

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HAMILTON PARTNERS, L.P., a New Jersey)	
limited partnership, and FILITSA)	
ALEXANDER,)	
)	
Plaintiffs,)	
)	
v.)	C. A. No. 6547-VCS
)	
HIGHLAND CAPITAL MANAGEMENT, L.P., a)	
Delaware limited partnership,)	
)	
Defendant.)	
)	

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL FORMER RECORD AND BENEFICIAL OWNERS OF COMMON STOCK OF AMERICAN HOMEPATIENT, INC. (THE "COMPANY" OR "AHP"), EXCLUDING DEFENDANT AND ITS AFFILIATES, WHO: (I) TENDERED SHARES TO THE COMPANY IN CONNECTION WITH THE COMPANY'S TENDER OFFER THAT EXPIRED ON SEPTEMBER 1, 2010, OR (II) OWNED COMPANY STOCK ON OCTOBER 12, 2010, AND THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, TRANSFEREES, AND ASSIGNEES, BUT EXCLUDING DEFENDANT AND ITS ASSOCIATES, AFFILIATES, LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS-IN-INTEREST, TRANSFEREES, AND ASSIGNEES.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE "RELEASED CLAIMS" (AS DEFINED BELOW).¹

IF YOU ARE A NOMINEE WHO HELD AHP STOCK FOR THE BENEFIT OF ANOTHER, READ THE SECTION BELOW ENTITLED "WHAT IF I HELD SHARES ON BEHALF OF SOMEONE ELSE?"

Why am I receiving this Notice?

You received this Notice because you have been identified as a former stockholder of AHP. The purpose of the Notice is to inform you of the above-captioned class action relating to AHP (the "Action"), a proposed settlement of the Action, and a hearing to be held by the Court of Chancery of the State of Delaware (the "Court"). The hearing will be held at the Court of Chancery, Kent County Courthouse, 414 Federal Street, Dover, Delaware 19901, on March 14, 2019 at 9:15 a.m., (the "Settlement Hearing") to (a) confirm that plaintiffs Hamilton Partners L.P. and Filitsa Alexander ("Plaintiffs") may properly serve as class representatives with the law firm Prickett, Jones & Elliott, P.A. as class counsel ("Class Counsel"), and whether Plaintiff and Class Counsel have adequately represented the interests of the Class in the Action; (b) determine whether a Stipulation and Agreement of Compromise, Settlement and Release dated November 21, 2018 (the "Stipulation"), and the terms and conditions of the Settlement (defined below) proposed in the Stipulation, are fair, reasonable, and adequate and in the best interests of the Class Members (defined below) and should be approved by the Court; (c) determine whether a Judgment (defined below) should be entered dismissing the Action and the Released Claims (defined below) as to the Released Parties (defined below) with prejudice as against Plaintiffs and the Class, releasing the Released Claims, and barring and enjoining prosecution of any and all Released Claims; (d) hear and rule on any objections to the Settlement; (e) consider the application of Class Counsel for an award of attorneys' fees and expenses, and any objections thereto; and (f) rule on such other matters as the Court may deem appropriate.

What is the Class and who is a Class Member?

The "Class" includes all former record and beneficial owners of common stock of American HomePatient, Inc. (the "Company"), excluding Defendant and its affiliates, who: (i) tendered shares to the Company in connection with the Company's tender offer that expired on September 1, 2010, or (ii) owned Company stock on October 12, 2010.

A member of the Class is referred to herein as a "Class Member."

¹ Capitalized terms defined herein, unless defined contemporaneously with their appearance, are defined in the section entitled "Definitions," which can be found on pages 6-8 below.

What is the Action about and what has happened in the Action to date?

THE DESCRIPTION OF THE ACTION AND SETTLEMENT WHICH FOLLOWS HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

On February 27, 2006, Defendant Highland Capital Management, LP (“Highland”) sent a letter to the Company proposing that it acquire all outstanding shares of the Company for \$3.40 per share. At this time, Highland held approximately 9.9% of the Company’s outstanding common stock, and approximately \$204 million of secured debt of the Company (82%), which was due to mature August 1, 2009 under the note issued in the bankruptcy reorganization that took place in 2003.

Weeks later Highland provided advance notice to the Company of its intent to nominate Patrick Daugherty, who headed Highland’s private equity investments, to the Company’s Board of Directors at the Company’s upcoming annual meeting. Highland also provided advance notice of its intent to seek stockholder approval of bylaw amendments designed to overcome the Company’s staggered board protections. Highland ultimately withdrew its nomination and proposed bylaw amendment.

Highland then began purchasing the Company’s equity. By April of 2007, Highland held approximately 48% of the Company’s outstanding voting power.

Highland proposed a restructuring to the Company’s Board of Directors in April 2009. A special committee (the “Special Committee”) was established to review the proposal. Its members included all the Company’s directors except Joseph F. Furlong III (“Furlong”), then the Chief Executive Officer and President of AHP. The Special Committee engaged Raymond James & Associates, Inc. (“Raymond James”) as its financial advisor to assist it in negotiations.

Highland ultimately offered to buy out the non-Highland stockholders for \$0.67 per share, and in April 27, 2010, the Company, its newly formed Nevada subsidiary, and Highland entered into the Restructuring Support Agreement (“Restructuring Agreement”).

In August of 2009, AHP secured debt matured. AHP’s creditors, including Highland, entered into a series of forbearance agreements thereafter, allowing AHP to avoid bankruptcy.

The Restructuring Agreement contemplated multiple steps: (i) AHP would acquire its debt held by certain debtholders; (ii) AHP would reincorporate in Nevada; (iii) AHP would refinance its debt; and (iv) AHP would conduct a self-tender offer (the “Self-Tender Offer”) at \$0.67 per share for all outstanding shares except those held by Highland. The refinancing of the debt and the Self-Tender Offer were to close simultaneously. After the completion of those steps, Highland would merge into a wholly owned subsidiary of Highland (the “Merger”) to cash out the Company’s remaining minority stockholders.

The reincorporation was completed June 30, 2010. The Company commenced the Self-Tender Offer on July 7, 2010. The Self-Tender Offer was conditioned on, among other things, the number of shares tendered, when added to the number of shares already held by Highland, comprising 90% of AHP’s outstanding equity (the “Minimum Condition”) and the refinancing of the Company’s debt.

The Minimum Condition was not met by the expiration date of the Self-Tender Offer. The Company and Highland agreed to extend the tender offer and also to reduce the minimum condition from 90% to 80%. The new Minimum Condition was met as of the close of business on September 1, 2010, and the tender offer closed.

In a Form 8-K filed the following day the Company announced that simultaneous to the closing of the Self-Tender Offer, the Company’s debt was refinanced.

On September 20, 2010, the Company filed with the SEC its definitive proxy statement in connection with the Merger. The Merger was effected on October 12, 2010.

Hamilton Partners filed its initial complaint in this Action on June 6, 2011, challenging the price at which Highland had taken AHP private. Highland and then-named defendant Furlong moved to dismiss the complaint on August 25, 2011. Following briefing and argument on the motions, this Court issued an opinion on May 25, 2012 deferring its ruling and ordering limited discovery on the intended meaning of Section 3.8 of the Restructuring Agreement. The limited discovery ensued.

Highland and Furlong filed supplemental briefing on their motions to dismiss on August 28, 2013. Plaintiff Hamilton Partners did the same on October 4, 2013 and oral argument was heard on July 30, 2014. The Court issued a

memorandum opinion on May 7, 2014, granting Furlong's motion to dismiss, and denying Highland's motion to dismiss. Discovery by the Parties continued.

Plaintiff Hamilton Partners moved for class certification on February 16, 2015. Highland filed its opposition on April 1, 2016. On April 29, 2016, Highland moved for summary judgment. Pursuant to a Fourth Amended Case Scheduling Order, discovery in the Action was stayed pending the outcome of Highland's motion for summary judgment and Plaintiff Hamilton Partners' motion for class certification. Briefing on the motions concluded on June 8, 2016.

With leave from the Court, Hamilton Partners, along with Alexander, filed an amended complaint on June 15, 2016 ("Amended Complaint"). Highland moved to dismiss the Amended Complaint on July 15, 2016. Briefing on the motion concluded on September 7, 2016, and at oral argument, Highland's motion to dismiss was denied on October 17, 2016. Highland filed its answer to the Amended Complaint on November 3, 2016 and the Parties continued discovery, including discovery from several non-parties, throughout 2017.

At periods throughout the litigation and more extensively in 2018, the Parties engaged in arms-length settlement communications in an attempt to resolve the Action. On April 4, 2018, the Parties reached an agreement in principle to settle the litigation and notified the Court of their agreement by letter on that same date.

In connection with settlement discussions and negotiations leading to the proposed Settlement, counsel for the Parties in the Action did not discuss the amount of any application by Plaintiff's Counsel for an award of attorneys' fees and Litigation Expenses until all other matters had been agreed upon.

What are the terms of the Settlement?

Plaintiffs, acting in their individual capacity and as representatives of the Class, and Defendant have agreed upon the Settlement of the Action. The terms and conditions of the Settlement are set forth in detail in the Stipulation, which has been filed with the Court of Chancery. The Settlement is subject to and will become effective only upon approval by the Court of Chancery. This Notice includes only a summary of various terms of the Settlement, and it does not purport to be a comprehensive description of its terms, which are available for review as described below (See the section below entitled "**How do I get further information?**"). The Stipulation provides, among other things, that in consideration for the full and final release, settlement, and discharge of any and all Released Plaintiff Claims (defined below) against the Released Defendant Parties (defined below), and the full and final release, settlement, and discharge of any and all Released Defendant Claims (defined below) against the Released Plaintiff Parties (defined below), the Parties have agreed that Defendant shall contribute eight hundred thousand dollars (\$800,000) (the "Settlement Amount") to an account to be distributed to certain Class Members.

The Stipulation provides that, after the payment of any award of attorneys' fees and Litigation Expenses to Class Counsel and any costs and expenses for distribution and administration of the Settlement Fund, the contents of the Settlement Fund shall be paid to Eligible Class Members.

Am I am entitled to receive proceeds from the Settlement?

Only Authorized Claimants (defined below) will qualify to share in the distribution of the Settlement Fund allocable to the Class after payment of an award of attorneys' fees and Litigation Expenses, and settlement administration expenses, including taxes and tax expenses.

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE AN AUTHORIZED CLAIMANT OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE SETTLEMENT, YOU MUST COMPLETE, EXECUTE, AND SUBMIT A PROOF OF CLAIM FORM POSTMARKED NO LATER THAN 120 DAYS AFTER THE DATE OF POSTING OF THIS NOTICE.

Under the terms of the Settlement, is each Class Member eligible to receive proceeds from the Settlement Fund?

No. The Class includes all former record and beneficial owners of common stock of AHP excluding Defendant and its affiliates, who: (i) tendered shares to AHP in connection with the Company's tender offer that expired on September 1, 2010, or (ii) owned AHP stock on October 12, 2010 and whose shares were extinguished in the Merger. Only Class Members who owned AHP stock on October 12, 2010 and whose shares were extinguished in the Merger are eligible to receive proceeds from the Settlement Fund. Under the terms of the Settlement, the remaining Class Members will be bound by the terms of the Settlement, but will not be eligible for proceeds from the Settlement Fund.

Why are some Class Members not eligible for proceeds from the Settlement Fund?

In the course of prosecuting this Action, Class Counsel determined that those Class Members who tendered shares to AHP in connection with the Company's tender offer that expired on September 1, 2010 would be unlikely to prevail on any claim at trial.

How much will my payment be?

If the Settlement and the proposed plan of allocation of the Net Settlement Fund to Class Members (the "Plan of Allocation") are approved by the Court, Eligible Class Member that has submitted a Settlement claim shall be paid an amount equal to their Eligible Shares divided by the total Eligible Shares subject to Settlement Claims times the Net Settlement Fund.

All checks for Settlement claims shall become stale ninety (90) calendar days from the date of issuance, at which time all funds remaining for such stale checks shall be irrevocably forfeited by their payees. Following the date on which distribution checks have become stale, the Settlement Administrator may conduct one or more further distributions of remaining funds, after payment of any unpaid or associated administrative costs, to Authorized Claimants who have cashed the checks issued in the prior distribution and who would receive at least \$20.00 in the further distribution. Such further distributions will be made in the discretion of Class Counsel, in consultation with the Settlement Administrator, in light of the amount of funds remaining and the administrative costs of a further distribution.

Additional provisions

A. All Class Members who fail to submit valid and timely Claim Form will be barred from participating in the distribution of the Class Fund but otherwise will be bound by all of the terms of the Stipulation, including the terms of any final orders or judgments entered and the releases given to Defendant and the other Released Parties.

B. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiff, Plaintiff's Counsel, the Settlement Administrator, or any other agent designated by Class Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. Plaintiff, Defendant, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or Distribution of the Settlement Fund, the Class Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any claim or nonperformance of the Settlement Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith, except as otherwise provided in the Stipulation.

C. The Class Fund will not be distributed to Authorized Claimants until the Court has approved the Settlement and the proposed Plan of Allocation (or such other allocation plan as the Court may approve), and the time periods for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, of the Judgment approving the Settlement and the Plan of Allocation have expired.

D. Defendant is not entitled to get back any portion of the Settlement Fund once the Court's Judgment approving the Settlement becomes Final (defined below). Defendant shall not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Class Fund or the Plan of Allocation.

E. Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

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

G. The Court has also reserved the right to modify the Plan of Allocation without further notice to Settlement Class Members. Any Orders regarding a modification of the Plan of Allocation will be posted on the Settlement Administrator's website, www.AmericanHomePatientIncSettlement.com.

H. The formulas set forth in the Plan of Allocation are not intended to estimate the amount a Class Member might have been able to recover after a trial in the Action; nor do they provide an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The formulas are the basis upon which the Class Fund will be proportionately allocated to Authorized Claimants.

I. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. All checks shall become stale 90 days from the date of issuance, at which time all funds remaining for such stale checks shall be irrevocably forfeited.

What will happen if the Court approves the Settlement?

If the Court approves the Settlement, then as of the Effective Date, as defined herein:

- a. The Action and the Released Claims shall be dismissed with prejudice, on the merits, and without costs;
- b. Upon the Effective Date, Plaintiffs and all Class Members, on behalf of themselves, their legal representatives, heirs, executors, administrators, estates, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, agree to fully, finally, and forever, release, settle, and discharge the Released Defendant Parties from and with respect to every one of the Released Plaintiff Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any Released Plaintiff Claims against any of the Released Defendant Parties;
- c. Upon the Effective Date, each of the Defendant and any person or entity acting for or on behalf of, or claiming under, Defendant, agree to fully, finally, and forever, release, settle, and discharge the Released Plaintiff Parties from and with respect to every one of the Released Defendant Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released Defendant Claims against any of the Released Plaintiff Parties;
- d. The Released Parties shall be deemed to be released and forever discharged from all of the Released Claims; and
- e. Plaintiff and all Class Members, and their respective heirs, executors, administrators, estates, predecessors in interest, predecessors, successors in interest, successors and assigns, will be forever barred and enjoined from commencing, instituting or prosecuting any Released Claims against any of the Released Parties.

In connection with settlement discussions and negotiations leading up to the Stipulation, counsel for the Parties did not discuss the amount or appropriateness of any potential application by Plaintiff's Counsel for attorneys' fees.

Neither the entry by the Parties into the Stipulation, nor the fact or any terms of the Settlement, or any communications relating thereto, is evidence, or an admission or concession by any Party, Class Member, or any other Released Defendant Party or Released Plaintiff Party, of any fault, liability, or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or as to the validity or merit of any of the claims or defenses alleged or asserted in the Action. Each Party has denied any and all allegations that the Party committed wrongdoing, that the Party has fault or liability, or that the Party caused damage in the Action.

The Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Action, any wrongdoing by any Party, Class Member, or other Released Defendant Party or Released Plaintiff Party, or any damages or injury to any Party, Class Member, or other Released Defendant Party or Released Plaintiff Party.

Neither the Stipulation, nor any of the terms and provisions of the Stipulation, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any statements in connection therewith, (a) shall (i) be argued to be, used, or construed as, offered, or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury, or damages, or of any wrongful conduct, acts, or omissions on the part of any of the Released Defendant Parties or Released Plaintiff Parties, or of any infirmity of any defense, or of any damage to Plaintiff or any other Class Member, or (ii) otherwise be used to create or give rise to any inference or presumption against any of the Released Defendant Parties or Released Plaintiff Parties concerning any fact or any purported liability, fault, or wrongdoing of the Released Defendant Parties or Released Plaintiff Parties or any injury or damages to any person or entity; or (b) shall otherwise be admissible, referred to, or used in any proceeding of any nature, for any purpose whatsoever; *provided, however*, that the Stipulation and/or Judgment may be introduced in any proceeding, whether in the Court or otherwise, as may be necessary to argue and establish that the Stipulation, following entry of the Judgment, and/or the Judgment has *res judicata*, collateral estoppel, or other issue or claim preclusion effect or to otherwise consummate or enforce the Settlement and/or Judgment or to secure any insurance rights or proceeds of any of the Released Defendant Parties or Released Plaintiff Parties.

THE SETTLEMENT OF THE ACTION, IF APPROVED BY THE COURT, ON THE TERMS AND CONDITIONS SET FORTH IN THE STIPULATION, WILL INCLUDE, BUT NOT BE LIMITED TO, A RELEASE OF ALL CLAIMS WHICH WERE OR COULD HAVE BEEN ASSERTED IN THIS ACTION.

THE COURT HAS NOT FINALLY DETERMINED THE MERITS OF THE CLAIMS MADE BY PLAINTIFF OR THE DEFENSES OF THE DEFENDANTS. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RELIEF IN ANY FORM OR RECOVERY IN ANY AMOUNT COULD BE HAD IF THE ACTION WAS NOT SETTLED.

What legal rights are being released as part of the Settlement?

The proposed Settlement, if the Court approves it, shall extinguish for all time completely, fully, finally, and shall forever compromise, settle, release, discharge, extinguish, and dismiss on the merits and with prejudice, upon and subject to the terms and conditions set forth in the Stipulation, all rights, claims, and causes of action that are or relate to the Released Claims against any of the Released Parties and the Defendant and each of the other Released Parties shall be deemed to be released and forever discharged from all of the Released Claims. The releases contemplated in the Settlement and Stipulation extends to Unknown Claims (as defined below).

Plaintiffs and the Defendant have acknowledged, and the Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiff and the Defendant, and by operation of law the Class Members, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiff and the Defendant acknowledge, and the Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of "Released Claims" was separately bargained for and was a material element of the Settlement.

Definitions:

1. "Authorized Claimant" means a Class Member who submits a timely and properly executed Claim Form to the Settlement Administrator that is approved for payment, in whole or in part, from the Net Settlement Fund.

2. "Claims" means, collectively, any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, fines, sanctions, fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of every kind, nature or description whatsoever, for damages, injunctive relief, or any other remedies, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, known or unknown, discoverable or undiscoverable, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or previously existed, including Unknown Claims, whether direct, individual, class, representative, legal, equitable, or of any other type, or in any other capacity, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule (including, without limitation, any claims under federal or state securities law, federal or state antitrust law, or under state disclosure law, and all claims within the exclusive jurisdiction of the federal courts) regardless of legal or equitable theory (including, without limitation, claims for negligence, gross negligence, recklessness, deliberate recklessness, intentional wrongdoing, fraud, breach of contract, or breach of the fiduciary duty of care and/or loyalty).

3. "Claimant" means a Person that submits a Claim Form to the Settlement Administrator seeking to share in the proceeds of the Settlement Fund.

4. "Claim Form" means the form for submitting claims for payment from the Net Settlement Fund, which will be available to be completed on the website created by the Settlement Administrator.

5. "Class" means all former record and beneficial owners of common stock of AHP excluding Defendant and its affiliates, who: (i) tendered shares to AHP in connection with the Tender Offer, or (ii) owned AHP stock on October 12, 2010 and whose shares were extinguished in the Merger.

6. "Class Member" means a member of the Class.

7. "Class Counsel" means the law firm of Prickett, Jones & Elliott, P.A.

8. "Defendant's Counsel" means the law firm of Cole Schotz P.C.

9. "Effective Date" means the date upon which the Judgment becomes Final.

10. "Eligible Class Members" means all former holders of Eligible Shares, whether such holders were stockholders of record or beneficial owners of Eligible Shares, excluding Defendant Highland Capital Management, L.P. and its affiliates, immediately prior to the Merger on October 12, 2010.

11. "Eligible Shares" means shares of AHP common stock that were extinguished in the Merger.

12. "Fee and Expense Award" means an Order authorizing the award of attorneys' fees and reimbursement of Litigation Expenses to Class Counsel.

13. "Final" when referring to the Judgment, means the expiration of any time for appeal or review of the Judgment, or, if any appeal is filed and not dismissed or withdrawn, after the Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or other review, and the time for any petition for reargument, appeal, or review of the Judgment or any order affirming the Judgment has expired; provided, however, that any disputes or appeals relating solely to the amount, payment, or allocation of attorneys' fees and Litigation Expenses to Class Counsel shall have no effect on finality for purposes of determining the date on which the Judgment becomes Final and shall not otherwise prevent, limit, or otherwise affect the Judgment or prevent, limit, delay, or hinder entry of the Judgment.

14. "Immediate Family" means an individual's spouse, parents, siblings, children, grandparents, grandchildren; the spouses of his or her parents, siblings, and children; and the parents and siblings of his or her spouse, and includes step and adoptive relationships. As used in this subparagraph, "spouse" shall include a partner in a state-recognized domestic relationship or civil union.

15. "Judgment" means the Order and Final Judgment to be entered in the Action substantially in the form attached as Exhibit B hereto.

16. "Litigation Expenses" means costs and expenses incurred by Class Counsel in connection with commencing, prosecuting, and resolving the Action, for which Class Counsel intend to apply to the Court for reimbursement from the Settlement Amount.

17. "Net Settlement Fund" means the Settlement Fund, less the amount of any Fee and Expense Award, Notice and Administration Costs, Taxes, and Tax Expenses.

18. "Notice and Administration Costs" means the costs, fees, and expenses that are incurred in connection with providing notice to the Class and administering the Settlement.

19. "Noticed Persons" means any recordholders provided by Computershare, the Company's transfer agent, and the approximately 1,800 largest and most common nominee holders, including U. S banks, brokerage firms and national and regional nominees, contained in a proprietary database maintained by the Settlement Administrator.

20. "Person" means an individual, natural person, corporation, partnership, limited liability company, limited partnership, joint venture, association, joint stock company, estate, legal representative, trust, government (or any political subdivision, department, or agency thereof), and any other type of business or legal entity.

21. The "Plan of Allocation" is each Eligible Class Member that has submitted a Settlement Claim shall be paid an amount equal to their Eligible Shares divided by the sum of total Eligible Shares subject to Settlement Claims times the Net Settlement Fund. If this calculation results in a payment amount of less than \$20.00 to an Eligible Class Member, no such payment shall be made, and the Eligible Class Member's Eligible Shares shall be excluded from the number of total Eligible Shares subject to Settlement Claims in the foregoing sentence.

22. "Released Claims" means collectively each and all of the Released Defendant Claims and each and all of the Released Plaintiff Claims.

23. "Released Defendant Claims" means any Claims that have been or could have been asserted in the Action or in any court, tribunal, forum, or proceeding by Defendant or any of its successors and assigns against any of the Released Plaintiff Parties, which arise out of or relate in any way to the RSA, the Merger or any act or transaction undertaken in furtherance of the RSA or Merger; provided, however, that the Released Defendant Claims shall not include claims to enforce this Stipulation.

24. "Released Defendant Parties" means (i) AHP; (ii) Highland; and (iii) each of AHP's and Highland's respective past, present and future heirs, executors, administrators, predecessors, successors, employees, agents, affiliates, analysts, assignees, associates, attorneys, auditors, co-insurers, commercial bank lenders, consultants, controlling shareholders, directors, divisions, domestic partners, employers, financial advisors, general or limited partners, general or limited partnerships, insurers, investment advisors, investment bankers, investment banks, investment funds, joint ventures and joint venturers, managers, managing directors, marital communities, members, officers, parents, personnel, or legal representatives, principals, reinsurers, shareholders, spouses, subsidiaries (foreign or domestic), trustees, underwriters and retained professionals, in their respective capacities as such.

25. "Released Plaintiff Claims" means any and all Claims that Plaintiffs or any other Class Member (i) asserted in the Action or (ii) could have or might have asserted in the Action and/or in any other litigation, action or forum that arise out of, are based upon, or are related in any way, directly or indirectly, in whole or in part, to the allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth or referred to in the Action

including, without limitation, the Restructuring Agreement and the Merger. Released Plaintiff Claims shall not, however, include any claims to enforce the Settlement, the Judgment, or this Stipulation, including, without limitation, the Releases.

26. "Released Parties" means collectively each and all of the Released Defendant Parties and each and all of the Released Plaintiff Parties.

27. "Released Plaintiff Parties" means Plaintiffs, all other Class Members, and Class Counsel.

28. "Releases" means the releases and liability protections set forth in this Stipulation.

29. "Settlement Claim" means a valid, Court-approved claim for payment from the Net Settlement Fund by an Eligible Class Member.

30. "Settlement Notice" means this Notice of Proposed Settlement of Class Action.

31. "Settlement Notice Card" means the postcard sent to the Noticed Persons.

32. "Scheduling Order" means the order entered by the Court scheduling the Settlement Hearing and directing that the Settlement Notice be provided to the Class in the manner set forth therein.

33. "Settlement" means the settlement contemplated by this Stipulation on the terms and conditions contained herein.

34. "Settlement Administrator" means Epiq Class Action and Claims Solutions, Inc.

35. "Settlement Amount" means eight hundred thousand dollars (\$800,000).

36. "Settlement Fund" means the Settlement Amount, together with all interest accruing thereon.

37. "Settlement Hearing" means the hearing to be held by the Court to determine whether the proposed Settlement should be approved as fair, reasonable, and adequate; whether to declare the Action as a class action for purposes of Settlement; whether Class Counsel have adequately represented the Class; whether any objections to the Settlement should be overruled; whether the Action should be dismissed with prejudice as against the Released Defendant Parties; whether a Judgment approving the Settlement should be entered in accordance with the terms of this Stipulation; and whether and in what amount any award of attorneys' fees and reimbursement of Litigation Expenses should be paid to Class Counsel.

38. "Tender Offer" means the self-tender offer for shares of AHP stock undertaken by AHP between July 7, 2010 and September 1, 2010.

39. "Unknown Claims" means any and all Released Plaintiff Claims which Plaintiffs or any other Class Member do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Claims against the Released Defendant Parties, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement, and any and all Released Defendant Claims which Defendant or any other Released Party does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Claims against the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Plaintiff Claims and Released Defendant Claims, the Parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendant expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have expressly, waived, relinquished, and released any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

Plaintiffs and Highland acknowledge, and the other Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Plaintiff Claims and the Released Defendant Claims, but that it is the intention of Plaintiffs and Highland to, and by operation of law the other Class Members shall, completely, fully, finally, and forever extinguish any and all Released Plaintiff Claims and Released Defendant Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or

different facts. Plaintiffs and Highland acknowledge, and the other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Plaintiff Claims and Released Defendant Claims was separately bargained for and was a key element of the Settlement.

What happens if the Settlement is not approved or does not become final?

If the Effective Date does not occur or if the Stipulation is disapproved, canceled, or terminated pursuant to its terms, (a) all of the Parties to the Stipulation shall be deemed to have reverted to their respective litigation status immediately prior to April 4, 2018 and they shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered; (b) all of their respective claims and defenses as to any issue in the Action shall be preserved without prejudice in any way; and (c) the statements made in connection with the negotiations of the Stipulation shall not be deemed to prejudice in any way the positions of the Parties with respect to the Action, or to constitute an admission of fact of wrongdoing by any Party, and shall not be used or entitle any Party to recover any fees, costs, or expenses incurred in connection with the Action, and neither the existence of the Stipulation nor its contents nor any statements made in connection with its negotiation or any settlement communications shall be admissible in evidence or shall be referred to for any purpose in the Action, or in any other litigation or judicial proceeding.

How is Class Counsel getting paid?

Plaintiffs and Class Counsel intend to petition the Court for an award of attorneys’ fees of up to \$100,000 of the Settlement Fund (the “Fee Application”). Class Counsel also will apply to the Court for reimbursement of Litigation Expenses of up to \$225,000 (the “Expense Reimbursement Application”). The Defendant reserves all rights and all grounds to object to, oppose, consent to, or take no position on the amount of attorneys’ fees and Litigation Expenses sought by Class Counsel in the Fee Application and the Expense Reimbursement Application, except that Defendant agrees that the efforts of Plaintiff and Plaintiff’s Counsel were a substantial contributing factor in the Parties’ reaching the Settlement. Class Counsel will make no other application for an award of attorneys’ fees or Litigation Expenses in connection with the Action other than the Fee Application, the Expense Reimbursement Application, or for reimbursement of expenses and attorneys’ fees incurred in connection with the administration of the Settlement. Final resolution by the Court of the Fee Application and the Expense Reimbursement Application is not a precondition to the dismissal of the Action in accordance with the Stipulation, and the Fee Application and the Expense Reimbursement Application may be considered separately from the Settlement. The failure of the Court to approve the Fee Application or the Expense Reimbursement Application in whole or in part shall have no effect on the Settlement. The Parties acknowledge and agree that any award of attorneys’ fees and Litigation Expenses by the Court to Class Counsel shall be paid solely out of the Settlement Fund pursuant to the Stipulation, subject to Class Counsel’s obligation to refund or repay within fifteen (15) business days any amounts paid if as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the amount awarded is overturned or reduced. Class Counsel warrants that no portion of any such award of attorneys’ fees or expenses shall be paid to any Plaintiff or any Class Member, except as approved by the Court.

What will happen at the Settlement Hearing?

The Court has scheduled a Settlement Hearing which will be held at the Court of Chancery, Kent County Courthouse, 414 Federal Street, Dover, Delaware 19901, on March 14, 2019 at 9:15 a.m. to:

- a. appoint Hamilton Partners and Alexander as class representative with the law firm Prickett, Jones & Elliott, P.A. as Class Counsel;
- b. determine whether the Stipulation, and the terms and conditions of the Settlement proposed in the Stipulation, are fair, reasonable, and adequate and in the best interests of the Class Members and should be approved by the Court;
- c. determine whether the Judgment should be entered dismissing the Action and the Released Claims as to the Released Parties with prejudice as against Plaintiff and the Class, releasing the Released Claims, and barring and enjoining prosecution of any and all Released Claims;
- d. hear and rule on any objections to the Settlement;
- e. consider the application of Plaintiff’s Counsel for an award of attorneys’ fees and reimbursement of expenses to be paid (if and only if awarded by the Court); and
- f. hear and rule on such other matters as the Court may deem appropriate.

How do I participate in the Settlement?

If you are an Eligible Class Member who held Eligible Shares you must submit a Claim Form and supporting documentation to establish your entitlement to share in the Settlement. You must submit your Claim Form to the Settlement Administrator, through www.AmericanHomePatientIncSettlement.com, no later than 120 days after the posting

of this Notice, or mail the Claim Form to American HomePatient, Inc. Settlement, c/o Epiq, PO Box 9349, Dublin, OH 43017-4249, postmarked no later than 120 days after the date of the posting of this Notice. Those who do not submit timely and valid Claim Forms with adequate supporting documentation will not be entitled to share in the Settlement. Please retain all records of your ownership of, or transactions in, AHP common stock, as they may be needed to document your claim.

As a Class Member, you are represented by Class Counsel, unless you enter an appearance through counsel of your own choice at your own expense or choose to represent yourself. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, **"What are my rights and what do I need to do to exercise them?"** below.

What are my rights and what do I need to do to exercise them?

Any Class Member who objects to the Stipulation, the Settlement, the Judgment to be entered therein, and/or the Fee Application or the Expense Reimbursement Application, or who otherwise wishes to be heard, may appear in person or through counsel at the Settlement Hearing and present any evidence or argument that may be proper and relevant. To do so, you must, no later than ten (10) business days prior to the Settlement Hearing (unless the Court otherwise directs for good cause shown), file with the Court of Chancery, located at Kent County Courthouse, 414 Federal Street, Dover, Delaware 19901, and serve on the attorneys listed below the following documents: (i) a written notice of the intention to appear identifying the name, address and telephone number of the objector and, if represented, their counsel; (ii) proof of your membership in the Class; (iii) a written statement of your objections to any matter before the Court; (iv) the grounds for such objections and the reasons for your desiring to appear and to be heard; and (v) all documents and writings which you desire the Court to consider. These papers must be served by hand delivery, overnight mail or electronic filing via File and ServeXpress e-serve on the following attorneys:

Marcus E. Montejo
Kevin H. Davenport
John G. Day
PRICKETT, JONES & ELLIOTT, P.A
1310 North King Street
Wilmington, Delaware 19801

Michael F. Bonkowski
Nicholas J. Brannick
COLE SHOTZ P.C.
500 Delaware Avenue
Suite 1410
Wilmington, Delaware 19801

Even if you do not appear at the Settlement Hearing, the Court will consider your written submission if it is served and filed in accordance with the foregoing procedures. Any person who fails to object in the manner prescribed above shall be deemed to have waived such objection and shall forever be barred from raising such objection in the Action or any other action or proceeding.

How do I get further information?

This Notice does not purport to be a comprehensive description of the Action, the allegations or transactions related thereto, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in this litigation, you may inspect the pleadings, the Stipulation, the orders entered by the Court in the Action, and other papers filed in the Action, unless sealed, at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801, during regular business hours of each business day. **DO NOT WRITE OR TELEPHONE THE COURT.** Questions regarding the Settlement should be directed to Class Counsel as follows:

Marcus E. Montejo
Kevin H. Davenport
John G. Day
PRICKETT, JONES & ELLIOTT, P.A
1310 North King Street
Wilmington, Delaware 19801

What if I held shares on behalf of someone else?

Brokerage firms, banks, and other persons or entities who are Class Members in their capacities as record holders, but not as beneficial owners, are requested to forward the link for this Notice promptly to beneficial owners.

Dated: January 11, 2019

BY ORDER OF THE COURT