

EXHIBIT A

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19 **UNITED STATES DISTRICT COURT**
 20 **CENTRAL DISTRICT OF CALIFORNIA**
 21 **SOUTHERN DIVISION**

22	_____)	No. CV 09-5416-DOC (RZx)
23	IN RE SKILLED HEALTHCARE)	
24	GROUP, INC. SECURITIES)	<u>CLASS ACTION</u>
25	LITIGATION)	
26	_____)	EXHIBIT A
27	_____)	ORDER PRELIMINARILY
28	_____)	APPROVING SETTLEMENT
	_____)	AND PROVIDING FOR NOTICE
	_____)	OF PROPOSED SETTLEMENT
	_____)	
	_____)	Hon. David O. Carter
	_____)	

1 WHEREAS, a class action is pending before the Court entitled *In re Skilled*
2 *Healthcare Group, Inc. Securities Litigation*, Civil Action No. 09-CV-5416,
3 United States District Court for the Central District of California (the “Action”);
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5 WHEREAS, the Court has received the Stipulation of Settlement dated as
6 of August 30, 2010 (the “Stipulation of Settlement”)¹, which has been entered into
7 by the Lead Plaintiff and the Defendants, and the Court has reviewed the
8 Stipulation of Settlement and the Exhibits annexed thereto;
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10 WHEREAS, the Parties having made application, pursuant to Federal Rule
11 of Civil Procedure 23(e), for an order preliminarily approving the Settlement of
12 this Action, in accordance with the Stipulation of Settlement which, together with
13 the Exhibits annexed thereto, sets forth the terms and conditions for a proposed
14 Settlement of the Action and for dismissal of the Action with prejudice upon the
15 terms and conditions set forth therein; and the Court having read and considered
16 the Stipulation of Settlement and the Exhibits annexed thereto;
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20 NOW, THEREFORE, IT IS HEREBY ORDERED:

21 1. The Court does hereby preliminarily approve the Stipulation of
22 Settlement and the Settlement set forth therein, subject to further consideration at
23 the Settlement Hearing described below.

24 2. The Court finds that: (a) the Stipulation of Settlement resulted from
25 arm’s-length negotiations; and (b) the Stipulation of Settlement is sufficiently fair,
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27 ¹ For purposes of this Order, the Court adopts all defined terms as set forth in the
28 Stipulation of Settlement, and the terms used herein shall have the same meaning as in the
Stipulation of Settlement.

1 reasonable and adequate as to the Class Members to warrant providing notice of
2 the Settlement to Class Members and holding a Settlement Hearing.

3 3. The Settlement Hearing shall be held before this Court on
4 [REDACTED], 2010, at [REDACTED].m., to determine whether the proposed
5 Settlement of the Action on the terms and conditions provided for in the
6 Stipulation of Settlement is fair, reasonable and adequate to the Class and should
7 be approved by the Court; whether a Judgment as provided in the Stipulation of
8 Settlement should be entered herein; whether the proposed Plan of Allocation
9 should be approved; whether to approve Lead Plaintiff's application for his
10 reasonable costs and expenses directly relating to his representation of the Class;
11 and to determine the amount of fees and expenses that should be awarded to Lead
12 Counsel. The Court may adjourn the Settlement Hearing without further notice to
13 Members of the Class.

14 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the
15 Court preliminarily certifies, solely for the purposes of effectuating this
16 Settlement, two Settlement Classes consisting of (1) all persons other than
17 defendants who purchased Skilled Healthcare Group ("SKH") Class A common
18 stock pursuant and/or traceable to the Company's Registration Statement and
19 Prospectus issued in connection with the May 14, 2007 IPO ("the Securities Act
20 Class"), and (2) all persons other than defendants who purchased SKH Class A
21 common stock on the open market between May 14, 2007 and June 9, 2009 (the
22 "Securities Act Class") and were purportedly damaged thereby. Excluded from
23 the Class are Defendants herein, the officers and directors of Defendants,
24 members of their immediate families, and the heirs, successors or assigns of any
25 of the foregoing. There has been no prior notice to Class Members of the
26 certification of the Class in this Action or prior opportunity for any Person or
27 entity to request to be excluded from the Class.
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1 5. The Court approves, as to form and content, the Notice of Proposed
2 Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness
3 Hearing (the "Notice"), the Proof of Claim and Release form (the "Proof of
4 Claim"), and Summary Notice ("Summary Notice") annexed as Exhibits A-1, A-2
5 and A-3 hereto, and finds that the mailing and distribution of the Notice and
6 publishing of the Summary Notice substantially in the manner and form set forth
7 in this Order meet the requirements of Federal Rule of Civil Procedure 23 and
8 Due Process, and is the best notice practicable under the circumstances and shall
9 constitute due and sufficient notice to all Persons entitled thereto.

10 6. Pending final determination by the Court as to whether the
11 Settlement, as set forth in the Stipulation of Settlement, is fair, reasonable and
12 adequate and should be finally approved and whether the Judgment dismissing the
13 Action with prejudice should be approved, no Class Member, either directly,
14 representatively or in any other capacity, shall assert, commence or prosecute
15 against any of the Defendants or their Related Parties any of the Released Claims
16 in this Action, or in any other proceeding or forum. This injunction is necessary
17 to protect and effectuate the Settlement, this Order, and the Court's flexibility and
18 authority to effectuate the Settlement and to enter judgment when appropriate, and
19 is ordered in aid of the Court's jurisdiction and to protect its judgments.

20 7. The Court appoints Strategic Claims Services. ("Claims
21 Administrator") to supervise and administer the notice procedure as well as the
22 processing of claims as more fully set forth below:

23 (a) Not later than twenty (20) business days after the date of this
24 Order (the "Notice Date"), the Claims Administrator shall cause a copy of
25 the Notice and the Proof of Claim, substantially in the forms annexed as
26 Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Class
27 Members who can be identified with reasonable effort;
28

1 (b) Not later than thirty (30) business days after the date of this
2 Order, the Claims Administrator shall cause the Summary Notice to be
3 published once in Investors Business Daily, and on a different day shall
4 cause the Summary Notice to be published once in Globe Newswire;

5 (c) Not later than twenty (20) business days after the date of this
6 Order, the Claims Administrator shall cause the Stipulation of Settlement
7 and its Exhibits and a copy of the Notice to be posted on the following
8 website: www.strategicclaims.net ; and

9 (d) Not later than seventy (70) days after the date of this Order,
10 Lead Counsel shall cause to be served on Defendants' counsel and filed
11 with the Court proof, by affidavit or declaration, of such mailing,
12 publishing and posting.

13 8. Nominees who purchased or acquired SKH Class A common stock
14 pursuant to and/or traceable to the Company's Registration Statement and
15 Prospectus issued in connection with the May 14, 2007 IPO and all persons who
16 purchased or acquired SKH Class A common stock between May 14, 2007 and
17 June 9, 2009, shall send the Notice and the Proof of Claim to all beneficial owners
18 of such SKH common stock within twenty (20) days after receipt thereof, or send
19 a list of the names and addresses of such beneficial owners to the Claims
20 Administrator within twenty (20) days of receipt thereof, in which event the
21 Claims Administrator shall promptly mail the Notice and the Proof of Claim to
22 such beneficial owners. Lead Counsel shall, if requested, reimburse banks,
23 brokerage houses or other nominees solely for their reasonable out-of-pocket
24 expenses incurred in providing the Notice to beneficial owners who are Class
25 Members out of the Settlement Fund, which expenses would not have been
26 incurred except for the sending of such Notice, subject to further order of this
27 Court with respect to any dispute concerning such compensation.
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1 9. Any Person falling within the definition of the Class may, upon
2 request, be excluded from the Class. Any such Person must submit to the Claims
3 Administrator a request for exclusion ("Request for Exclusion"), postmarked no
4 later than twenty-one (21) days prior to the Settlement Hearing. A Request for
5 Exclusion must state (a) the name, address, and telephone number of the Person
6 requesting exclusion; (b) each of the Person's purchases and sales of SKH
7 common stock made during the Class Period, including the dates of purchase or
8 sale, the number of shares purchased and/or sold, and the price paid or received
9 per share for each such purchase or sale; and (c) that the Person wishes to be
10 excluded from the Class. All Persons who submit valid and timely Requests for
11 Exclusion in the manner set forth in this paragraph shall have no rights under the
12 Settlement, shall not share in the distribution of the Net Settlement Fund, and shall
13 not be bound by the Settlement or the Judgment entered in this Action.

14 10. All Members of the Class (other than those Persons or entities who
15 shall timely and validly request exclusion from the Class) shall be bound by all
16 determinations and judgments in the Action concerning the Settlement, whether
17 favorable or unfavorable to the Class.

18 11. Class Members (other than those Persons or entities who shall timely
19 and validly request exclusion from the Class) who wish to collect in the
20 Settlement shall complete and submit Proof of Claim forms in accordance with the
21 instructions contained therein. Unless the Court orders otherwise, all Proof of
22 Claim forms must be postmarked no later than one hundred twenty (120) days
23 from the Notice Date. Any Class Member who does not timely submit a Proof of
24 Claim within the time provided for shall be barred from sharing in the distribution
25 of the proceeds of the Net Settlement Fund, unless otherwise ordered by the
26 Court.

1 12. Any Member of the Class may enter an appearance in the Action, at
2 his, her or its own expense, individually or through counsel of his, her or its own
3 choice. If they do not enter an appearance, Lead Counsel will represent them.

4 13. Any Member of the Class (other than those Persons or entities who
5 shall timely and validly request exclusion from the Class) may appear and show
6 cause, if he, she or it has any reason, why the proposed Settlement of the Action
7 should or should not be approved as fair, reasonable and adequate, why a
8 Judgment should or should not be entered thereon, why the Plan of Allocation
9 should or should not be approved, or why attorneys' fees and reimbursement of
10 expenses should or should not be awarded to Lead Counsel or Lead Plaintiff;
11 provided, however, that no Class Member or any other Person shall be heard or
12 entitled to contest the approval of the terms and conditions of the proposed
13 Settlement, or, if approved, the Judgment to be entered thereon approving the
14 same, or the order approving the Plan of Allocation, the expenses to be
15 reimbursed to Lead Plaintiff, or the attorneys' fees and expenses to be awarded to
16 Lead Counsel, unless that Person has filed said objections, papers and briefs with
17 the Clerk of the United States District Court for the Central District of California,
18 no later than twenty-one (21) days prior to the Settlement Hearing and delivered
19 copies of any such papers to counsel identified in the Notice, such that they are
20 received on or before such date. Any Member of the Class who does not make
21 his, her or its objection in the manner provided shall be deemed to have waived
22 such objection and shall forever be foreclosed from making any such objection,
23 unless otherwise ordered by the Court.

24 14. All funds held by the Escrow Agent shall be deemed and considered
25 to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of
26 the Court, until such time as such funds shall be distributed pursuant to the
27 Stipulation of Settlement or further order(s) of the Court.
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1 15. All papers in support of the Settlement, the Plan of Allocation, Lead
2 Plaintiff's application for reimbursement of expenses, and the application for
3 attorneys' fees or expenses, shall be filed and served not later than thirty-five (35)
4 days prior to the Settlement Hearing. Any papers in further support of the
5 Settlement, the Plan of Allocation, Lead Plaintiff's application for reimbursement
6 of expenses, and the application for attorneys' fees or expenses, shall be filed and
7 served no later than ten (10) days prior to the Settlement Hearing.

8 16. Neither the Defendants nor their Related Parties shall have any
9 responsibility for or liability with respect to the Plan of Allocation or any
10 application for attorneys' fees or expenses submitted by Lead Counsel, and such
11 matters will be considered separately from the fairness, reasonableness and
12 adequacy of the Settlement.

13 17. At or after the Settlement Hearing, the Court shall determine whether
14 the Plan of Allocation proposed by Lead Counsel, and any application for
15 attorneys' fees or expenses, and reimbursement of Lead Plaintiff's reasonable
16 costs and expenses, shall be approved.

17 18. All reasonable expenses incurred in identifying and notifying Class
18 Members, as well as administering the Settlement Fund, shall be paid as set forth
19 in the Stipulation of Settlement. In the event the Settlement is not approved by the
20 Court, or otherwise fails to become effective, neither the Lead Plaintiff nor Lead
21 Counsel shall have any obligation to repay any amounts actually and properly
22 disbursed from the Settlement Fund.

23 19. Neither the Stipulation of Settlement, nor any of its terms or
24 provisions, nor any of the negotiations or proceedings connected with it, shall be
25 construed as an admission or concession by the Defendants of the truth of any of
26 the allegations in the Action, or of any liability, fault, or wrongdoing of any kind
27 and shall not be construed as, or deemed to be evidence of or an admission or
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1 concession that Lead Plaintiff or any Class Members have suffered any damages,
2 harm, or loss.

3 20. In the event that the Settlement does not become effective in
4 accordance with the terms of the Stipulation of Settlement or the Effective Date
5 does not occur, or in the event that the Settlement Fund, or any portion thereof, is
6 returned to the Defendants, then this Order shall be rendered null and void to the
7 extent provided by and in accordance with the Stipulation of Settlement and shall
8 be vacated and, in such event, all orders entered and Releases delivered in
9 connection herewith shall be null and void to the extent provided by and in
10 accordance with the Stipulation of Settlement.

11 21. Pending the Settlement Hearing, the Court stays all proceedings in
12 the Action, other than proceedings necessary to carry out or enforce the terms and
13 conditions of the Stipulation of Settlement.

14 22. The Court reserves the right to adjourn the date of the Settlement
15 Hearing without further notice to the Members of the Class, and retains
16 jurisdiction to consider all further applications arising out of or connected with the
17 Settlement. The Court may approve the Settlement, with such modifications as
18 may be agreed to by the Parties, if appropriate, without further notice to the Class.

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DATED: _____

The Honorable David O. Carter
United States District Judge