

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

DR. JOSEPH F. KASPER, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

v.

AAC HOLDINGS, INC., JERROD N. MENZ, MICHAEL T.
CARTWRIGHT, ANDREW W. MCWILLIAMS, and KIRK
R. MANZ,

Defendants.

Case No. 3:15-CV-00923-JPM
(Consolidated)

**NOTICE OF (I) PROPOSED SETTLEMENT AND PLAN OF ALLOCATION; (II) SETTLEMENT HEARING; AND
(III) MOTION FOR AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

To: ALL PERSONS AND ENTITIES WHO ARE MEMBERS OF THE CERTIFIED CLASS IN THIS ACTION (*See definition of the Class set forth in paragraph 1 below*).

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

NOTICE OF SETTLEMENT: Please be advised that the Court-appointed Lead Plaintiffs Arkansas Teacher Retirement System and Dr. James Gills as co-lead plaintiffs (collectively, "Lead Plaintiffs"), on behalf of themselves and the Court-certified Class (as defined below), have reached a proposed settlement of the above-captioned securities class action lawsuit (the "Action") for a total of Twenty-Five Million (\$25,000,000) in cash that, if approved, will resolve all claims in the Action.¹

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a Class Member, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact AAC Holdings, Inc. ("AAC" or the "Company") or the Court. All questions should be directed to Co-Lead Counsel or the Claims Administrator (*see ¶¶76, 83-85 below*).

- 1. Description of the Action and Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action lawsuit brought by investors alleging, among other things, that Defendants AAC, Michael T. Cartwright, Kirk R. Manz, Jerrod N. Menz ("Menz"), and Andrew W. McWilliams (collectively, the "Defendants"), violated the federal securities laws by failing to disclose facts regarding a California Department of Justice investigation concerning the death of a patient at an AAC facility, and the risks it posed to the Company's business, prospects and operations. The proposed Settlement, if approved by the United States District Court for the Middle District of Tennessee (the "Court"), will settle claims of the Class of persons and entities that was certified by the Court pursuant to an Order issued on July 14, 2017. The "Class," as certified by the Court, consists of all persons and entities who purchased or otherwise acquired AAC securities between October 2, 2014, and August 4, 2015 at 9:40 a.m. (EDT). Excluded from the Class by definition are Defendants, directors, and officers of AAC, as well as their families and affiliates.
- 2. Statement of Class's Recovery:** Subject to Court approval, and as described more fully below, Lead Plaintiffs, on behalf of themselves and the Class, have agreed to settle all claims based on the purchase or other acquisition of AAC securities during the Class Period that were or could have been asserted against Defendants in the Action in exchange for a settlement payment of Twenty-Five Million Dollars (\$25,000,000) in cash (the "Settlement Amount") to be deposited into an interest-bearing escrow account. The Settlement Amount shall be paid as follows: (a) Defendant Menz shall sell 300,000 shares of his AAC common stock and pay the cash derived from that sale of 300,000 shares (the "Stock Component") to the Settlement Fund; and (b) AAC and the Individual Defendants shall pay in cash the difference, if any, between the Settlement Fund and the Stock Component (the "Cash Component"). The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (i) any Taxes, (ii) any Notice and Administration Costs, (iii) any expenses of Co-Lead Counsel or Lead Plaintiffs ("Litigation Expenses") awarded by the Court; and (iv) any attorneys' fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 6-10 below.
- 3. Estimate of Average Amount of Recovery Per Share:** Lead Plaintiffs' damages expert estimates that approximately 9,514,325 shares of AAC common stock were purchased during the Class Period and held through a corrective disclosure and therefore were damaged. Lead Plaintiffs' damages expert estimates that, if valid claims for all damaged shares are submitted, the average recovery per damaged share of AAC common stock will be approximately \$2.58 per share before deduction of attorneys' fees, costs and expenses awarded by the Court and the costs of providing notice and administering the Settlement. Lead Plaintiffs' damages expert estimates 418,300 damaged shares as a result of each AAC Call Option purchased and not closed as of a corrective disclose, and 258,300 damaged shares as a result of each AAC Put Option not closed as of a corrective disclose, for an average recovery of \$0.24 and \$1.44 per damaged share, respectively, before deduction of attorneys' fees, costs and expenses awarded by the Court and the costs of providing notice and administering the Settlement.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement dated February 15, 2018 (the "Stipulation"), which is available on the website for the Action at www.aacsecuritiesclassaction.com.

Class Members should note, however, that the foregoing average recovery per damaged share of AAC common stock is only an estimate. A Class Member’s actual recovery will depend on several things, including: (1) the number of claims filed; (2) when Class Members purchased or acquired their AAC securities during the Class Period; and (3) whether Class Members sold their AAC securities and, if so, when. Distributions to Class Members will be made based on the Plan of Allocation set forth herein (see pages 6-10 below) or such other plan of allocation as may be ordered by the Court.

4. **Statement of Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail in the Action. Among other things, Defendants deny that any of their filings with the U.S. Securities and Exchange Commission (“SEC”) contained materially false or misleading statements or omitted material information. In sum, Defendants do not agree with the assertion that they engaged in any actionable misconduct under the federal securities laws or that any damages were suffered by any members of the Class as a result of their conduct.
5. **Statement of Attorneys’ Fees and Expenses Sought:** Court-appointed Co-Lead Counsel, Kaplan Fox & Kilsheimer LLP and Kahn Swick & Foti, LLC, which have been prosecuting the Action on a wholly contingent basis since its inception in 2015, have not received any payment of attorneys’ fees for their representation of the Class and have advanced hundreds of thousands of dollars in expenses necessarily incurred in order to prosecute the Action. As set forth in greater detail below (*see* ¶¶14 - 27 below), Co-Lead Counsel were responsible for: (i) conducting an extensive investigation into the Class’s claims; (ii) drafting a detailed amended complaint; (iii) successfully opposing Defendants’ dismissal motion; (iv) successfully briefing Lead Plaintiffs’ motion for class certification and opposing Defendants’ petition for leave to appeal the Court’s order granting class certification; (v) engaging in an extensive discovery program, including participating in 11 depositions and reviewing more than 264,000 pages of documents; and (vi) engaging in multiple in-person and telephonic meetings regarding a possible settlement of the Action before reaching an agreement in principle to settle. Co-Lead Counsel will ask the Court to award attorneys’ fees in an amount not to exceed 25% of the Settlement Fund. Co-Lead Counsel also will apply for the reimbursement of Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Action, in an amount not to exceed \$850,000.00, which may include the reasonable costs and expenses of Class Representatives (as defined in ¶70 below) directly related to their representation of the Class. If the Court approves Co-Lead Counsel’s fee and expense application, the average cost per affected share of AAC common stock will be approximately \$0.73 per share; \$0.07 per call option; and \$0.41 per put option.
6. **Identification of Attorneys’ Representatives:** Lead Plaintiffs and the Class are being represented by: Frederic S. Fox, Esq., Donald R. Hall, Esq., and Jeffrey P. Campisi, Esq., Kaplan Fox & Kilsheimer LLP, 850 Third Avenue, 14th Floor, New York, NY 10022, (800) 290-1952, www.kaplanfox.com; and Ramzi Abadou, Esq., Kahn Swick & Foti, LLC, 206 Covington Street, Madisonville, LA 70447, (504) 455-1400, ramzi.abadou@ksfcounsel.com.
7. **Reasons for the Settlement:** Lead Plaintiffs’ principal reason for entering into the Settlement is the substantial cash benefit for the Class, without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or, indeed, no recovery at all – might be achieved after a trial of the Action and the likely appeals that would follow a trial, a process that could last many months, or even years, into the future. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM BY: JULY 19, 2018.	This is the only way to be eligible to receive a payment from the Settlement. If you are a Class Member, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (as defined in ¶66 below) that you have against the Released Persons (as defined in ¶67 below), so it is in your interest to submit a Claim Form.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN MAY 18, 2018.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Class Member and you did not previously submit a request for exclusion in connection with from the Class.
GO TO THE HEARING ON JUNE 8, 2018 AT THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE, NASHVILLE DIVISION, 801 BROADWAY, NASHVILLE, TN 37203, AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN MAY 18, 2018.	Filing a written objection and notice of intention to appear by May 18, 2018 allows you to speak in Court at the discretion of the Court about the fairness of the proposed Settlement, the Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Class and you do not submit a Claim Form by July 19, 2018, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

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WHY DID I GET THIS NOTICE?

8. This Notice is being sent to you pursuant to an Order of the Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired AAC securities during the Class Period (*i.e.*, October 2, 2014, and August 4, 2015 at 9:40 a.m. (EDT)). The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, A.B. Data Ltd. ("A.B. Data"), the claims administrator selected by Lead Plaintiffs and approved by the Court, will distribute payments pursuant to the Plan of Allocation after any objections and appeals are resolved.
9. In a class action lawsuit, under a federal law governing lawsuits such as this one, the Court appoints one or more investors to oversee litigation brought on behalf of all investors with similar claims, commonly known as the class or the class members. In this Action, the Court has appointed Arkansas Teacher Retirement System and Dr. James Gills as to serve as "Lead Plaintiffs" and has appointed the law firms of Kaplan Fox & Kilsheimer LLP and Kahn Swick & Foti, LLC as Co-Lead Counsel for Lead Plaintiffs and the Class in the Action. Pursuant to the Court's Memorandum and Order issued on July 14, 2017, Arkansas Teacher Retirement System was certified as "Class Representative" and Co-Lead Counsel were certified as "Class Counsel." A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Here, the Court has already certified the Class. Accordingly, the Settlement, if approved by the Court, will resolve all issues on behalf of the Class Members, except for any Persons who previously submitted a request for exclusion in connection with the Class Notice.
10. The Court in charge of this case is the United States District Court for the Middle District of Tennessee, and the case is known as Kasper v. AAC Holdings, Inc., Case No. 3:15-CV-00923-JPM (M.D. Tenn.). The Judge presiding over this case is the Honorable Jon P. McCalla, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the Lead Plaintiffs are suing on behalf of themselves and the Class, and have brought claims against the Defendants (defined above). If the Settlement is approved, it will resolve all claims in the Action by Class Members against Defendants and will bring the Action to an end.
11. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you that a settlement has been reached in the Action and how you might be affected. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the motion by Co-Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").
12. The Settlement Hearing will be held on June 8, 2018 at 9:30 a.m., before the Hon. Jon P. McCalla, at the United States District Court for the Middle District of Tennessee, Nashville Division, 801 Broadway, Nashville, TN 37203, to determine:
 - a) whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court;
 - b) whether the Action should be dismissed with prejudice against the Defendants as set forth in the Stipulation;
 - c) whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court;
 - d) whether Co-Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court; and
 - e) any other relief the Court deems necessary to effectuate the terms of the Settlement.
13. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. The claims process could take substantial time to complete fully and fairly. Please be patient.

WHAT IS THIS CASE ABOUT?

A. Summary of Procedural History and Background on Lead Plaintiffs' Claims

14. This case involves allegations that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), and SEC Rule 10b-5(b) promulgated thereunder.

15. On August 24, 2015, the initial complaint was filed by an individual investor, Joseph F. Kasper, on behalf of himself and a proposed class of shareholders who purchased AAC common stock during the Class Period.
16. On December 30, 2015, the Court entered a stipulation and order appointing the Lead Plaintiffs in the Action and Co-Lead Counsel.
17. On February 29, 2016, Lead Plaintiffs filed the Consolidated Class Action Complaint for Violation of Federal Securities Laws (the “Complaint”). The now certified action alleges that certain of AAC’s filings with the SEC between October 2, 2014 and August 4, 2015 at 9:40 a.m. (EDT) (the “Class Period”) were materially false and misleading when made, and omitted from disclosure material facts necessary to make the statements made not misleading because, among other reasons, Defendants either knew, or deliberately disregarded, facts regarding a California Department of Justice investigation concerning the death of a patient at an AAC facility, and the risks it posed to the Company’s business, prospects and operations. The Complaint further alleges that these materially false and misleading statements caused AAC securities to trade at artificially inflated prices. The Complaint alleges that as the truth about Defendants’ Class Period misstatements was revealed, it caused AAC’s stock price to decline.
18. Defendants moved to dismiss the Complaint and Lead Plaintiffs opposed Defendants’ motion to dismiss. On July 1, 2016, the Court denied Defendants’ motion to dismiss.
19. On October 18, 2016, Lead Plaintiffs moved for Class Certification and Appointment of Class Representatives and Class Counsel.
20. After class certification discovery, which included expert depositions and document discovery, and a full round of briefing, and supplemental briefing ordered by the Court, on July 14, 2017, the Court issued an Order Concerning Class Certification that granted Lead Plaintiffs’ Motion for Class Certification and Appointment of Class Representatives and Class Counsel.
21. On July 28, 2017, Defendants filed a petition with the United States Court of Appeals for the Sixth Circuit (“Sixth Circuit”) seeking permission to appeal the Court’s order certifying the Class. The petition was styled *In re: AAC Holdings, Inc., et al.* No. 17-0509 (6th Circuit). Lead Plaintiffs opposed the petition. On October 24, 2017, the Sixth Circuit denied Defendants’ petition.
22. Since the Court denied Defendants’ motion to dismiss in July 2016, the Parties and their counsel have vigorously pursued discovery in this case. During the course of the litigation, the parties conducted approximately 11 depositions and produced, reviewed and/or analyzed over 264,000 pages of documents. Lead Plaintiffs filed several motions to compel against Defendants and certain non-parties, which resulted in the production of a substantial number of documents. Further, Lead Plaintiffs prepared and served expert reports on loss causation, damages, and Defendants’ disclosure obligations under the Federal securities laws. Finally, Lead Plaintiffs were preparing for several party and non-party depositions at the time the Settlement was reached.
23. The trial in the Action had been scheduled by the Court to begin on August 6, 2018.

B. The Parties’ Settlement Negotiations

24. In April 2017, a private mediation was conducted in New York City by the Honorable Layn R. Phillips, a former federal district judge in the United States District Court for the Western District of Oklahoma. The April 2017 in-person mediation did not result in a settlement. With the assistance of Judge Phillips, the Parties’ engaged in further mediation efforts. These additional efforts included several in-person or telephonic discussions while discovery was ongoing, including an in-person meeting in New York City in December 2017. On December 28, 2017, counsel for Defendants and Co-Lead Counsel, on behalf of Lead Plaintiffs, executed a term sheet providing for the settlement and release of all claims asserted against the Defendants for Twenty-Five Million Dollars (\$25,000,000) in cash, subject to certain terms and conditions and the execution of a customary “long form” stipulation of settlement and related papers.
25. Based upon their investigation, prosecution and mediation of the case, Co-Lead Counsel have concluded that the terms and conditions of the Stipulation are fair, reasonable and adequate to the Lead Plaintiffs and the other members of the Class, and in their best interests. Based on Lead Plaintiffs’ oversight of the prosecution of this matter and with the advice of Co-Lead Counsel, each of the Lead Plaintiffs has agreed to settle the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering (a) the very substantial financial benefit that Lead Plaintiffs and the other members of the Class will receive under the proposed Settlement, (b) the significant risks of continued litigation and trial, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation. The fact that Lead Plaintiffs have agreed to settle the Action shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of Defendants’ affirmative defenses to liability have any merit.
26. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any of the Related Parties (defined in ¶68 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have asserted. The Defendants expressly deny that Lead Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever.
27. On March 7, 2018, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

28. If you are a member of the Class, you are subject to the Settlement unless you are excluded from the Class as set forth below. The Class, as certified by the Court, consists of all persons and entities who purchased or otherwise acquired AAC securities between October 2, 2014, and August 4, 2015 at 9:40 a.m. (EDT). Excluded from the Class by definition are Defendants, directors, and officers of AAC, as well as their families and affiliates. Also excluded from the Class are any Persons who submitted a request for exclusion in connection with the Class Notice as set forth on Appendix 1 to the Stipulation.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JULY 19, 2018.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

29. The principal reason for Lead Plaintiffs' consent to the Settlement is that it provides an immediate and substantial benefit to the Class, in the form of a substantial monetary recovery. The benefit of the present Settlement must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly many months, or even years, into the future.
30. But for the Settlement achieved on February 15, 2018, this Action would have proceeded to trial, which was scheduled to begin on August 6, 2018. The claims advanced by the Class in the Action involve numerous complex legal and factual issues. If the Action were to proceed to trial, Lead Plaintiffs would have to overcome significant defenses asserted by Defendants. Among other things, the Parties disagree about (i) whether Lead Plaintiffs or the Class have suffered any damages, (ii) whether the price of AAC securities were artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise, (iii) whether Lead Plaintiffs or the Class were harmed by the conduct alleged in the Complaint, and (iv) whether Defendants made any material misrepresentations or omissions. Even after an extensive investigation and substantial discovery, questions remain regarding the liability of or the extent of Defendants' liability and the extent to which a jury might find them liable, if at all. This Settlement enables the Class to recover without incurring any additional risk or costs.
31. Defendants have expressly denied and continue to deny all assertions of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants also continue to believe that the claims asserted against them in the Action are without merit. Defendants have agreed to enter into the Settlement, as embodied in the Stipulation, solely to avoid the uncertainty, burden and expense of further protracted litigation.
32. In light of the risks associated with a trial of this Action, the monetary amount of the Settlement and the immediacy of this recovery to the Class, Lead Plaintiffs and Co-Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiffs and Co-Lead Counsel believe that the Settlement provides a substantial benefit to the Class, namely Twenty-Five Million Dollars (\$25,000,000) in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after trial and appeals.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

33. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims, neither Lead Plaintiffs nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW MUCH WILL MY PAYMENT BE?

34. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.
35. Pursuant to the Settlement, Defendants have agreed to pay Twenty-Five Million Dollars (\$25,000,000) in cash, as follows: (a) Defendant Menz shall sell 300,000 shares of his AAC common stock and pay the cash derived from that sale of 300,000 shares (the "Stock Component") to the Settlement Fund; and (b) AAC and the Individual Defendants shall pay in cash the difference, if any, between the Settlement Fund and the Stock Component (the "Cash Component"). The Settlement Amount will be deposited into an interest-bearing escrow account. The Settlement Amount plus all interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (a) all federal, state and local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members; and (c) any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.
36. The Net Settlement Fund will not be distributed until the Court has approved a plan of allocation and the Settlement, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.
37. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.
38. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.
39. Only Class Members, *i.e.*, persons and entities who purchased or otherwise acquired AAC securities between October 2, 2014, and August 4, 2015 at 9:40 a.m. (EDT) and were damaged as a result of such purchases or acquisitions and who or which are not excluded from the Class, will be eligible to share in the distribution of the Net Settlement Fund.
40. Each Class Member wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Class, including all required documentation, postmarked on or before July 19, 2018 to the address set forth in the Claim Form that accompanies this Notice.

41. Each Class Member's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts pursuant to the Plan of Allocation described below. The Net Settlement Fund will be distributed to eligible Class Members who submit a valid Claim Form on a pro rata basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Class Member, which will be the Class Member's Recognized Claim divided by the total Recognized Claims of all Class Members who submit a valid Claim Form, multiplied by the total amount in the Net Settlement Fund.
42. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked on or before July 19, 2018 shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Claims (as defined in ¶66 below) against the Released Persons (as defined in ¶67 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Persons, whether or not such Class Member submits a Claim Form.
43. Information Required on the Claim Form: Among other things, each Claim Form must state and provide sufficient documentation for the Claimant's position in AAC securities as of the beginning of the Class Period, all transactions in AAC securities during the Class Period, and the Claimant's closing position in AAC securities on the date specified in the Claim Form.
44. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.
45. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.
46. Persons and entities that either are excluded from the Class by definition or whose names appear on Appendix 1 to the Stipulation because they previously submitted a request for exclusion in connection with the Class Notice, will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION

47. The objective of the Plan of Allocation set forth below is to equitably distribute Settlement proceeds to those Authorized Claimant who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation generally measures the amount of loss that Authorized Claimants can claim for purposes of making *pro rata* allocations of the Settlement proceeds. To design this Plan, Class Counsel has conferred with their damages expert. However, the Plan of Allocation is not a formal damages analysis. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of the amounts that Authorized Claimants might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The calculations made pursuant to the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Settlement proceeds.
48. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the investor's loss and inflation paid at the time of purchase must exceed the inflation at time of sale.² In this case, Lead Plaintiffs alleged that Defendants made false statements and omitted material facts during the period between October 2, 2014 through and including August 4, 2015 9:40 AM EST, which had the effect of artificially inflating the prices of AAC common stock and AAC Call Options and artificially deflating the price of AAC Put Options. Lead Plaintiffs alleged that the artificial inflation was removed from AAC common stock and Call Options (and artificial deflation was removed from AAC Put Options) on July 30, 2015, August 3, 2015, and August 4, 2015 in reaction to information disclosed on July 29, 2015 (after market hours) and between July 31, 2015 (after market hours) through August 4, 2015 9:40 AM EST.
49. In order to have a "Recognized Loss Amount" under the Plan of Allocation with respect to AAC common stock and Call Options, the security must have been purchased during the Class Period and held through at least one of the alleged disclosures that resulted in a statistically significant change in market price, and with respect to Put Options, those options must have been sold (written) during the Class Period and not closed through at least one alleged disclosure that resulted in a statistically significant change in market price.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

50. With respect to shares of AAC common stock, Call Options, and Put Options, a Recognized Loss Amount will be calculated by the Claims Administrator as set forth below for each purchase or other acquisition of AAC common stock and Call Option contracts and each sale of AAC Put Option contracts from October 2, 2014 through and including August 4, 2015 9:40 AM EST, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that a calculation of a Recognized Common Stock Loss Amount results in a negative number, that number shall be set to zero.

AAC COMMON STOCK CALCULATIONS

51. For each share of AAC common stock purchased or otherwise acquired from October 2, 2014 through and including August 4, 2015 9:40 AM EST,³ and:

- A. Sold before the opening of trading on July 30, 2015, the Recognized Loss Amount for each such share shall be zero.

² For writers of put options, where the price was allegedly deflated (as opposed to inflated), the artificial deflation must have decreased between the writing of the put option and the disposition (whether through sale or exercise) of the option position.

³ Given that documentation may not exist setting forth the exact time of each such transaction, the price at which the transaction took place shall serve as a proxy for determining whether the transaction occurred before or after the release of the alleged misstatement. Shares purchased/acquired/sold on August 4, 2015 at any price equal to or greater than \$31.46 shall be deemed to have been purchased/acquired/sold prior to the release of the alleged misstatement on August 4, 2015 for purposes of this Plan. Shares purchased/acquired/sold on August 4, 2015 at any price less than \$31.46 shall be deemed to have been purchased/acquired/sold after the alleged misstatement on August 4, 2015 for purposes of this Plan when such documentation does not exist.

- B. Sold after the opening of trading on July 30, 2015 through and including August 4, 2015 9:40 AM EST, the Recognized Loss Amount for each such share shall be *the lesser of*:
- (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below *minus* the dollar artificial inflation applicable to each such share on the date of sale as set forth in Table 1 below; or
 - (ii) the actual purchase/acquisition price *minus* the actual sale price.
- C. Sold after August 4, 2015 9:40 AM EST and before the close of trading on October 30, 2015, the Recognized Loss Amount for each such share shall be *the least of*:
- (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; or
 - (ii) the actual purchase/acquisition price of each such share minus the average closing price from August 4, 2015, up to the date of sale as set forth in Table 2 below; or
 - (iii) the actual purchase/acquisition price minus the actual sale price.
- D. Held as of the close of trading on October 30, 2015, the Recognized Loss Amount for each such share shall be *the lesser of*:
- (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; or
 - (ii) the actual purchase/acquisition price of each such share *minus* \$23.77.⁴

AAC CALL AND PUT OPTION CALCULATIONS

52. Exchange-traded options are traded in units called “contracts” which entitle the holder to buy (in the case of a call option) or sell (in the case of a put option) 100 shares of the underlying security, which in this case is AAC common stock. Throughout this Plan of Allocation, all price quotations are *per share of the underlying security (i.e., 1/100 of a contract)*.
53. Each option contract specifies a strike price and an expiration date. Contracts with the same strike price and expiration date are referred to as a “series” and each series represents a different security that trades in the market and has its own market price (and thus artificial inflation or deflation). Under the Plan of Allocation, the dollar artificial inflation per share (*i.e., 1/100 of a contract*) for each series of AAC Call Options and the dollar artificial deflation per share (*i.e., 1/100 of a contract*) for each series of AAC Put Options has been calculated by Lead Plaintiffs’ damages expert. Table 3 below sets forth the dollar artificial inflation per share in AAC Call Options during the Class Period. Table 4 below sets forth the dollar artificial deflation per share in AAC Put Options during the Class Period. Tables 3 and 4 list only series of exchange-traded AAC Options that expired on or after July 30, 2014 – the date of the first alleged corrective disclosure. Transactions in AAC Options that expired before July 30, 2014 have a Recognized Loss Amount of zero under the Plan of Allocation. Any AAC Options that are not found on Tables 3 and 4 have a Recognized Loss Amount of zero under the Plan of Allocation.
54. For each AAC Call Option purchased or otherwise acquired from October 2, 2014 through and including August 4, 2015 9:40 AM EST,⁵ and:
- A. Closed (through sale, exercise, or expiration) before the opening of trading on July 30, 2015, the Recognized Loss Amount for each such share shall be zero.
 - B. Closed (through sale, exercise, or expiration) after the opening of trading on July 30, 2015 and through August 4, 2015 9:40 AM EST, the Recognized Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 3 below *minus* the dollar artificial inflation applicable to each such share on the date of close as set forth in Table 3 below; or
 - (ii) the actual purchase/acquisition price *minus* the actual sale price.
 - C. Open as of August 4, 2015 9:40 AM EST, the Recognized Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 3 below; or
 - (ii) the actual purchase/acquisition price of each such share *minus* the closing price on August 4, 2015 for each such share (*i.e., the “Holding Price”*) as set forth on Table 3 below.

55. For each AAC Put Option sold (written) from October 2, 2014 through and including August 4, 2015 9:40 AM EST, and:

⁴ Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action arising under this title 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 look-back 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 PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of AAC common stock during the 90-day look-back period, August 4, 2015 through October 30, 2015. The mean (average) closing price for AAC common stock during this 90-day look-back period was \$23.77.

⁵ Option transactions will be treated as having occurred after the alleged misstatement on August 4, 2015 for purposes of this Plan when documentation of the time of execution does not exist.

- A. Closed (through purchase, exercise, or expiration) before the opening of trading on July 30, 2015, the Recognized Common Stock Loss Amount for each such share shall be zero.
 - B. Closed (through purchase, exercise, or expiration) after the opening of trading on July 30, 2015 through August 4, 2015 9:40 AM EST, the Recognized Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial deflation applicable to each such share on the date of sale as set forth in Table 4 below *minus* the dollar artificial deflation applicable to each such share on the date of close as set forth in Table 4 below; or
 - (ii) the actual closing price *minus* the actual sale price of such share.
 - C. Open as of the close of trading on August 4, 2015 9:40 AM EST, the Recognized Loss Amount for each such share shall be *the lesser of*:
 - (i) the dollar artificial deflation applicable to each such share on the date of sale as set forth in Table 4 below; or
 - (ii) the closing price on August 4, 2015 for each such share (*i.e.*, the “Holding Price”) as set forth on Table 4 below *minus* the actual sale price of each such share.
56. The Settlement proceeds available for AAC Call Options purchased during the Class Period and AAC Put Options sold (written) during the Class Period shall be limited to a total amount equal to three percent (3%) of the Net Settlement.

ADDITIONAL PROVISIONS

57. FIFO Matching: If a Claimant has more than one purchase/acquisition or sale of AAC Common Stock, Call Options, or Put Options during the Class Period, all purchases/acquisitions and sales of the like security shall be matched on a First In, First Out (“FIFO”) basis. For AAC common stock and Call Options, Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. For AAC Put Options, Class Period purchases will be matched first to close out positions open at the beginning of the Class Period and then against Put Options sold (written) during the Class Period in chronological order.
58. Purchase/Acquisition/Sale Dates and Prices: Purchases or acquisitions and sales of AAC Common Stock, Call Options, or Put Options shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase or acquisition and sale prices shall exclude any fees, taxes, and commissions. The receipt or grant by gift, inheritance or operation of law of AAC common stock, Call Options, or Put Options during the Class Period shall not be deemed a purchase, acquisition, or sale for the calculation of a Claimant’s Recognized Loss Amount pursuant to the calculations set forth above, and such receipt or grant shall not be deemed an assignment of any claim relating to the purchase/acquisition or sale of such AAC Securities, unless (i) the donor or decedent purchased or otherwise acquired such securities during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such AAC Securities.
59. Short Sales: With respect to AAC common stock, the date of covering a short sale is deemed to be the date of purchase or acquisition of the stock. The date of a short sale is deemed to be the date of sale of the respective AAC common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on short sales, including purchases covering short sales, during the Class Period is zero. In the event that a Claimant has an opening short position in AAC common stock, the earliest Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.
60. If a Settlement Class Member has “written” AAC Call Options, thereby having a short position in the Call Options, the date of covering such a written position is deemed to be the date of purchase or acquisition of the Call Option. The date on which the Call Option was written is deemed to be the date of sale of the Call Option. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “written” Call Options and any purchased Call Options used to cover the position is zero. In the event that a Claimant has an opening written position in AAC Call Options, the earliest Class Period purchases or acquisitions of like Call Options shall be matched against such opening written position, and not be entitled to a recovery, until that written position is fully covered.
61. If a Settlement Class Member has purchased or acquired AAC Put Options, thereby having a long position in the Put Options, the date of purchase or acquisition is deemed to be the date of purchase or acquisition of the Put Option. The date on which the Put Option was sold, exercised, or expired is deemed to be the date of sale of the Put Option. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on such purchased or acquired Put Options and any “written” Put Options used to close the position is zero. In the event that a Claimant has an opening long position in AAC Put Options, the earliest Class Period sales or dispositions of like Put Options shall be matched against such opening position, and not be entitled to a recovery, until that long position is fully covered.
62. Eligible Securities: AAC common stock, Call Options, and Put Options are the only securities eligible for recovery under the Plan of Allocation. With respect to AAC common stock purchased or sold through the exercise of an option, the purchase/sale date of the AAC common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.
63. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. Defendants, their respective counsel, and all other Released Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiffs, Class Counsel and their agents (including their damages expert) likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.
64. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Class Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the Plan without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted to the website for this Settlement, www.aacsecuritiesclassaction.com.

TABLE 1

Estimated Artificial Inflation in AAC Common Stock from October 2, 2014 through and including 9:40 AM EST August 4, 2015

Date Range	Inflation Per Share
October 2, 2014 – July 29, 2015	\$27.31
July 30, 2015 – August 2, 2015	\$17.92
August 3, 2015 – 9:40 AM August 4, 2015	\$12.87

TABLE 2

90-Day Lookback Table for AAC Common Stock

Date	Closing Price	Average Closing Price Between August 4th and Date Shown	Date	Closing Price	Average Closing Price Between August 4th and Date Shown
8/4/2015	\$19.89	\$19.89	9/18/2015	\$23.78	\$27.31
8/5/2015	\$20.75	\$20.32	9/21/2015	\$23.55	\$22.30
8/6/2015	\$20.04	\$20.23	9/22/2015	\$23.15	\$22.32
8/7/2015	\$17.77	\$19.61	9/23/2015	\$24.19	\$22.37
8/10/2015	\$18.82	\$19.45	9/24/2015	\$24.68	\$22.43
8/11/2015	\$18.36	\$19.27	9/25/2015	\$25.44	\$22.51
8/12/2015	\$19.50	\$19.30	9/28/2015	\$23.40	\$22.54
8/13/2015	\$22.38	\$19.69	9/29/2015	\$23.47	\$22.56
8/14/2015	\$22.62	\$20.01	9/30/2015	\$22.25	\$22.55
8/17/2015	\$23.06	\$20.32	10/1/2015	\$22.59	\$22.55
8/18/2015	\$24.12	\$20.66	10/2/2015	\$24.43	\$22.60
8/19/2015	\$22.80	\$20.84	10/5/2015	\$27.73	\$22.71
8/20/2015	\$21.79	\$20.92	10/6/2015	\$27.00	\$22.81
8/21/2015	\$24.30	\$21.16	10/7/2015	\$26.86	\$22.90
8/24/2015	\$22.30	\$21.23	10/8/2015	\$26.76	\$22.98
8/25/2015	\$21.34	\$21.24	10/9/2015	\$26.22	\$23.05
8/26/2015	\$21.60	\$21.26	10/12/2015	\$26.76	\$23.12
8/27/2015	\$21.76	\$21.29	10/13/2015	\$26.90	\$23.20
8/28/2015	\$22.49	\$21.35	10/14/2015	\$26.66	\$23.27
8/31/2015	\$23.61	\$21.47	10/15/2015	\$26.77	\$23.33
9/1/2015	\$22.12	\$21.50	10/16/2015	\$27.18	\$23.41
9/2/2015	\$25.03	\$21.66	10/19/2015	\$28.47	\$23.50
9/3/2015	\$25.30	\$21.82	10/20/2015	\$28.03	\$23.58
9/4/2015	\$23.95	\$21.90	10/21/2015	\$26.49	\$23.63
9/8/2015	\$23.80	\$21.98	10/22/2015	\$25.66	\$23.67
9/9/2015	\$22.34	\$21.99	10/23/2015	\$26.01	\$23.71
9/10/2015	\$23.03	\$22.03	10/26/2015	\$26.16	\$23.75
9/11/2015	\$22.50	\$22.05	10/27/2015	\$25.72	\$23.78
9/14/2015	\$23.19	\$22.09	10/28/2015	\$23.76	\$23.78
9/15/2015	\$22.56	\$22.10	10/29/2015	\$23.51	\$23.78
9/16/2015	\$23.93	\$22.16	10/30/2015	\$23.20	\$23.77
9/17/2015	\$23.65	\$22.21			

TABLE 3

Estimated Artificial Inflation in AAC Call Options
from October 2, 2014 through and including 9:40 AM EST August 4, 2015

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods			Holding Price
		October 2, 2014 – July 29, 2015	July 30, 2015 – August 2, 2015	August 3, 2015 – 9:40 AM August 4, 2015	
8/21/2015	\$25.00	\$19.05	\$11.56	\$7.01	\$1.08
8/21/2015	\$30.00	\$13.48	\$7.61	\$3.59	\$0.25
8/21/2015	\$35.00	\$6.51	\$3.33	\$0.65	\$0.20

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods			Holding Price
		October 2, 2014 – July 29, 2015	July 30, 2015 – August 2, 2015	August 3, 2015 – 9:40 AM August 4, 2015	
8/21/2015	\$40.00	\$1.98	\$1.02	\$0.22	\$0.03
8/21/2015	\$45.00	\$0.42	\$0.20	\$0.10	\$0.03
8/21/2015	\$50.00	\$0.02	\$0.00	\$0.00	\$0.00
8/21/2015	\$55.00	\$0.35	\$0.35	\$0.30	\$0.05
8/21/2015	\$60.00	\$0.35	\$0.35	\$0.30	\$0.05
9/18/2015	\$35.00	\$7.38	\$3.89	\$1.30	\$0.43
9/18/2015	\$40.00	\$3.02	\$1.56	\$0.27	\$0.33
9/18/2015	\$50.00	\$0.35	\$0.22	\$0.10	\$0.03
12/18/2015	\$35.00	\$8.96	\$4.93	\$2.17	\$1.28
12/18/2015	\$40.00	\$5.98	\$3.31	\$1.42	\$0.53
12/18/2015	\$45.00	\$3.64	\$1.88	\$0.57	\$0.53
12/18/2015	\$50.00	\$2.07	\$1.13	\$0.40	\$0.23
3/18/2016	\$25.00	\$17.05	\$10.62	\$6.46	\$3.58
3/18/2016	\$45.00	\$4.90	\$2.64	\$0.97	\$0.98

TABLE 4
Estimated Artificial Deflation in AAC Put Options
from October 2, 2014 through and including 9:40 AM EST August 4, 2015

Expiration Date	Strike Price	Put Option Artificial Deflation per Share During Trading Periods			Holding Price
		October 2, 2014 – July 29, 2015	July 30, 2015 – August 2, 2015	August 3, 2015 – 9:40 AM August 4, 2015	
8/21/2015	\$25.00	\$6.05	\$5.56	\$5.54	\$5.70
8/21/2015	\$30.00	\$12.11	\$10.01	\$9.50	\$10.20
8/21/2015	\$35.00	\$18.75	\$14.08	\$12.04	\$15.00
8/21/2015	\$40.00	\$23.82	\$16.81	\$12.92	\$20.00
8/21/2015	\$45.00	\$25.25	\$17.47	\$12.92	\$25.00
9/18/2015	\$35.00	\$17.73	\$13.33	\$11.42	\$15.10
12/18/2015	\$35.00	\$16.34	\$12.41	\$10.32	\$15.75
12/18/2015	\$40.00	\$25.64	\$20.35	\$20.35	\$20.40

HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

65. If you are a Class Member, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and all other Class Members, on behalf of themselves, their heirs, agents, executors, administrators, predecessors, successors, and assigns, will fully and finally release, to the fullest extent that the law permits their release in the Action, as against the Released Persons (as defined in ¶67 below), all Released Claims (as defined in ¶66 below).
66. “Released Claims” means any and all rights, debts, demands, claims (including “Unknown Claims” as defined below) or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory, common law, foreign law, or any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class and/or individual in nature, including both known claims and unknown claims that relate to the purchase or acquisition of the securities of AAC during the Class Period and that (a) Lead Plaintiffs or any member of the Class asserted, or could have asserted in this Litigation against any of the Released Persons; or (b) could have been asserted in this Litigation, or in any other action or forum by Lead Plaintiffs and/or the Class Members or any of them against any of the Released Persons which arise out of, are based upon, or are in any way related, directly or indirectly, to the purchase or acquisition of AAC publicly traded securities during the Class Period, and to the facts, matters, allegations, transactions, events, disclosures, statements, acts or occurrences, representations or omissions involved, set forth, or referred to in the Complaint or that could have been alleged in the Complaint; provided, however, that the Released Claims shall not include the derivative claims alleged in the litigation styled *Bushansky v. Menz, et al.*, Case No. A-15-727891-C, pending in the Eighth Judicial District Court for Clark County, Nevada.
67. “Released Persons” means any and all of the Defendants and each and all of their Related Parties.
68. “Related Parties” means, with respect to each Defendant, the immediate family members, heirs, executors, administrators, successors, assigns, present and former employees, officers, directors, general partners, limited partners, attorneys, assigns, legal representatives,

underwriters, insurers, reinsurers, and agents of each of them, and any person or entity which is or was related to or affiliated with any Defendant or in which any Defendant has or had a controlling interest, and the present and former parents, subsidiaries, divisions, affiliates, predecessors, successors, general partners, limited partners, employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, and agents of each of them.

69. “Unknown Claims” means any of the Released Claims which Lead Plaintiffs or any Class Member does not know or suspect to exist in such party’s favor at the time of the release of the Released Persons which, if known by such party, might have affected such party’s settlement with and release of the Released Persons, or might have affected such party’s decision not to object to this Settlement. With respect to any and all Released Claims, upon the Effective Date, the Lead Plaintiffs and the Class Members shall expressly waive, and by operation of the Order and Final Judgment shall have expressly waived, the provisions, rights, and benefits of California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Class Members, by operation of the Order and Final Judgment, shall have expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Class Members may hereafter discover facts in addition to or different from those which such party now knows or believes to be true with respect to the subject matter of the Released Claims, but the Class Members, upon the Effective Date, by operation of the Order and Final Judgment, shall have fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

70. Co-Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Co-Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys’ fees from the Settlement Fund in an amount not to exceed 25% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for the reimbursement of Litigation Expenses not to exceed \$850,000.00, which may include an application for reimbursement of the reasonable costs and expenses incurred by Class Representatives directly related to their representation of the Class. The Court will determine the amount of any award of attorneys’ fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

71. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than July 19, 2018**. A Claim Form is included with this Notice, or you may obtain one from the website for this Action, www.aacsecuritiesclassaction.com, or you may request that a Claim Form be mailed to you by calling the claims administrator, A.B. Data, toll free at (800) 341-4827. Please retain all records of your ownership of and transactions in AAC securities, as they may be needed to document your Claim. If you are excluded from the Class by definition or you previously submitted a request for exclusion in connection with the Class Notice, or if you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.
72. As a Class Member, you are represented by the Class Representative and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlement?” below.
73. If you are a Class Member who has not previously submitted a request for exclusion in connection with the Class Notice and you wish to object to the Settlement, the proposed Plan of Allocation, or Co-Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, you may present your objections by following the instructions in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlement?” below.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

74. Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Final Settlement Approval Hearing.
75. The Final Settlement Approval Hearing will be held on June 8, 2018 at 9:30 a.m. before the Honorable Jon P. McCalla, at the United States District Court for the Middle District of Tennessee, Nashville Division, 801 Broadway, Nashville, TN 37203. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

76. Any Class Member who did not submit a request for exclusion from the Class in connection with the Class Notice may object to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office of the Court at the address set forth below on or before May 18, 2018. You must also serve the papers on Co-Lead Counsel for the Class and Representative Defendants’ Counsel at the addresses set forth below so that the papers are *received* on or before May 18, 2018.

CLERK’S OFFICE	CO-LEAD COUNSEL	DEFENDANTS’ COUNSEL
United States District Court Middle District of Tennessee Nashville Clerk’s Office 801 Broadway, Room 800 Nashville, TN 37203 (615) 736-5498	Donald R. Hall KAPLAN FOX & KILSHEIMER LLP 850 Third Avenue; 14 th Floor New York, NY 10022 (212) 687-1980 Ramzi Abadou KAHN SWICK & FOTI, LLC 206 Covington Street Madisonville, LA 70447 (504) 455-1400	Lisa R. Bugni Jessica Corley KING & SPALDING LLP 1180 Peachtree Street NE Atlanta, GA 30309 (404) 572-4677

77. Any objection to the Settlement (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Class Member’s objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention; and (c) must include documents sufficient to prove the objector’s membership in the Class such as the number of AAC securities that the objecting Class Member purchased or otherwise acquired during the relevant period. You may not object to the Settlement, the Plan of Allocation or Co-Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses if you previously submitted a request for exclusion from the Class in connection with the Class Notice or if you are not a member of the Class.
78. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.
79. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk’s Office and serve it on Co-Lead Counsel and Defendants’ Counsel at the addresses set forth above so that it is *received* on or before May 18, 2018. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.
80. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-Lead Counsel and Defendants’ Counsel at the addresses set forth above so that the notice is *received* on or before May 18, 2018.
81. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel.
82. **Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

WHAT IF I BOUGHT AAC SECURITIES ON SOMEONE ELSE’S BEHALF?

83. In the Class Notice you were advised that, if, for the beneficial interest of any person or entity other than yourself, you purchased or otherwise acquired AAC securities during the period from October 2, 2014 through August 4, 2015 at 9:40 a.m. (EDT), you must either: (a) within seven (7) calendar days of receipt of the Class Notice, request from A.B. Data sufficient copies of the Class Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of the copies of the Class Notice forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Class Notice, provide a list of the names and addresses of all such beneficial owners to *Kasper v. AAC Holdings*, Attn: Fulfillment Department, c/o A.B. Data, Ltd, 3410 West Hopkins Street, P.O. Box 173047, Milwaukee, WI 53217, fulfillment@abdata.com.
84. If you chose the first option, *i.e.*, you elected to mail the Class Notice directly to beneficial owners, you were advised that you must retain the mailing records for use in connection with any further notices that may be provided in the Action. If you elected that option, A.B. Data will forward the same number of this Notice and Claim Form (together, the “Notice Packet”) to you to send to the beneficial owners. If you require more copies than you previously requested, please contact A.B. Data toll-free at (800) 431-4827 and let them know how many additional Notice Packets you require. You must mail the Notice Packets to the beneficial owners within seven (7) calendar days of your receipt of the packets. Upon mailing of the Notice Packets, you may seek reimbursement of your reasonable expenses actually incurred, by providing A.B. Data with proper documentation supporting the expenses for which reimbursement is sought.

85. If you chose the second option, A.B. Data will send a copy of the Notice and the Claim Form to the beneficial owners whose names and addresses you previously supplied. Unless you believe that you purchased, acquired or held any of the relevant securities for beneficial owners whose names you did not previously provide to A.B. Data, you need do nothing further at this time. If you believe that you did purchase or acquire AAC common stock for beneficial owners whose names you did not previously provide to A.B. Data, you must within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *Kasper v. AAC Holdings*, Attn: Fulfillment Department, c/o A.B. Data, Ltd, 3410 West Hopkins Street, P.O. Box 173047, Milwaukee, WI 53217. Upon full compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred, by providing A.B. Data with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website for this Action, www.aacsecuritiesclassaction.com, or by calling A.B. Data toll-free at (800) 341-4827 or emailing fulfillment@abdata.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

86. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Middle District of Tennessee, at the address above in ¶76. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website for this Action, www.aacsecuritiesclassaction.com. All inquiries concerning this Notice or the Claim Form should be directed to A.B. Data (*see* ¶¶83-85 for contact information) or Co-Lead Counsel (*see* ¶76 for contact information).

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.

DO NOT CALL OR WRITE AAC HOLDINGS, INC. REGARDING THIS NOTICE.

Dated: March 21, 2018

By Order of the Clerk of Court
United States District Court
Middle District of Tennessee