

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

NORFOLK COUNTY RETIREMENT SYSTEM,
individually and on behalf of all others similarly situated,

Plaintiff,

v.

COMMUNITY HEALTH SYSTEMS, INC., WAYNE T.
SMITH and W. LARRY CASH,

Defendants.

Consolidated
Civil Action No.: 11-cv-0433

Judge Eli Richardson
Magistrate Judge Joe B. Brown

NOTICE OF CLASS CERTIFICATION AND PROPOSED SETTLEMENT

TO: ALL PERSONS AND ENTITIES THAT PURCHASED THE PUBLICLY TRADED COMMON STOCK OF COMMUNITY HEALTH SYSTEMS, INC. (“CHSI” OR “THE COMPANY”) FROM JULY 27, 2006 THROUGH APRIL 8, 2011, INCLUSIVE (“CLASS MEMBERS”). CLASS MEMBERS MAY ALSO FILE CLAIMS FOR PURCHASES OF CHSI COMMON STOCK FROM APRIL 11, 2011 THROUGH OCTOBER 26, 2011.

IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM BY JUNE 27, 2020.

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the United States District Court for the Middle District of Tennessee (the “Court”). This Notice serves to inform you of the proposed settlement of the above-captioned class action lawsuit for \$53,000,000.00 in cash (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated January 21, 2020 (the “Stipulation”), by and between Lead Plaintiff, New York City Employees’ Retirement System, the Teachers’ Retirement System of the City of New York, the New York City Fire Department Pension Fund, the New York City Police Pension Fund, and the Teachers’ Retirement System of the City of New York Variable Annuity Program (collectively, “Lead Plaintiff” or “the Funds”), on behalf of itself and the Class (as defined below), on the one hand, and Defendant Community Health Systems, Inc. (“CHSI”), CEO Wayne T. Smith, and former CFO W. Larry Cash, on the other hand (collectively, “Defendants”).¹

This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit or whether the Defendants engaged in any wrongdoing.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM AND RELEASE	The only way to be eligible to receive a payment from the Settlement. Proofs of Claim and Release must be postmarked (if mailed) or received (if submitted online) on or before June 27, 2020.

¹ The Stipulation and other relevant documents can be viewed and/or downloaded at www.CHSSecuritiesSettlement.com. All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.

EXCLUDE YOURSELF BY SUBMITTING A REQUEST IN WRITING	Receive no payment. This is the only option that might allow you to bring (or continue to bring) an individual lawsuit against the Defendants asserting the legal claims being released in this case, if you have a valid and timely claim. PLEASE NOTE: Due to the age of the Litigation, <i>it is likely</i> that investor individual claims will be untimely and subject to dismissal. Requests for exclusion must be postmarked on or before May 18, 2020.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION	Write to the Court about why you do not like the Settlement, the Plan of Allocation and/or the request for attorneys' fees and expenses. Objections must be postmarked on or before May 18, 2020.
GO TO THE HEARING ON JUNE 19, 2020, AND FILE A NOTICE OF INTENTION TO APPEAR	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be postmarked on or before May 18, 2020. If you submit a written objection, you may (but you do not have to) attend the hearing.
DO NOTHING	Receive no payment. You will, however, still be a Class Member, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Person about the legal claims being resolved by this Settlement, and you will be bound by any judgments or orders entered by the Court in the Litigation.

SUMMARY OF THIS NOTICE

Description of the Litigation and the Class

This Notice relates to a proposed settlement of claims in a pending securities class action brought by CHSI investors alleging that Defendants violated the federal securities laws by making materially false and misleading statements or omitting to state facts necessary to make statements not misleading in public filings and other public statements from July 27, 2006 through October 26, 2011, inclusive (the "Class Period"). A more detailed description of the Litigation is set forth on pages 3-4 below. The proposed Settlement, if approved by the Court, will settle claims of the Class, as defined on page 4 below.

