

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

CITY OF OMAHA POLICE AND FIRE
RETIREMENT SYSTEM, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

LHC GROUP, INC. AND KEITH G. MYERS,

Defendants.

CIVIL ACTION

NO. 6:12-CV-01609-JTT-CMH

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

If you purchased or acquired LHC Group, Inc. (“LHC” or the “Company”)¹ common stock during the period of July 30, 2008 and October 26, 2011, inclusive, (the “Class Period”) and are not otherwise excluded from the Class (see Question 6 below), you could get a payment from a class action settlement.

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

Security and Time Period: LHC common stock (symbol “LHCG”) acquired between July 30, 2008 and October 26, 2011, inclusive.

Settlement Fund: \$7,850,000 in cash plus any interest earned thereon. Your recovery will depend on the timing of your purchases and any sales of LHC common stock during the Class Period. Based on the information currently available to Lead Plaintiff and the analysis performed by their damage consultants, it is estimated that if Class Members submit claims for 100% of the shares eligible for distribution under the Plan of Allocation (described below), the estimated average distribution per share will be approximately \$0.81 before deduction of Court-approved fees and expenses, including the cost of notifying members of the Class and settlement administration. Historically, actual claims rates are less than 100%, which result in higher distributions per share. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by that claimant’s recognized claim as compared to the total recognized claims of all Class Members who submit valid Proof of Claim and Release forms (“Proof of Claim”).

Reasons for Settlement: The Court has not reached any final decisions in connection with Plaintiff’s claims against Defendants. Instead, Plaintiff and Defendants have agreed to this settlement, which was reached with the substantial assistance of Judge Layn Phillips, a highly respected former United States District Court Judge with extensive experience in the mediation of complex class actions. In reaching the settlement, the Settling Parties have avoided the cost, delay and uncertainty of further litigation.

As in any litigation, Plaintiff and the proposed Class would face an uncertain outcome if they did not agree to the settlement. The Settling Parties expected that the case could continue for a lengthy period of time and that if Plaintiff succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the case against Defendants could result in a judgment greater than this settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the settlement.

¹ This Notice of Proposed Class Action Settlement (“Notice”) incorporates by reference the definitions in the Stipulation of Settlement (the “Stipulation”) dated June 16, 2014, and all capitalized terms used, but not defined herein, shall have the same meanings as in the Stipulation. The Stipulation is posted on the Claims Administrator’s website at www.lhcsecuritieslitigation.com.

Plaintiff and Plaintiff's Counsel believe that this settlement is fair and reasonable to the members of the Class. They have reached this conclusion for several reasons. Specifically, if the settlement is approved, the Class will receive a significant monetary recovery. Additionally, Plaintiff's Counsel believes that the significant and immediate benefits of the settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are an excellent result for the Class.

Statement on Damages: Lead Plaintiff and Defendants disagree on both liability and damages, and do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiff had prevailed on each claim asserted. The issues on which the parties disagree include, but are not limited to: (1) whether the statements made or facts allegedly omitted were false, material, or otherwise actionable under the federal securities laws; (2) whether any of the allegedly false or misleading statements were made knowingly or unknowingly; (3) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleadingly influenced (if at all) the trading price of LHC common stock at various times during the Class Period; (4) the extent to which external factors, such as general market conditions, influenced the trading price of LHC common stock at various times during the Class Period; (5) the appropriate economic model for determining the amount by which LHC common stock was allegedly artificially inflated (if at all) during the Class Period; and (6) the extent to which Class Members were damaged (if at all).

Defendants deny that they did anything wrong, deny any liability to Lead Plaintiff, and deny that Lead Plaintiff and the Class Members have suffered any damages attributable to Defendants' actions.

Contrary to Defendants' assertion, Lead Plaintiff believes that it and the putative Class suffered damages as a result of Defendants' actions.

Attorneys' Fees and Expenses: Court-appointed Lead Plaintiff's counsel will ask the Court for attorneys' fees of up to 33 1/3% of the Settlement Fund and expenses not to exceed \$172,000 to be paid from the Settlement Fund plus interest. In addition, Lead Plaintiff may seek reimbursement from the Settlement Fund of up to \$5,000 for time and expenses (including lost wages) incurred in representing the Class. Lead Plaintiff's counsel have not received any payment for their work investigating the facts, prosecuting this Litigation, and negotiating this settlement on behalf of the Lead Plaintiff and the Class. The Court will decide what constitutes a reasonable fee award and may award less than the amounts requested by Lead Counsel and Lead Plaintiff. Class Members are not personally liable for any such fees or expenses. Rather, it will be paid from the Settlement Fund.

