

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

ALI VANDEVAR, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

AMERICAN RENAL ASSOCIATES
HOLDINGS, INC., JOSEPH A. CARLUCCI,
JASON M. BOUCHER, and JONATHAN L.
WILCOX,

Defendants.

Case No. 2:19-cv-09074-ES-MAH
Honorable Michael A. Hammer

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

If you purchased or acquired American Renal Associates Holdings, Inc. (“ARA” or the “Company”) common stock between August 10, 2016 and March 27, 2019, inclusive (the “Class Period”), you could get a payment from a proposed class action settlement (the “Settlement”).

TO CLAIM YOUR SHARE OF THE SETTLEMENT FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM POSTMARKED ON OR BEFORE JANUARY 4, 2021.

Under law, a federal court has authorized this Notice. This is not attorney advertising.

- If approved by the Court, the Settlement will provide five million seven hundred seventy-five thousand dollars (\$5,775,000) (the “Settlement Amount”) gross, plus interest as it accrues, minus attorneys’ fees, costs, administrative expenses, Award to Plaintiff, and net of any taxes on interest, to pay claims of investors who purchased or acquired ARA common stock during the Class Period. The Court is scheduled to hold a Settlement Hearing on January 12, 2021 to decide whether to approve the Settlement. **Please Note:** The date and time of the Settlement Hearing may change and/or it may be held by teleconference or videoconference, without further written notice to the Class. You should monitor the Court’s docket and the website maintained by the Claims Administrator, www.AmericanRenalSecuritiesLitigation.com, before making plans to participate in the Settlement Hearing. You may also confirm the date, time, and method of the Settlement Hearing by contacting Class Counsel by phone at 212-279-5050 or by email at info@aftlaw.com.
- Your recovery will depend on the number of shares of ARA common stock you, and other Settlement Class Members who file claims, purchased and sold, and the prices at which you, and the other Settlement Class Members who file claims, purchased and sold those shares. If claims are submitted for 100% of the eligible shares of ARA common stock, the estimated average recovery per share of common stock will be approximately \$0.37 per share before deduction of Court-approved fees, expenses and any Award to Plaintiff, and costs of notice and claims administration. This estimate solely reflects the average recovery per share of ARA common stock. It is not an estimate of the actual recovery per share you should expect. The actual amount per share you receive will depend on a number of factors, including the aggregate losses of all Settlement Class Members and other factors that are explained in the Plan of Allocation, below.
- Attorneys for Plaintiffs (“Plaintiffs’ Counsel”) have not received any payment for their work or reimbursement for expenses incurred in investigating the facts, conducting this litigation and negotiating the Settlement on behalf of the Lead Plaintiff and the Settlement Class (together, “Plaintiffs”). Plaintiffs’ Counsel intends to ask the Court to award them fees of up to 30% plus interest of the Settlement Amount (\$1,732,500.00), reimbursement of litigation expenses of no more than \$100,000.00 and an Award to Plaintiff not to exceed \$7,500.00. Collectively, the attorneys’ fees, reimbursement of expenses and Award to Plaintiff are estimated to average approximately \$0.12 per share. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The Settlement fully and finally resolves the Action (defined below) which claims that defendants (i) ARA, and (ii) Joseph A. Carlucci, Jason M. Boucher and Jonathan L. Wilcox (the “Individual Defendants”) (collectively, ARA and the Individual Defendants are the “Defendants”), allegedly violated federal securities laws by making misrepresentations

and/or omissions of material fact during the Class Period regarding ARA that purportedly had the effect of artificially inflating the price of ARA common stock. Specifically, Plaintiffs allege in the Complaint, among other things, that during the Class Period, Defendants misled investors by issuing financial statements that did not comply with Generally Accepted Accounting Principles (“GAAP”) and ultimately were restated, including statements regarding the effectiveness of its internal accounting controls. Defendants have denied and continue to deny to the fullest extent possible each, any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted by Plaintiffs and maintain that their statements were materially accurate and honestly made. Defendants have also denied, *inter alia*, allegations that Lead Plaintiff or the Settlement Class have suffered damages or that Lead Plaintiff or the Settlement Class were harmed by the conduct alleged in the Action. Defendants continue to believe the claims asserted against them in the Action are without merit.

- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN JANUARY 4, 2021	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN DECEMBER 8, 2020	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or the other Defendants’ Releasees concerning the Released Plaintiffs’ Claims.
OBJECT NO LATER THAN DECEMBER 22, 2020	Write to the Court about why you do not like any aspect of the Settlement.
GO TO A HEARING ON JANUARY 12, 2021	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. 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.

INQUIRIES

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Proof of Claim, or any other questions by Settlement Class Members should be directed to:

American Renal Assoc. Securities Litigation
 c/o Claims Administrator
 1650 Arch Street, Suite 2210
 Philadelphia, PA 19103
 Tel: (844) 559-0203
 Email: info@AmericanRenalSecuritiesLitigation.com

or

Abraham, Fruchter & Twersky, LLP
 One Penn Plaza, Suite 2805
 New York, NY 10119
 Tel: (212) 279-5050
 Fax: (212) 279-3655

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement, dated June 25, 2020 (the “Stipulation”).

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired the publicly-traded common stock of ARA during the Class Period (between August 10, 2016 and March 27, 2019, inclusive). The Court has directed this Notice be sent because, as a Potential Settlement Class Member, you have a right to know about your options before the Court rules on the Settlement. Additionally, 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 Lead Plaintiff, and approved by the Court, will make payments pursuant to the Settlement after any objections and appeals are resolved. This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about?

The case is known as *Vandevan v. American Renal Associates Holdings, Inc., et al.*, No. 2:19-cv-09074- ES-MAH (D.N.J.) (the “Action”). The Court in charge of the case is the United States District Court for the District of New Jersey.

The Action involves a claim that Defendants allegedly violated certain federal securities laws by making misrepresentations or omissions of material fact concerning ARA’s financial information and operations, which allegedly had the effect of artificially inflating the price of ARA common stock. The putative class includes all persons and entities who purchased or otherwise acquired the publicly-traded common stock of ARA during the Class Period. Lead Plaintiff claims that Settlement Class Members were harmed when Defendants allegedly revealed in several disclosures that certain of its financial statements should no longer be relied upon and would be restated, each of which was followed by a decline in the price of the Company’s stock price.

Specifically, Plaintiffs allege in the Complaint, among other things, that during the Class Period, Defendants misled investors by issuing financial statements that did not comply with GAAP and ultimately were restated, and by statements regarding ARA’s internal controls. In response to these allegations, Defendants filed a motion to dismiss the Complaint on January 17, 2020, which Plaintiffs opposed by filing an opposition memorandum on February 24, 2020. Prior to Defendants filing a reply memorandum, an agreement was reached to resolve the Action.

Defendants have denied and continue to deny to the fullest extent possible each, any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Action. Defendants believe all of the statements identified in the lawsuit were materially accurate when made and that they genuinely believed, and had a reasonable basis to believe, that they were accurate. Defendants also contend that the declines in the price of ARA stock were not due to any restatement of its financials because the restatement did not occur until after the Class Period. The Settlement shall in no event be construed as, or deemed to be evidence of, liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any of Defendants or Defendants’ Releasees, or of any infirmity of any defense, or of any damages to the Plaintiffs or any of Plaintiffs’ Releasees. The Settlement fully and finally resolves all of the claims in the Action, as well as certain other claims or potential claims, whether known or unknown.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called plaintiffs, sue on behalf of all persons and/or entities who have similar claims, thus alleviating the need for members of the class to file their own individual lawsuits to recover for the harm alleged. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known as class members. Once the class is certified, one court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a Settlement?

Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs’ allegations and Defendants’ defenses with respect to liability or the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to prevail at trial on each claim. The issues on which Plaintiffs and the Defendants disagree include: (1) whether the challenged statements alleged in the Complaint were materially false or misleading or otherwise actionable under federal securities law; (2) the causes of the loss in the value of ARA’s common stock; and (3) the amount of alleged damages, if any, that could be recovered at trial.

In early 2020, the Settling Parties agreed to mediate in hopes of narrowing or settling the Action. The Settling Parties selected as mediator the Honorable Layn R. Phillips of Phillips ADR, a former federal district court judge. In advance of mediation, the Settling Parties exchanged mediation statements, with Defendants sending their mediation statement

to Plaintiffs on February 7, 2020 and Plaintiffs sending their mediation statement to Defendants on February 20, 2020. The detailed mediation statements, which discussed liability, loss causation and damages, were also submitted to Judge Phillips.