Statement of Class Recovery

Pursuant to the Settlement described herein, a \$53,000,000.00 settlement fund has been established (the "Settlement Amount"). The Settlement Amount together with any interest earned thereon is the "Settlement Fund." The Settlement Fund, less (a) any taxes, (b) any Notice and Administration Expenses, (c) any attorneys' fees and litigation costs, charges and expenses (including any award to Lead Plaintiff of their costs and expenses in representing the Class) awarded by the Court, and (d) any other Court-approved deductions, will be distributed to Class Members in accordance with a plan of allocation that is approved by the Court. The proposed Plan of Allocation is set forth on pages 5-8 below. Based on Lead Plaintiff's estimate of the number of CHSI Stock eligible to recover, the average distribution under the Plan of Allocation is roughly \$0.442 per common share before deduction of any taxes on the income earned on the Settlement Fund, Notice and Administration Expenses, allowable attorneys' fees and expenses, and a fee award to Lead Plaintiff as determined by the Court. Class Members should note, however, that these are only estimates. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's claims as compared to the total claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member may receive more or less than these estimated average amounts. *See* Plan of Allocation at pages 5-8 below for more information on the calculation of your claim.

Statement of Potential Outcome of Case

The Settling Parties disagree on both liability and damages and do not agree on the amount of damages per share, if any, that would be recoverable if the Class prevailed on each claim alleged. Defendants deny that they are liable to the Class and deny that the Class has suffered any injury or damages. The issues on which the parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Class under the federal securities laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) whether the Funds are typical of and adequately represent other Class Members; (4) the definition and scope of the certified class; (5) the appropriate economic model for determining the amount by which the prices of CHSI Stock were allegedly artificially inflated (if at all) during the Class Period; (6) the amount, if any, by which the prices of CHSI Stock were allegedly artificially inflated (if at all) during the Class Period; (7) the effect of various market forces on the prices of CHSI Stock at various times during the Class Period; (8) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the prices of CHSI Stock at various times during the Class Period; and (9) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted or misstated influenced (if at all) the price of CHSI Stock during and at the close of the Class Period.

Statement of Attorneys' Fees and Expenses Sought

Lead Counsel will apply to the Court on behalf of Plaintiffs' Counsel (Lead and Local Counsel) for an award of attorneys' fees of 9.75 percent of the Settlement Amount, plus costs, charges and expenses not to exceed \$1,130,000, and a fee award to Lead Plaintiff not to exceed \$200,000 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with its representation of the Class, plus interest earned on all amounts at the same rate as earned by the Settlement Fund. Since the Litigation's inception in 2011, Lead Counsel over the course of nearly nine years, expended considerable time and effort in the prosecution of this Litigation. That work was performed on a wholly contingent basis. Lead Counsel also advanced all of the expenses of the Litigation in the expectation that if they were successful in obtaining a recovery for the Class, the expenses would be reimbursed from such recovery. Lead Counsel's requested fee award would equal an hourly rate of approximately \$133 per hour and represents a small percentage of their time charges in the Litigation. The requested attorneys' fees, costs, charges and expenses amount to an average cost of approximately \$0.065 per allegedly damaged CHSI common share. The average cost per damaged share will vary depending on the number of acceptable Proofs of Claim submitted.

Further Information

For further information regarding the Litigation or this Notice or to review the Stipulation, please contact the Claims Administrator, A.B. Data, Ltd., toll-free at 866-217-4457, or visit the website www.CHSSecuritiesSettlement.com.

You may also contact a representative of counsel for the Class: Barbara Hart, Lowey Dannenberg, P.C., 44 South Broadway, Suite 1100, White Plains, NY 10601, 914-997-0500, www.lowey.com.

Please Do Not Call the Court or Defendants with Questions About the Settlement.

Reasons for the Settlement

Lead Plaintiff's principal reason for entering into the Settlement is the benefit to the Class now, without further risk or the delays inherent in continued litigation. The cash benefit under the Settlement must be considered against the significant risk that a smaller recovery – or, indeed, no recovery at all – might be achieved after trial, and likely appeals, a process that could last several years into the future. Moreover, Lead Plaintiff has concluded that a judgment in the amount of alleged classwide damages (\$891,000,000) likely would not be collectible against CHSI given the Company's reported financial results and available cash resources to satisfy such a judgment.

Defendants have denied and continue to deny each and all of the claims alleged by Lead Plaintiff in the Litigation. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiff or the Class has suffered any damage, or that Lead Plaintiff or the Class was harmed by the conduct alleged in the Litigation. For Defendants, the principal reason for entering into the Settlement is to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation, especially in complex cases such as this Litigation. Defendants have concluded that continuing to defend this Litigation would be expensive, protracted, and hinder the Company's ability to implement its business plans.

WHAT IS THIS LAWSUIT ABOUT?

THE ALLEGATIONS

The Litigation is currently pending in the United States District Court for the Middle District of Tennessee before the Honorable Eli Richardson (the "Court"). On May 9, 2011, the initial complaint in this Litigation was filed. On December 28, 2011, the Funds were appointed Lead Plaintiff and Lowey Dannenberg, P.C. ("Lowey") was appointed as Lead Counsel.

Lead Plaintiff's First Amended and Consolidated Class Action Complaint ("the FAC") alleges that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a). Specifically, Lead Plaintiff alleges that CHSI, the largest for profit hospital system in the United States used aggressive admissions criteria, known as the "Blue Book," to improperly increase lucrative Medicare admissions. The FAC alleges that on April 11, 2011, Tenet Healthcare Corp. ("Tenet"), an acquisition target of the Company, first revealed CHSI's long-standing use of the Blue Book in an anti-takeover lawsuit. Lead Plaintiff alleges that Defendants acknowledged that CHSI's affiliated hospitals (1) had used the Blue Book, but (2) were beginning to switch to third-party-published admission criteria, known as "InterQual." Lead Plaintiff further alleges that Defendants denied any wrongdoing and misrepresented the expected effect that discontinuing the Blue Book would have on CHSI's financial performance. Lead Plaintiff alleged that in response to the Tenet lawsuit CHSI's stock declined \$14.41 per share, or nearly 36%, in the heaviest one-day trading volume in the Company's history.

The FAC also alleges that, following Tenet's complaint, the Company disclosed a government investigation concerning CHSI's admission practices, contact by the Department of Justice regarding a recently unsealed whistleblower complaint that made charges similar to Tenet's, and that CtW Investment Group had sent a letter to CHSI's Board. The FAC alleges that on October 26, 2011, CHSI released declining admissions results year over year for 3Q2011. CHSI's report and Defendants' related disclosures allegedly confirmed to the market that the Company's historical admissions practices using the Blue Book had driven CHSI's superior performance and that CHSI's denials of Tenet's claims were false.

The FAC also alleges that while in the possession of material, non-public information, Defendants Smith and Cash sold exercised vested stock options in 2009 and 2010 at a substantial profit.

The FAC expanded the class period to capture events that occurred from the filing of Tenet's lawsuit on April 11, 2011 through October 26, 2011 when the Company reported declining 3Q2011 admissions (the "Extended Class Period"). The FAC alleges that in response to CHSI's October 26, 2011 disclosures, CHSI stock dropped another 11.4% on October 27, 2011.

Defendants deny all of Lead Plaintiff's allegations. Defendants contend that they did not make any false or misleading statements and that they disclosed all information required to be disclosed by the federal securities laws.

THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO LEAD PLAINTIFF OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS LITIGATION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

PROCEDURAL HISTORY

The Settling Parties will have vigorously litigated this case for almost nine years. They briefed and argued two rounds of motions to dismiss the Class's claims both in the district court, and after the FAC was dismissed, before the United States Court of Appeals for the Sixth Circuit. After the Sixth Circuit reversed the dismissal of the FAC and denied Defendants' application for rehearing, Lead Plaintiff successfully opposed Defendants' request for review by the United States Supreme Court.

After the case was fully reinstated, Lead Plaintiff (i) defeated Defendants' renewed motion to dismiss the FAC; (ii) engaged in further fact and class-related discovery; and (iii) prepared substantial briefing in support of class certification. Throughout the course of the Litigation, over 3,000,000 pages of documents were produced and 47 depositions were taken. On July 26, 2019, the Court granted Lead Plaintiff's motion for class certification and appointed Lead Plaintiff as Class Representative and Lowey as Class Counsel. While Lead Plaintiff had sought certification of a class of all CHSI common stock purchasers from July 27, 2006 through October 26, 2011, Defendants argued that the Class definition should exclude first-time purchasers during the Extended Class Period because those newly added claims were time barred by the applicable statute of limitations. The Court excluded from the class investors who did not purchase on or before April 8, 2011, but did not base its ruling on timeliness grounds.

On October 2, 2019, at Lead Plaintiff's request, the Court clarified that the Class includes all purchasers of the publicly traded common stock of CHSI from July 27, 2006 through April 8, 2011, inclusive ("Class Members") and that those Class Members could also base their claims on purchases of publicly traded common stock of CHSI from April 11, 2011 through October 26, 2011 (to the extent that Class Members held their stock until October 26, 2011). The Court explained that it excluded "those who purchased *only after* April 8, 2011 (*i.e., only during the extended period*)" because, in litigation, those purchasers "ha[d] every incentive to minimize the significance of [Tenet's April 11, 2011] disclosures." In contrast, Class Members like Lead Plaintiff who purchased at least some CHSI shares prior to Tenet's disclosures "ha[d] an incentive to maximize the significance of Tenet's April 11, 2011 disclosures." Defendants filed petitions seeking to appeal the class certification order in the Sixth Circuit (on other grounds), which Lead Plaintiff opposed. On October 24, 2019, the Sixth Circuit denied Defendants' petitions.

The Settling Parties participated in two in-person mediation sessions, as well as numerous telephone conferences, over several years with the Honorable Layn R. Phillips (Ret.), a retired United States District Judge and an experienced mediator. On September 24, 2019, the parties, including principals and outside counsel for both sides, met for a full-day mediation. The mediation was facilitated by Judge Phillips, who had facilitated the prior mediation and discussions between the parties, as well as the settlement of the related Derivative Action. The mediation, although ultimately unsuccessful, was productive. The parties continued to have settlement discussions and work with Judge Phillips through Thanksgiving, November 28, 2019, when Judge Phillips presented the parties with his final recommendation. The parties followed Judge Phillips' recommendation and on November 29, 2019, reached an agreement in principle to settle the Litigation, subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court.

HOW DO I KNOW IF I AM A CLASS MEMBER?

You are a Class Member if you purchased CHSI Stock during the period from July 27, 2006 through April 8, 2011. The Class definition also includes the transactions of Class Members who purchased additional shares of CHSI common stock during the Extended Class Period, that is, from April 11, 2011 through October 26, 2011. Excluded from the Class are investors who purchased CHSI common stock for the first time only after April 8, 2011. Also excluded from the Class are: Defendants, the officers and directors of the company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entities in which Defendants have or had a controlling interest. Class Members may exclude themselves from the Settlement by following the instructions at page 9.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim and Release that is being distributed with this Notice and the required supporting documentation as set forth therein **postmarked or submitted online on or before June 27, 2020.**

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$53,000,000.00. This fund, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement, as well as attorneys' fees and expenses, and the payment of Lead Plaintiff's costs and expenses in representing the Class, as approved by the Court, will be distributed to eligible Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

WHAT IS THE PROPOSED PLAN OF ALLOCATION?

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Litigation. The Defendants and their counsel had no involvement in the Plan of Allocation or the investment of the Settlement Fund, and have no responsibility for or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim.

The Claims Administrator shall determine each Class Member's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described in the Plan of Allocation. A Recognized Loss will be calculated for each CHSI Stock purchased during the Class Period. The calculation of a Recognized Loss will depend upon several factors, including when the CHSI Stock was purchased and in what amounts, whether the CHSI Stock was ever sold, and, if so, when it was sold and for what amount. The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members send in and how many shares of CHSI Stock you purchased during the Class Period, and whether you sold any of those shares and when you sold them.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00.

In the event a Class Member has more than one purchase or sale of CHSI Stock during the Class Period, all such purchases and sales shall be matched on a First-In, First-Out ("FIFO") basis. Sales will be matched against purchases in chronological order, beginning with the earliest purchase made during the Class Period.

If a matched Class Period purchase and sale reflects a market gain, the recognized claim for the specific shares involved in the transaction will be \$0.00. The Claims Administrator shall allocate to each Authorized Claimant a pro rata share of the Net Settlement Fund based on his, her, or its recognized claim as compared to the total recognized claims of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$25.00.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For each purchase of CHSI common stock during the Class Period that is properly documented, a "Recognized Loss Amount" will be calculated according to the formulas described below. Such "Recognized Loss Amounts" will be aggregated across all purchases to determine the "Recognized Claim" for each Class Member.

2. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that 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.

3. The following restrictions on computing Recognized Losses apply to all claims by Class Members:

- "Short sales" will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.
- No Recognized Loss will be computed for any transactions in CHSI common stock engaged in by market makers.
- No Recognized Loss will be computed for CHSI common stock: (i) sold prior to April 11, 2011; or (ii) purchased on or after April 11, 2011 and sold prior to October 27, 2011.

RECOGNIZED LOSS AMOUNTS

4. Estimated damages and the Plan were developed based on event study analysis, which tries to determine how much artificial inflation was in the prices of such securities on each day during the Class Period by measuring how much the prices declined as a result of disclosures that corrected the alleged misrepresentations and omissions. A Recognized Loss Amount is calculated for each Class Member who purchased CHSI common stock during the Class Period based on when that claimant purchased and sold shares, or retained shares beyond the end of the Class Period.

5. Based on the formulas presented below, a Recognized Loss Amount will be calculated for each purchase of CHSI common stock during the Class Period that is listed on the Proof of Claim and Release form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

For shares of CHSI common stock purchased by Class Members from July 27, 2006 through October 26, 2011 (the “Class Period”):

- A. For shares sold between July 27, 2006 and October 26, 2011, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share.
- B. For shares sold between October 27, 2011 and January 24, 2012, the Recognized Loss shall be the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share; or
 - (3) the difference between the purchase price per share and the average closing price between October 27, 2011 and the date of sale, as found in Table B².
- C. For shares held at the end of trading on January 24, 2012, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and \$18.15.³

Table A

Purchase or Sale Date Range	Artificial Inflation Per Share
07/27/2006 – 04/08/2011	\$15.42
04/11/2011 – 10/26/2011	\$2.40

² 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.”

³ 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.” The mean (average) closing price of CHSI common stock during the 90-day period beginning October 27, 2011 and ending January 24, 2012 was \$18.15 per share.

Table B

Date of Sale	Average Closing Price Between 10/27/2011 and Date of Sale
10/27/2011	\$17.96
10/28/2011	\$17.94
10/31/2011	\$17.78
11/01/2011	\$17.85
11/02/2011	\$18.18
11/03/2011	\$18.38
11/04/2011	\$18.49
11/07/2011	\$18.65
11/08/2011	\$18.87
11/09/2011	\$18.98
11/10/2011	\$19.10
11/11/2011	\$19.29
11/14/2011	\$19.43
11/15/2011	\$19.54
11/16/2011	\$19.57
11/17/2011	\$19.56
11/18/2011	\$19.55
11/21/2011	\$19.51
11/22/2011	\$19.43
11/23/2011	\$19.33
11/25/2011	\$19.24
11/28/2011	\$19.20
11/29/2011	\$19.17
11/30/2011	\$19.20
12/01/2011	\$19.23
12/02/2011	\$19.21
12/05/2011	\$19.21
12/06/2011	\$19.19
12/07/2011	\$19.18
12/08/2011	\$19.13

Date of Sale	Average Closing Price Between 10/27/2011 and Date of Sale
12/9/2011	\$19.08
12/12/2011	\$19.03
12/13/2011	\$18.96
12/14/2011	\$18.90
12/15/2011	\$18.83
12/16/2011	\$18.77
12/19/2011	\$18.70
12/20/2011	\$18.64
12/21/2011	\$18.59
12/22/2011	\$18.55
12/23/2011	\$18.52
12/27/2011	\$18.49
12/28/2011	\$18.45
12/29/2011	\$18.41
12/30/2011	\$18.39
1/03/2012	\$18.37
1/04/2012	\$18.34
1/05/2012	\$18.32
1/06/2012	\$18.32
1/09/2012	\$18.32
1/10/2012	\$18.30
1/11/2012	\$18.29
1/12/2012	\$18.27
1/13/2012	\$18.24
1/17/2012	\$18.22
1/18/2012	\$18.19
1/19/2012	\$18.17
1/20/2012	\$18.15
1/23/2012	\$18.14
1/24/2012	\$18.15

A purchase or sale of CHSI Stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of CHSI Stock during the Class Period shall not be deemed a purchase or sale of CHSI Stock for the calculation of a claimant’s recognized claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument or assignment.

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Class Members. Thereafter, any balance that still remains in the Net Settlement Fund shall be donated to any appropriate non-profit charitable organization(s) unaffiliated with any party or their counsel serving the public interest.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim and Release. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

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

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Plaintiff, Lead Counsel, any Claims Administrator, any other Person designated by Lead Plaintiff's counsel, or any of the Released Persons based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and submit a valid and timely Proof of Claim and Release 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 Settlement, including the terms of any judgment entered and the releases given.

DO I NEED TO CONTACT LEAD COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?

No. If you have received this Notice and timely submit your Proof of Claim and Release to the designated address, you need not contact Lead Counsel. If your address changes, please contact the Claims Administrator toll-free at 866-217-4457 or at:

CHS Securities Settlement
P.O. Box 173093
Milwaukee, WI 53217

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Litigation will proceed as if the Stipulation had not been entered into.

WHAT ARE THE REASONS FOR SETTLEMENT?

The Settlement was reached after contested motion practice directed to the sufficiency of Lead Plaintiff's claims. The parties also completed document, deposition, and expert discovery for purposes of class certification. Nevertheless, the Court has not reached any final decisions in connection with Lead Plaintiff's claims against Defendants. Instead, Lead Plaintiff and Defendants have agreed to this Settlement, which was reached with the substantial assistance of a highly respected mediator. In reaching the Settlement, the parties have avoided the cost, delay and uncertainty of further litigation.

As in any litigation, Lead Plaintiff and the Class would face an uncertain outcome if they did not agree to the Settlement. If Lead Plaintiff succeeded at the upcoming trial, Defendants would likely file appeals that would postpone final resolution of the case. Continuation of the Litigation against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement. Moreover, even if Lead Plaintiff prevailed at trial, a judgment in the amount of claimed classwide damages would likely be uncollectible in full given the deterioration of CHSI's financial condition since the inception of the Litigation.

Lead Plaintiff and Lead Counsel believe that this Settlement is fair and reasonable to the Members of the Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a certain and immediate monetary recovery. Additionally, Lead Counsel believes that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are a very favorable result for the Class.

Defendants are entering into this Settlement because it would be beneficial to avoid the burden, inconvenience, and expense associated with continuing the Litigation, and the uncertainty and risks inherent in any litigation. Defendants have determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHO REPRESENTS THE CLASS?

The following attorneys are Lead Counsel for the Class:

Barbara J. Hart
LOWEY DANNENBERG, P.C.
44 South Broadway, Suite 1100
White Plains, NY 10601
Telephone: 914-997-0500

If you have any questions about the Litigation, or the Settlement, you are entitled to contact Lead Counsel for the Class at the phone number listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

CHS Securities Settlement
P.O. Box 173093
Milwaukee, WI 53217

or toll-free at 866-217-4457, or visit the website www.CHSSECURITIESSETTLEMENT.COM.

HOW WILL THE LEAD PLAINTIFF'S LAWYERS BE PAID?

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an attorneys' fee award in the amount of 9.75% of the Settlement Fund, plus reimbursement of costs, charges and expenses incurred in connection with this Litigation in an amount not to exceed \$1,130,000; and a fee award to Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4) in connection with its representation of the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and costs, charges and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this outstanding Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested represent only a fraction of the time charges incurred by Lead Counsel in the Litigation. The Court will decide what constitutes a reasonable fee award and may award an amount other than that requested by Lead Counsel.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. If you do not want to be bound by the Judgment or recover money from the Settlement Fund, and instead wanted to keep any claims you may have and any right you may have to sue the Defendants on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself from – or opting out of – the Class.

PLEASE NOTE: Due to the age of the Litigation, *it is not likely* that you will have a timely individual claim. This Settlement is likely the only way to recover money against the Defendants for the claims in this Litigation.

If you do not wish to be included in the Class, and you do not wish to participate in the proposed Settlement described in this Notice, you may request to be excluded. To do so, you must submit a written request for exclusion that must be **received on or before May 18, 2020** and must: (a) state the name, address, and telephone number of the Person(s) requesting exclusion; (b) identify the Person's purchases and sales of CHSI Stock made during the Class Period, including the dates of purchase or sale, prices paid or received, and the number of shares of CHSI Stock purchased or sold; (c) include the Person's signature; and (d) state that the Person wishes to be excluded from the Class. No request will be considered valid unless all of the information described above is included in the request. The request must be addressed as follows:

CHS Securities Settlement
EXCLUSIONS
P.O. Box 173001
Milwaukee, WI 53217

You cannot exclude yourself by phone or by e-mail.

If you ask to be excluded from the Class, you will not get any settlement payment. If you exclude yourself, you will not be legally bound by anything that happens in this Litigation. You might be able to sue (or continue to sue) Defendants in the future about the claims in this Litigation, but your claims are likely to be time barred by the statute of limitations. You should consult an attorney. Your claim can also be contested for all the reasons Defendants asserted as to Lead Plaintiff and other investors, and you may not prevail on the merits. Unless you exclude yourself, you give up any right to sue any of the Defendants about the claims that this Settlement resolves.

If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue or file any lawsuit alleging the same claims as alleged herein. A written request for exclusion that must be **received on or before May 18, 2020**.

If you exclude yourself, you will not be entitled to receive any money from the Settlement Fund. If you exclude yourself, do not send in a Proof of Claim and Release form to ask for any money.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES AND/OR THE PLAN OF ALLOCATION?

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs, charges and expenses, Lead Plaintiff's request for an award for representing the Class and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Class membership, with the Court and send a copy to Lead Counsel and Defendants' Counsel, at the addresses listed below **by May 18, 2020**. The Court's address is Estes Kefauver Federal Building & Courthouse, United States District Court for the Middle District of Tennessee, 801 Broadway, Nashville, TN 37203; Lead Counsel's address is Barbara J. Hart, Lowey Dannenberg, P.C., 44 South Broadway, Suite 1100, White Plains, NY 10601; Defendants' Counsel is Gary A. Orseck, Robbins Russell Englert Orseck Untereiner & Sauber LLP, 2000 K Street NW, 4th Floor, Washington, DC 20006. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?

If you are a Class Member and you did not exclude yourself from the Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

HOW CAN I GET A PAYMENT?

In order to qualify for a payment, you must timely complete and return the Proof of Claim and Release that accompanies this Notice. A Proof of Claim and Release is enclosed with this Notice and also may be downloaded at www.CHS SecuritiesSettlement.com. Read the instructions carefully; fill out the Proof of Claim and Release; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than June 27, 2020**. The Proof of Claim and Release may be submitted online at www.CHS SecuritiesSettlement.com. If you do not submit a timely Proof of Claim and Release with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you expressly excluded yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Released Persons from all Released Claims.

- “Released Claims” means all direct, representative, individual, or class claims, causes or action, or liability whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based on federal, state, local, statutory, common law, foreign law, or any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether known or unknown, pleaded or unpleaded, suspected or unsuspected, for compensatory, punitive or other damages or any other relief (monetary, injunctive or otherwise) which were or might have been brought by or on behalf of any member of the Class in the Litigation or in the complaints filed in the Litigation, including all claims arising from any disclosure or disclosure omission by or on behalf of the Released Parties during the Class Period and all claims which arise out of, are based upon, or are in any way related, directly or indirectly, to the purchase or acquisition of CHSI Stock during the Class Period, and to the facts, matters, allegations, transactions, events, disclosures, statements, acts or occurrences, representations or omission included, set forth, or referred to in the Complaint or that could have been alleged in the Complaint.
- “Released Parties” means Defendants and each and all of their Related Parties.
- “Related Parties” means, with respect to each Defendant, the immediate family members, heirs, executors, administrators, successors, assigns, present and former employees, officers, directors, general partners, limited partners, attorneys, assigns, legal representatives, underwriters, insurers, reinsurers, and agents of each of them, and any Person which is or was related to or affiliated with any Defendant or in which any Defendant has or had a controlling interest, and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, general partners, limited partners, employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, and agents of each of them.
- “Releasing Plaintiff Party” or “Releasing Plaintiff Parties” means Lead Counsel and each and every plaintiff, Class Member, and counsel to any plaintiff, and each of their respective past or present trustees, officers, directors, partners, employees, contractors, accountants, auditors, principals, agents, attorneys, predecessors, successors, assigns, representatives, affiliates, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Releasing Plaintiff Party who is an individual, as well as any trust of which any Releasing Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Releasing Plaintiff Parties does not include any Person who timely and validly sought exclusion from the Class, or any purchaser of CHSI Stock (i) who settled, compromised or otherwise resolved any claims against any Released Parties related to such purchaser’s CHSI Stock; (ii) who is not a member of the Class.
- “Unknown Claims” means (a) any and all Released Claims which any of the Releasing Plaintiff Parties do not know or suspect to exist in such party’s favor at the time of the release of the Released Parties, which, if known by such party, might have affected such party’s settlement with and release of the Released Parties, or might have affected such party’s decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or seek exclusion from the Class; and (b) any and all Released Parties’ claims that each of the Released Parties do not know or suspect to exist in such party’s favor at the time of the release of the Lead Plaintiff, the Class and Plaintiffs’ Counsel, which, if known by such Party might have affected his, her, or its settlement and release of Lead Plaintiff, the Class and Plaintiffs’ Counsel. With respect to (a) any and all Released Claims against the Released Parties, and (b) any and all Released Parties’ claims against Lead Plaintiff, the Class and Plaintiffs’ Counsel, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each Releasing Plaintiff Party and Released Party shall be deemed to have, and by operation of the Judgment shall have expressly waived, the provisions, rights, and benefits of 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.

The Settling Parties shall expressly waive and each Releasing Plaintiff Party and Released Party shall be deemed to have, and by operation of the Judgment 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, which is similar, comparable, or equivalent to California Civil Code §1542. The Releasing Plaintiff Parties and Released Parties acknowledge that they may hereafter discover facts in addition to or different from those which such party or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Parties' claims, but (a) the Releasing Plaintiff Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Plaintiff Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities, and (b) the Released Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and upon the Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Parties' claims against the Lead Plaintiff, the Class and Plaintiffs' Counsel, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Releasing Plaintiff Parties and Released Parties shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing on June 19, 2020, at 8:30 a.m., before the Honorable Eli Richardson at the United States District Court for the Middle District of Tennessee, Estes Kefauver Federal Building & Courthouse, Courtroom 874, 801 Broadway, Nashville, TN 37203, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$53,000,000.00 in cash should be approved by the Court as fair, reasonable and adequate; (2) Judgment as provided under the Stipulation should be entered; (3) to award Lead Counsel attorneys' fees and expenses out of the Settlement Fund and, if so, in what amount; (4) to award Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4) in connection with its representation of the Class out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to Members of the Class.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court **no later than May 18, 2020**, and showing proof of service on the following counsel:

Barbara J. Hart
Lowey Dannenberg, P.C.
44 South Broadway, Suite 1100
White Plains, NY 10601

Attorneys for Lead Plaintiff

Gary A. Orseck
Robbins Russell Englert Orseck Untereiner
& Sauber LLP
2000 K Street NW, 4th Floor
Washington, DC 20006

Attorneys for Defendants

Unless otherwise directed by the Court, any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this or any other proceeding or on any appeal) any objection and any untimely objection shall be barred.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by **no later than May 18, 2020**.

INJUNCTION

The Court has issued an order enjoining all Class Members from instituting, commencing, maintaining or prosecuting any action in any court or tribunal that asserts Released Claims against any Released Persons, pending final determination by the Court of whether the Settlement should be approved.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Litigation may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the United States District Court for the Middle District of Tennessee. For a fee, all papers filed in this Litigation are available at www.pacer.gov. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim and Release and proposed Judgment may be obtained by contacting the Claims Administrator at:

CHS Securities Settlement
P.O. Box 173093
Milwaukee, WI 53217

or toll-free at 866-217-4457, or visit the website www.CHSSecuritiesSettlement.com.

In addition, you may contact Lowey Dannenberg, P.C., 44 South Broadway, Suite 1100, White Plains, NY 10601, 914-997-0500, if you have any questions about the Litigation or the Settlement.

DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any CHSI Stock purchased during the Class Period, as a nominee for a beneficial owner, then, within fourteen (14) business days after you receive this Notice, you must provide to the Claims Administrator the name, the last known mailing address, and email address (if available) of each Person for whom you purchased CHSI Stock for during the Settlement Class Period:

CHS Securities Settlement
ATTN: Fulfillment
P.O. Box 173093
Milwaukee, WI 53217

Upon timely completion of this research and provision of information to the Claims Administrator, you may obtain reimbursement for or advancement of reasonable administrative costs, up to \$0.15 per Class Member identified, by providing appropriate documentation of your actual expenses.

The Claims Administrator is not permitted to provide nominee purchasers with bulk copies of this Notice for dissemination to Class Members, and nominee purchasers are not eligible for reimbursement of their print, postage and other expenses incurred due to their own dissemination of this Notice to potential Class Members.

DATED: February 28, 2020

BY ORDER OF THE
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE