

NOTICE OF CLASS ACTION SETTLEMENT

(Romano, et al. v. SLS Residential, Inc., et al.; No. 07cv2034 (MHD))

A proposed settlement has been reached between the plaintiff class and the SLS defendants in this class action lawsuit. You are receiving this notice and the attached Claims Form because you were previously identified as a member of the class.

The terms of the proposed settlement are as follows:

- A total Settlement Amount of \$3,000,000 (Three Million Dollars) distributed as follows:
 - Payment of a total of \$1,929,000 to 269 class members. Individual awards are based on length of stay at SLS during the class period (July 1, 2004-May 31, 2006).
 - Payment of \$108,000 in service awards to class member deponents;
 - Payment of \$150,000 service/incentive award to the class representative;
 - Payment of \$740,000 in attorneys' fees to Sussman & Watkins;
 - Payment of \$58,500 to Sussman & Watkins for out-of-pocket costs;
 - Reserve fund of \$14,500.

There are 269 class members. Individual settlement awards range from \$500 to \$17,000. The amount you receive is based on the length of time you were at SLS client ***during the class period*** of July 2004-May 2006. In addition, more weight has been given for periods in which class members resided in the Multicare houses or PAT townhouses than for time spent in the SDL apartments or Case Management. A copy of the Settlement Agreement and the plaintiffs' legal brief requesting that the Court approve the Settlement is available at the website of Sussman & Watkins, which is www.sussmanwatkinslaw.com

To the extent that any of the 269 class members exclude themselves from this settlement or do not submit claims forms after the final deadline, their unclaimed settlement awards will be aggregated and distributed to the remaining class members. That means that you may receive a second payment several months after the first, but the size of that payment will not be able to be determined until after the final deadline for submitting claims forms.

For instructions on submitting a claim, or if you want to object to, or exclude yourself from, this proposed settlement, please read below. Please note that if you

receive public benefits, such as SSI and/or Medicaid, receipt of settlement money could affect your benefits eligibility. You should contact Social Security directly with any questions about this and may call its toll free number at 1-800-772-1213. If you have, or will have, a Special Needs or similar type of trust, or if you have a Trustee, you should notify Class Counsel of that before any monies are distributed (a space is provided on the Claims Form for this information). For all questions about the Settlement, you may contact Class Counsel at:

Sussman & Watkins
PO Box 1005 - 1 Railroad Ave.
Goshen, NY 10924
(845) 294-3991
Michael Sussman: sussman1@frontiernet.net
Christopher Watkins: chris_sussman1@frontiernet.net

Making a Claim: Enclosed with this Notice is your individual Claims Form (the enclosed pink form), listing your name, your length of stay at SLS during the class period, and your individual settlement award. In addition, on that same form, is a Declaration regarding Medicare (not Medicaid). Medicare benefits are usually only given to people 62.5 years old or older, and in some other limited circumstances. Medicare is different from Medicaid, which you may receive if you have very limited assets and a documented disability that impairs your ability to work. While many Class Members may receive Medicaid, very few are likely to receive Medicare.

To make a claim, (1) sign and date the Award Section (Section One) of the Claims Form; (2) sign and date the applicable Declaration regarding Medicare (*either* Section Two or Three) on the Claims Form; and (3) mail the completed Claims Form back to Sussman & Watkins in the enclosed self-addressed stamped envelope. If you have a Trust or Trustee that your settlement amount should be paid to, please provide that information on the line provided.

If you do not currently receive Medicare benefits, and do not expect to in the next thirty months, then you must sign and date the “Non-Medicare Recipient Declaration” (Section Two). This will apply to the vast majority of Class Members.

If you do receive Medicare benefits, then you have a Medicare Health Insurance Claim (HIC) number and a Medicare card. If that applies to you, or if you otherwise

expect to receive Medicare in the next thirty months (for example, you are 60 years old or older), then you must sign and fill out the “Medicare Recipient Declaration.” Sussman & Watkins will then assist you in obtaining from Medicare either a certification of no lien against your settlement award or the amount of any claimed Medicare lien.

Once you have completed the Claims Form, mail it back to Sussman & Watkins. The initial deadline to mail back your Claims Form is February 13, 2015. There will be a second chance for Class Members to submit Claims Forms after the Court gives final approval of the settlement, but you should get your Claims Form in now to avoid any problems regarding your claim. If you lose or misplace your Claims Form, you should contact Sussman & Watkins for a new one.

Timing of Settlement Payments: The settlement funds will be distributed within thirty days or so after the Court has given its final approval of the settlement. Currently, the Fairness Hearing for the judge to make that determination is scheduled for February 24, 2015 at 10:00 a.m., but it may be adjourned or continued. You can check the website of Sussman & Watkins (www.sussmanwatkinslaw.com) for updates regarding the status of the settlement, including notification of when the judge has given final approval of the settlement and the anticipated date settlement awards will be mailed to class members who submitted Claims Forms.

Once the judge has given final approval of the settlement, Sussman & Watkins will send out Notices and Claims Forms to any class members who did not submit claims forms to give them a second chance to do so. The final deadline for those class members will be 120 days from that second-chance mailing. Once the final deadline has passed, then any unclaimed settlement funds will be re-distributed to those class members who have submitted Claims Forms, on a *pro rata* basis. Again, you can check the www.sussmanwatkinslaw.com website for updates about this process, including when you might receive a second settlement amount.

If You Object to the Settlement: You can ask the Court to deny approval by filing an objection. You can’t ask the Court to order a larger settlement. The Court can only approve or deny the settlement. If the Court denies approval, then no settlement payments will be made and the lawsuit will continue. If that is what you want, you may object.

You may object in writing. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. All written objections and any supporting papers must (a) clearly identify the case name and number, *Romano et al. v. SLS Residential, Inc. et al.*, Case Number 07 cv 2034 (MHD); (b) be submitted to the Court either by mailing them to Magistrate Judge Michael H. Dolinger, U.S. District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007-1312, or by filing them in person; and (c) be filed or postmarked on or before February 3, 2015.

The date of the final approval hearing before Judge Dolinger will be February 24, 2015 at 10:00 a.m., but it may change without further notice to the class. You may check the Court's PACER website, call the Court, or check on Sussman & Watkins' website, www.sussmanwatkinslaw.com, to confirm the date has not been changed.

If You Wish to Opt Out of the Settlement: Please note that whether or not you return a completed Claims Form, any individual claims that you may have against any of the SLS defendants will be fully and finally released once the Court gives its final approval of the settlement, unless you exclude yourself from the settlement.

If you wish to exclude yourself from the settlement, you must give written notice of that by no later than February 13, 2015. You can do so by sending such notice, with any supporting papers, either to Sussman & Watkins or to Judge Michael H. Dolinger U.S. District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007-1312. Please note that if you don't want to receive your settlement award for any reason, you do not need to opt out, you can simply not return a completed Claims Form. In addition, if you opt out, strict statutes of limitations may apply to any individual claims that you may have and Sussman & Watkins will not agree to represent you in bringing any individual claims against the SLS defendants.

Keeping in Touch: If you would like Class Counsel (Sussman & Watkins) to be able to contact you more easily than through the mail, then you should include your email address and telephone number in the spaces provided on your Claims Form. This will be helpful to locate you in case you move and it will allow Class Counsel to send out updates to you through an email mailing list. Your contact information will be kept confidential and will not be shared with anyone else, including the SLS defendants.