “Remaining Underwriter Defendants”); claims under Section 12(a)(2) against the Remaining Underwriter Defendants; and claims under Section 15 against the Executive Defendants and certain of the Sterling Defendants.³

18. On November 15, 2018, the Defendants named in the Amended Complaint filed and served their Answers to the Amended Complaint.

19. The Parties commenced discovery in September 2018. Defendants and third parties produced more than 2.7 million pages of documents to Plaintiffs. Plaintiffs produced over 27,000 pages of documents to Defendants. 38 depositions were conducted in the Action, including depositions of Plaintiffs and their investment advisors; depositions of the Parties’ expert witnesses in connection with Plaintiffs’ class certification motion; and numerous fact witnesses, including the Executive Defendants, other senior executives of Adeptus, employees of certain Underwriter Defendants, and certain of the Director Defendants. The Parties also served and responded to interrogatories, engaged in motion practice, exchanged numerous letters, and held numerous conferences concerning discovery issues.

20. On December 7, 2018, Plaintiffs filed and served their motion for class certification, which was accompanied by a report from Plaintiffs’ expert on market efficiency and common damages methodologies. Defendants opposed Plaintiffs’ motion and the motion was fully briefed by the Parties.

21. On January 31, 2019, Plaintiffs filed and served a motion for leave to file a second amended complaint. In responding to Plaintiffs’ request for leave, Defendants informed the Court that though Defendants believed the Plaintiffs’ new allegations failed to state a claim, rather than oppose Plaintiffs’ request on futility grounds Defendants would address those deficiencies in motions to dismiss. The Court granted Plaintiffs’ motion for leave to amend on February 16, 2019. Plaintiffs’ Second Amended Consolidated Class Action Complaint (“SAC” or “Complaint”) expanded the number of entities related to the Sterling Defendants against whom claims under Section 20(a) of the Exchange Act and Section 15 of the Securities Act were asserted and added insider trading claims under Section 20A of the Exchange Act against the Executive Defendants and the Sterling Defendants.

22. On March 4 and 5, 2019, certain of the Defendants filed and served motions to dismiss certain of the claims newly asserted in the SAC. These motions, along with Plaintiffs’ class certification motion, were fully briefed and pending at the time the Parties reached an agreement in principle to settle the Action.

³ Claims against Daniel J. Hosler were not included in the Amended Complaint or subsequent Second Amended Consolidated Complaint (“SAC” or “Complaint”) because he was not a director of Adeptus at the time of the two offerings still at issue. Similarly, claims against Underwriter Defendants Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, and RBC Capital Markets, LLC were not included in the Amended Complaint or SAC because they were not underwriters for the July 2015 or June 2016 offerings. Claims against Frank R. Williams, Jr. were included in certain actions that were consolidated into this one, but were not included in the Consolidated Complaint, Amended Complaint, or SAC.

23. The Parties discussed the possibility of resolving the litigation through settlement and agreed to mediation before former United States District Judge Layn R. Phillips (“Judge Phillips”). The Parties participated in an in-person mediation session with Judge Phillips on April 26, 2019. That mediation session was unsuccessful, as the Parties were too far apart in their respective positions to reach a resolution of the Action at that time. With the assistance of Judge Phillips, the Parties continued their negotiations in the months that followed (while continuing to conduct extensive discovery), and reached an agreement in principle to settle the Action that was memorialized in a term sheet executed on October 14, 2019.

24. After additional weeks of negotiations regarding the specific terms of their agreement, the Parties, on November 26, 2019, entered into the Stipulation, which sets forth the final terms and conditions of the Settlement. The Stipulation can be viewed at www.AdeptusHealthSecuritiesLitigation.com.

25. On January 9, 2020, the Court preliminarily approved the Settlement, authorized notice of the Settlement to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

26. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded from the Settlement Class. The Settlement Class certified by the Court for purposes of effectuating the Settlement consists of:

All persons who purchased or otherwise acquired Adeptus Class A common stock during the period from June 25, 2014 through March 1, 2017, inclusive, and were damaged thereby.

Included in the Settlement Class are all persons and entities who purchased shares of Adeptus Class A common stock on the open market and/or pursuant or traceable to the July 29, 2015 and June 8, 2016 Offerings during the Class Period. The Settlement Class includes a subclass of all persons who purchased Adeptus Class A common stock contemporaneously with sales of Adeptus securities made or caused by Defendants Hall, Fielding, Cherrington, and the Sterling Defendants in connection with Adeptus’s July 2015 and June 2016 secondary public offerings of Adeptus Class A common stock, and were damaged thereby (the “20A Sub-Class”).⁴

Excluded from the Settlement Class and 20A Sub-Class are Defendants, Adeptus’s estate in bankruptcy (and its Litigation Trustee), Adeptus’s Officers and directors, all Immediate Family Members, legal representatives, heirs, successors, or assigns of any of the foregoing, and any entity in which any Defendant or group of Defendants has or had during the Class Period a majority ownership interest. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page 9 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

IF YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN JUNE 8, 2020.

WHAT ARE PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

27. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of the continued proceedings that would be necessary to pursue their claims against Defendants through summary judgment, trial, and appeals, as well as the substantial risks they would face in establishing liability and damages. Such risks include the potential challenges associated with proving that Defendants Hall, Fielding, and Cherrington made material misrepresentations and omissions to the market during the Class Period, including in the offering documents for public securities offerings during the Class Period, that these Defendants knew or recklessly disregarded material facts undermining their alleged misrepresentations at the time they made such statements, and that Defendants Hall, Fielding, Cherrington, and the Sterling Defendants sold Adeptus securities while in possession of material non-public information. There were also risks related to proving that Defendants’ alleged misrepresentations and omissions caused the alleged losses suffered by Plaintiffs and the Settlement Class, and in establishing damages and the amount thereof, including establishing how many members of the Settlement Class purchased shares of Adeptus Class A common stock “contemporaneously” with Defendants’ sales and how many members of the Settlement Class can “trace” their purchases to an offering. Plaintiffs also would have to prevail at several stages of litigation to recover any of their alleged damages, including summary judgment, trial and, if they prevailed at trial, on the appeals that likely would follow. Plaintiffs also faced the risk that the Underwriter and Director Defendants would be able to establish a due diligence defense to Plaintiffs’ claims, which would eliminate a potential source of recovery. In addition, Plaintiffs’ motion for certification of the class and Defendants’ motions to dismiss certain of the claims newly asserted in the SAC were pending at the time the Parties agreed to resolve the Action. The Settlement eliminates the risks arising from the possibility of adverse rulings for Plaintiffs on those motions. Finally, Adeptus’s bankruptcy significantly limited the sources of recovery in this proceeding and created a number of other

⁴ For purposes of the Settlement and membership in the 20A Sub-Class, shares purchased in the July 2015 and June 2016 Offerings or within six days after each of those Offerings shall be considered to have been purchased “contemporaneously” with sales made or caused by these Defendants.

challenges to the successful prosecution of Plaintiffs' claims against Defendants. Thus, there were very significant risks attendant to the continued prosecution of the Action, including the risk of zero recovery.

28. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Plaintiffs and Lead Counsel believe that the Settlement provides a favorable result for the Settlement Class, namely \$44,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after summary judgment, trial, and appeals, possibly years in the future.

29. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement to eliminate the burden and expense of continued litigation, and the Settlement may not be construed as an admission of any wrongdoing by Defendants in this or any other action or proceeding.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

30. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

31. As a Settlement Class Member, you are represented by Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice and at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 10 below.

32. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you must exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 9 below.

33. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's application for attorneys' fees and Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 10 below.

34. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 35 below) against Defendants and the other Defendants' Releasees (as defined in ¶ 36 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

35. "Released Plaintiffs' Claims" means any and all claims, demands, losses, rights, and causes of action of any nature whatsoever, including Unknown Claims, that (i) Plaintiffs or any other member of the Settlement Class asserted in the Action or in any other action relating to Adeptus Class A common stock, or that could have been asserted or could in the future be asserted in any forum, whether known or unknown, whether foreign or domestic, whether arising under federal, state, common, or foreign law, whether based on statements or omissions made directly to individual persons or broadly to the market, by Plaintiffs, any member of the Settlement Class, or their successors, assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as such, whether individual, class, direct, derivative, representative, on behalf of others, legal, equitable, regulatory, governmental, or of any other type or in any other capacity, whether brought directly or indirectly against any of the Defendants, that arise out of or are based upon or relate in any way to any of the allegations, acts, facts, transactions, statements, events, matters, occurrences, representations, or omissions involved, set forth or referred to in any complaint filed in the Action or in any other action that has been filed by a member of the Settlement Class arising from related facts, events, occurrences, or transactions; and (ii) that relate in any way to the purchase, acquisition, holding, sale, or disposition of Adeptus Class A common stock during the Class Period. For the avoidance of doubt, Released Plaintiffs' Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

36. "Defendants' Releasees" means Defendants and their current and former parent entities, business units, business divisions, affiliates, or subsidiaries and each and all of their current and former officers, directors, attorneys, employees, agents, trustees, parents, affiliates, subsidiaries, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, insurers, engineers, advisors, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, and each of their successors, predecessors, assigns, and assignees, any of the Individual Defendants' Immediate Family Members, and Defendants' Counsel.

37. “Unknown Claims” means any Released Plaintiffs’ Claims which any Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 39 below) against Plaintiffs and the other Plaintiffs’ Releasees (as defined in ¶ 40 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

39. “Released Defendants’ Claims” means all claims, demands, losses, rights, and causes of action of any nature whatsoever, including Unknown Claims, related to the institution, prosecution, and settlement of this Action. Released Defendants’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

40. “Plaintiffs’ Releasees” means Plaintiffs, all other members of the Settlement Class, and their current and former parent entities, business units, business divisions, affiliates, or subsidiaries and each and all of their current and former officers, directors, attorneys, employees, agents, trustees, parents, affiliates, subsidiaries, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, insurers, engineers, advisors, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, and each of their successors, predecessors, assigns, assignees, Immediate Family Members, and Plaintiffs’ Counsel.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation *postmarked (if mailed), or submitted online at www.AdeptusHealthSecuritiesLitigation.com, no later than June 8, 2020*. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator, www.AdeptusHealthSecuritiesLitigation.com, or on Lead Counsel’s websites, www.blbglaw.com and www.ktmc.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-866-778-9468, or by emailing the Claims Administrator at info@AdeptusHealthSecuritiesLitigation.com. **Please retain all records of your ownership of and transactions in Adeptus Class A common stock, as they may be needed to document your Claim.** If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

42. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

43. Pursuant to the Settlement, Defendants shall pay or cause to be paid \$44,000,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

44. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation and that decision is affirmed on appeal (if any) and/or the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

45. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants

and the other Defendants' Releasees shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

46. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked (if mailed), or online, on or before June 8, 2020 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined in ¶ 35 above) against the Defendants' Releasees (as defined in ¶ 36 above) and will be enjoined and prohibited from prosecuting any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

47. Participants in and beneficiaries of any employee retirement and/or benefit plan ("Employee Plan") should NOT include any information relating to shares of Adeptus Class A common stock purchased/acquired through an Employee Plan in any Claim Form they submit in this Action. They should include ONLY those eligible shares of Adeptus Class A common stock purchased/acquired during the Class Period outside of an Employee Plan. Claims based on any Employee Plan's purchases/acquisitions of eligible Adeptus Class A common stock during the Class Period may be made by the Employee Plan's trustees.

48. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

49. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

50. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities who are excluded from the Settlement Class by definition or who exclude themselves from the Settlement Class pursuant to an exclusion request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

51. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Plaintiffs. At the Settlement Hearing, Lead Counsel will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Settlement Class.**

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

52. Lead Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for an award of attorneys' fees and reimbursement or payment of Litigation Expenses. Lead Counsel's motion for attorneys' fees will not exceed 25% of the Settlement Fund and their motion for Litigation Expenses will not exceed \$1,975,000 in expenses incurred in connection with the prosecution and resolution of this Action, plus interest. Lead Counsel's motion for attorneys' fees and Litigation Expenses, which may include a request for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class in accordance with 15 U.S.C. § 78u-4(a)(4), in an aggregate amount not to exceed \$40,000, will be filed by April 15, 2020, and the Court will consider Lead Counsel's motion at the Settlement Hearing. A copy of Lead Counsel's motion for fees and Litigation Expenses will be available for review at www.AdeptusHealthSecuritiesLitigation.com once it is filed. Any award of attorneys' fees and reimbursement or payment of Litigation Expenses, including any reimbursement of costs and expenses to Plaintiffs, will be paid from the Settlement Fund prior to allocation and payment to Authorized Claimants. ***Settlement Class Members are not personally liable for any such attorneys' fees or expenses.***

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS? HOW DO I EXCLUDE MYSELF?

53. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion addressed to: *Adeptus Health Securities Litigation, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217*. The request for exclusion must be **received no later than April 29, 2020**. You will not be able to exclude yourself from the Settlement Class after that date.

54. Each request for exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *Oklahoma Law Enforcement Retirement System v. Adeptus Health Inc., et al.*, Case No. 4:17-CV-0449-ALM (E.D. Tex.)"; (iii) state the number of shares of Adeptus Class A common stock that the person or entity requesting exclusion (A) owned as of the opening of trading on June 25, 2014, and (B) purchased/acquired and/or sold during the Class Period (from June 25, 2014 through March 1, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative.

55. A request for exclusion shall not be valid and effective unless it provides all the information called for in ¶ 54 and is received within the time stated above, or is otherwise accepted by the Court.

56. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against

Defendants or any of the other Defendants' Releasees concerning the Released Plaintiffs' Claims. **Please note**, however, if you decide to exclude yourself from the Settlement Class, you may be time-barred from asserting certain claims covered by the Action by a statute of repose. In addition, Defendants and the other Defendants' Releasees will have the right to assert any and all defenses they may have to any claims that you may seek to assert.

57. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund.

58. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Plaintiffs and Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

59. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing.** Please Note: The date and time of the Settlement Hearing may change without further written notice to the Settlement Class. If you plan on attending the hearing, please check the website, www.AdeptusHealthSecuritiesLitigation.com or contact Lead Counsel to confirm that the date and/or time of the hearing has not changed.

60. The Settlement Hearing will be held on **May 20, 2020 at 11:30 a.m.**, before the Honorable Amos L. Mazzant, III at the Paul Brown United States Courthouse, 101 East Pecan Street, Sherman, TX 75090. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

61. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Eastern District of Texas at the address set forth below, as well as serve copies on Lead Counsel and designated Defendants' Counsel at the addresses set forth below, so that it is **received on or before April 29, 2020**.

Clerk's Office

United States District Court
Eastern District of Texas
Paul Brown United States Courthouse
101 East Pecan Street
Sherman, TX 75090

Lead Counsel

Jeremy P. Robinson, Esq.
Bernstein Litowitz Berger &
Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020

Gregory M. Castaldo, Esq.
Kessler Topaz Meltzer & Check, LLP
280 King of Prussia Road
Radnor, PA 19087

Designated Defendants' Counsel

Counsel for Executive Defendants

Paul R. Bessette, Esq.
King & Spalding LLP
500 West 2nd St., Suite 1800
Austin, TX 78701-4684

Counsel for Sterling Defendants

George Wang, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017

Counsel for Director Defendants and Williams

David D. Sterling, Esq.
Baker Botts L.L.P.
One Shell Plaza
Houston, TX 77002

Counsel for Underwriter Defendants

Adam S. Hakki, Esq.
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022

Counsel for Underwriter Defendants

R. Thaddeus Behrens, Esq.
Haynes and Boone, LLP
2323 Victory Avenue, Suite 700
Dallas, TX 75219

62. Any objection, filings, and other submissions by the objecting Settlement Class Member: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must state with specificity the grounds for the Settlement Class Member's objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (c) must include documents sufficient to prove membership in the Settlement Class, *including* the number of shares of Adeptus Class A common stock that the objecting Settlement Class Member (A) owned as of the opening of trading on June 25, 2014, and (B) purchased/acquired and/or sold during the Class Period (from June 25, 2014 through March 1, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. The objecting Settlement Class Member shall provide documentation establishing membership in the Settlement Class through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement.

63. You may not object to the Settlement, Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

64. You may submit an objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless (1) you first submit a written objection in accordance with the procedures described above, (2) you first submit your notice of appearance in accordance with the procedures described below, or (3) the Court orders otherwise.

65. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and designated Defendants' Counsel at the addresses set forth in ¶ 61 above so that it is **received on or before April 29, 2020**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

66. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and designated Defendants' Counsel at the addresses set forth in ¶ 61 above so that the notice is **received on or before April 29, 2020**.

67. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES OF ADEPTUS CLASS A COMMON STOCK ON SOMEONE ELSE'S BEHALF?

68. If you purchased or otherwise acquired Adeptus Class A common stock during the period from June 25, 2014 through March 1, 2017, inclusive, for the beneficial interest of a person or entity other than yourself, you must either (i) within ten (10) business days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form ("Notice Packet") to forward to all such beneficial owners and within ten (10) business days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within ten (10) business days of receipt of this Notice, provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to the Claims Administrator at: *Adeptus Health Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173087, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with these directions by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may be obtained from the website, www.AdeptusHealthSecuritiesLitigation.com, or from Lead Counsel's websites, www.blbglaw.com and www.ktmc.com, by calling the Claims Administrator toll free at 1-866-778-9468, or by emailing the Claims Administrator at info@AdeptusHealthSecuritiesLitigation.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

69. This Notice contains only a summary of the terms of the Settlement. For the terms and conditions of the Settlement, please see the Stipulation available at www.AdeptusHealthSecuritiesLitigation.com. More detailed information about the matters involved in this Action can be obtained by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.txed.uscourts.gov>, or by visiting, during regular office hours, the Office of the Clerk, United States District Court for the Eastern District of Texas, Paul Brown United States Courthouse, 101 East Pecan Street, Sherman, TX 75090. Additionally, copies of any related orders entered by the Court and certain other filings in this Action will be posted on the website for the Settlement, www.AdeptusHealthSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Adeptus Health Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173087
Milwaukee, WI 53217

1-866-778-9468
info@AdeptusHealthSecuritiesLitigation.com
www.AdeptusHealthSecuritiesLitigation.com

and/or

Jeremy P. Robinson, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020
1-800-380-8496

Gregory M. Castaldo, Esq.
Kessler Topaz Meltzer & Check, LLP
280 King of Prussia Road
Radnor, PA 19087
1-610-667-7706

PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE, ADEPTUS, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.

Dated: February 7, 2020

By Order of the Court
United States District Court
Eastern District of Texas

APPENDIX A

Proposed Plan of Allocation of Net Settlement Fund

1. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Complaint. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

2. In developing the Plan of Allocation, Plaintiffs' damages consultant, in conjunction with Lead Counsel, calculated the estimated amount of artificial inflation in the per-share closing price of Adeptus Class A common stock ("Adeptus Common Stock") that allegedly was proximately caused by Defendants' alleged false and misleading statements and material omissions during the Class Period.

3. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misleading statements and material omissions, Plaintiffs' damages consultant considered price changes in Adeptus Common Stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes on those days that were attributable to market or industry forces. The estimated alleged artificial inflation in Adeptus Common Stock for each day of the Class Period is provided in Table A below.

4. In order to have recoverable damages under the Exchange Act, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Adeptus Common Stock. In this case, Plaintiffs alleged that Defendants misrepresented and omitted facts during the period from June 25, 2014 through March 1, 2017, inclusive, which had the effect of artificially inflating the price of Adeptus Common Stock. Plaintiffs further alleged that corrective information was released to the market on: November 17, 2015, July 28, 2016 (before the opening of trading), September 7, 2016 (before the opening of trading), November 1, 2016 (before the opening of trading), November 1, 2016 (after the close of trading), and March 2, 2017 (before the opening of trading), which partially removed the artificial inflation from the price of Adeptus Common Stock on: November 17, 2015, July 28, 2016, September 7, 2016, November 1, 2016, November 2, 2016, and March 2, 2017.

5. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of Adeptus Common Stock at the time of purchase or acquisition and at the time of sale or the difference between the actual purchase price and sale price, as limited by the dollar amount of loss measured at each corrective disclosure. Accordingly, for most purchases of Adeptus Common Stock during the Class Period, in order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member must have held shares over a date on which new corrective information was allegedly released to the market and partially removed the artificial inflation from the price of the stock. Claimants who purchased Adeptus Common Stock in or traceable to the offerings that occurred on or about July 29, 2015 (the "July 2015 Offering") or on or about June 8, 2016 (the "June 2016 Offering") during the Class Period may also be able to establish a Recognized Loss Amount based on a statutory measure of damages under the Securities Act.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

6. Based on the formulas stated below, a "**Recognized Loss Amount**" will be calculated for each purchase or acquisition of Adeptus Common Stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided.

7. All purchases of Adeptus Common Stock during the Class Period are potentially eligible for compensation based on claims asserted under Sections 10(b) and 20(a) of the Exchange Act. In addition, certain purchases of Adeptus Common Stock during the Class Period—if shares were either purchased "contemporaneously" with certain sales of Adeptus Common Stock by certain Defendants or were purchased in or traceable to the July 2015 or June 2016 Offerings of Adeptus Common Stock—are potentially eligible for additional compensation because additional claims were asserted on behalf of the purchasers of those shares against certain Defendants under Section 20A of the Exchange Act and Sections 11, 12(a)(2), and 15 of the Securities Act.

8. Accordingly, the **Recognized Loss Amount** for each purchase of Adeptus Common Stock during the Class Period is the sum of (a) the Section 10(b) Loss Amount calculated under paragraph 9 below, if any; *plus* (b) the Section 20A Loss Amount calculated under paragraph 10 or 11 below, if any; *plus* (c) the Securities Act Loss Amount calculated under paragraph 12 or 13 below, if any. If a Section 10(b) Loss Amount, Section 20A Loss Amount, or Securities Act Loss Amount calculates to a negative number or zero under any of the formulas below, that value (the Section 10(b) Loss Amount, the Section 20A Loss Amount, or the Securities Act Loss Amount, as the case may be) for that transaction will be zero.

Section 10(b) Loss Amounts

9. **Purchases of Adeptus Common Stock from June 25, 2014 through March 1, 2017, inclusive:** For each share of Adeptus Common Stock purchased from June 25, 2014 through March 1, 2017, inclusive, and:

- (a) sold prior to the opening of trading on November 17, 2015, the **Section 10(b) Loss Amount** is \$0;

- (b) sold after the opening of trading on November 17, 2015 but before the close of trading on March 1, 2017, the **Section 10(b) Loss Amount** is *the least of*: (i) the alleged artificial inflation per share on the date of purchase as stated in Table A⁵ *minus* the alleged artificial inflation per share on the date of sale as stated in Table A; (ii) the loss limitation per share based on the dates of purchase and sale as stated in Table B; or (iii) the purchase price *minus* the sale price;
- (c) sold after the close of trading on March 1, 2017 but before the close of trading on May 30, 2017, the **Section 10(b) Loss Amount** is *the least of*: (i) the alleged artificial inflation per share on the date of purchase as stated in Table A; (ii) the loss limitation per share based on the dates of purchase and sale as stated in Table B; (iii) the purchase price *minus* the average closing price between March 2, 2017 and the date of sale as stated in Table C; or (iv) the purchase price *minus* the sale price;
- (d) held as of the close of trading on May 30, 2017, the **Section 10(b) Loss Amount** is *the least of*: (i) the alleged artificial inflation per share on the date of purchase as stated in Table A; (ii) the loss limitation per share based on the date of purchase and the last column in Table B; or (iii) the purchase price per share *minus* \$1.39.⁶

Section 20A Loss Amounts

10. **Purchases of Adeptus Common Stock from July 29, 2015 through August 4, 2015, inclusive:** For each share of Adeptus Common Stock purchased between the opening of trading on July 29, 2015 and the close of trading on August 4, 2015, inclusive (including in the July 2015 Offering), the **Section 20A Loss Amount** is 0.2 times (20% of) the 10(b) Loss Amount calculated pursuant to paragraph 9 above.

11. **Purchases of Adeptus Common Stock from June 3, 2016 through June 9, 2016, inclusive:** For each share of Adeptus Common Stock purchased between the opening of trading on June 3, 2016 and the close of trading on June 9, 2016, inclusive (including in the June 2016 Offering), the **Section 20A Loss Amount** is 0.2 times (20% of) the 10(b) Loss Amount calculated pursuant to paragraph 9 above.

Securities Act Loss Amounts

12. **Purchases of Adeptus Common Stock In or Traceable to the July 2015 Offering:** For each share of Adeptus Common Stock either (a) purchased in the July 2015 Offering, or (b) purchased through March 1, 2017 and for which the Claimant provides records documenting those shares were issued pursuant to the July 2015 Offering, the **Securities Act Loss Amount** is *the greater of*:

- (a) 0.25 times (25% of) the Section 10(b) Loss Amount calculated pursuant to paragraph 9 above; or
- (b) the amount by which the Securities Act Statutory Amount exceeds the Section 10(b) Loss Amount calculated pursuant to paragraph 9 above. The Securities Act Statutory Amount is calculated as follows:
 - (i) for shares sold before the close of trading on October 27, 2016, the Securities Act Statutory Amount is the purchase price per share (not to exceed \$105.00) *minus* the sale price per share;
 - (ii) for shares sold after the close of trading on October 27, 2016 but before the close of trading on May 30, 2017, the Securities Act Statutory Amount is the purchase price per share (not to exceed \$105.00) *minus the greater of*: (i) the sale price per share; or (ii) \$29.71 (the closing price of Adeptus Common Stock on the date the lawsuit was filed);
 - (iii) for shares held as of the close of trading on May 30, 2017, the Securities Act Statutory Amount is the purchase price per share (not to exceed \$105.00) *minus* \$29.71.

13. **Purchases of Adeptus Common Stock In or Traceable to the June 2016 Offering:** For each share of Adeptus Common Stock either (a) purchased in the June 2016 Offering, or (b) purchased through March 1, 2017 and for which the Claimant provides records documenting those shares were issued pursuant to the June 2016 Offering, the **Securities Act Loss Amount** is *the greater of*:

- (a) 0.25 times (25% of) the Section 10(b) Loss Amount calculated pursuant to paragraph 9 above; or
- (b) the amount by which the Securities Act Statutory Amount exceeds the Section 10(b) Loss Amount calculated pursuant to paragraph 9 above. The Securities Act Statutory Amount is calculated as follows:
 - (i) for shares sold before the close of trading on October 27, 2016, the Securities Act Statutory Amount is the purchase price per share (not to exceed \$62.00) *minus* the sale price per share;

⁵ The alleged artificial inflation for shares purchased in each Class Period offering of Adeptus Common Stock is also set forth in Table A and for shares purchased in one of the offerings this artificial inflation shall be applied.

⁶ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Adeptus Common Stock during the “90-day look-back period,” from March 2, 2017 through May 30, 2017. The mean (average) closing price for Adeptus Common Stock during this 90-day look-back period was \$1.39.

- (ii) for shares sold after the close of trading on October 27, 2016 but before the close of trading on May 30, 2017, the Securities Act Statutory Amount is the purchase price per share (not to exceed \$62.00) *minus the greater of*: (i) the sale price per share; or (ii) \$29.71 (the closing price of Adeptus Common Stock on the date the lawsuit was filed);
- (iii) for shares held as of the close of trading on May 30, 2017, the Securities Act Statutory Amount is the purchase price per share (not to exceed \$62.00) *minus* \$29.71.

14. As noted above, for each purchase of Adeptus Common Stock during the Class Period, a **Recognized Loss Amount** will be calculated which is *the sum of*: the Section 10(b) Loss Amount *plus* the Section 20A Loss Amount *plus* the Securities Act Loss Amount.

ADDITIONAL PROVISIONS

15. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 22 below) is \$10.00 or greater.

16. **Calculation of Claimant's "Recognized Claim"**: A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to all shares of Adeptus Common Stock purchased or otherwise acquired for value during the Class Period.

17. **FIFO Matching**: If a Settlement Class Member made more than one purchase/acquisition or sale of Adeptus Common Stock during the Class Period, all purchases/acquisitions and sales will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

18. **Purchase/Sale Prices**: For the purposes of calculations under this Plan of Allocation, "purchase price" means the actual price paid, excluding all fees, taxes, and commissions, and "sale price" means the actual amount received, not deducting any fees, taxes, and commissions. "Purchase" means all purchases or other acquisitions of Adeptus Common Stock in exchange for value.

19. **"Purchase/Sale" Dates**: Purchases and sales of Adeptus Common Stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of Adeptus Common Stock during the Class Period shall not be deemed a purchase or sale of Adeptus Common Stock for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of the stock unless (i) the donor or decedent purchased or otherwise acquired the stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares.

20. **Short Sales**: The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the Adeptus Common Stock. The date of a "short sale" is deemed to be the date of sale of the Adeptus Common Stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero.

21. **Common Stock Purchased/Sold Through the Exercise of Options**: Option contracts are not securities eligible to participate in the Settlement. With respect to Adeptus Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

22. **Determination of Distribution Amount**: The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

23. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

24. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator, no less than seven (7) months after the initial distribution, will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

25. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Plaintiffs' damages consultant, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders

of the Court. Plaintiffs, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of taxes owed by the Settlement Fund; or any losses incurred in connection therewith.

26. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiffs after consultation with their damages consultant. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.AdeptusHealthSecuritiesLitigation.com.

TABLE A

**Estimated Alleged Artificial Inflation in Adeptus Class A Common Stock
from June 25, 2014 through March 1, 2017**

Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation
IPO-							
6/25/2014	\$20.32	8/22/2014	\$25.39	10/22/2014	\$24.67	12/22/2014	\$33.87
6/25/2014	\$23.78	8/25/2014	\$25.90	10/23/2014	\$24.70	12/23/2014	\$34.08
6/26/2014	\$23.60	8/26/2014	\$25.62	10/24/2014	\$25.36	12/24/2014	\$33.97
6/27/2014	\$23.36	8/27/2014	\$26.03	10/27/2014	\$24.96	12/26/2014	\$34.19
6/30/2014	\$23.43	8/28/2014	\$26.66	10/28/2014	\$25.55	12/29/2014	\$34.63
7/1/2014	\$23.18	8/29/2014	\$26.12	10/29/2014	\$29.76	12/30/2014	\$34.97
7/2/2014	\$23.28	9/2/2014	\$25.86	10/30/2014	\$30.26	12/31/2014	\$34.54
7/3/2014	\$23.39	9/3/2014	\$25.84	10/31/2014	\$30.64	1/2/2015	\$35.08
7/7/2014	\$24.01	9/4/2014	\$24.78	11/3/2014	\$32.07	1/5/2015	\$34.45
7/8/2014	\$23.94	9/5/2014	\$23.76	11/4/2014	\$31.68	1/6/2015	\$33.60
7/9/2014	\$23.78	9/8/2014	\$24.78	11/5/2014	\$31.81	1/7/2015	\$33.88
7/10/2014	\$23.39	9/9/2014	\$23.95	11/6/2014	\$31.07	1/8/2015	\$33.85
7/11/2014	\$24.08	9/10/2014	\$24.08	11/7/2014	\$30.34	1/9/2015	\$33.26
7/14/2014	\$25.07	9/11/2014	\$25.72	11/10/2014	\$30.85	1/12/2015	\$33.86
7/15/2014	\$24.72	9/12/2014	\$25.87	11/11/2014	\$30.34	1/13/2015	\$33.77
7/16/2014	\$24.53	9/15/2014	\$25.81	11/12/2014	\$30.90	1/14/2015	\$33.90
7/17/2014	\$24.15	9/16/2014	\$24.95	11/13/2014	\$29.07	1/15/2015	\$33.36
7/18/2014	\$24.15	9/17/2014	\$25.01	11/14/2014	\$29.72	1/16/2015	\$32.81
7/21/2014	\$22.52	9/18/2014	\$24.99	11/17/2014	\$28.85	1/20/2015	\$30.61
7/22/2014	\$22.59	9/19/2014	\$22.85	11/18/2014	\$28.68	1/21/2015	\$28.81
7/23/2014	\$22.20	9/22/2014	\$23.22	11/19/2014	\$28.37	1/22/2015	\$30.14
7/24/2014	\$22.40	9/23/2014	\$23.51	11/20/2014	\$28.19	1/23/2015	\$29.10
7/25/2014	\$22.19	9/24/2014	\$23.70	11/21/2014	\$28.65	1/26/2015	\$30.91
7/28/2014	\$22.35	9/25/2014	\$23.61	11/24/2014	\$29.46	1/27/2015	\$30.54
7/29/2014	\$22.45	9/26/2014	\$24.25	11/25/2014	\$29.56	1/28/2015	\$29.95
7/30/2014	\$22.39	9/29/2014	\$24.05	11/26/2014	\$28.77	1/29/2015	\$29.06
7/31/2014	\$23.77	9/30/2014	\$22.99	11/28/2014	\$28.11	1/30/2015	\$29.04
8/1/2014	\$24.82	10/1/2014	\$23.10	12/1/2014	\$28.45	2/2/2015	\$29.12
8/4/2014	\$24.60	10/2/2014	\$25.30	12/2/2014	\$29.64	2/3/2015	\$30.23
8/5/2014	\$23.68	10/3/2014	\$25.03	12/3/2014	\$29.56	2/4/2015	\$30.88
8/6/2014	\$23.35	10/6/2014	\$24.05	12/4/2014	\$29.78	2/5/2015	\$31.49
8/7/2014	\$22.74	10/7/2014	\$24.21	12/5/2014	\$30.68	2/6/2015	\$32.28
8/8/2014	\$23.82	10/8/2014	\$24.15	12/8/2014	\$29.57	2/9/2015	\$31.19
8/11/2014	\$23.90	10/9/2014	\$23.40	12/9/2014	\$30.45	2/10/2015	\$31.19
8/12/2014	\$23.75	10/10/2014	\$23.16	12/10/2014	\$31.13	2/11/2015	\$31.69
8/13/2014	\$23.94	10/13/2014	\$23.38	12/11/2014	\$32.45	2/12/2015	\$31.67
8/14/2014	\$23.22	10/14/2014	\$23.15	12/12/2014	\$33.71	2/13/2015	\$32.20
8/15/2014	\$22.53	10/15/2014	\$23.27	12/15/2014	\$34.64	2/17/2015	\$32.35
8/18/2014	\$22.93	10/16/2014	\$24.48	12/16/2014	\$34.17	2/18/2015	\$32.81
8/19/2014	\$24.87	10/17/2014	\$24.04	12/17/2014	\$34.57	2/19/2015	\$37.98
8/20/2014	\$25.74	10/20/2014	\$24.15	12/18/2014	\$35.47	2/20/2015	\$38.68
8/21/2014	\$25.40	10/21/2014	\$24.33	12/19/2014	\$34.49	2/23/2015	\$37.64

Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation
2/24/2015	\$38.52	5/1/2015	\$61.19	7/8/2015	\$84.71	9/11/2015	\$95.27
2/25/2015	\$39.48	5/4/2015	\$59.27	7/9/2015	\$86.21	9/14/2015	\$98.07
2/26/2015	\$41.19	5/5/2015	\$59.44	7/10/2015	\$90.54	9/15/2015	\$98.84
		Offering-					
2/27/2015	\$40.96	5/6/2015	\$58.87	7/13/2015	\$92.36	9/16/2015	\$101.14
3/2/2015	\$41.81	5/6/2015	\$59.56	7/14/2015	\$91.47	9/17/2015	\$104.38
3/3/2015	\$40.45	5/7/2015	\$59.33	7/15/2015	\$88.52	9/18/2015	\$106.83
3/4/2015	\$40.36	5/8/2015	\$59.77	7/16/2015	\$90.26	9/21/2015	\$105.53
3/5/2015	\$40.55	5/11/2015	\$59.65	7/17/2015	\$89.96	9/22/2015	\$102.09
3/6/2015	\$40.06	5/12/2015	\$59.60	7/20/2015	\$88.13	9/23/2015	\$105.80
3/9/2015	\$39.59	5/13/2015	\$59.52	7/21/2015	\$82.58	9/24/2015	\$100.48
3/10/2015	\$39.13	5/14/2015	\$58.72	7/22/2015	\$80.53	9/25/2015	\$88.52
3/11/2015	\$38.54	5/15/2015	\$58.40	7/23/2015	\$97.15	9/28/2015	\$80.16
3/12/2015	\$43.04	5/18/2015	\$59.96	7/24/2015	\$100.56	9/29/2015	\$78.62
3/13/2015	\$42.02	5/19/2015	\$61.61	7/27/2015	\$98.49	9/30/2015	\$74.58
3/16/2015	\$42.77	5/20/2015	\$64.38	7/28/2015	\$98.33	10/1/2015	\$77.27
3/17/2015	\$42.57	5/21/2015	\$62.44	7/29/2015	\$98.48	10/2/2015	\$75.95
				Offering-			
3/18/2015	\$43.08	5/22/2015	\$61.99	7/30/2015	\$96.96	10/5/2015	\$75.09
3/19/2015	\$44.91	5/26/2015	\$61.81	7/30/2015	\$101.87	10/6/2015	\$76.79
3/20/2015	\$45.25	5/27/2015	\$63.58	7/31/2015	\$101.48	10/7/2015	\$74.58
3/23/2015	\$44.16	5/28/2015	\$64.26	8/3/2015	\$104.77	10/8/2015	\$69.73
3/24/2015	\$44.05	5/29/2015	\$64.69	8/4/2015	\$111.63	10/9/2015	\$70.01
3/25/2015	\$42.47	6/1/2015	\$67.26	8/5/2015	\$109.02	10/12/2015	\$73.38
3/26/2015	\$43.43	6/2/2015	\$67.78	8/6/2015	\$106.26	10/13/2015	\$75.69
3/27/2015	\$46.29	6/3/2015	\$69.85	8/7/2015	\$105.45	10/14/2015	\$74.66
3/30/2015	\$45.99	6/4/2015	\$70.63	8/10/2015	\$104.38	10/15/2015	\$76.79
3/31/2015	\$46.38	6/5/2015	\$74.08	8/11/2015	\$103.44	10/16/2015	\$74.45
4/1/2015	\$44.87	6/8/2015	\$77.10	8/12/2015	\$102.67	10/19/2015	\$79.47
4/2/2015	\$43.97	6/9/2015	\$75.95	8/13/2015	\$102.38	10/20/2015	\$79.23
4/6/2015	\$45.41	6/10/2015	\$78.00	8/14/2015	\$104.23	10/21/2015	\$79.05
4/7/2015	\$44.18	6/11/2015	\$78.11	8/17/2015	\$105.38	10/22/2015	\$63.80
4/8/2015	\$45.38	6/12/2015	\$78.43	8/18/2015	\$102.46	10/23/2015	\$62.26
4/9/2015	\$45.67	6/15/2015	\$81.08	8/19/2015	\$101.75	10/26/2015	\$61.83
4/10/2015	\$46.33	6/16/2015	\$80.03	8/20/2015	\$94.76	10/27/2015	\$62.06
4/13/2015	\$46.06	6/17/2015	\$81.49	8/21/2015	\$93.01	10/28/2015	\$61.19
4/14/2015	\$46.09	6/18/2015	\$79.68	8/24/2015	\$86.75	10/29/2015	\$61.96
4/15/2015	\$46.18	6/19/2015	\$82.12	8/25/2015	\$87.83	10/30/2015	\$59.92
4/16/2015	\$46.46	6/22/2015	\$82.36	8/26/2015	\$88.39	11/2/2015	\$59.74
4/17/2015	\$47.32	6/23/2015	\$83.11	8/27/2015	\$91.07	11/3/2015	\$56.81
4/20/2015	\$47.89	6/24/2015	\$83.10	8/28/2015	\$92.35	11/4/2015	\$59.21
4/21/2015	\$50.36	6/25/2015	\$86.36	8/31/2015	\$92.01	11/5/2015	\$58.26
4/22/2015	\$48.16	6/26/2015	\$86.55	9/1/2015	\$90.53	11/6/2015	\$53.90
4/23/2015	\$56.93	6/29/2015	\$85.36	9/2/2015	\$92.82	11/9/2015	\$56.32
4/24/2015	\$58.90	6/30/2015	\$87.72	9/3/2015	\$93.41	11/10/2015	\$58.35
4/27/2015	\$59.52	7/1/2015	\$87.67	9/4/2015	\$93.51	11/11/2015	\$54.81
4/28/2015	\$61.03	7/2/2015	\$85.93	9/8/2015	\$98.37	11/12/2015	\$54.68
4/29/2015	\$59.42	7/6/2015	\$88.81	9/9/2015	\$96.92	11/13/2015	\$55.08
4/30/2015	\$58.61	7/7/2015	\$85.62	9/10/2015	\$93.38	11/16/2015	\$55.29

Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation
11/17/2015	\$41.89	1/27/2016	\$42.62	4/5/2016	\$50.95	6/9/2016	\$48.75
11/18/2015	\$47.62	1/28/2016	\$40.54	4/6/2016	\$52.97	6/10/2016	\$46.44
11/19/2015	\$49.27	1/29/2016	\$42.50	4/7/2016	\$53.83	6/13/2016	\$45.69
11/20/2015	\$50.40	2/1/2016	\$42.55	4/8/2016	\$50.70	6/14/2016	\$47.76
11/23/2015	\$52.80	2/2/2016	\$40.59	4/11/2016	\$47.30	6/15/2016	\$47.31
11/24/2015	\$54.66	2/3/2016	\$40.31	4/12/2016	\$47.78	6/16/2016	\$45.18
11/25/2015	\$54.00	2/4/2016	\$44.88	4/13/2016	\$50.47	6/17/2016	\$44.46
11/27/2015	\$55.47	2/5/2016	\$40.76	4/14/2016	\$51.83	6/20/2016	\$44.87
11/30/2015	\$54.13	2/8/2016	\$38.25	4/15/2016	\$53.53	6/21/2016	\$44.82
12/1/2015	\$52.51	2/9/2016	\$37.34	4/18/2016	\$53.08	6/22/2016	\$44.93
12/2/2015	\$54.38	2/10/2016	\$36.11	4/19/2016	\$53.52	6/23/2016	\$45.06
12/3/2015	\$55.19	2/11/2016	\$34.73	4/20/2016	\$58.71	6/24/2016	\$44.14
12/4/2015	\$53.73	2/12/2016	\$35.85	4/21/2016	\$58.77	6/27/2016	\$43.69
12/7/2015	\$52.57	2/16/2016	\$37.49	4/22/2016	\$60.78	6/28/2016	\$44.39
12/8/2015	\$52.52	2/17/2016	\$37.95	4/25/2016	\$61.88	6/29/2016	\$46.27
12/9/2015	\$48.60	2/18/2016	\$39.03	4/26/2016	\$61.97	6/30/2016	\$46.54
12/10/2015	\$50.90	2/19/2016	\$38.09	4/27/2016	\$62.56	7/1/2016	\$46.17
12/11/2015	\$49.67	2/22/2016	\$41.07	4/28/2016	\$60.89	7/5/2016	\$45.39
12/14/2015	\$46.09	2/23/2016	\$40.35	4/29/2016	\$61.36	7/6/2016	\$50.22
12/15/2015	\$46.18	2/24/2016	\$47.00	5/2/2016	\$60.18	7/7/2016	\$51.43
12/16/2015	\$46.85	2/25/2016	\$50.60	5/3/2016	\$59.17	7/8/2016	\$51.40
12/17/2015	\$46.12	2/26/2016	\$53.42	5/4/2016	\$55.31	7/11/2016	\$49.59
12/18/2015	\$47.57	2/29/2016	\$51.27	5/5/2016	\$53.40	7/12/2016	\$50.31
12/21/2015	\$46.39	3/1/2016	\$50.34	5/6/2016	\$54.26	7/13/2016	\$50.68
12/22/2015	\$45.24	3/2/2016	\$53.06	5/9/2016	\$52.40	7/14/2016	\$47.84
12/23/2015	\$47.68	3/3/2016	\$54.95	5/10/2016	\$53.24	7/15/2016	\$48.62
12/24/2015	\$46.64	3/4/2016	\$53.43	5/11/2016	\$57.31	7/18/2016	\$49.53
12/28/2015	\$45.78	3/7/2016	\$57.86	5/12/2016	\$56.99	7/19/2016	\$47.35
12/29/2015	\$49.87	3/8/2016	\$54.76	5/13/2016	\$56.89	7/20/2016	\$48.14
12/30/2015	\$49.99	3/9/2016	\$55.09	5/16/2016	\$57.98	7/21/2016	\$44.38
12/31/2015	\$49.11	3/10/2016	\$53.17	5/17/2016	\$58.12	7/22/2016	\$42.43
1/4/2016	\$49.25	3/11/2016	\$54.05	5/18/2016	\$59.68	7/25/2016	\$42.68
1/5/2016	\$49.63	3/14/2016	\$53.72	5/19/2016	\$60.72	7/26/2016	\$42.70
1/6/2016	\$53.51	3/15/2016	\$50.35	5/20/2016	\$61.00	7/27/2016	\$43.29
1/7/2016	\$51.54	3/16/2016	\$52.03	5/23/2016	\$62.46	7/28/2016	\$40.76
1/8/2016	\$50.99	3/17/2016	\$52.09	5/24/2016	\$64.72	7/29/2016	\$39.91
1/11/2016	\$49.54	3/18/2016	\$50.63	5/25/2016	\$64.98	8/1/2016	\$40.10
1/12/2016	\$49.29	3/21/2016	\$50.99	5/26/2016	\$65.07	8/2/2016	\$39.14
1/13/2016	\$43.57	3/22/2016	\$50.54	5/27/2016	\$65.17	8/3/2016	\$40.11
1/14/2016	\$45.09	3/23/2016	\$49.46	5/31/2016	\$64.41	8/4/2016	\$39.80
1/15/2016	\$43.68	3/24/2016	\$49.19	6/1/2016	\$55.46	8/5/2016	\$40.38
1/19/2016	\$42.63	3/28/2016	\$46.09	6/2/2016	\$56.07	8/8/2016	\$40.33
1/20/2016	\$43.21	3/29/2016	\$46.98	Offering- 6/3/2016	\$55.85	8/9/2016	\$40.31
1/21/2016	\$44.77	3/30/2016	\$48.00	6/3/2016	\$55.66	8/10/2016	\$39.05
1/22/2016	\$45.05	3/31/2016	\$50.03	6/6/2016	\$56.08	8/11/2016	\$38.52
1/25/2016	\$43.93	4/1/2016	\$48.79	6/7/2016	\$53.68	8/12/2016	\$38.40
1/26/2016	\$46.54	4/4/2016	\$51.77	6/8/2016	\$51.47	8/15/2016	\$38.04

Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation	Date	Artificial Inflation
8/16/2016	\$37.72	10/5/2016	\$35.79	11/23/2016	\$5.64	1/17/2017	\$4.90
8/17/2016	\$37.20	10/6/2016	\$34.66	11/25/2016	\$5.65	1/18/2017	\$4.75
8/18/2016	\$38.13	10/7/2016	\$34.59	11/28/2016	\$5.04	1/19/2017	\$4.52
8/19/2016	\$37.71	10/10/2016	\$35.74	11/29/2016	\$4.68	1/20/2017	\$4.49
8/22/2016	\$38.49	10/11/2016	\$34.95	11/30/2016	\$4.73	1/23/2017	\$4.46
8/23/2016	\$40.22	10/12/2016	\$33.94	12/1/2016	\$4.75	1/24/2017	\$4.42
8/24/2016	\$38.80	10/13/2016	\$33.93	12/2/2016	\$4.70	1/25/2017	\$4.57
8/25/2016	\$38.91	10/14/2016	\$33.98	12/5/2016	\$4.74	1/26/2017	\$4.43
8/26/2016	\$38.28	10/17/2016	\$32.45	12/6/2016	\$4.62	1/27/2017	\$4.39
8/29/2016	\$38.15	10/18/2016	\$33.06	12/7/2016	\$4.52	1/30/2017	\$4.09
8/30/2016	\$38.28	10/19/2016	\$32.89	12/8/2016	\$4.72	1/31/2017	\$4.04
8/31/2016	\$38.11	10/20/2016	\$31.07	12/9/2016	\$4.77	2/1/2017	\$4.21
9/1/2016	\$37.70	10/21/2016	\$30.86	12/12/2016	\$4.66	2/2/2017	\$4.08
9/2/2016	\$40.15	10/24/2016	\$29.25	12/13/2016	\$4.68	2/3/2017	\$4.08
9/6/2016	\$39.00	10/25/2016	\$28.40	12/14/2016	\$4.57	2/6/2017	\$4.04
9/7/2016	\$31.14	10/26/2016	\$27.52	12/15/2016	\$4.59	2/7/2017	\$3.87
9/8/2016	\$31.93	10/27/2016	\$25.92	12/16/2016	\$4.74	2/8/2017	\$3.62
9/9/2016	\$32.50	10/28/2016	\$25.65	12/19/2016	\$4.57	2/9/2017	\$3.59
9/12/2016	\$32.96	10/31/2016	\$26.28	12/20/2016	\$4.52	2/10/2017	\$3.72
9/13/2016	\$34.26	11/1/2016	\$23.05	12/21/2016	\$4.40	2/13/2017	\$3.71
9/14/2016	\$34.11	11/2/2016	\$4.85	12/22/2016	\$4.40	2/14/2017	\$3.99
9/15/2016	\$34.75	11/3/2016	\$4.96	12/23/2016	\$4.40	2/15/2017	\$4.33
9/16/2016	\$34.95	11/4/2016	\$4.79	12/27/2016	\$4.40	2/16/2017	\$4.26
9/19/2016	\$35.65	11/7/2016	\$4.78	12/28/2016	\$4.40	2/17/2017	\$4.24
9/20/2016	\$35.47	11/8/2016	\$5.04	12/29/2016	\$4.39	2/21/2017	\$4.34
9/21/2016	\$36.82	11/9/2016	\$4.88	12/30/2016	\$4.31	2/22/2017	\$4.15
9/22/2016	\$37.39	11/10/2016	\$5.08	1/3/2017	\$4.79	2/23/2017	\$3.90
9/23/2016	\$35.62	11/11/2016	\$5.48	1/4/2017	\$4.99	2/24/2017	\$3.82
9/26/2016	\$35.78	11/14/2016	\$5.96	1/5/2017	\$4.89	2/27/2017	\$4.23
9/27/2016	\$36.51	11/15/2016	\$6.24	1/6/2017	\$4.65	2/28/2017	\$3.81
9/28/2016	\$36.77	11/16/2016	\$6.14	1/9/2017	\$4.62	3/1/2017	\$3.69
9/29/2016	\$36.09	11/17/2016	\$6.29	1/10/2017	\$4.71	3/2/2017	\$0.00
9/30/2016	\$37.56	11/18/2016	\$5.98	1/11/2017	\$4.60		
10/3/2016	\$36.01	11/21/2016	\$5.99	1/12/2017	\$4.61		
10/4/2016	\$35.51	11/22/2016	\$5.53	1/13/2017	\$4.78		

TABLE B

**Loss Limitation per Share of Adeptus Class A Common Stock
from June 25, 2014 through March 1, 2017**

		Date of Sale (inclusive)						
		On or Before 11/16/2015	11/17/2015 through 7/27/2016	7/28/2016 through 9/6/2016	9/7/2016 through 10/31/2016	11/1/2016	11/2/2016 through 3/1/2017	3/2/2017 and after
Date of Purchase (inclusive)	6/25/2014 through 11/16/2015	\$0.00	\$13.67	\$16.18	\$24.02	\$27.09	\$45.20	\$48.89
	11/17/2015 through 7/27/2016		\$0.00	\$2.51	\$10.35	\$13.42	\$31.53	\$35.22
	7/28/2016 through 9/6/2016			\$0.00	\$7.84	\$10.91	\$29.02	\$32.71
	9/7/2016 through 10/31/2016				\$0.00	\$3.07	\$21.18	\$24.87
	11/1/2016					\$0.00	\$18.11	\$21.80
	11/2/2016 through 3/1/2017						\$0.00	\$3.69
	3/2/2017							\$0.00

TABLE C

**90-Day Lookback Table for Adeptus Class A Common Stock
(Closing Price and Average Closing Price: March 2, 2017 – May 30, 2017)**

Average Closing Price from March 2, 2017 through Date		Average Closing Price from March 2, 2017 through Date		Average Closing Price from March 2, 2017 through Date	
Date	through Date	Date	through Date	Date	through Date
3/2/2017	\$2.79	3/31/2017	\$2.01	5/2/2017	\$1.56
3/3/2017	\$2.89	4/3/2017	\$2.00	5/3/2017	\$1.54
3/6/2017	\$2.89	4/4/2017	\$1.97	5/4/2017	\$1.51
3/7/2017	\$2.83	4/5/2017	\$1.94	5/5/2017	\$1.49
3/8/2017	\$2.77	4/6/2017	\$1.91	5/8/2017	\$1.47
3/9/2017	\$2.71	4/7/2017	\$1.88	5/9/2017	\$1.45
3/10/2017	\$2.65	4/10/2017	\$1.85	5/10/2017	\$1.43
3/13/2017	\$2.61	4/11/2017	\$1.82	5/11/2017	\$1.41
3/14/2017	\$2.48	4/12/2017	\$1.84	5/12/2017	\$1.40
3/15/2017	\$2.39	4/13/2017	\$1.85	5/15/2017	\$1.40
3/16/2017	\$2.33	4/17/2017	\$1.86	5/16/2017	\$1.39
3/17/2017	\$2.27	4/18/2017	\$1.85	5/17/2017	\$1.38
3/20/2017	\$2.22	4/19/2017	\$1.83	5/18/2017	\$1.37
3/21/2017	\$2.18	4/20/2017	\$1.83	5/19/2017	\$1.37
3/22/2017	\$2.15	4/21/2017	\$1.79	5/22/2017	\$1.36
3/23/2017	\$2.12	4/24/2017	\$1.75	5/23/2017	\$1.36
3/24/2017	\$2.09	4/25/2017	\$1.71	5/24/2017	\$1.36
3/27/2017	\$2.07	4/26/2017	\$1.67	5/25/2017	\$1.37
3/28/2017	\$2.05	4/27/2017	\$1.64	5/26/2017	\$1.38
3/29/2017	\$2.03	4/28/2017	\$1.61	5/30/2017	\$1.39
3/30/2017	\$2.02	5/1/2017	\$1.59		