

# **HEALTHSOUTH AND UBS SETTLEMENT** **FREQUENTLY ASKED QUESTIONS**

## **IMPORTANT DATES AND DEADLINES:**

**Objections to the Settlement:** Any objections to the Settlement have to be sent to Stockholder Plaintiffs' Lead Counsel, counsel for UBS Defendants, and filed with the court to be **received on or before July 7, 2010.**

**Requests for exclusion ("opt-outs") from the Settlement:** Requests for exclusion from the UBS Stockholder Class must be sent to the Claims Administrator and **postmarked no later than July 7, 2010.**

**Settlement Hearing:** A hearing is scheduled to be held by the court in order to consider whether to give the Settlement final approval. The hearing is currently scheduled for **July 22, 2010, at 10:00 a.m.**

**Proof of Claim:** To participate in the distribution of the Net Settlement Fund, you must

**EITHER**

(1) Have previously submitted a timely valid Proof of Claim in connection with the HealthSouth Settlement or the Ernst & Young Settlement

— OR —

(2) Timely complete and return a valid Proof of Claim in connection with this Settlement **postmarked no later than September 29, 2010.**

## **GENERAL BACKGROUND OF THE LAWSUIT**

### ***What is the Stockholder Class Period against UBS?***

The Stockholder Class Period against UBS is between September 20, 2000 and March 18, 2003, inclusive.

### ***How do I know if I am a Member of the UBS Stockholder Class?***

"UBS Stockholder Class" means all persons and entities who purchased or otherwise acquired the stock or options of HealthSouth Corporation between September 20, 2000 and March 18, 2003, inclusive, and were damaged thereby.

### ***Who are the defendants in this Settlement?***

UBS AG, UBS Warburg, LLC, Howard Capek, Benjamin Lorello and William McGahan ("UBS Defendants") are the settling defendants.

### ***Who are the Stockholder Lead Plaintiffs?***

"Stockholder Lead Plaintiffs" means New Mexico State Investment Council and the Educational Retirement Board of New Mexico ("New Mexico"), Central States SE and SW Areas Pension, with other funds ("Central States"), and the Michigan Public School Employees' Retirement System, the State of Michigan Employees' Retirement System, the State Police Retirement System and the Judges Retirement System ("Michigan"), and Julius McQueen.

### ***Am I being sued?***

No. The Stockholder Lead Plaintiffs have sued the UBS Defendants. If you are a Member of the UBS Stockholder Class, the Stockholder Lead Plaintiffs have brought this suit on your behalf.

***Who are the attorneys representing the UBS Stockholder Class?***

The UBS Stockholder Class is represented by Stockholder Plaintiffs' Lead Counsel: Robbins Geller Rudman & Dowd LLP, Joy Ann Bull, 655 West Broadway, Suite 1900, San Diego, CA 92101 and Labaton Sucharow LLP, Thomas A. Dubbs, James W. Johnson, 140 Broadway, New York, NY 10005.

***What claims does the lawsuit make against the UBS Defendants?***

The Complaint alleges, among other things, that during the relevant period, the UBS Defendants made false and misleading statements and omissions, and engaged in deceptive conduct regarding HealthSouth.

The UBS Defendants expressly have denied and continue to deny all charges 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 Stockholder Action.

***Where was this lawsuit filed?***

The plaintiffs filed a class action lawsuit in the United States District Court for the Northern District of Alabama, Southern Division.

**BASIC INFORMATION**

***What was the lawsuit settled for?***

The proposed Settlement with UBS Defendants creates a fund in the amount of \$117,000,000 in cash, which will include interest that accrues prior to distribution (the "Settlement Fund").

***I do not know if I am eligible, or how many shares I purchased or sold during the Stockholder Class Period against UBS. Where can I get my information (or do you have it)?***

You must contact your broker to get that information; we do not have that information.

***Why did I get this form?***

You may be a Member of the UBS Stockholder Class and the court sent you the 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.

***I received this form in the mail. What is this about?***

A proposed Settlement has been reached between the UBS Defendants and the UBS Stockholder Class in a litigation which alleged that the UBS Defendants made false and misleading statements and omissions, and engaged in deceptive conduct regarding HealthSouth.

UBS Defendants continue to deny all charges of wrongdoing or liability with this litigation; however, have agreed to a Settlement in the amount of \$117,000,000 in cash.

***I do not think I had HealthSouth stock, options, etc....why did I receive the Notice?***

You may have been identified by HealthSouth, your broker or financial institution as being a UBS Stockholder Class Member. We are unable to tell you exactly who provided your name, as we have received thousands of names and addresses (some in the form of labels), which were used to send out information packets to potential Members of the UBS Stockholder Class. Please call your broker to confirm your eligibility.

***When will I receive my settlement payment?***

If the proposed Settlement is approved, the Claims Administrator will distribute checks according to the Plan of Allocation.

***How much will I receive?***

We are unable, at this time, to tell you how much you may receive.

***What are the attorneys' fees?***

Stockholder Plaintiffs' Lead Counsel, on behalf of all plaintiffs' counsel who assisted, will apply to the court for an award of attorneys' fees not to exceed 19.5% of the Settlement Fund and expenses not to exceed \$550,000, to be paid from the Settlement Fund.

***Do I have to pay attorneys' fees directly?***

No. The attorneys' fees and expenses will be paid out of the Settlement Fund, if approved by the court.

***What do I need to do to receive a distribution from the Settlement Fund?***

If you already submitted a Proof of Claim in the earlier HealthSouth Settlement or the Ernst & Young Settlement, the trading information you already supplied will be used to determine your claim in this Settlement. **DO NOT** submit another Proof of Claim. However, if you have additional transactional information that you did not submit on your HealthSouth Settlement or Ernst & Young Settlement Proof of Claim that you would like considered in the calculation of your claim in this Settlement or you did not file a Proof of Claim in the earlier litigations, you must submit a Proof of Claim in this Settlement. (Note: Your earlier filing will not, however, be adjusted.)

If you are a UBS Stockholder Class Member and need a Proof of Claim form, copies may be obtained by clicking on the link entitled "Proof of Claim" in the left-hand column of this website; calling the Claims Administrator at (877) 552-1285; or downloading the forms on the Internet at the websites for the Stockholder Plaintiffs' Lead Counsel at [www.rgrdlaw.com](http://www.rgrdlaw.com) or [www.labaton.com](http://www.labaton.com).

The Proof of Claim, with all supporting documents (DO NOT SEND ORIGINALS), must be **postmarked no later than September 29, 2010**, and delivered to the Claims Administrator at this address:

HealthSouth UBS Stock Settlement  
c/o Rust Consulting, Inc.  
P.O. Box 2330  
Faribault, MN 55021-9030

**SETTLEMENT HEARING**

***What, When or Where is the Settlement Hearing?***

A Settlement Hearing is scheduled to be held by the court in order to consider whether the Settlement should be approved as fair, reasonable and adequate. The hearing is currently scheduled for **July 22, 2010, at 10:00 a.m.** It will be held before the Honorable Karon O. Bowdre, United States District Judge, at the Northern District of Alabama, Southern Division, Hugo L. Black United States Courthouse, 1729 Fifth Avenue North, Birmingham, Alabama.

***Has the court approved the Settlement?***

The court has preliminarily approved the Settlement for the purposes of sending out the documents to the UBS Stockholder Class. A hearing on the Settlement is currently scheduled to be held on **July 22, 2010** to determine:

- (1) whether the Settlement consisting of \$117,000,000 in cash should be approved as fair, reasonable, and adequate and the proposed Judgment entered; and
- (2) whether the applications for attorneys' fees and/or expenses should be approved.

The court may adjourn or continue the Settlement Hearing without further notice to the UBS Stockholder Class.

***Do I have to go to the hearing?***

No. At the hearing, Stockholder Plaintiffs' Lead Counsel will answer questions the Judge may have. You do not need to come to the hearing, but you are welcome to come at your own expense. If you send an objection, you don't have to come to court to talk about it. As long as you mailed your written objection on time, the court will consider it.

***If the Settlement Hearing date is changed, will I be notified?***

No. There is no provision for notifying UBS Stockholder Class Members if the court adjourns the Settlement Hearing. However, if you plan to attend the hearing, you may visit the website [www.healthsouthubsstock.com](http://www.healthsouthubsstock.com) for any updates or you may call the court to confirm the date of the Settlement Hearing.

**REQUEST EXCLUSION FROM THE UBS STOCKHOLDER CLASS**

***Requesting exclusion from the Class:*** Those UBS Stockholder Class Members who do not want to receive the relief offered by the proposed Settlement and do **not want to be bound by the terms of the Settlement** have the opportunity to be excluded from the Settlement.

***What are Opt-Outs?***

UBS Stockholder Class Members who request to be excluded from the UBS Stockholder Class.

***Why would I want to exclude myself (request exclusion from the UBS Stockholder Class or Opt-Out of the UBS Stockholder Class)?***

You would exclude yourself from the UBS Stockholder Class if:

- you do not want to share in the proceeds of the Settlement;
- you do not want to be bound by any judgment entered pursuant to the Settlement; and
- you do not want to be precluded, by reason of your decision to request exclusion from the UBS Stockholder Class, from otherwise prosecuting an individual claim, if timely, against the UBS Defendants based on the matters complained of in the litigation.

***Why would I not want to exclude myself from the UBS Stockholder Class?***

You want to be eligible to receive distribution from the Settlement Fund. Only eligible UBS Stockholder Class Members can receive a recovery from the Settlement.

***I do not want to be bothered (or I do not want to participate or receive any funds from the Settlement), do I need to exclude myself from the UBS Stockholder Class?***

No. You may do nothing at all. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by any judgment entered by the court in connection with the

Settlement, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Persons.

***What is the deadline for requesting exclusion from the UBS Stockholder Class?***

Requests to be excluded from the UBS Stockholder Class must be in writing and must be **POSTMARKED no later than July 7, 2010**. If you are requesting exclusion from the UBS Stockholder Class, you must read carefully the instructions provided in the Notice.

***What if I miss the deadline for requesting exclusion?***

If you miss the deadline for submitting a request for exclusion from the UBS Stockholder Class:

- You will remain a Member of the UBS Stockholder Class;
- You will be bound by any and all determinations or judgments approved by the court, whether favorable or unfavorable;
- You will not be able to bring or continue an individual claim against the UBS Defendants;
- You shall be deemed to have fully released all Released Claims against the Released Persons; and
- You may file a timely Proof of Claim, and participate in the distribution of the Net Settlement Fund.

***I opted-out (requested exclusion from the UBS Stockholder Class), but have since changed my mind. Can I still be a UBS Stockholder Class Member?***

If you opted-out, but now believe that opting out was a mistake, you must request in writing to be reinstated to the UBS Stockholder Class. Your request will be forwarded to Stockholder Plaintiffs' Lead Counsel for review.

**FILING OBJECTIONS TO THE SETTLEMENT**

**Objection:** A written submission by a UBS Stockholder Class Member to the court that states a disagreement with some aspect of the Settlement.

***What is the deadline for objecting?***

The Court, Stockholder Plaintiffs' Lead Counsel, and counsel for UBS Defendants must **receive on or before July 7, 2010** all written objections to the Settlement.

***How do I go about raising an objection?***

If a UBS Stockholder Class Member disagrees with some aspect of the proposed Settlement, he or she must send a written statement of objection to Stockholder Plaintiffs' Lead Counsel, counsel for UBS Defendants, and the court to be **received on or before July 7, 2010**. The statement of objection must show:

- ✓ your name,
- ✓ address,
- ✓ telephone number,
- ✓ your signature,
- ✓ a statement of the reasons for objection,

- ✓ the objecting Persons' membership in the UBS Stockholder Class, including the amount of HealthSouth stock or options purchased, acquired and sold during the Stockholder Class Period against UBS and held at the end of the class period, and
- ✓ if objecting party intends on presenting evidence at the Settlement Hearing, the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing.

***Do I need an attorney in order to object to the Settlement?***

No. If you do not hire an attorney to represent you, you should be sure to read carefully pages 10-11 of the Notice describing the procedures you must follow in order to object to the Settlement. If you do hire an attorney to represent you personally, whether for purposes of objecting to the Settlement or for any other reason, you must do so at your own expense. However, if your objection is rejected, you will be bound by the Settlement and the Judgment just as if you had not objected.

***If I file a request for exclusion from the Settlement, can I still object to the Settlement's terms?***

No. UBS Stockholder Class Members who file requests for exclusion from (or opt-out of) the Settlement are not allowed to object to the Settlement's terms.

***I already opted-out. Why can't I file an objection with the Court, too?***

If you already opted-out, you are **NOT** a UBS Stockholder Class Member, and therefore have no standing to object.

***What's the difference between objecting to the Settlement and exclusion from the Class?***

Objecting is simply telling the court that you don't believe the Settlement is fair, reasonable or adequate. You can object only if you stay in the UBS Stockholder Class. Excluding yourself is telling the court that you don't want to be part of the UBS Stockholder Class. If you exclude yourself from the UBS Stockholder Class, you have no basis to object because you are no longer part of the UBS Stockholder Class.

**FILING A PROOF OF CLAIM**

Those UBS Stockholder Class Members who:

- want to participate in the distribution of the Net Settlement Fund,
- did not file a Proof of Claim in the HealthSouth Settlement or the Ernst & Young Settlement, or
- have additional transactions that were not included in their previous filing, must file a Proof of Claim form and provide documentation to substantiate their claim.

The Proof of Claim, with all supporting documents, must be **postmarked no later than September 29, 2010**, and delivered to the Claims Administrator at:

HealthSouth UBS Stock Settlement  
c/o Rust Consulting, Inc.  
P.O. Box 2330  
Faribault, MN 55021-9030

If you do not timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation of Settlement and the Judgment.

***Do I need to submit supporting documentation?***

Yes. Copies of broker confirmations, monthly account statements or other documentation of your purchases, acquisitions, sales or transactions in HealthSouth must be attached to your claim. **DO NOT SEND ORIGINALS.** Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. The parties and the Claims Administrator do not independently have information about your investments in HealthSouth. The Claims Administrator may also request additional information as needed to efficiently and reliably calculate your losses.

**Acceptable Documentation**

You **must** attach to the Proof of Claim (for each transaction) legible copies of either:

- Broker confirmation slips;
- Monthly brokerage statements;
- Year-end brokerage statements;
- A letter from your broker on the firm's letterhead; or
- Other satisfactory proof confirming the particulars of each purchase and sale of the securities between September 20, 2000 and March 18, 2003, inclusive.

Some examples of **UNACCEPTABLE** documentation are:

- spreadsheets from your personal records,
- stock certificates,
- statements that are missing crucial pages or missing the account holder's name, printouts from web sites that do not include your name or account number or do not include the name of the web site, etc.