On February 26, 2020, the Settling Parties participated in a mediation session before Judge Phillips. At the mediation, a settlement was not reached; however, the Settling Parties continued to negotiate a possible settlement in the days thereafter, with the assistance of Judge Phillips, and reached an agreement on March 11, 2020.

Lead Plaintiff and Lead Counsel believe that the claims asserted against the Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. Such risks include the potential challenges associated with proving that there were material misstatements and omissions in the public statements and public SEC filings at issue. Among other things, Defendants would argue that the restatement made only minor, immaterial revisions to reported financials, that the revisions led to increased results and caused ARA's stock price to increase, and that Defendants did not have the requisite intent to deceive any investors whatsoever. Lead Plaintiff disagrees, but all of these issues would have needed to be litigated and the outcome was uncertain.

There were also significant risks related to establishing loss causation and damages. Among other things, Defendants would argue that any stock price decrease was not caused by the alleged misstatements or omissions, but by overall market or industry forces. Moreover, in addition to arguing that multiple of the alleged corrective disclosures were insufficient as a matter of law, Defendants would argue that the restatement actually caused ARA's stock price to increase and therefore did not cause any damages. Had any of these arguments been accepted in whole or in part, they could have eliminated or, at a minimum, significantly limited any potential recovery. Further, in order to succeed, Lead Plaintiff would have had to prevail at several stages – on the motion to dismiss, obtaining class certification, on a motion for summary judgment, at trial, and even if Lead Plaintiff prevailed on those, on the appeals that were likely to follow. Thus, there were significant risks attendant to the continued prosecution of the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all. Even if Plaintiffs were to win at trial, and also prevail on any appeal, Plaintiffs might not be able to collect some, or all, of any judgment they are awarded. The Settlement permits Plaintiffs to avoid the cost and uncertainty of a trial, and permits eligible Settlement Class Members who submit valid claims to receive compensation.

In light of these risks, the uncertainty and the amount of the recovery for the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, as compared to the risk that the claims in the Action against the Defendants might produce a smaller, or no recovery, after the motion to dismiss, summary judgment, trial, and appeals.

Defendants have denied and continue to deny the claims asserted against them in the Action and deny to the fullest extent possible having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants believe all of the statements identified in the lawsuit were materially accurate when made and that they genuinely believed, and had a reasonable basis to believe, that they were accurate. Defendants also contend that the declines in the price of ARA stock were not due to any restatement of its financials because the restatement did not occur until after the Class Period and thus deny that the Settlement Class has suffered any losses or damages. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission by the Defendants of any wrongdoing, liability, loss causation or measure of damages.

5. How do I know if I am part of the Settlement?

The Settlement Class consists of those persons who purchased or otherwise acquired the common stock of ARA¹ during the Class Period, except for the exceptions from the Settlement Class, which are listed below.

6. Are there exceptions to being included?

Yes. Excluded from the Settlement Class are (i) Defendants and their respective successors and assigns; (ii) past and current officers and directors of ARA; (iii) Immediate Family Members of any Individual Defendant; (iv) the legal representatives, heirs, successors or assigns of the Individual Defendants; (v) Centerbridge Capital Partners L.P. and its subsidiaries and affiliated entities; (vi) any entity in which any of the above excluded Persons have or have had a majority ownership interest; and (vii) Opt-Outs.

¹ ARA common stock is listed on the New York Stock Exchange under the ticker symbol "ARA."

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator, Angeion Group at: American Renal Assoc. Securities Litigation, c/o Claims Administrator, 1650 Arch Street, Suite 2210, Philadelphia, PA 19103 or by email to info@AmericanRenalSecuritiesLitigation.com or visit the website at www.AmericanRenalSecuritiesLitigation.com or fill out and return the Proof of Claim described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement provides for Defendants to pay, or cause to be paid, five million seven hundred seventy-five thousand dollars (\$5,775,000) into a Settlement Fund. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay attorneys' fees with interest and reimbursement of reasonable litigation expenses to Plaintiffs' Counsel, and any Award to Plaintiff. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing this Notice and the costs of publishing notice. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Settlement Class Members who submit timely, valid claims, according to the Plan of Allocation to be approved by the Court.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of valid claims filed and the amounts of those claims; (ii) the dates you purchased and sold ARA common stock; (iii) the prices of your purchases and sales; and (iv) the number of shares of ARA common stock you purchased.

The Claims Administrator will calculate the amount of your Recognized Loss in accordance with the formula shown below in the Plan of Allocation and determine each Settlement Class Member's *pro rata* share of the Net Settlement Fund based upon each Settlement Class Member's valid Recognized Loss. After all Class Members have sent in their Proof of Claim forms, the payment you receive will reflect your Recognized Loss in relation to the Recognized Losses of all Persons submitting valid Proof of Claim forms. The Recognized Loss formula is not intended to be an estimate of the amount that a Settlement Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Settlement Class Members pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Settlement Class Members with valid claims.

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Settlement Fund is the Settlement Amount plus interest earned. The Settlement Fund less all taxes, approved costs, attorneys' fees and expenses and an Award to Plaintiff is the Net Settlement Fund.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Counsel has consulted with its damages expert. The Plan of Allocation, which reflects an equitable method to distribute the Net Settlement Fund based on an assessment of the damages that Settlement Class Members are estimated to have suffered as a result of the conduct alleged in the Complaint as opposed to losses caused by market-wide or industry-wide factors, or Company-specific factors unrelated to the alleged wrongdoing, subject to Court approval or modification without further notice, is as follows:

A. Determination of Authorized Claimants. The Net Settlement Fund shall be distributed to Settlement Class Members who submit timely and valid Proof of Claim forms ("Authorized Claimants"). A Potential Settlement Class Member who submits a request for exclusion is **not** an Authorized Claimant and will not receive a distribution from the Net Settlement Fund.

B. Determination of Eligible Shares. If there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to their loss, as defined below ("Recognized Loss"). If, however, the amount in the Net Settlement Fund is not sufficient to pay the total Recognized Losses of all Authorized Claimants, then each Authorized Claimant will be paid the percentage of the Net Settlement Fund that their Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants ("pro rata share"). The Recognized Loss will be used for calculating the relative amount of participation by Authorized Claimants in the Net Settlement Fund for purposes of distributing the Net Settlement Fund equitably and does not reflect the actual amount an Authorized Claimant can expect to recover from the Net Settlement Fund. The Claims Administrator will determine each Authorized Claimant's pro rata share of the Net Settlement Fund based on the per share calculations below multiplied by the number of shares purchased or otherwise acquired by Settlement Class Members during the Class Period.

Class Period sales, and holdings as of the close of trading on March 27, 2019, will be first matched with any pre-Class Period holdings and then matched with purchases or acquisitions during the Class Period in chronological order (“FIFO Matching”). Sales matched to pre-Class Period purchases shall have no loss or gain for the purpose of calculating the Recognized Loss. The price per share will not include commissions, taxes and fees, and the purchase or sale date is the trade date or contract date, not the settlement date. If the Authorized Claimant had a market gain from the total of all shares of ARA common stock purchased or otherwise acquired during the Class Period, the value of the Recognized Loss will be zero. A Settlement Class Member’s Recognized Loss cannot be greater than the net loss.

Short sales and purchases to cover short sales (whether they occurred before, during, or after the Class Period) are not included when calculating Recognized Loss or market loss (or gain).

C. Allocation of the Net Settlement Fund. The proposed Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim under the Settlement for the purpose of making pro-rata allocations of the Net Settlement Fund to Settlement Class Members who submit acceptable Proof of Claim forms.

The following proposed Plan of Allocation reflects the dates upon which Lead Plaintiff alleges the Settlement Class suffered economic loss as a result of purchasing or acquiring ARA common stock at artificially inflated prices during the Class Period due to alleged material misrepresentations or omissions by Defendants. These dates (“Event Days” or “Event Dates”) are:

- November 12, 2018: The first day of trading after ARA filed its Form 10-Q with the SEC, disclosing an inquiry by the SEC into ARA’s revenue recognition practices.
- March 8, 2019: The day ARA filed notification that it would delay the filing of its Form 10-K for the fiscal year ended December 31, 2018 with the SEC.
- March 28, 2019: The first day of trading after ARA announced forthcoming restatements of its financial reports for 2014-2017.

Table 1 below provides the recoverable loss amounts per share of common stock purchased or otherwise acquired during the Class Period and held at the close of trading prior to each Event Day. If any of the eligible shares held just prior to an Event Day were sold on that Event Day, the recoverable loss for that event on the sold shares is the lesser of (i) the full day recoverable loss listed in Table 1 and (ii) the previous day’s closing price listed in Table 1 minus the sale price received on the Event Day (thus, if you sold eligible shares on an Event Day and avoided some of the full day’s loss, then your recoverable loss for those shares will be less than the full day recoverable loss listed in Table 1).

Table 1 - Recoverable Loss Calculation Table for Eligible ARA shares – per share loss

Event Date	ARA Close	Previous Trading Date	ARA Previous Close	Per Share Recoverable Loss
11/12/18	\$16.76	11/9/18	\$17.50	\$0.74
3/8/19	\$10.46	3/7/19	\$12.51	\$2.05
3/28/19	\$6.01	3/27/19	\$9.70	\$3.69

The per share recoverable loss amounts listed in Table 1 are additive for eligible shares held across multiple Event Days; that is, a share purchased or otherwise acquired during the Class Period prior to 11/12/18 and held through the end of the Class Period can make a claim for the full recoverable losses for all three events. A Claimants’ total Recognized Loss will be the lesser of (i) the aggregate Recognized Loss associated with all Class Period purchases or acquisitions of ARA common stock, (ii) the Claimant’s market loss, or (iii) the damage limitations outlined in Section 21(D)(e)(1) and Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995.²

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “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.” The mean (average) closing trading price of ARA common stock during the 90-day period beginning on March 29, 2019 and ending on June 26, 2019 was \$6.57 per share.

Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, “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, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”

D. Minimum Distribution. No distribution will be made and no distribution check will be sent to any Authorized Claimant who would otherwise be provided an amount less than \$10.00 as their distribution from the Net Settlement Fund. Such Authorized Claimants will be bound by the terms of the Settlement.

E. Remaining Balance in the Settlement Fund. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if feasible and economical, reallocate such balance, among Authorized Claimants who have cashed their checks, in an equitable and economic fashion. An additional distribution may be made to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$20.00 on such additional distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that such additional distribution, after the deduction of any additional fees and expenses that would be incurred with respect to such additional distribution, is cost-effective and equitable. At such time as it is determined that an additional distribution of funds remaining in the Net Settlement Fund is not cost-effective and equitable, the remaining balance of the Net Settlement Fund shall be contributed to non-sectarian, not-for-profit 501(c)(3) organizations designated by Lead Counsel. Defendants retain no interest in or right to any residual amount remaining in the Settlement Fund.

F. Release. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Lead Counsel, Liaison Counsel, Defendants, Defendants' Counsel, and the other Defendants' 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. All Settlement Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

9. How can I get a payment?

To qualify for a payment, you must send in a form entitled "Proof of Claim." This Proof of Claim is attached to this Notice. You may also obtain a Proof of Claim on the Internet at www.AmericanRenalSecuritiesLitigation.com. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than January 4, 2021, to:

American Renal Assoc. Securities Litigation
ATTN: CLAIM FORM
1650 Arch Street, Suite 2210
Philadelphia, PA 19103

The Claims Administrator will process your claim and determine whether you are an Authorized Claimant. Please retain all records of your ownership of and transactions in ARA 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.

10. What am I giving up to get a payment or stay in the Class?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by the Stipulation and any orders issued by the Court in the Action. If the Settlement is approved, the Court will enter a judgment. Unless you exclude yourself from the Settlement Class by the December 8, 2020 deadline, you will remain a member of the Settlement Class and will be fully and completely bound by the Releases if the Settlement is approved and judgment entered. That means you and all other Settlement Class Members or your respective heirs, executors, administrators, predecessors, successors, representatives, attorneys, agents 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, to the fullest extent allowed by law, each and every Released Plaintiffs' Claim (including Unknown Claims) against the Defendants and the other Defendants' Releasees, whether or not such Settlement Class Member executes and delivers the Proof of Claim or shares in the Settlement Fund, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims (as defined in the Stipulation, which is available at www.AmericanRenalSecuritiesLitigation.com) against any of the Defendants' Releasees. It means that all of the Court's orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as sole compensation for any losses you suffered in the purchase, acquisition, sale or ownership of ARA common stock for the claims that arise out of the allegations asserted in the Action. The specific terms of the release are included in the Stipulation.

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants or the other Defendants' Releasees on your own about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. To exclude yourself from the Settlement, you must mail an exclusion request that (a) clearly indicates your name, address, phone number and e-mail contact information, and in the case of entities, the name, address, telephone number and e-mail address of the appropriate contact person, (b) states that you (or it) "request to be excluded from the Settlement Class in *Vandever v. American Renal Associates Holdings, Inc., et al.*, No. 2:19-cv-09074-ES-MAH (D.N.J.)," (c) states the date, number of shares and dollar amount of each ARA common stock purchase or acquisition and any sale transactions, and provides appropriate documentary proof of such purchases/acquisitions and sales, and (d) states the number of shares of ARA common stock held by you as of the date of the submission of your exclusion request. In order to be valid, such request for exclusion must be submitted with documentary proof (i) of each purchase and, if applicable, sale transaction of ARA common stock and (ii) demonstrating your status as a beneficial owner of the ARA common stock. The documentary proof can be in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator or Class Counsel. Any such request for exclusion must be signed and submitted by you, as the beneficial owner, under penalty of perjury. You must mail your exclusion request, to be received no later than December 8, 2020, to the Claims Administrator at the following address:

American Renal Assoc. Securities Litigation
ATTN: EXCLUSION REQUEST
P.O. Box 58220
Philadelphia, PA 19102

You cannot exclude yourself by telephone or by e-mail. A request for exclusion shall not be valid and effective unless it provides all the information and documentation called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

If you properly exclude yourself, you will not receive a payment from the Net Settlement Fund, you cannot object to the Settlement, and you will not be legally bound by the judgment in this case.

12. If I do not exclude myself, can I sue Defendants or the other Defendants' Releasees for the same thing later?

No. Unless you follow the procedure outlined in this Notice to exclude yourself, you fully and completely give up any right to sue Defendants or the other Defendants' Releasees for the claims being released in this Settlement. If you have a pending lawsuit related to any Released Claims, speak to your lawyer in that case immediately, since you must exclude yourself from this Settlement Class to continue your own lawsuit.

13. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

No. If you exclude yourself, do not send in a Proof of Claim.

14. Do I have a lawyer in this case?

The Court appointed Abraham, Fruchter & Twersky, LLP as Lead Counsel to represent you and the other Settlement Class Members. There is also Liaison Counsel for Plaintiffs who have worked on the case. You will not be directly charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Abraham, Fruchter & Twersky, LLP is provided below.

15. How will the lawyers be paid?

Plaintiffs' Counsel have expended considerable time litigating this Action on a contingent fee basis, and have paid for the expenses of the case themselves. They have not been paid attorneys' fees or reimbursed for their expenses in advance of this Settlement. Plaintiffs' Counsel have done so with the expectation that, if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Plaintiffs' Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Plaintiffs' Lead Counsel Abraham, Fruchter & Twersky, LLP, One Penn Plaza, Suite 2805, New York, NY 10119, will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees, on behalf of all Plaintiffs' Counsel, in an amount not to exceed 30% of the Settlement Amount (\$1,732,500.00) plus interest. At the same time, Lead Counsel also intends to apply to the Court for reimbursement of litigation expenses of no more than \$100,000.00 and an Award to Plaintiff not to exceed

\$7,500.00 for the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class. The attorneys' fees and reimbursement of expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Settlement Class Members are not personally responsible for any such fees or expenses. The Court determines what counsel should receive from the Settlement Fund for fees and reimbursement of expenses and an Award to Plaintiff, and may award less than the amounts requested.

16. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, Plaintiffs' Counsel's motion for attorneys' fees and reimbursement of expenses and application for an Award to Plaintiff, and that you think the Court should not approve the Settlement, by mailing a letter and/or other documents stating that you object to the Settlement in the matter of *Vandever v. American Renal Associates Holdings, Inc., et al.*, No. 2:19-cv-09074-ES-MAH (D.N.J.). Be sure to include (1) your name, address, and telephone number, (2) a list of all purchases and sales of ARA common stock in order to show membership in the Settlement Class and documents sufficient to prove membership in the Settlement Class, (3) all grounds for the objection, including any legal and evidentiary support known to you or your counsel, (4) the name, address and telephone number of all counsel, if any, who represent you, including your former or current counsel who may be entitled to compensation in connection with the objection, and (5) the number of times you and/or your counsel has filed, authorized or approved an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case. Attendance at the Settlement Hearing is not necessary. Objectors wishing to be heard orally at the Settlement Hearing are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline) that they intend to appear at the Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Be sure to serve copies of any objections, papers and briefs to **each** of the addresses listed below and file them with the Court, to be received no later than December 22, 2020:

Clerk of the Court United States District Court District of New Jersey 50 Walnut Street Newark, NJ 07101	PLAINTIFFS' COUNSEL: Mitchell M.Z. Twersky Abraham, Fruchter & Twersky LLP One Penn Plaza, Suite 2805 New York, NY 10119	DEFENDANTS' COUNSEL: Jason C. Hegt Latham & Watkins LLP 885 Third Avenue New York, NY 10022
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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, shall be forever foreclosed from making any objection to the Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses and an Award to Plaintiff, will be bound by all the terms and provisions of the Stipulation and by all proceedings, orders and judgments in the Action and will be foreclosed from appealing from any judgment or order entered in this Action. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

17. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object only if you stay in the Settlement Class. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

18. When and where will the Court decide whether to approve the Settlement?

The Court is scheduled to hold a Settlement Hearing on January 12, 2021, at 11:00 a.m., at the United States District Court, District of New Jersey, Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Courtroom 5A, Newark, New Jersey 07101. **Please Note:** The date and time of the Settlement Hearing may change and/or it may be held by teleconference or videoconference, without further written notice to the Class. You should monitor the Court's docket and the website maintained by the Claims Administrator, www.AmericanRenalSecuritiesLitigation.com, before making plans to participate in the Settlement Hearing. You may also confirm the date, time, and method of the Settlement Hearing by contacting Class Counsel by phone at 212-279-5050 or by email at info@aftlaw.com.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Plaintiffs' Counsel for attorneys' fees and for the reimbursement of expenses and how much to award Lead Plaintiff. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees, reimbursement of expenses and an Award to Plaintiff, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the Settlement Class Members.

19. Do I have to come to the Settlement Hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary to do so.

20. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or Defendants' Releasees about the Released Plaintiffs' Claims (as defined in the Stipulation, which is available at www.AmericanRenalSecuritiesLitigation.com) ever again.

21. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You can obtain a copy of the Stipulation or more information about the Settlement by visiting www.AmericanRenalSecuritiesLitigation.com or by contacting the Claims Administrator or Lead Counsel, as follows:

American Renal Assoc. Securities Litigation
c/o Claims Administrator
1650 Arch Street, Suite 2210
Philadelphia, PA 19103
Tel: (844) 559-0203
Email: info@AmericanRenalSecuritiesLitigation.com

or

Abraham, Fruchter & Twersky, LLP
One Penn Plaza, Suite 2805
New York, NY 10119
Tel: (212) 279-5050
Fax: (212) 279-3655

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
Martin Luther King Building & U.S. Courthouse
50 Walnut Street
Newark, New Jersey 07101

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

1. The Court has ordered that if you held any ARA common stock purchased or acquired between August 10, 2016 and March 27, 2019, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) request additional copies of the Notice and Proof of Claim, and within ten (10) days of receipt, send a copy of this Notice and the Proof of Claim by first-class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at:

American Renal Assoc. Securities Litigation
c/o Claims Administrator
1650 Arch Street, Suite 2210
Philadelphia, PA 19103

2. If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. If you do not intend to comply with the provisions of this section you are to notify the Claims Administrator of that fact at the address listed above.

3. If you choose to complete the mailing yourself, you may obtain reimbursement for reasonable administrative costs (maximum amount of \$0.75 per mailing) actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: September 3, 2020

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEW JERSEY