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10 *Co-Lead Counsel for Plaintiffs*

11 UNITED STATES DISTRICT COURT
 12 CENTRAL DISTRICT OF CALIFORNIA
 13 SOUTHERN DIVISION

14
 15 IN RE SKILLED HEALTHCARE) Master File No. CV 09-5416-DOC
 16 GROUP, INC. SECURITIES) (RZx)
 17 LITIGATION)
 18) Honorable David O. Carter
 19)
 20) **FINAL JUDGMENT AND**
) **ORDER OF DISMISSAL WITH**
 21) **PREJUDICE**
 22)
 23) CLASS ACTION
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1 This matter came before the Court for hearing pursuant to an Order of this
2 Court, dated September 13, 2010, on the application of the Parties for approval of
3 the Settlement set forth in the Stipulation of Settlement dated as of August 30,
4 2010 (the “Stipulation of Settlement”). Due and adequate notice having been
5 given of the Settlement as required in said Order, the Court having considered all
6 papers filed and proceedings held herein and otherwise being fully informed in the
7 premises, the Court having on January 26, 2011 entered the Order Granting Final
8 Approval of Class Action Settlement, Plan of Allocation, and Request for
9 Attorneys Fees and Costs (Document 90) and good cause appearing therefore, IT
10 IS HEREBY ORDERED, ADJUDGED AND DECREED that:
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12 1. This Judgment incorporates by reference the definitions in the
13 Stipulation of Settlement, and all terms used herein shall have the same meanings
14 set forth in the Stipulation of Settlement.
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16 2. This Court has jurisdiction over the subject matter of the Action and
17 over all Parties to the Action, including all Members of the Class who did not
18 timely file a valid request for exclusion from the Class by the November 15, 2010
19 deadline pursuant to the Court’s Order dated September 13, 2010.
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21 3. The Court certifies this action as a class action and finds that the
22 prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules
23 of Civil Procedure have been satisfied in that: (a) the number of Class Members is
24 so numerous that joinder of all members thereof is impracticable; (b) there are
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1 questions of law and fact common to the Class; (c) the claims of the Court
2 appointed Class Representatives, Jerry Pehlke Jr. and City of Livonia Employees'
3 Retirement System, are typical of the claims of the Class they represent; (d) the
4 Class Representatives have and will continue to fairly and adequately represent
5 the interests of the Class; (e) the questions of law and fact common to the
6 members of the Class predominate over any questions affecting only individual
7 members of the Class; and (f) a class action is superior to other available methods
8 for the fair and efficient adjudication of the controversy. Pursuant to Rule 23 of
9 the Federal Rules of Civil Procedure, this Court hereby finally certifies this action
10 as a class action on behalf of all persons or entities who purchased Class A
11 common stock of Skilled Healthcare pursuant and/or traceable to the Company's
12 Registration Statement and Prospectus issued in connection with the Company's
13 Initial Public Offering (the "IPO") on May 14, 2007 and Class A common stock
14 of Skilled Healthcare on the open market between May 14, 2007 and June 9, 2009
15 and were purportedly damaged thereby. Excluded from the Class are Defendants
16 herein, the officers and directors of Skilled Healthcare, members of their
17 immediate families, and the heirs, successors or assigns of any of the foregoing.
18 Also excluded from the Class are persons and entities who submitted valid and
19 timely requests for exclusion in accordance with the Notice, who are listed on
20 Exhibit 1 hereto.
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1 4. The distribution of the Notice and the publication of the Summary
2 Notice, as provided for in the Preliminary Approval Order, constituted the best
3 notice practicable under the circumstances, including individual notice to all
4 Members of the Class who could be identified through reasonable effort. Said
5 notices provided the best notice practicable under the circumstances of those
6 proceedings and of the matters set forth therein, including the proposed Settlement
7 set forth in the Stipulation of Settlement, to all Persons entitled to such notices,
8 and said notices fully satisfied the requirements of Federal Rule of Civil
9 Procedure 23, Section 21D(a)(7) of the Securities and Exchange Act of 1934, the
10 requirements of Due Process, and any other applicable law.

14 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this
15 Court hereby approves the Settlement set forth in the Stipulation of Settlement and
16 finds that said Settlement is, in all respects, fair, reasonable and adequate to, and is
17 in the best interests of the Lead Plaintiffs, the Class and each of the Class
18 Members. This Court further finds the Settlement set forth in the Stipulation of
19 Settlement is the result of arm's-length negotiations between experienced counsel
20 representing the interests of the Lead Plaintiffs, Class Members and the
21 Defendants. Accordingly, the Settlement embodied in the Stipulation of
22 Settlement is hereby approved in all respects and shall be consummated in
23 accordance with its terms and provisions. The Parties are hereby directed to
24 perform the terms of the Stipulation of Settlement.

1 6. Except as to any individual claim of those Persons (identified in
2 Exhibit 1 attached hereto), who timely and validly requested exclusion from the
3 Class before the November 15, 2010 deadline, the Action and all claims contained
4 therein, including all of the Released Claims, are dismissed with prejudice as to
5 the Lead Plaintiffs and the other Members of the Class, and as against each and all
6 of the Released Persons. The Parties are to bear their own costs, except as
7 otherwise provided in the Stipulation of Settlement.
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10 7. Upon the Effective Date, the Lead Plaintiffs and each of the Class
11 Members (other than those Persons or entities listed on Exhibit 1 who have timely
12 and validly requested exclusion from the Class) shall be deemed to have, and by
13 operation of the Judgment shall have, fully, finally, and forever released,
14 relinquished and discharged all Released Claims against the Released Persons,
15 whether or not such Class Member executes and delivers a Proof of Claim and
16 Release form.
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19 8. Upon the Effective Date hereof, each of the Released Persons shall
20 be deemed to have, and by operation of this Judgment shall have, fully, finally,
21 and forever released, relinquished and discharged the Lead Plaintiffs, each and all
22 of the Class Members and Lead Counsel from all claims (including Unknown
23 Claims), arising out of, relating to, or in connection with the institution,
24 prosecution, assertion, settlement or resolution of the Action or the Released
25 Claims.
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1 9. Any further orders or proceedings solely regarding the Plan of
2 Allocation shall in no way disturb or affect this Judgment and shall be separate
3 and apart from this Judgment.
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5 10. Neither the Stipulation of Settlement nor the Settlement contained
6 therein, nor any act performed or document executed pursuant to or in furtherance
7 of the Stipulation of Settlement or the Settlement: (a) is or may be deemed to be or
8 may be used as an admission of, or evidence of, the validity of any Released
9 Claim, or of any wrongdoing or liability of the Defendants; or (b) is or may be
10 deemed to be or may be used as an admission of, or evidence of, any fault or
11 omission of any of the Released Persons in any civil, criminal or administrative
12 proceeding in any court, administrative agency or other tribunal. The Released
13 Persons may file the Stipulation of Settlement and/or the Judgment in any other
14 action that may be brought against them in order to support a defense or
15 counterclaim based on principles of *res judicata*, collateral estoppel, release, good
16 faith settlement, judgment bar or reduction or any other theory of claim preclusion
17 or issue preclusion or similar defense or counterclaim.
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22 11. Without affecting the finality of this Judgment in any way, this Court
23 hereby retains continuing jurisdiction over: (a) implementation of this Settlement
24 and any award or distribution of the Settlement Fund, including interest earned
25 thereon; (b) disposition of the Settlement Fund; (c) hearing and determining
26 applications for attorneys' fees and expenses in the Action; and (d) all Parties
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1 hereto for the purpose of construing, enforcing and administering the Stipulation
2 of Settlement.

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4 12. The Court finds that during the course of the Action, the Parties and
5 their respective counsel at all times complied with the requirements of Federal
6 Rule of Civil Procedure 11.

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8 13. In the event that the Settlement does not become effective in
9 accordance with the terms of the Stipulation of Settlement or the Effective Date
10 does not occur, or in the event that the Settlement Fund, or any portion thereof, is
11 returned to the Defendants, then this Judgment shall be rendered null and void to
12 the extent provided by and in accordance with the Stipulation of Settlement and
13 shall be vacated and, in such event, all orders entered and releases delivered in
14 connection herewith shall be null and void to the extent provided by and in
15 accordance with the Stipulation of Settlement.
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20 DATED: March 02, 2011



The Honorable David O. Carter
United States District Judge

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EXHIBIT 1

List of Persons and Entities Excluded from the Class in

In re Skilled Healthcare Group, Inc. Securities Litigation,
Civil Action No. 09-Civ 5416 (RZx)

The following persons and entities, and only the following persons and entities, properly excluded themselves from the Class by the November 15, 2010 deadline pursuant to the Court’s Order dated September 13, 2010:

IN RESPONSE TO THE NOTICE OF PENDENCY OF CLASS ACTION	
P. Susan Steele	