

**COURT OF COMMON PLEAS OF MONTGOMERY COUNTY,
PENNSYLVANIA CIVIL ACTION**

DANIEL BAER and ROSE BAER,)	
through Stephen Baer as their Agent with)	
Power of Attorney, for themselves and all)	
others similarly situated,)	
)	NO. 2018-13760
Plaintiffs,)	
)	
vs.)	
)	
SHANNONDELL, INC.,)	
and)	
DELL MANAGEMENT SERVICES, INC.,)	
)	
Defendants.)	

NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

PLEASE READ THIS NOTICE CAREFULLY

To:

Your ID Number:

Your Estimated Individual Settlement Payment: (See Item 4 below)

A settlement making \$4.4 million available for payments to Class Members, for attorneys' fees and for costs has been reached by parties to this lawsuit. This Court-approved notice explains the lawsuit, the proposed settlement, and your rights (including your right to object to this settlement) and your obligations if the Court grants final approval of the proposed settlement.

TO RECEIVE YOUR SETTLEMENT PAYMENT, YOU MUST RETURN THE ENCLOSED CLAIM FORM BY MAIL OR EMAIL NO LATER THAN JUNE 2, 2026.

BACKGROUND:

This settlement resolves a lawsuit over whether Shannondell, Inc. ("Shannondell") breached its Residence and Care Agreement with former residents by deducting certain costs for refurbishment and restoration of the former resident's unit from that resident's Entrance Fee Refund.

Shannondell denies the claims asserted in the Litigation. In addition, the parties disagree about how much money could have been awarded to you if the Plaintiffs were to prevail at trial. The settlement avoids the costs and risks to members of the Class like you from continuing with the lawsuit, and it provides relief to the Class.

If approved by the Court, this settlement will provide for \$4.4 million in available settlement funds. The settlement monies will be distributed to Class Members who submit valid and timely claims, as well as payment of any Court-approved administrative costs, Class Counsel fees and expenses, and a Service Award to the Class Representative.

On February 3, 2026, the Court granted preliminary approval to the proposed settlement between Plaintiffs and Defendants and authorized issuing this notice to you. A hearing on the parties' request for final approval of the settlement, as well as on Class Counsel's motion for Plaintiffs' Service Award, settlement administration costs, and Class Counsel attorneys' fees, costs, and expenses will take place on September 23, 2026 at 10:00 a.m., before Judge Richard P. Haaz at the Court of Common Pleas for Montgomery County, Pennsylvania, 2 E. Airy St., Norristown, PA 19401. You may appear at the hearing, but you are not required to do so. If you object to the settlement, you must do so in writing no later than June 2, 2026. Instructions for making written objections are included in Item 10 in this notice.

1. Why Did I Receive This Notice?

This is a class action lawsuit called *Baer v. Shannondell, Inc.*, Case No. 2018-13760, filed in 2018 in the Court of Common Pleas for Montgomery County, Pennsylvania (the “Court”). Judge Richard P. Haaz is presiding over the case.

Daniel Baer and Rose Baer, through Stephen Baer as their Agent with Power of Attorney, brought this lawsuit against Shannondell, Inc. and Dell Management Services, Inc. (“Dell”). Daniel and Rose Baer are former residents of Shannondell. Stephen Baer is the Class Representative. The Baers are referred to in this notice as “Plaintiffs.” Shannondell and Dell are the “Defendants.” Attorneys Larry Spector and Jeremy Spiegel are the lawyers for the Class and were appointed by the Court for that purpose (“Class Counsel”). Further information regarding contacting Class Counsel appears in Item 8 below.

The Court previously certified a class of certain Shannondell residents (the “Class”) who received an Entrance Fee Refund after May 22, 2012 that included a deduction for Appliance Depreciation or Appliance Replacement Fees and/or Replacement Fees for Cabinets, Countertops or Other Materials. Under the proposed settlement, members of the Class would receive a monetary payment to resolve claims alleging a breach of the Shannondell Residence and Care Agreement (the “RCA”) and violation of the Pennsylvania Continuing Care Providers Registration and Disclosure Act (“CCPRDA”).

Rather than risk continued litigation, Plaintiffs and Defendants have agreed to a settlement. As a result, you are entitled to compensation under this proposed settlement **provided you submit a timely and valid claim**. The Court is overseeing the settlement. The Court ordered this notice to be sent to you because you have been identified as a member of the Class above. As a result, you have a right to know about the proposed settlement, know about your rights and obligations under it (if it is approved) and know about your right to object to it or aspects of it before it is submitted to the Court for its final approval. You are also entitled to know, if the Court gives final approval to the settlement, how you would receive your settlement benefit. If the Court approves the settlement and any objections and appeals are subsequently resolved, an administrator appointed by the Court (“Claims Administrator”) will make a payment to you pursuant to the terms of the settlement.

2. What Is The Class Action About?

Plaintiffs filed suit in the Court of Common Pleas for Montgomery County in 2018 and later amended their claims. Plaintiffs allege that Shannondell breached the terms of its RCA with certain residents, and that both Defendants violated the CCPRDA. Plaintiffs allege that Shannondell breached the RCA and violated the law when it deducted “appliance depreciation,” “appliance replacement fees,” and/or replacement fees for cabinets, countertops, or other materials as part of the Vacancy Fee that Shannondell charged departing residents or their legal representatives (“Alleged Excess Deductions”). Shannondell opposes the lawsuit and denies all the allegations. Shannondell asserts that all Entrance Fee Refunds to former residents were properly calculated in accordance with the terms of the RCA, that all costs incurred for refurbishment works, including the challenged deductions, to restore each resident’s unit to its original condition were permissible deductions as part of the Vacancy Fee that was the express responsibility of the former resident under the RCA, and that it complied with all applicable laws and regulations.

3. Why Is There A Settlement?

The case was actively litigated in the Court from 2018 through 2025. The Class was certified by the Court in 2021. In 2024, the Court granted summary judgment in favor of Plaintiffs with regard to Defendants’ liability on their breach of contract and CCPRDA claims.

The Parties have engaged in substantial fact discovery and extensive motion practice. The Parties disagree on all the critical issues, including whether Defendants have any liability to Plaintiffs and the Class, whether Plaintiffs and the Class suffered any compensable damage and if so, the extent of that damage.

Both sides continue to believe in the merits of their respective positions. However, they want to avoid the risk and expense of continued litigation and get the benefits contemplated by this settlement. After a period of intensive negotiations with Defendants, Plaintiffs concluded that settlement on the terms set forth in the Settlement Agreement are fair, reasonable, adequate and in the best interests of the Class Members.

Both Parties have agreed to a settlement. This avoids the risks and costs of a trial while the affected residents within the Class can receive compensation.

4. What Does The Proposed Settlement Provide?

A. Basic Settlement Terms

Defendants have agreed to pay money to Class Members **who submit timely and valid claims**. Specifically, Defendants have agreed to pay up to \$4.4 million, which provides for (1) payments to Class Members who submit timely and valid claims; (2) a Service Award to Plaintiff in the amount of \$15,000 for Mr. Baer; (3) attorneys' fees to Class Counsel not to exceed one-third of the available settlement funds; and (4) reimbursement of all out-of-pocket litigation costs and expenses incurred by Plaintiffs' counsel through the end of the lawsuit, including settlement administration costs, not to exceed \$120,000. Any attorneys' fees and litigation costs, which are subject to Court approval, will be paid from the available settlement fund of \$4.4 million.

Class Counsel will, no later than 45 days prior to the deadline for claims and objections, file and post on the website, www.ShannondellClassAction.com, a motion for approval of Plaintiffs' Service Award, settlement administration costs, and Class Counsel's attorneys' fees, costs and expenses. As described in Item 11, the Court will consider all objections from Class Members before awarding any such amounts.

B. What do Class Members Get in the Settlement?

If the settlement is approved, the amount of each Class Member's Settlement Payment will be based on: a) the total amount actually deducted by Shannondell from a Class Member's Entrance Fee Refund for appliance depreciation or replacement, replacement of countertops or cabinets, and for vent cleaning, or b) for Class Members who had a flat 5% deduction from their Entrance Fee Refund, the amount derived by estimating these items (the "Alleged Excess Deduction"). The Alleged Excess Deductions have been calculated based on documents furnished to Class Members in connection with Entrance Fee Refunds.

Class Members filing valid and timely claims will receive a minimum of 70%, and a maximum of 85%, of their Alleged Excess Deduction.

The precise amount within that range will depend on: a) the aggregate amount of the Alleged Excess Deductions of all Class Members who timely submit a valid Claim Form ("Participating Class Members"), and b) the amount available to Class Members after payment of Plaintiffs' Service Award, settlement administration costs, and Class Counsel's attorneys' fees, costs and expenses (the "Net Settlement Amount").

The total amount payable to all Participating Class Members will be initially calculated at 70% of the aggregate amount of the Alleged Excess Deductions in their Approved Claims. If that aggregate is less than the Net Settlement Amount, then the Defendants will pay an additional amount above 70%. The additional amount will be the lesser of: a) \$200,000, or b) the amount that would increase the total amount payable to 85% of the aggregate value of all Approved Claims. The total amount payable, based on these calculations, will be between 70% and 85% of the Alleged Excess Deductions from Participating Class Members' Approved Claims. The resulting percentage (between 70% and 85%) is the "Classwide Percentage."

Payments to Participating Class Members will be made subject to the Classwide Percentage. If the Classwide Percentage is 75%, then all Participating Class Members submitting valid Claim Forms will be paid 75% of their Alleged Excess Deductions. For example:

Assume a Net Settlement Amount of \$2.8 million and that the total amount of all Approved Claims is \$2,000,000. An initial 70% calculation would mean that the total amount payable on Approved Claims would be \$1,400,000. A calculation of 85% of Approved Claims yields \$1,700,000. Since \$200,000 is the lesser of \$200,000 and the \$300,000 needed to reach the 85% calculation, and \$200,000 is the maximum additional amount that can be paid pursuant to the terms of the Settlement Agreement, only \$200,000 would be added to \$1,400,000. The Class Member Settlement Amount would be \$1,600,000 (80% of all Approved Claims.) Therefore, the Classwide Percentage would be 80%. All Participating Class Members filing valid and timely claims would receive a payment of 80% of their Alleged Excess Deduction.

Additional examples can be found in the Settlement Agreement dated January 28, 2026, which is posted on the website, www.ShannondellClassAction.com.

C. What Do Class Members Give Up in the Settlement?

Every Releasing Party, including you, will release, acquit and forever discharge Defendants and their representatives (the "Released Parties" as defined in the Settlement Agreement) from legal claims that they brought or could have brought in this lawsuit or that in any way relate to or arise out of the deductions made from the Shannondell Entrance Fee Refunds. The "Releasing Parties," as defined in the Settlement Agreement, include Plaintiffs, Class Members, Class Members' successors, and their respective successors, assigns, beneficiaries, dependents, heirs, administrators, executors, estates, personal trustees, personal agents, advisors and

representatives of any kind. This release also means that you will not be able to challenge the amount you receive in the settlement, other than by objecting in writing as described in Item 10 below.

This is only a general summary of the release contained in the Settlement Agreement. See the website, www.ShannondellClassAction.com, for the entire Settlement Agreement (which includes the release) and other related filings with the Court. See Item 8 for information on how to contact Class Counsel to find out more information or have your questions about the settlement answered.

5. How Will I Receive My Share Of The Settlement?

If the Court approves the settlement and it becomes final, each individual Settlement Payment will be paid in the form of a check.

ATTENTION—DEADLINE FOR SUBMITTING CLAIM FORM: To file a claim, you must complete the Claim Form attached to this notice and return that form to the Claims Administrator by June 2, 2026.

IF YOU ARE MAILING THE CLAIM FORM AND IT IS NOT POSTMARKED BY THAT DATE, you will not be able to obtain a payment from the settlement. IF YOU ARE EMAILING YOUR CLAIM FORM AND IT IS NOT RECEIVED BY THAT DATE, you will not be able to obtain a payment from the settlement.

The Claim Form should be returned to the Claims Administrator by one of the following methods:

For mail, return the Claim Form to the following address:

Baer v. Shannondell Settlement
c/o Claims Administrator
P.O. Box 16
West Point, PA 19486

For e-mail, send a clear image of the completed Claim Form to the following e-mail address:

questions@shannondellclassaction.com

If you have any questions about the claims process, you can contact the Claims Administrator at:

E-mail: questions@shannondellclassaction.com
Telephone: (833) 215-9289

6. When Will I Receive My Share Of The Settlement?

The timing of the distribution of the Net Settlement Fund to Class Members will depend on when, if approved, the Court's approval of the settlement becomes truly final under the law. Should someone file an appeal challenging something about the settlement, a distribution of the settlement proceeds would not occur unless and until such an appeal was resolved and the settlement became final. If the settlement is approved and becomes final, you should be paid within approximately 60 days after the settlement is final.

7. Can I Be Excluded From The Settlement?

No. The Court certified the Class in this case in 2021. The time for "opting out" of the Class has passed. Therefore, if the Court approves the settlement, you will be bound by it.

8. Do I Have A Lawyer In The Case?

Yes. The Court has appointed Plaintiffs' counsel Larry Spector, Esq. and Jeremy Spiegel, Esq. as Class Counsel:

Larry Spector, Esq.
Larry Spector P.C.
410 South 6th St.
Philadelphia, PA 19147
lspector@lspector.com
(215) 264-0700

Jeremy Spiegel, Esq.
Law Office of Jeremy Spiegel
123 South Broad St., Suite 1850
Philadelphia, PA 19109
spiegel@jeremyspiegellaw.com
(215) 609-3154

If you want to be represented by your own lawyer at this time, you are free to obtain separate counsel at your own expense.

9. How Will Class Counsel Be Paid?

As explained in Item 4 above, Class Counsel will, no later than 45 days prior to the claims deadline, file a motion for approval of Class Counsel's attorneys' fees, costs, and expenses. **You have a right to review Class Counsel's motion for attorneys' fees, costs and expenses, and to object to the amounts requested in that motion.** You can obtain a copy of that motion and supporting documentation either by contacting Class Counsel directly or visiting www.ShannondellClassAction.com, where the motion will be posted shortly after it is filed with the Court.

10. How Do I Tell The Court If I Don't Like The Proposed Settlement?

You can object to the settlement if you do not agree with the proposed settlement, including the method to be used to determine the amount that will be allocated to you under the settlement, the amounts requested for Plaintiffs' Service Award, settlement administration costs, and Class Counsel's requested attorneys' fees, costs and expenses. If the Court rejects your objection, you will still be bound by the terms of the settlement.

To object, you must send the Claims Administrator a notice of your objection, along with a written statement that indicates all bases for your objection, all documentation in support of your objection, legal authority, if any, supporting your objection, as well as a notice of intention to be heard if you intend to appear at the hearing described in Item 11 and, if you intend to appear, a list of witnesses you may call for live testimony. Be sure to include your name, address, telephone number, and signature, as well as a full explanation of why you object to the settlement, and all documentation that supports your objection. **Your written objection must be received by the Claims Administrator by June 2, 2026.** Your objection must be sent to the Claims Administrator at the below address, and will then be filed with the Court.

Baer v. Shannondell Settlement
c/o Claims Administrator
P.O. Box 16
West Point, PA 19486

If you do not submit an objection within the timeframe permitted and as set forth above, you will be barred from seeking review of the settlement terms at any other time.

You will not be able to challenge the amount you receive under the settlement with anyone, including the Claims Administrator, except by objecting with the Court as described in this notice.

11. When And Where Will The Court Decide Whether To Give Final Approval Of The Settlement?

The Court will hold a hearing to decide whether to give final approval to the settlement at what is known as a "Fairness Hearing" to be held on September 23, 2026 at 10:00 a.m., in Courtroom E at the Montgomery County Courthouse, 2 E. Airy St., Norristown, PA 19401.

The Court has preliminarily approved the settlement. At the Fairness Hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections from Class Members, the Judge will consider all of them. At or after the hearing, the Court will decide whether to approve the settlement and decide the motion for Plaintiffs' Service Award, settlement administration costs and Class Counsel's attorneys' fees, costs and expenses.

12. Do I Have To Attend The Fairness Hearing?

No, but you are invited and have a right to attend (at your own expense).

13. May I Speak At The Fairness Hearing?

Yes, you may ask for permission to speak at the Fairness Hearing but only if you submit a written objection as described in Item 10 above.

14. What Happens If I Do Not File A Claim Form?

If you do not file a Claim Form and the settlement is finally approved, **you will not receive any Settlement Payment.** You will, however, release Defendants and Released Parties from the claims set forth in Item 4 above.

15. How Do I Get More Information?

More detailed information about the lawsuit and proposed settlement, including the key pleadings and filings of the parties, the orders and rulings entered by the Court, and the Settlement Agreement, may be obtained (1) at the following website: www.ShannondellClassAction.com; (2) by requesting them directly from Class Counsel (see Item 8 above); or (3) by accessing the Montgomery County online Case Search tool, <https://courtsapp.montcopa.org/psi/v/search/case>, which permits inspection of the papers filed in the case online for a modest fee.

ALL INQUIRIES CONCERNING THIS NOTICE SHALL BE DIRECTED TO CLASS COUNSEL AT THE CONTACT IDENTIFIED IN SECTION 8. PLEASE DO NOT TELEPHONE THE MONTGOMERY COUNTY COURT TO INQUIRE ABOUT THIS NOTICE.