Deadlines:

Submit Claim:	January 9, 2015
Request Exclusion:	November 11, 2014
File Objection:	November 4, 2014

Court Hearing on Fairness of Settlement: December 11, 2014

More Information: www.lhcsecuritieslitigation.com or

Settlement Claims Administrator:

Omaha Police and Fire Retirement System v. LHC Group, Inc.
c/o GCG
P.O. Box 10075
Dublin, Ohio 43017-6675
Toll Free Number: (855) 382-6401

Plaintiff's Lead Counsel:

John Jasnoch, Esq.
SCOTT+SCOTT,
ATTORNEYS AT LAW, LLP
707 Broadway, Suite 1000
San Diego, California 92101
Phone: (619) 233-4565

- Your legal rights are affected whether you act, or do not act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

- | | |
|----------------------------|---|
| SUBMIT A CLAIM FORM | The only way to get a payment. |
| EXCLUDE YOURSELF | Get no payment. This is the only option that allows you to participate in another lawsuit against the Defendants and Related Parties relating to the legal claims in this case. |
| OBJECT | You may write to the Court and object if you do not like this settlement, the request for attorneys' fees, costs and expenses, and/or the Plan of Allocation. |
| GO TO A HEARING | You may ask to speak in Court about the fairness of the settlement. |
| DO NOTHING | Get no payment. Give up rights. |
- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
 - The Court in charge of this case must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and, if there are any appeals, after appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or acquired LHC common stock between July 30, 2008 and October 26, 2011, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement and after any objections or appeals (if there are any) are resolved, the Claims Administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Western District of Louisiana, and the case is known as *City of Omaha Police and Fire Retirement System v. LHC Group, Inc. and Keith G. Myers*, Civil Action No. 6:12-cv-1609-JTT-CMH. The entity that leads the Litigation, City of Omaha Police and Fire Retirement System, is called the Lead Plaintiff and the company and the individual it sued are called Defendants.

2. What is this lawsuit about?

This Litigation alleges that LHC Group, Inc. and its Chief Executive Officer violated the federal securities laws by making false and misleading statements in certain press releases and public filings issued during the Class Period or controlling the persons who made those statements. The Litigation also alleges LHC's Chief Executive Officer engaged in insider trading during the Class Period.

The Court has not ruled as to whether Defendants are liable to Lead Plaintiff or to the Class. This Notice is not intended to be an expression of any opinion by the Court with respect to the truth of the allegations in this lawsuit or the merits of the claims or defenses asserted. This Notice is solely to advise you of the pendency of the Action and proposed settlement thereof and your rights in connection with that settlement.

Defendants deny all of the Lead Plaintiff's allegations and further deny that they did anything wrong. Defendants also deny that the Lead Plaintiff or the Class suffered damages or that the price of LHC common stock was allegedly artificially inflated by reasons of alleged misrepresentations, non-disclosures, or otherwise.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case, the Court-appointed Lead Plaintiff, City of Omaha Police and Fire Retirement System) sue on behalf of people who have similar claims. All of these people and/or entities are called a class or class members. One court resolves the issues for all class members, except for those who exclude themselves from the class. United States District Court Judge James T. Trimble, Jr. is in charge of this case.

QUESTIONS? CALL TOLL-FREE (855) 382-6401 OR VISIT WWW.LHCSECURITIESLITIGATION.COM

4. Why is there a settlement?

The Court did not decide in favor of the Lead Plaintiff or Defendants. Instead, the lawyers for both sides of the lawsuit, with the help of an experienced mediator, the Hon. Layn R. Phillips, U.S. District Court Judge (Ret.), negotiated a settlement, which 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 and the uncertainty of a trial and appeals, and permits Class Members to be compensated without further delay. Lead Plaintiff and its attorneys think the settlement is best for all Class Members.

WHO GETS MONEY FROM THE SETTLEMENT

To see if you will get money from this settlement, you first have to determine if you are a Class Member.

5. How do I know if I am part of the settlement?

The Class includes *all Persons who purchased or otherwise acquired the common stock of LHC between July 30, 2008 and October 26, 2011, inclusive.*

6. Are there exceptions to being included in the Class?

Yes. Excluded from the Class are Defendants, directors and officers of LHC and their families and affiliates. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to this Notice.

7. I'm still not sure if I am included.

If you still are not sure whether you are included, you can ask for free help. You can visit www.lhsecuritieslitigation.com or call toll-free (855) 382-6401 for more information; or you can fill out and return the claim form described in Question 10 to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

Defendants have agreed to cause to be paid \$7,850,000 in cash (the “Settlement Fund”). The Settlement Fund, plus interest earned from the date it is established, less costs, fees and expenses (the “Net Settlement Fund”), will be divided among all eligible Class Members whose claims for recovery have been allowed pursuant to the terms of the Stipulation and who sent in valid claim forms (“Authorized Claimants”). Costs, fees, and expenses include Court-approved attorneys’ fees and expenses, the costs of notifying Class Members, including the costs of printing and mailing this Notice and the cost of publishing newspaper and internet notice, and the costs of claims administration.

9. How much will my payment be and what is the Plan of Allocation?

The Net Settlement Fund will be paid to Class Members in accordance with the following Plan of Allocation:

The purpose of the Plan of Allocation is to distribute settlement proceeds equitably to those Class Members who suffered economic losses resulting from the alleged misrepresentations and omissions by Defendants in the Class Period. The Court may approve the Plan of Allocation or modify it without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website at www.lhsecuritieslitigation.com.

The Net Settlement Fund will be the gross settlement of \$7,850,000 reduced by fees, expenses, and taxes, and increased by interest earned on the Settlement Amount. The Net Settlement Fund will be distributed among those Class Members who submit timely and valid Proofs of Claim to the Claims Administrator (“Claimants”), which are accepted for payment pursuant to the terms of the Stipulation and as prescribed by the Court (“Authorized Claimants”). No distribution of funds among such Authorized Claimants will occur until: (1) the Court has approved the settlement and a plan of allocation; (2) the time has expired for any petition for rehearing or appeal of the Court’s order(s) approving the settlement and a plan of allocation; and (3) the Court has approved the Claims Administrator’s determinations of eligible claims.

Purchasers of the common stock of LHC may be eligible to receive funds in the distribution. Federal securities laws allow investors to recover for losses caused by disclosures which corrected Defendants’ previous allegedly misleading statements or omissions, but not for losses caused by broad market conditions or by other events unrelated to a securities fraud.

- Class Members must have purchased LHC common stock during the Class Period of July 30, 2008 through October 26, 2011, inclusive.
- Class Members must have held the LHC stock at the time its price declined due to a disclosure of information which corrected an allegedly misleading statement or omission. Lead Plaintiff and Lead Counsel have identified the following dates of such price declines: July 1, 2010, October 4, 2011, and October 27, 2011. If the security was purchased and then sold before July 1, 2010 or was purchased on or after one of these dates and sold before the next consecutive date in this series of dates of price declines, then those transactions are excluded from consideration in the distribution of settlement proceeds.

Recognized Loss

After a Proof of Claim with adequate documentation is submitted to the Claims Administrator, a “Recognized Loss” will be calculated for each purchase of LHC common stock in the Class Period and for a Claimant’s total overall transactions in LHC common stock in the Class Period. The Recognized Loss is not intended to be an estimate of the amount which might have been recovered after trial or an estimate of the amount to be paid an Authorized Claimant from the Net Settlement Fund. The method for calculating Recognized Loss simply provides a basis for allocating the Net Settlement Fund proportionately among Authorized Claimants.

