

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

MAZ PARTNERS LP, Individually and On Behalf of All Others Similarly  
Situated,

Plaintiff,

Case No. 6:19-cv-00619-PGB-LRH

v.

FIRST CHOICE HEALTHCARE SOLUTIONS, INC. and CHRISTIAN  
ROMANDETTI, SR.,

Defendants.

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT<sup>1</sup>**

**If you purchased or otherwise acquired First Choice Healthcare Solutions, Inc. (“FCHS”) common stock between April 1, 2014, and November 14, 2018, inclusive, did not sell all such securities before November 14, 2018, and are not otherwise excluded from the Settlement Class (see Question 6 below) you could receive a payment from a class action settlement.**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- The proposed Settlement, if approved by the Court, will provide \$1,000,000 to pay claims from investors who bought or otherwise acquired FCHS common stock between April 1, 2014, and November 14, 2018, inclusive (the “Class Period”), to resolve the above-captioned litigation.
- The Settlement resolves a lawsuit over whether Defendants disseminated misleading statements which omitted material information during the Class Period. Lead Plaintiff and Defendants disagree on whether the investors could have won at trial, and if so, how much money they could have received. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them.
- On June 15, 2020, FCHS filed a Chapter 11 voluntary bankruptcy petition in the United States Bankruptcy Court for the Middle District of Florida. On June 12, 2020, the last trading day prior to FCHS’s filing for bankruptcy, FCHS common stock closed at \$0.08 per share, FCHS had approximately 32.96 million shares of common stock outstanding, and FCHS had a market capitalization of approximately \$2.64 million. The \$1 million proposed settlement represents approximately 38% of FCHS’s market capitalization on June 12, 2020. For more information on the bankruptcy, please see p. 8-9 below.
- Lead Plaintiff estimates that 9,830,440 shares of FCHS common stock are eligible under the Plan of Allocation (described below). If claims are submitted for all of these shares, the estimated distribution per share will be approximately \$0.102 *before* deduction of Court-approved administrative costs, any award to Lead Plaintiff, pursuant to 15 U.S.C. § 78u-4(a)(4), of its costs and expenses (including lost wages) directly relating to the representation of the Settlement Class, and any attorneys’ fees and expenses awarded to Lead Counsel for their representation of the Settlement Class.
- Lead Plaintiff’s damages consultant, using accepted methodologies, estimates that, if Lead Plaintiff prevailed on each of its claims, damages for those shares of FCHS common stock eligible under the Plan of Allocation are approximately \$4.877 million, or approximately \$0.496 per share (based on 9,830,440 shares). The Settlement represents approximately 20% of the Settlement Class’s estimated damages.
- Lead Counsel have litigated this matter on a contingent basis and advanced all expenses incurred on behalf of the Settlement Class. They will ask the Court for \$250,000 in attorneys’ fees (25% of the Gross Settlement Fund) and reimbursement for expenses of up to \$30,000 for their work litigating the case and negotiating the Settlement, and an award to Lead Plaintiff, pursuant to 15 U.S.C. § 78u-4(a)(4), of its costs and expenses (including lost wages) directly relating to the representation of the Settlement Class in an amount not to exceed \$5,000. If approved, these amounts will be deducted from the \$1,000,000 settlement (totaling \$0.029 per share assuming claims are submitted based on 9,830,440 shares).
- After deducting for any attorneys’ fees and expenses and administration costs, the estimated average recovery from the Settlement is

<sup>1</sup> This Notice incorporates by reference the definitions in the Stipulation of Settlement dated October 8, 2020 (the “Stipulation”). All capitalized terms used, but not defined herein, shall have the same meaning as in the Stipulation. The Stipulation can be obtained at [www.FirstChoiceSecuritiesLitigation.com](http://www.FirstChoiceSecuritiesLitigation.com).

\$0.074 per share (assuming claims are submitted on behalf of 9,830,440 shares).

- The Court has not yet approved the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- **Your legal rights are affected whether you act or don't act. Read this Notice carefully.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A PROOF OF CLAIM AND RELEASE FORM, POSTMARKED OR RECEIVED NO LATER THAN JUNE 25, 2021</b>	The only way to get a payment if you have a Recognized Loss.
<b>EXCLUDE YOURSELF, POSTMARKED OR RECEIVED NO LATER THAN JUNE 28, 2021</b>	Get no payment. This is the only option that allows you to bring your own lawsuit against the Released Parties about the Settled Claims raised in this Action.
<b>OBJECT TO THE SETTLEMENT OR ANY RELATED ASPECT, POSTMARKED OR RECEIVED NO LATER THAN JULY 12, 2021</b>	Write to the Court about why you do not like the Settlement. You may, but are not required to, appear at the Final Approval Hearing.
<b>GO TO A HEARING</b>	You may ask to speak in Court about the fairness of the Settlement.
<b>DO NOTHING</b>	Get no payment. Give up all legal rights relating to the claims at issue in the Action.

For more information, you may contact the Claims Administrator or Lead Counsel:

Lead Counsel: WOLF POPPER LLP  
 845 Third Avenue, New York, New York 10022  
 Tel: (212) 759-4600; fax: (212) 486-2093

Claims Administrator: *First Choice Healthcare Solutions, Inc. Sec. Litig.*, c/o A.B. DATA, LTD.  
 P.O. Box 173070, Milwaukee, WI 53217  
 Tel: 877-933-2895  
 Email: [info@FirstChoiceSecuritiesLitigation.com](mailto:info@FirstChoiceSecuritiesLitigation.com)

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**BASIC INFORMATION**

**1. Why did I get this Notice package?**

You or someone in your family may have purchased or otherwise acquired FCHS common stock during the Class Period and did not sell all such securities prior to November 14, 2018. The Court directed that this Notice be sent to potential Settlement Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and any appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

The Court in charge of the case is the United States District Court for the Middle District of Florida, and the case is *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*, Case No. 6:19-cv-00619-PGB-LRH (the “Action”).

**2. What is this lawsuit about?**

The Complaint filed on March 29, 2019, alleges that Defendants FCHS and Christian Romandetti, Sr., who was FCHS’s Chairman of the Board of Directors (“Board”), President, and Chief Executive Officer (“CEO”) (collectively, “Defendants”), violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and it asserts a claim for liability against Romandetti pursuant to Section 20(a) of the Securities Exchange Act as a control person of FCHS. Lead Plaintiff MAZ Partners LP (“Lead Plaintiff”) contends that Romandetti, on behalf of FCHS, engaged in and oversaw an undisclosed stock manipulation scheme that artificially inflated the price of FCHS common stock. The Complaint further alleges that Defendants made numerous public statements that were materially misleading by failing to disclose the stock manipulation scheme. The Complaint alleges that on November 5, 2018, when investors learned of the scheme, FCHS’s share price fell \$0.66 per share or nearly 65%, and shareholders were damaged. The Action seeks money damages against Defendants. Defendants deny all of Lead Plaintiff’s allegations, deny that they made any false or misleading statements or otherwise did anything wrong, and deny that anything they did caused damages to Lead Plaintiff or the Settlement Class.

**3. Why is this a class action?**

In a class action, one or more people called “Class Representatives” (in this case, MAZ Partners LP) sue on behalf of people who have similar claims. All persons with similar claims are called a “class” or “class members.” Bringing a case, such as this one, as a class action allows the collective adjudication of many similar claims that might be economically too small to bring in individual actions. One Court resolves the issues for all class members, except for those who exclude themselves from the class. United States District Judge Paul G. Byron of the Middle District of Florida is overseeing the Action.

**4. Why is there a Settlement?**

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, the lawyers for both sides have negotiated a Settlement with the aid of a professional mediator that they believe is in the best interests of their respective clients. The Settlement allows both sides to avoid the risks and cost of lengthy and uncertain litigation, trial, and appeals, and permits Settlement Class Members to be compensated, and sooner than if the case had proceeded through trial and appeals.

In a Report and Recommendation dated October 16, 2019, Magistrate Judge Leslie R. Hoffman recommended that the Court deny

Defendants' motions to dismiss, but also recommended that the Court find certain of the statements alleged by Lead Plaintiff to be materially misleading not actionable under the Securities Exchange Act. In an Order dated February 4, 2020, the Court adopted and confirmed Magistrate Judge Hoffman's Report and Recommendation.

In order to succeed at trial, Lead Plaintiff would have to prove, among other things, the existence of the stock manipulation scheme and Romandetti's involvement therein, and also all essential elements of a violation of Section 10(b) of the Securities Exchange Act and Rule 10b-5, including that (a) Defendants' omissions of the stock manipulation scheme were material; (b) Romandetti acted with actual knowledge and intent, or that he failed to disclose the stock manipulation scheme with an intent to defraud, or severe recklessness; (c) Romandetti acted on behalf of FCHS; and (d) the disclosure of the stock manipulation scheme caused damages to FCHS investors. Lead Plaintiff anticipates that at the summary judgment stage and at trial, Defendants would seek to prove that, among other things, the stock manipulation scheme was not material and that Romandetti acted on his own behalf, not on behalf of FCHS.

In addition, to succeed on Lead Plaintiff's motion for class certification, Lead Plaintiff would have to prove, among other things, that the Section 10(b) and Rule 10b-5 element of "reliance" on the misleading statements could be established for all members of the Settlement Class based on common facts and evidence. This would require proving that FCHS common stock traded in an efficient market such that a presumption of reliance applies, or that the exception to the presumption of reliance set forth by the U.S. Supreme Court in *Affiliated Ute Citizens of Utah v. U.S.*, namely that in the case of a fraudulent omission "positive proof of reliance is not a prerequisite to recovery," and the "obligation to disclose and th[e] withholding of a material fact establish[ed] the requisite element of causation," applies. In Defendants' motions to dismiss, Defendants argued strenuously that the Complaint did not adequately plead, and Lead Plaintiff could not prove, reliance individually or on a class-wide basis. While the Court determined that Lead Plaintiff's allegations of reliance were sufficient for pleading purposes, Lead Plaintiff anticipates that Defendants would raise reliance arguments in opposition to Lead Plaintiff's motion for class certification at the summary judgment stage and at trial.

Lead Plaintiff believes that it could establish reliance on a class-wide basis and that *Affiliated Ute* applies to the facts of this case; that Lead Plaintiff's motion for class certification would be successful; and that Lead Plaintiff would be successful at trial. However, there is a risk that the Court would rule in favor of Defendants on the issue of reliance, that Defendants would be partially or fully successful at trial, or that Defendants would appeal the Court's decisions in favor of Lead Plaintiff to the Eleventh Circuit Court of Appeals, injecting further delay and risk in this litigation. In addition, due to the recent COVID-19 pandemic and related economic issues facing health care companies, Lead Plaintiff concluded that there was a legitimate risk of the Defendants' inability to pay any judgment reached in the future that exceeded the Settlement. This conclusion was reinforced when, on June 15, 2020, FCHS filed a Chapter 11 voluntary bankruptcy petition in the United States Bankruptcy Court for the Middle District of Florida. Accordingly, and as explained below, Lead Plaintiff and Lead Counsel think that the Settlement is best for all Settlement Class Members.

## **WHO IS PART OF THE SETTLEMENT?**

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

The Court directed that, for the purposes of the proposed Settlement, everyone who fits this description is a Settlement Class Member: all persons who purchased or otherwise acquired FCHS common stock during the Class Period of April 1, 2014, to November 14, 2018, inclusive, and who did not sell all such securities before November 14, 2018.

### **6. Are there exceptions to being included?**

Yes. Excluded from the Settlement Class are Defendants; the officers, directors, and employees of FCHS during the Class Period (the "Excluded D&Os"); members of the Defendants' and Excluded D&Os' immediate families, legal representatives, heirs, agents, affiliates, successors, or assigns; any entity in which Defendants, the Excluded D&Os, or their immediate families have or had a controlling interest; and Steward Health Care System LLC and its affiliates, successors, and assigns. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class in accordance with the instructions provided in this Notice.

If one of the mutual funds in which you are invested purchased or otherwise acquired FCHS common stock during the Class Period, that does not make you a Settlement Class Member. You are a Settlement Class Member only if you purchased or otherwise acquired FCHS common stock during the Class Period. Contact your broker to see if you fall within the definition of a Settlement Class Member.

If you **sold** but did not purchase or otherwise acquire FCHS common stock during the Class Period, you are not a Settlement Class Member. You are a Settlement Class Member only if you **purchased or otherwise acquired** FCHS common stock during the Class Period **and did not sell all such securities before November 14, 2018**.

### **7. What if I am still not sure if I am included?**

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator by writing to the address provided on p. 2 above for more information or calling Lead Counsel at the telephone number provided on p. 2 above.

## **WHAT ARE THE SETTLEMENT BENEFITS?**

### **8. What does the Settlement provide?**

Defendants have agreed to pay or cause to be paid \$1,000,000 in cash (the "Settlement Amount"). On November 25, 2020, the United

States Bankruptcy Court for the Middle District of Florida issued an order allowing the Settlement Amount to be paid from FCHS's directors and officers liability insurance.

The Settlement Amount, plus interest earned from the date it is established (the "Gross Settlement Fund"), less costs, fees, and expenses (the "Net Settlement Fund"), will be divided among all eligible Settlement Class Members who send in valid and timely Proof of Claim and Release Forms ("Authorized Claimants"). Costs, fees, and expenses include Court-approved Attorneys' Fees and Expenses; certain Notice and Administration Expenses, including the costs of printing and mailing the Postcard Notice and this Notice, the cost of publishing the Summary Notice, and the costs of claims administration; Taxes and Tax Expenses on the Settlement Amount; and an award to Lead Plaintiff, pursuant to 15 U.S.C. § 78u-4(a)(4), of its costs and expenses (including lost wages) directly relating to the representation of the Settlement Class in an amount not to exceed \$5,000.

In return, the Parties have agreed to dismiss the Action and Lead Plaintiff and all Settlement Class Members who do not exclude themselves from the Settlement Class agree to release, relinquish, and discharge all Settled Claims against the Defendants and their current and former parents, affiliates, subsidiaries, officers, directors, agents, representatives, successors, predecessors, assigns, assignees, partnerships, partners, principals, employees, trustees, trusts, immediate family members, insurers including but not limited to Defendants' Insurer, reinsurers, professional advisors, and attorneys, in their capacities as such, and such others as is usual and customary (collectively, the "Released Parties"), whether or not these Settlement Class Members execute and deliver Proof of Claim and Release Forms.

## PLAN OF ALLOCATION

### **9. How will the Settlement be allocated among Settlement Class Members?**

If the Settlement becomes Effective, the Net Settlement Fund will be distributed to the Settlement Class according to a Plan of Allocation to be approved by the Court. As discussed above, the Settlement provides \$1,000,000 in cash for the benefit of the Settlement Class. The Settlement Amount and any interest it earns constitute the "Gross Settlement Fund." The Gross Settlement Fund, after deduction of Court-approved Attorneys' Fees and Expenses, Notice and Administration Expenses, Taxes and Tax Expenses, and any other fees or expenses approved by the Court, is the "Net Settlement Fund." If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants—*i.e.*, members of the Class who timely submit valid Proof of Claim and Release Forms that are accepted for payment by the Court—in accordance with this proposed Plan of Allocation ("Plan of Allocation" or "Plan") or such other plan of allocation as the Court may approve. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the settlement website, [www.FirstChoiceSecuritiesLitigation.com](http://www.FirstChoiceSecuritiesLitigation.com).

The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation is not a formal damage analysis and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

The Plan of Allocation was developed in conjunction with Lead Plaintiff's damages consultant. In developing the Plan of Allocation, Lead Plaintiff's damages consultant calculated the estimated amount of alleged artificial inflation in the per share prices of FCHS common stock that was caused by Defendants' alleged misleading omissions. In calculating the estimated artificial inflation allegedly caused by those omissions, Plaintiff's damages consultant considered the price change in FCHS common stock in reaction to the public disclosures that allegedly corrected the alleged omissions, adjusting the price change for factors that were attributable to market or industry forces, and for non-fraud related FCHS-specific information.

In order to have recoverable damages under the federal securities laws, disclosure of the alleged misrepresentations or omissions must be the cause of the decline in the price of FCHS common stock. In this case, Lead Plaintiff alleges that Defendants' omissions during the period from April 1, 2014, through and including November 14, 2018, had the effect of artificially inflating the price of FCHS common stock.<sup>2</sup>

In order to have a "Recognized Loss" under the Plan of Allocation, shares of FCHS common stock must have been purchased or otherwise acquired during the Class Period and not sold before November 14, 2018.

Based on the formulas stated below, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of FCHS 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. Such "Recognized Loss Amounts" will be aggregated across all of an Authorized Claimant's purchases or acquisitions of FCHS common stock during the Class Period to determine the total "Recognized Loss" for each Authorized Claimant.

For shares of FCHS common stock purchased or otherwise acquired between April 1, 2014, and November 14, 2018, and:

- (a) Sold within the same period, the Recognized Loss Amount per share is zero.
- (b) Held at the end of trading on February 12, 2019, the Recognized Loss Amount is that number of shares multiplied by the lesser of:

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<sup>2</sup> Any transactions in FCHS common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

- a. \$0.66; or
- b. the difference between the purchase or acquisition price per share and \$0.38.
- (c) Sold between November 15, 2018, and February 12, 2019, the Recognized Loss Amount shall be the lesser of:
- a. \$0.66; or
- b. the difference between the purchase or acquisition price per share and the sales price per share; or
- c. the difference between the purchase or acquisition price per share and the average closing price between November 15, 2018, and the date of sale, as found in Table A.<sup>3</sup>

**Table A**

<b>Date of Sale</b>	<b>Average Closing Price Between 11/15/2018 and Date of Sale</b>	<b>Date of Sale</b>	<b>Average Closing Price Between 11/15/2018 and Date of Sale</b>
11/15/2018	\$0.35	1/2/2019	\$0.35
11/16/2018	\$0.35	1/3/2019	\$0.35
11/19/2018	\$0.36	1/4/2019	\$0.35
11/20/2018	\$0.36	1/7/2019	\$0.34
11/21/2018	\$0.36	1/8/2019	\$0.34
11/23/2018	\$0.35	1/9/2019	\$0.34
11/26/2018	\$0.36	1/10/2019	\$0.34
11/27/2018	\$0.38	1/11/2019	\$0.34
11/28/2018	\$0.38	1/14/2019	\$0.35
11/29/2018	\$0.39	1/15/2019	\$0.35
11/30/2018	\$0.40	1/16/2019	\$0.35
12/3/2018	\$0.40	1/17/2019	\$0.36
12/4/2018	\$0.39	1/18/2019	\$0.36
12/6/2018	\$0.39	1/22/2019	\$0.36
12/7/2018	\$0.39	1/23/2019	\$0.36
12/10/2018	\$0.39	1/24/2019	\$0.36
12/11/2018	\$0.39	1/25/2019	\$0.36
12/12/2018	\$0.39	1/28/2019	\$0.36
12/13/2018	\$0.39	1/29/2019	\$0.37
12/14/2018	\$0.39	1/30/2019	\$0.37
12/17/2018	\$0.39	1/31/2019	\$0.37
12/18/2018	\$0.39	2/1/2019	\$0.37
12/19/2018	\$0.38	2/4/2019	\$0.37
12/20/2018	\$0.37	2/5/2019	\$0.37
12/21/2018	\$0.37	2/6/2019	\$0.37
12/24/2018	\$0.36	2/7/2019	\$0.38
12/26/2018	\$0.36	2/8/2019	\$0.38
12/27/2018	\$0.35	2/11/2019	\$0.38
12/28/2018	\$0.35	2/12/2019	\$0.38
12/31/2018	\$0.35		

<sup>3</sup> Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of FCHS common stock during the 90-day look-back period. The mean (average) closing price for FCHS common stock during this 90-day look-back period was \$0.38 as shown in Table A.

The Plan of Allocation also includes the following provisions:

1. There shall be no Recognized Loss Amount attributed to any FCHS common stock purchased on a foreign (non-U.S.) exchange.
2. Purchases or acquisitions and sales of FCHS common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of FCHS common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of FCHS common stock for the calculation of a Recognized Loss Amount, unless (i) the donor or decedent purchased or otherwise acquired such shares of FCHS common stock during the Class Period; (ii) no Proof of Claim and Release Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of FCHS common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.
3. The following matching principle will be applied if you have both purchases/acquisitions and sales of FCHS common stock during the Class Period. If a Class Member made multiple purchases, acquisitions, or sales of FCHS common stock during or after the Class Period, the FCHS common stock sold will be matched, in chronological order (including shares sold prior to any purchase or other acquisition of common stock), against the first FCHS common stock purchased or acquired during the Class Period (First-in, First-Out, or “FIFO”).
4. Settlement Class Members who do not submit a valid and timely Proof of Claim and Release Form will not share in the Settlement proceeds, but will nevertheless be bound by the Settlement, the Order and Final Judgment of the Court dismissing this Action, and the releases provided therein.
5. If you did not incur a Recognized Loss as defined in the Plan of Allocation, you will not receive a cash distribution from the Net Settlement Fund, but you will be bound by all determinations and judgments of the Court in connection with the Settlement, including being barred from asserting any of the Settled Claims against the Released Parties.
6. If the sum total of Recognized Losses of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Loss divided by the total of the Recognized Losses of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. Given the costs of distribution, the Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined below) is \$10.00 or greater. Consequently, no cash payment will be made on a claim where the potential distribution amount is less than \$10.00.
7. If the Net Settlement Fund exceeds the sum total amount of the Recognized Losses of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

#### **10. How much will my payment be?**

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of Authorized Claimants. Payments will be calculated on a *pro rata* basis, meaning that the Net Settlement Fund will be divided among the Authorized Claimants and distributed accordingly (the “Distribution Amount”) after the deadline for submission of Proof of Claim and Release Forms has passed.

To the extent that any amount of the Net Settlement Fund remains after the Claims Administrator has caused distributions to be made to all Authorized Claimants, whether by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distributions, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund, if Lead Counsel, in consultation with the Claims Administrator, determines that additional redistributions, after deduction of any additional fees and expenses that would be incurred with respect to such redistribution, would be cost effective. If it is determined that the redistribution of funds remaining in the Net Settlement Fund is not cost effective, the small remaining balance in the Net Settlement Fund shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) to be recommended by Lead Counsel and approved by the Court.

#### **HOW CAN YOU RECEIVE A PAYMENT?**

#### **11. How can I get a payment?**

To qualify for a payment, you must be an eligible Settlement Class Member and send in a valid and timely Proof of Claim and Release Form. You may download a Proof of Claim and Release Form from the Claims Administrator’s website, [www.FirstChoiceSecuritiesLitigation.com](http://www.FirstChoiceSecuritiesLitigation.com). Read the instructions carefully, fill out the Proof of Claim and Release Form, include all the documents the form asks for, sign it, and mail it so it is delivered or postmarked **no later than June 25, 2021**, to the Claims Administrator (address provided on page 2). Any Settlement Class Member who fails to submit a Proof of Claim and Release Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund (unless by order of the Court the deadline is extended or such Settlement Class Member’s Proof of Claim and Release Form is accepted), but otherwise shall be bound by all of the terms of the Stipulation and the Order and Final Judgment, including the releases therein, and will be permanently barred and enjoined from asserting any of the Settled Claims against any of the Released Parties. **You cannot submit your Proof of Claim and Release Form by telephone, fax, or email.**

## 12. When would I get my payment?

The Court will hold a hearing on July 26, 2021, to decide whether to approve the Settlement. The Court may change the date and time of the Final Approval Hearing without notice or hold the Final Approval Hearing by telephonic or video conference. Any change to the Final Approval Hearing will be posted on the settlement website. Please check the settlement website before attending to be sure that the date and/or time has not changed. If the Settlement is approved, the Claims Administrator will complete the administration process and determine how much each Authorized Claimant is entitled to receive. Lead Counsel will then seek permission from the Court to distribute the Net Settlement Fund on a *pro rata* basis to Authorized Claimants. This is necessarily a long process.

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

Unless you exclude yourself, you will remain a Settlement Class Member. That means that you may receive your *pro rata* share of the Net Settlement Fund if you fill out and submit a valid Proof of Claim and Release Form and that, upon the “Effective Date,” you will release all “Settled Claims” against the “Released Parties.”

### EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants on your own about the Settled Claims, then you must take steps to exclude yourself, or, as it is sometimes referred to, you must “opt out” of the Settlement Class.

On June 15, 2020, FCHS filed a Chapter 11 voluntary bankruptcy petition in the United States Bankruptcy Court for the Middle District of Florida. The bankruptcy could affect, possibly adversely, whether Settlement Class Members’ individual claims can proceed against FCHS, and what damages, if any, Settlement Class Members could receive from FCHS if their individual claims were allowed to proceed. Settlement Class Members should consult their own counsel as to the effect of the bankruptcy on their claims or their decision to exclude themselves from the Settlement.

## 14. How do I exclude myself from the proposed Settlement?

To exclude yourself from the Settlement Class, you must send by mail a letter stating that you “request exclusion from the Settlement Class in *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*, Case No. 6:19-cv-00619-PGB-LRH (M.D. Fla.)” Your request for exclusion must legibly state the case name and your desire to be excluded from the Settlement Class; the date(s), price(s), and number(s) of shares of all your purchases, acquisitions, and sales of FCHS common stock during the Class Period; and have supporting documentation appended. You must also include your name, mailing address, daytime telephone number, and email address, and sign your request for exclusion under penalty of perjury. You must mail your exclusion request so that it is postmarked or received **no later than June 28, 2021**, to the Claims Administrator, at *First Choice Healthcare Solutions, Inc. Sec. Litig.*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. **You cannot exclude yourself by telephone, fax, or email.**

If you ask to be excluded, you will not get any payment or other benefit in the Settlement, and you cannot object to the Settlement. You will not be legally bound by the Settlement or Order and Final Judgment or the releases therein, and you may be able to sue FCHS and the other Released Parties about the Settled Claims in the future.

## 15. If I exclude myself from the Settlement, how can I then make a claim in FCHS’s bankruptcy proceeding?

As stated above, FCHS filed a Chapter 11 voluntary bankruptcy petition on June 15, 2020 (the “Petition Date”). The bankruptcy case is styled *First Choice Healthcare Solutions, Inc. et. al.*,<sup>4</sup> Case No.: 6:20-bk-3355-KSJ, pending in the United States Bankruptcy Court for the Middle District of Florida (“Bankruptcy Court”). The bankruptcy could adversely affect whether your individual claims can proceed against FCHS and what damages, if any, you could receive from FCHS. You should consult your own counsel as to the effect of the bankruptcy on your claims or your decision to exclude yourself from the Settlement.

On November 25, 2020, the Bankruptcy Court entered an order [Doc. No. 271] (the “Bar Date Order”) establishing deadlines to file bankruptcy proofs of claim (which are different and separate from the Proof of Claim and Release Form discussed in this Notice) against FCHS. Pursuant to the Bar Date Order, any person or entity holding a claim against FCHS that arose or is deemed to have arisen prior to the Petition Date based on purchasing or otherwise acquiring First Choice Healthcare Solutions, Inc. common stock between April 1, 2014, and November 14, 2018, inclusive, and who did not sell all such securities before November 14, 2018, must file a bankruptcy proof of claim **on or before June 28, 2021 at 5:00 p.m.** (prevailing Eastern Time) (the “Bar Date”).

All bankruptcy proofs of claim must be filed so as to be actually received by the Clerk of the United States Bankruptcy Court for the Middle District of Florida, Orlando Division (the “Clerk”) at George C. Young Federal Courthouse, 400 W. Washington Street, Suite 5100, Orlando, FL 32801 or through the Clerk’s website at <http://pacer.flmb.uscourts.gov/cmecf/proofofclaim.htm> on or before 5:00 p.m. (prevailing Eastern Time) on the Bar Date.

<sup>4</sup> The “Debtors” in these cases are: First Choice Healthcare Solutions, Inc., First Choice Medical Group of Brevard, LLC, FCID Medical, Inc., and Marina Towers, LLC. The address of all the Debtors is 709 S. Harbor City Blvd., Suite 530, Melbourne, FL 32901.

Any person or entity (except a person or entity who is excused by the terms of the Bar Date Order) who fails to file a bankruptcy proof of claim on or before the Bar Date will be forever barred and estopped from voting upon, or receiving distributions under, any Chapter 11 plan in the bankruptcy case, and FCHS and its property will be discharged from any and all liability with respect to that claim.

If you purchased or otherwise acquired First Choice Healthcare Solutions, Inc. common stock between April 1, 2014, and November 14, 2018, inclusive, and did not sell all such securities before November 14, 2018, and exclude yourself from the Settlement, you must file a bankruptcy proof of claim in order to bring a claim or receive payment from FCHS. If you exclude yourself from the Settlement, you will not be a Settlement Class Member and you will not be entitled to any payment from the Net Settlement Fund.

If a bankruptcy proof of claim is filed, FCHS will likely object, requiring the Bankruptcy Court to conduct a trial in Orlando, Florida on the merits of each claim, where each claimant will have the burden to prove the validity of its claim (and cannot rely on the Settlement as proof). In advance of the trial, FCHS may serve discovery on each claimant and may take each claimant's deposition to determine the validity of each claim. At the conclusion of the trial, the Bankruptcy Court may determine your claim is zero.

Even if the Bankruptcy Court first determines that your bankruptcy proof of claim is an allowed claim, you will likely not receive the full amount of the claim because general unsecured claims will share *pro rata* in any funds the Bankruptcy Court determines FCHS has available after paying for necessary expenses for operation of the business. This amount is undetermined, and the payments are further anticipated to be spread out over at least three years.

You should consult with an attorney as the bankruptcy case may convert to a Chapter 7 and/or FCHS's business may close, which will negatively impact any potential recovery.

If you do not exclude yourself from the Settlement, you will be a Settlement Class Member. As described in this Notice, Settlement Class Members who timely and properly file Proof of Claim and Release Forms and are determined to be Authorized Claimants can receive payment from the Net Settlement Fund. The Net Settlement Fund will be distributed on a *pro rata* basis to Authorized Claimants as described in this Notice and the Plan of Allocation. On March 5, 2021, Lead Plaintiff and Lead Counsel filed a bankruptcy proof of claim on behalf of the Settlement Class.

Copies of the Bar Date Order and FCHS' chapter 11 plan and disclosure statement may be obtained free-of-charge by contacting bankruptcy counsel for FCHS: Akerman LLP, Attn: Esther McKean, 420 S. Orange Ave., Suite 1200, Orlando, FL 32801, esther.mckean@akerman.com, 407-423-4000. Copies of the Bar Date Order and FCHS' chapter 11 plan and disclosure statement are also available for inspection during regular business hours at the office of the Clerk at the address given above. In addition, copies of the Bar Date Order and FCHS' chapter 11 plan and disclosure statement may be viewed on the Internet at the Bankruptcy Court's website (<http://www.flmb.uscourts.gov/>) (by following the directions for accessing the ECF system on such website).

Questions concerning submitting bankruptcy proofs of claim and requests for bankruptcy proof of claim forms should be directed to the Clerk. You should consult your own attorney for assistance regarding any other inquiries, such as questions concerning the completion or filing of a bankruptcy proof of claim.

#### **16. If I do not exclude myself, can I sue Defendants or the other Released Parties later for the Settled Claims?**

No. Unless you exclude yourself, you give up any rights to sue Defendants and the other Released Parties, or to enforce any existing judgments against any of the Released Parties, for any and all Settled Claims. If you have a pending lawsuit against Defendants or the other Released Parties, speak to your lawyer in that case immediately to determine if you have to exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **June 28, 2021**.

#### **17. If I exclude myself, can I get money from the proposed Settlement?**

No. If you exclude yourself, do not send in a Proof of Claim and Release Form to ask for any money. But you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Parties. If you send in both a Proof of Claim and Release Form and seek to exclude yourself from the Settlement, your exclusion will be deemed invalid and your Proof of Claim and Release Form will be administered pursuant to the terms of the Settlement described above.

### **THE LAWYERS REPRESENTING YOU**

#### **18. Do I have a lawyer in this case?**

The Court appointed the law firm of Wolf Popper LLP to represent all Settlement Class Members. These lawyers are called "Lead Counsel." You will **not** be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### **19. How will the lawyers be paid?**

Lead Counsel will ask the Court to award attorneys' fees from the Gross Settlement Fund in an amount not to exceed twenty-five percent (25%) of the Gross Settlement Fund and for reimbursement of their expenses of approximately \$30,000, plus interest on such fees and expenses at the same rate as earned by the Gross Settlement Fund.

The Attorneys' Fees and Expenses requested will be the only payment to Lead Counsel for their efforts in achieving the Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel have not been paid for their services in conducting this Action on behalf of Lead Plaintiff and the Settlement Class or for their substantial out-of-pocket expenses. The fees and expenses requested will compensate Lead Counsel for their work in obtaining the Settlement Amount for the Settlement Class. The Court may, however, award less than this amount. In that case, the difference will remain in the Net Settlement Fund. Lead Counsel will also seek a payment of up to \$5,000 for Lead Plaintiff pursuant to 15 U.S.C. § 78u-4(a)(4) to compensate Lead Plaintiff for its costs and expenses (including lost wages) directly relating to the representation of the Settlement Class.

### **OBJECTING TO THE SETTLEMENT**

#### **20. How do I tell the Court that I do not like the proposed Settlement?**

If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, the application by Lead Counsel for an award of fees and reimbursement of expenses, or the application for an award to Lead Plaintiff, pursuant to 15 U.S.C. § 78u-4(a)(4), of its costs and expenses (including lost wages) directly relating to the representation of the Settlement Class. You may write to the Court setting out your objections. You may give reasons why you think the Court should not approve any or all of the settlement terms or arrangements and submit any documentation you believe is appropriate. The Court will only consider your views if you file a proper objection within the deadline identified and according to the following procedures.

To object, you must send a signed letter or other court submission stating that you object to the proposed Settlement in *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*, Case No. 6:19-cv-00619-PGB-LRH (M.D. Fla.). You must include your name, mailing address, daytime telephone number, email address, and signature. The objection must be signed under penalty of perjury personally by the objecting FCHS stockholder. In addition, your objection must be accompanied by documentation showing the date(s), price(s) and number(s) of shares of all purchases, acquisitions, and sales of FCHS common stock you made during the Class Period. Further, your objection should state the reasons why you object to the Settlement and be accompanied by any legal support or evidence that you wish the Court to consider. Your objection must be filed with the Court at the following address so that **it is postmarked or received on or before July 12, 2021**:

Clerk of the Court  
United States District Court Middle District of Florida  
George C. Young Federal Annex Courthouse  
401 West Central Boulevard  
Orlando, FL 32801

#### **21. What is the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you cannot object because the case no longer affects you.

### **THE COURT'S SETTLEMENT HEARING**

#### **22. When and where will the Court decide whether to approve the proposed Settlement?**

The Court will hold a Final Approval Hearing at 10:00 a.m. on July 26, 2021, before the Honorable Paul G. Byron in Courtroom 4B of the United States District Court for the Middle District of Florida, 401 West Central Boulevard, Orlando, FL 32801. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. At the Final Approval Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement, the application of Lead Counsel for attorneys' fees and reimbursement of expenses, and the application for an award to Lead Plaintiff pursuant to 15 U.S.C. § 78u-4(a)(4) of its costs and expenses (including lost wages) directly relating to the representation of the Settlement Class. The Court will take into consideration any written objections and will listen to Settlement Class Members who have asked to speak at the hearing. The Court may change the date and time of the Final Approval Hearing without notice or hold the Final Approval Hearing by telephonic or video conference. Any change to the Final Approval Hearing will be posted on the settlement website. Please check the settlement website before attending to be sure that the date and/or time has not changed.

#### **23. Do I have to come to the hearing?**

No. Lead Counsel will answer questions the Court may have, but you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but attendance is not mandatory. Settlement Class Members do not need to appear at the Final Approval Hearing or take any other action to indicate their approval.

#### **24. May I speak at the hearing?**

If you object to the Settlement, you may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must indicate in writing that it is your "Intention to Appear in *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*, Case No. 6:19-cv-00619-PGB-LRH (M.D. Fla.)." Settlement Class Members who object to the Settlement, the Plan of Allocation, Lead Counsel's application for

an award of attorneys' fees and reimbursement of expenses, or an award to Lead Plaintiff pursuant to 15 U.S.C. § 78u-4(a)(4) and desire to present evidence at the Final Approval Hearing must include in their written objections the identity of any witnesses they propose to call to testify and any exhibits they intend to offer into evidence at the Final Approval Hearing. You cannot speak at the hearing if you exclude yourself from the Settlement Class or if you fail to provide a written objection and notice of your intention to speak at the Final Approval Hearing by the deadline identified.

### **IF YOU DO NOTHING**

#### **25. What happens if I do nothing at all?**

If you do nothing, you will get no money from this Settlement and, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Parties about the claims being released in the Settlement. All Settlement Class Members who do not submit valid and timely Proof of Claim and Release Forms shall be forever barred from receiving any payments from the Settlement, but will in all other respects be subject to and bound by the provisions of the Stipulation and any Order and Final Judgment entered, including the releases set forth above.

### **GETTING MORE INFORMATION**

#### **26. Are there more details about the proposed Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You may obtain a copy of the Stipulation, and other documents related to the Settlement, as well as other information about the Settlement by visiting the settlement website [www.FirstChoiceSecuritiesLitigation.com](http://www.FirstChoiceSecuritiesLitigation.com). You may also contact the Claims Administrator by email or mail at the address and website provided on page 2, above. The pleadings and other court filings in the Action are available for inspection during regular business hours at the Office of the Clerk of the United States District Court for the Middle District of Florida, Orlando Division, 401 West Central Boulevard, Orlando, FL 32801.

**DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.**

### **SPECIAL NOTICE TO NOMINEES**

If you hold FCHS common stock pursuant to a transaction that took place within the United States within the Class Period as nominee for a beneficial owner, then you must either: (1) send a copy of this Notice by first-class mail to all such persons or entities within ten (10) days of receipt of this Notice; or (2) provide a list of the names and addresses of such persons or entities to the Claims Administrator at the address provided on page 2, above, within ten (10) days of receipt of this Notice.

If you choose to mail this Notice and the Proof of Claim and Release Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs (not to exceed \$0.75 per unit) actually incurred or expected to be incurred in connection with forwarding this Notice, and which would not have been incurred but for the obligation to forward this Notice, upon submission of appropriate documentation to the Claims Administrator.

Dated: March 1, 2021

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