Lead Plaintiff has alleged that during the Class Period, July 30, 2008 through October 26, 2011, inclusive, LHC reported dramatic growth in revenue derived from delivery of home-healthcare services and represented to investors that this was due to “organic growth” and acquisitions, but LHC allegedly failed to disclose that much of its growth was generated by abuse of the Medicare home-healthcare program. The following is a brief description of the announcements that allegedly revealed the truth and dissipated the alleged fraud as determined by Lead Plaintiff and Lead Counsel:²

- a) **July 1, 2010:** Home-healthcare sector leader Amedisys, as well as home-healthcare competitor Almost Family, announced that they were subjects of formal Securities and Exchange Commission (“SEC”) investigations into potential Medicare billing fraud. There was a significant company-specific price decline in LHC common stock on this date and not on July 14, 2010 following an announcement by LHC after market close on July 13, 2010, that LHC was also a subject of an SEC inquiry (and that LHC reaffirmed its revenue and earnings guidance). This indicates that on July 1, 2010, the market anticipated an SEC investigation of potential Medicare billing fraud by LHC from the announced investigations of Amedisys and Almost Family.
- b) **October 3-4, 2011:** On October 3, the Senate Finance Committee released its report on its investigation of home-healthcare providers, concluding that practices at LHC and two other companies were at best abuses of Medicare’s home health program and at worst may have been fraud. News media reported the Senate Committee had found the three companies to have tailored care provided to Medicare patients to maximize the companies’ reimbursements. On

² The Amended Complaint filed by Lead Plaintiff on November 2, 2012 (“AC”) also described information releases on April 26, 2010 (a WALL STREET JOURNAL report of a study of Medicare payments to LHC and three other home-healthcare companies, indicating that the companies’ number of home therapy visits tracked Medicare financial incentives) and on May 12, 2010 (Senate Finance Committee inquiry initiated into possible abuse of Medicare by these home-healthcare providers). The residual return on price of LHC common stock (percentage change in price excluding market and industry effects) on each of these dates and each next following date was either positive or negative but not statistically significant. In addition, the AC described an information release on July 13, 2010 (announcement by LHC after market close that it was the subject of an SEC investigation). There was no statistically significant residual return on LHC common stock on the next trading day, July 14, 2010. As a result, Lead Plaintiff and Lead Counsel concluded that they were unlikely to prevail in a claim of loss causation due to any changes in the price of LHC common stock resulting from the April 26, May 12, and July 13, 2010 announcements. On July 1, 2010, the residual return on LHC’s stock price was statistically significant. The residual return on October 3, 2011 was not statistically significant; the residual returns on LHC’s stock price on both October 4 and 5, 2011 were statistically significant. On October 27, 2011, the residual return on LHC’s stock price was statistically significant. Statistical significance was determined based on a regression model of daily LHC stock returns (percentage price changes) regressed against daily returns on a market index (the S&P 500) and daily residual returns (returns adjusted to exclude market effects) of an industry index, over a year control period beginning May 1, 2009, and excluding dates April 26 and 27, 2010 (see above information disclosed April 26). The industry index was composed of 14 healthcare companies whose returns were significantly correlated with those of LHC during the control period and excluded three other home-healthcare companies which also were subjects of investigations of potential Medicare billing abuses in the Class Period.

October 4, news media carried discussions of the Senate Committee's findings, including critical statements by U.S. Senators. On October 4, there was a significant company-specific decline in LHC's stock price; on October 5, LHC's stock price made a partial and significant company-specific recovery.

- c) **October 26, 2011:** After market close, LHC issued a preliminary announcement for the third quarter of 2011 of disappointing revenue and earnings and reduced its guidance for fiscal 2011 revenue and earnings. Lead Plaintiff has alleged the unexpected shortfall in LHC's financial performance resulted from disclosure and cessation of LHC's allegedly abusive Medicare billing practices. On October 27, 2011, multiple security analysts reduced their earnings and revenue forecasts for LHC. On October 27, there was a significant company-specific decline in LHC's share price.³

Calculation of Recognized Loss

Beginning on July 1, 2010, inflation in the price of LHC common stock was reduced sequentially, as alleged corrective disclosures were made on July 1, 2010, October 3 and 4, 2011, and October 26, 2011. Inflation in the price of LHC common stock was reduced to zero by the residual share price decline on October 27, 2011. Company-specific price changes (excluding market and industry effects) in LHC common stock attributed to the above disclosures of the alleged fraud are as follows.

- a) **July 1, 2010:** -\$3.01.
- b) **October 4 – 5, 2011:** -\$0.44 (October 4 company-specific decline of -\$1.12 net of October 5 company-specific partial recovery of \$0.68).
- c) **October 27, 2011:** -\$3.53 (October 27 company-specific decline of -\$3.61, excluding -\$0.08 per share effect of factors Plaintiffs have not attributed to the alleged fraud).

Federal law constrains price inflation under the 90-day-lookback provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). In calculating Recognized Loss on the purchase of LHC common stock, Recognized Loss may not exceed the purchase price minus the 90-day-lookback period mean closing price. The 90-day-lookback period began October 27, 2011 and ended January 24, 2012. The mean closing price of LHC common stock during this period was \$13.71.

If a claimant had a market gain from his/her/its total transactions in LHC common stock purchased in the Class Period July 30, 2008 through October 26, 2011, the value of his/her/its claim will be zero. If a claimant suffered a market loss on total transactions in LHC common stock purchased in the Class Period, and that market loss was less than the sum of his/her/its total of Recognized Losses on transactions in that stock, that claimant's total Recognized Loss will be limited to the amount of the actual total market loss.

To match purchases and sales within the Class Period, the Claims Administrator will apply a first-in, first-out ("FIFO") rule to holdings of a particular security on July 29, 2008 (the day before the beginning of the Class Period) and to purchases and sales of that security in the Class Period. For example, FIFO will match the first shares of a particular security sold against any shares of that security held as of July 29, 2008, and then against purchases of that security in the Class Period in chronological order, beginning with the earliest purchases in the Class Period. Sales matched to LHC common stock held as of July 29, 2008 will be excluded from calculation of Recognized Loss and market gain or loss.

³ LHC's October 26, 2011 press release attributed disappointing third-quarter earnings per share primarily to: (1) one-time effects of a settlement previously announced and therefore already known to the market; (2) less-than-expected operating performance which Lead Plaintiff has alleged resulted from disclosure and cessation of abusive practices; (3) \$0.08 per share negative effect due to higher employee self-insured healthcare costs; and (4) \$0.04 per share positive benefit due to reduced employee performance compensation. For the purposes of this Plan of Allocation, it is assumed that the unexpected increase in costs of employee healthcare self-insurance was one-time and unrelated to any alleged wrongdoing, while the reduction in performance compensation is assumed to result from reduced financial performance of LHC's operations and therefore related to the alleged wrongdoing. Because the settlement already was known to the market, it would have had no impact on the October 27, 2011 company-specific stock price reaction to LHC's disclosures on October 26, 2011.

No Recognized Loss will be calculated for any purchase of a particular security to cover a short sale. If a share of LHC common stock was purchased on or after July 30, 2008 and held at least until October 27, 2011 (the day of price reaction to the final corrective disclosure on October 26, 2011), market gain or loss on that share purchase will be the difference between purchase price and the PSLRA 90-day-lookback mean price of \$13.71. If a share was purchased on or after July 30, 2008 and sold on or before October 26, 2011, market gain or loss on that share purchase will be the difference between purchase price and sale price.

Lead Plaintiff’s consulting damages expert has estimated the price decline in LHC common stock due to disclosure(s) related to the alleged fraud on each of the dates of price decline attributed in full or in part to release of corrective information related to the alleged fraud. These net price declines are used to measure alleged inflation in stock price at each purchase and sale date, as described below.

The formulas for calculating Recognized Loss for purchases, or purchases followed by sales, of LHC common stock purchased during the Class Period, are:

1. **For a share purchased on or after July 30, 2008, and held** until at least October 27, 2011, Recognized Loss will be the **lesser** of the following, but not less than zero:
 - (a) the appropriate value from the table below for that purchase date (and sale date, if sold on or before October 26, 2011); or
 - (b) the purchase price minus the 90-day-lookback mean price of \$13.71. If purchase price minus \$13.71 is less than zero, the Recognized Loss is zero.
2. **For a share purchased on or after July 30, 2008 and sold** on or before October 26, 2011, Recognized Loss will be the appropriate value from the Table below for that purchase date and sale date, but not less than zero.

LHC Group, Inc. Recognized Loss per Share (Before Any Limitation Imposed by 90-Day-Lookback Constraint)				
	and sold before 7/1/10	and sold 7/1/10 – 10/3/11	and sold 10/4/11 – 10/26/11	and held at least until 10/27/11
purchased 7/30/08 - 6/30/10	\$0.00	\$3.01	\$3.45	\$6.98
purchased 7/1/10 - 10/3/11	N/A	\$0.00	\$0.44	\$3.97
purchased 10/4/11 - 10/26/11	N/A	N/A	\$0.00	\$3.53

Other Provisions of the Plan of Allocation

Recognized Loss is zero on purchases of any LHC common stock which were not publicly registered or were restricted from trading.

Purchases and sales will be considered to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The amount paid or received for such securities will exclude commissions, taxes, and fees.

No Recognized Loss will be calculated on receipt of LHC common stock by gift, grant, inheritance, or operation of law.

Payment under the Plan of Allocation approved by the Court will be conclusive for all Authorized Claimants. Claimants whose claims are determined to have a value of zero will nevertheless be bound by the settlement. No person shall have any claim against Lead Plaintiff, Lead Counsel, Liaison Counsel, the Claims Administrator, any other agent designated by Lead Counsel, or the Released Persons arising from distributions made substantially in accordance with the Plan of Allocation or further orders of the Court.

Each Authorized Claimant will recover his/her/its *pro rata* share of the Net Settlement Fund based on his/her/its total Recognized Losses. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total of all Recognized Losses, then each Authorized Claimant will be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s recognized claim bears to the total of the claims of all Authorized Claimants (“*pro rata* share”). If the Authorized Claimant’s *pro rata* share is less than \$10.00, it will be removed from the calculation and will not be paid given the administrative expenses of processing payments.

QUESTIONS? CALL TOLL-FREE (855) 382-6401 OR VISIT WWW.LHCSECURITIESLITIGATION.COM

If each Authorized Claimant's Recognized Loss can be paid in full, and funds remain in the Net Settlement Fund, the remaining amount in the Net Settlement Fund will be donated to a legal aid organization serving Louisiana.

Distributions to Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After an initial distribution of the Net Settlement Fund, if Lead Counsel in consultation with the Claims Administrator determines that redistribution(s) is cost-effective, the Claims Administrator will redistribute any funds remaining in the Net Settlement Fund to Authorized Claimants who have cashed their initial distribution checks, after payment from the Net Settlement Fund of any unpaid taxes, fees, or expenses incurred in administering the fund, including in making distributions. If redistribution of funds remaining in the Net Settlement Fund is determined not to be cost-effective, the balance remaining in the Net Settlement Fund will be donated to a legal aid organization serving Louisiana. Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Louisiana with respect to his/her/its Proof of Claim.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

10. How will I get a payment?

To qualify for a payment, you must send in a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than January 9, 2015.

11. When would I get my payment?

The Court will hold a hearing on December 11, 2014, at 1:30 p.m., to decide whether to approve the settlement. If the Court approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps more than a year. It also takes time for all the claim forms to be processed. If there are no appeals and depending on the number of claims submitted, the Claims Administrator could distribute the Net Settlement Fund as early as nine months after the fairness hearing. Please be patient.

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

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Related Parties about the same issues in this case or about issues that could have been asserted in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your Released Claims in this case against the Defendants and Related Parties. "Released Claims" means any and all rights, demands, claims (including "Unknown Claims" as defined in the Stipulation), liabilities, suits, debts, obligations, damages, losses, judgments, matters, issues, and causes of action of every nature and description, in law or equity, whether accrued or unaccrued, fixed or contingent, liquidated or un-liquidated, matured or un-matured, known or unknown, discoverable or undiscoverable, concealed or hidden, disclosed or undisclosed, whether arising under federal, state, local, statutory, common law, foreign law, or any other law, rule, or regulation, and whether class and/or individual in nature, that: (i) have been asserted in this Litigation or in the Amended Complaint by the Lead Plaintiff or any Class Member against any of the Released Persons, or (ii) could have been asserted, or in the future could or might have been asserted in this Litigation or any other forum whatsoever by the Lead Plaintiff or any Class Member against any of the Released Persons which arise out of, or are based upon or related in any way to, the allegations, transactions, facts, acts, events, disclosures, statements, matters or occurrences, representations or omissions involved in the Litigation, or are set forth or referred to in the AC, and that relate to the purchase, acquisition, holding or sale of LHC common stock during the Class Period. "Released Claims" does not include claims to enforce the settlement. "Released Claims" also does not include the derivative claims asserted on behalf of the Company in *In re LHC Group Inc. Derivative Litigation*, Case No. 6:13-cv-02899-JTT-CMH (W.D. La.).

13. What happens if the settlement is not approved or is terminated?

The Court may not approve the settlement or it may be terminated as outlined in the Stipulation. If the Settlement is not approved, or is terminated, the certification of the Class for settlement purposes will be vacated, and the Litigation will proceed as if the Stipulation had not been entered into.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue the Defendants or Related Parties on your own about the same issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

14. How do I get out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from the settlement in *City of Omaha Police and Fire Retirement System v. LHC Group, Inc. and Keith G. Myers*, Civil Action No. 6:12-cv-1609-JTT-CMH. Be sure to include your name, address, telephone number, and the date(s), price(s) and number of shares of LHC common stock you acquired between July 30, 2008 and October 26, 2011, inclusive. You must also include documents evidencing such acquisition(s), such as brokerage statements or confirmation slips, and your signature. Your exclusion request must be postmarked no later than November 11, 2014 and sent to the Claims Administrator at:

Omaha Police and Fire Retirement System v. LHC Group, Inc.
c/o GCG
P.O. Box 10075
Dublin, Ohio 43017-6675

You cannot exclude yourself on the phone or by email. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

15. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants or the Related Parties for the claims that this settlement resolves. Remember, the exclusion deadline is November 11, 2014.

16. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. Once you exclude yourself, you will receive no cash payment even if you also submit a claim form.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court appointed the law firm of Scott+Scott, Attorneys at Law, LLP to represent you and other Class Members. These lawyers are called Lead Counsel. The Court also appointed Lemmon Law Firm, LLC as Liaison Counsel. These lawyers will apply to the Court for payment from the Settlement Fund; you will not otherwise be charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. Do I have to contact the lawyers to be paid?

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact the Lead Counsel. If you did not receive this Notice but believe you should have, or if your address changes, please contact the Claims Administrator at:

Omaha Police and Fire Retirement System v. LHC Group, Inc.
c/o GCG
P.O. Box 10075
Dublin, Ohio 43017-6675
Toll Free Number: (855) 382-6401

19. How will the lawyers be paid?

At the fairness hearing, Lead Counsel will request the Court to award attorneys' fees of up to 33 1/3% of the Settlement Fund and for expenses up to \$172,000, which were incurred in connection with the Litigation. If awarded, the cost would be \$0.27 per share. In addition, Lead Plaintiff may seek reimbursement from the Settlement Fund of up to \$5,000 for time and expenses (including lost wages) incurred in representing the Class. Court approved attorneys' fees, costs and

expenses will be paid from the Settlement Fund. Class Members are not personally liable for any such fees, costs or expenses. To date, Lead Plaintiff's counsel have not received any payment for their services in conducting this Litigation on behalf of the Lead Plaintiff and the Class, nor have counsel been paid for their expenses. The fee requested will compensate Lead Counsel for their work in achieving the Settlement Fund and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

20. How do I tell the Court that I do not like the settlement?

If you are a Class Member (and you have not excluded yourself), you can object to the settlement, the request for attorneys' fees, costs and expenses, and/or the Plan of Allocation if you do not like any part of them. You can give reasons why you think the Court should not approve the settlement, the request for attorneys' fees, costs and expenses, and/or the Plan of Allocation. The Court will consider your views. To object, you must send to Lead Plaintiff's counsel and Defendants' counsel, and file with the Court, a signed notice of objection saying that you object to the proposed settlement in *City of Omaha Police and Fire Retirement System v. LHC Group, Inc. and Keith G. Myers*, Civil Action No. 6:12-cv-01609-JTT-CMH. Be sure to include your name, address, telephone number, your signature, the number of shares of LHC common stock acquired and sold between July 30, 2008 and October 26, 2011, inclusive, documents evidencing your purchase(s) and sale(s) of LHC common stock, such as brokerage statements or confirmation slips, and the reasons you object to the settlement, the requested attorneys' fees, costs and expenses, and/or the Plan of Allocation. Any such notice of objection, and all supporting papers and briefs, must be mailed or delivered such that it is received by each of the following no later than November 4, 2014:

Lead Counsel for Lead Plaintiff:

JOHN JASNOCH, ESQ.
SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
707 Broadway, Suite 1000
San Diego, California 92101
Phone: (619) 233-4565

Counsel for Defendants:

JOHN A. JORDAK, JR.
ALSTON & BIRD LLP
1201 West Peachtree Street
Atlanta, Georgia 30309

Any such notice of objection, and all supporting papers and briefs, must be filed with the following no later than November 4, 2014:

Clerk of the Court
United States District Court
Western District of Louisiana
800 Lafayette Street, Suite 2100
Lafayette, Louisiana 70501

Attendance at the fairness hearing discussed below is not necessary; however, persons wishing to be heard orally at the hearing are required to indicate in their notice of objection their intention to appear at the hearing and the identity of any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

21. What is the difference between objecting and excluding myself from the settlement?

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

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend, but you do not have to.

22. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing at 1:30 p.m., on December 11, 2014, at the United States District Court for the Western District of Louisiana, 800 Lafayette Street, Courtroom 6, Lafayette, Louisiana 70501. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who have asked to speak at the hearing. The Court will also decide whether to: (a) award Lead Counsel attorneys' fees and expenses; (b) reimburse Lead Plaintiff the costs and expenses (including lost wages) it incurred in prosecuting this Litigation on behalf of the Class; and (c) approve the Plan of Allocation as fair, reasonable and adequate. We do not know how long the hearing will take or whether the Court will make its decision on the day of the hearing or sometime later. The Court may adjourn or continue the hearing without further notice.

23. Do I have to come to the hearing?

No. Lead Plaintiff's counsel will answer any questions the Court may have. However, 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 mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so.

24. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing. To do so, you must send a letter saying that it is your intention to appear in *City of Omaha Police and Fire Retirement System v. LHC Group, Inc. and Keith G. Myers*, Civil Action No. 6:12-cv-01609-JTT-CMH. Be sure to include your name, address, telephone number, your signature, and the number of shares of LHC common stock acquired and sold between July 30, 2008 and October 26, 2011, inclusive, as well as documentation evidencing your purchase(s) and sale(s). Your notice of intention to appear must be received no later than November 4, 2014 by the Clerk of the Court, Lead Plaintiff's counsel, and Defendants' counsel, at the addresses listed in Question 20. You cannot speak at the hearing if you exclude yourself from the Class.

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. However, 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 the Defendants or Related Parties about the same issues in this case.

GETTING MORE INFORMATION

26. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation, which has been filed with the Court. You can get a copy of the Stipulation from: (a) the Clerk's office at the United States District Court for the Western District of Louisiana, 800 Lafayette Street, Suite 2100, Lafayette, Louisiana 70501, during regular business hours; or (b) the Claims Administrator's website at www.lhcsecuritieslitigation.com.

27. How do I get more information?

You can visit the Claims Administrator's website at www.lhcsecuritieslitigation.com, call the Claims Administrator at (855) 382-6401, or write to a representative of Lead Plaintiff's counsel, John Jasnoch, Esq., Scott+Scott, Attorneys At Law, LLP, 707 Broadway, Suite 1000, San Diego, California 92101. ***Please do not call the Court or the Clerk of the Court for additional information about the settlement.***

SPECIAL NOTICE TO NOMINEES

If you hold any LHC common stock acquired between July 30, 2008 and October 26, 2011, inclusive, as a nominee for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (a) send a copy of this Notice by first class mail to all such Persons; or (b) provide a list of the names and addresses of such Persons to the Claims Administrator:

Omaha Police and Fire Retirement System v. LHC Group, Inc.
c/o GCG
P.O. Box 10075
Dublin, Ohio 43017-6675
Toll Free Number: (855) 382-6401

If you choose to mail the Notice and Proof of Claim 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 reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

INJUNCTION

The Court has issued an order enjoining Lead Plaintiff and all Class Members, either directly, representatively, or in any other capacity, from commencing or prosecuting any action in any court that asserts Released Claims against any Released Persons, pending final determination by the Court of whether the settlement should be approved.

DATED: AUGUST 1, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA