

General FAQs

What was announced?

- Absolut Facilities Management, LLC (together with its filing subsidiaries, collectively the “Company”) announced that on September 10, 2019, the Company has voluntarily filed petitions for relief under chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Eastern District of New York, (the “Court”). The Company anticipates that it will be able to reduce its debt through the restructuring process. This court-supervised process will enable the Company to restructure its balance sheet while continuing operations in the normal course.

What is Chapter 11?

- Chapter 11 is a chapter of the U.S. Bankruptcy Code that governs court-supervised corporate restructurings. A company that files for protection under chapter 11 is allowed to continue to operate normally and maintain its business “in the ordinary course” – or business as usual, while also working to implement a restructuring plan.

What happens during Chapter 11?

- Upon the filing of a restructuring case an “automatic stay” is imposed that prevents creditors from collecting money and debts owed by the company for activities that arose prior to the filing. The automatic stay allows the company to delay loan payments, as well as payments owed to vendors for goods and services received before the filing.
- Chapter 11 benefits corporations seeking to restructure since they are largely permitted to operate in the same manner as they did before the filing such as:
 - company facilities will stay open;
 - employees will continue to receive their regular wages and benefits; and
 - goods and services purchased after the filing date will be paid for in the ordinary course of business.

Is the Company going out of business?

- No. While the Company received regulatory approval to close its Absolut Care of Orchard Park facility, all of the Company’s other facilities (Allegany, Aurora Park, Gasport, Orchard Brooke, Three Rivers and Westfield), will remain open, and will continue to conduct normal operations and provide usual services, including rehabilitation and nursing services and long-term adult care during, the restructuring process.
- For residents of Absolut Care of Orchard Park, the Company will work under the direction of the New State Department of Health to ensure that all remaining residents at such facility are placed in another facility of their choice.
- The Company is not going out of business and operations will continue in the ordinary course throughout the restructuring process. Other than the closure of Absolut Care of Orchard Park, the

Company does not expect any interruptions in its day-to-day operations. Chapter 11 is intended to provide a company with the time and protection it needs to reorganize its capital structure, not liquidate its assets.

Which entities are included in the filing?

- Please click on the Debtors tab at the case website <https://cases.primeclerk.com/absolutcare> for a list of entities included in the filing.

Will there be management changes?

- There are no currently anticipated changes to the current reporting structure.

How will the restructuring process affect day-to-day operations?

- Importantly, the Company will continue normal business operations during this process.
- The Company believes it will have ample liquidity to support the business during this process.
- The Company intends to continue working closely with its suppliers and pay for goods and services delivered after the filing under normal terms; the bankruptcy rules require the Company to do this.

Does the Company have adequate funding to conduct its operations during the restructuring?

- Yes. The Company has enough working capital to operate in the ordinary course throughout the restructuring.

When is Company expected to emerge from Chapter 11?

- While the length of a chapter 11 proceeding depends upon many factors, the Company expects to emerge from this process as soon as practicable and is committed to keeping you informed.

How do I file a proof of claim?

- Proof of claim forms will be mailed to all known creditors. Forms may also be obtained from the following websites:
 - <https://cases.primeclerk.com/absolutcare>
 - http://www.uscourts.gov/uscourts/RulesAndPolicies/rules/BK_Forms_Current/B_010.pdf
- The Court has not yet set a deadline for creditors to file proof of claim forms. The Court, however, will set a deadline, and you must submit your proof of claim form prior to that deadline. Once the Court sets a deadline, all known creditors will receive notice of the deadline by which to file a claim. The deadline will also be posted on Prime Clerk's website at: <https://cases.primeclerk.com/absolutcare>.

I have additional questions about the restructuring. How can I obtain more information?

- The Company has set up an information line to answer questions about this announcement. The information line can be reached by calling 877-504-0539 (toll free). Or you may email questions to: Absolutinfo@primeclerk.com.
- Court filings and other information related to the restructuring proceedings are available at a website administered by the Company's claims agent, Prime Clerk, at <https://cases.primclerk.com/absolutcare>.

Employee FAQs

Will I continue to be paid salary and benefits?

- Yes. The Company has filed a Motion asking the Court to pay all wages and benefits in the ordinary course of business. The Company expects the motion to be approved and you should see no interruption in your pay or benefits.

Will the Company 401(k) Plan be protected from creditors' claims during bankruptcy?

- Yes. Federal bankruptcy laws protect these funds from creditors' claims. As always, the value of the various investment options in the 401(k) plan can fluctuate based on market conditions.
- If you have any questions about your 401K, please contact Melanie Gagliano at mgagliano@tpsgroup.com or 716-839-9405

How will employees be kept informed about the progress of the restructuring?

The Company is committed to keeping each of its employees informed throughout this process. You may refer to the website of the Company's claims agent at <https://cases.primeclerk.com/absolutcare> for up-to-date information.

Will workloads change because of the filing?

- Most employees will see no change in their responsibilities as a result of the filing.
- Those employees working on the chapter 11 process and transition may be asked to assume additional assignments and work to help facilitate and streamline the chapter 11 cases.

What happens if I was employed at Abosult Care of Orchard Park

- The Company intends to offer affected employees placement at one of the other Company locations (Allegany, Aurora park, Gasport, Orchard Brooke, Three Rivers and Westfield), and the wages and benefits of such employees will remain unchanged during the closure process.

Will COBRA benefits continue for employees who were recently laid off?

- Yes. These benefits are protected by federal law and are not affected by the filing.

What happens to the Company pension plan and its assets? Will former employees still be paid in accordance with the plan's obligations?

- The Company's position is that the pension plan should continue as is. No changes are currently contemplated. However, you will be notified of any changes that are made to the Company's pension plans(s) that may affect your rights or benefits thereunder.

Can we still take planned vacations?

- Employees with vacation balances or Paid Time Office (PTO)/Discretionary Time Off (DTO) will be able to take vacation in the normal course and in accordance with existing Company policy and manager approval.

Will my expenses be reimbursed? What about expenses incurred prior to filing?

- The Company expects that procedures for processing expense reimbursements going forward will be the same as in the past and your next payment will be issued on schedule.

I have additional questions about the restructuring. How can I obtain more information?

- The Company has set up an information line to answer questions about this announcement. The information line can be reached by calling 877-504-0539 (toll free) or 917-947-5416 (international). Or you may email questions to: <https://cases.primeclerk.com/absolutcare>.
- Court filings and other information related to the restructuring proceedings are available at a website administered by the Company's claims agent, Prime Clerk, at <https://cases.primeclerk.com/absolutcare>.

Vendor FAQs

Will my company contact representative remain the same?

- Yes. Your contact remains the same.

Will vendors be paid for goods and services provided before the filing date?

- Under U.S. bankruptcy law, unpaid debts for goods and services provided to the Company prior to the filing date of September 10, 2019, also known as "prepetition claims," generally cannot be paid without specific Bankruptcy Court approval.
- Claims will be addressed as part of the bankruptcy process and the treatment of claims will be set forth in the Company's plan of reorganization and disclosure statement, which when filed will be available at <https://cases.primeclerk.com/absolutcare>.
- Claims will be addressed as part of the bankruptcy court process. If you believe you have a prepetition claim for goods and services provided to the Company prior to the filing date, you will need to file a proof of claim with the bankruptcy court to be eligible for payment on your claim. Information about the claims process is available at <https://cases.primeclerk.com/absolutcare>.

When can vendors expect payment for goods or services provided before the filing date?

- Any distributions allowed by the Bankruptcy Court in respect of claims for goods or services provided to the Company prior to the filing date cannot be made by the Company until a Plan of Reorganization is confirmed by the Bankruptcy Court and becomes effective.
- However at this time we have no information as to the expected timeframe for distributions, if distributions are to be made.

Does the Company have sufficient liquidity to fulfill obligations to current vendors and to continue operating in the ordinary course?

- Yes, as a part of the restructuring process, the Company has received commitments for secured debtor-in-possession (DIP) financing to provide the Company with greater financial flexibility and sufficient liquidity to meet its obligations to customers during the restructuring process.

What is the status of existing vendor and supplier agreements? Do these remain in place?

- During a chapter 11 process, companies continue to operate under existing contracts and with existing customer relationships until the Company determines whether or not to reinstate or assign its contracts.

Will vendors be paid for goods and services provided after the filing date?

- Yes. The Company intends to pay vendors in full for goods and services received on or after the filing date.
- Invoices for goods and services provided after the filing date should be submitted through the typical accounts payable channels and payments will be processed in the ordinary course and/or in accordance with contract terms, if applicable.
- The Company values the important relationships that it has developed with its vendors and intends to work closely with them throughout the chapter 11 process.

How do I know if my claim is considered pre-petition or post-petition? Is this decision based on the date of order, delivery or invoice?

- Goods and services provided prior to the date of the Company's chapter 11 filing are considered pre-petition. Goods and services provided on or after the filing date are considered post-petition. If you have additional questions related to this, please consult with your own attorney as neither the Company nor Prime Clerk is permitted to provide legal advice.

Will the Company continue to order goods and services from its vendors? Why should vendors continue to provide goods and services in light of the chapter 11?

- Yes, the Company's operations will continue in the normal course throughout this court-supervised process and your cooperation and continued supply of goods and services will allow the Company to maintain its production.
- The Company will continue to order and pay for post-petition goods and services to meet ongoing business needs.
- The Company values the important relationships developed with its vendors and will continue to work closely with them throughout this financial restructuring process and into the future.

Given the uncertainties of the situation, what if I want to renegotiate my terms with you?

- The Company's business operations will continue throughout this process, and the Company intends to make payments to vendors in the ordinary course and/or under the terms of their agreements, if applicable.
- The cooperation of all the Company's vendors and suppliers will help ensure that the Company can continue to operate for many years to come.

Will my contact person remain the same?

- Yes. The Company is continuing to operate in the ordinary course of business and business relationships should not change.

Will there be a meeting of creditors?

- The Company's professionals are preparing a complete list of the Company's known creditors. After the list is compiled, each known creditor will be sent an official notice of the bankruptcy filing that will include the date, time, and location for a meeting of creditors. You are not required to attend this meeting, and your failure to attend will not impact your rights or remedies as a vendor.

Resident FAQs

Should residents of our care facilities be concerned that operations will be interrupted?

- No. The care and well being of our residents continues to be our highest priority. Throughout the restructuring process, the Company does not expect any interruptions or changes at its open facilities (Allegany, Aurora park, Gasport, Orchard Brooke, Three Rivers and Westfield) to the care and services it provides to residents and their loved ones, including those residents that are transferred from Absolut Care of Orchard Park.

What if I live at Aboslut Care of Orchard Park?

- The Company intends to work with and at the direction of the New York State Department of Health to ensure that all remaining residents at such facility are placed in another facility of their choice.

Does the Company have sufficient liquidity to fulfill obligations to current vendors and to continue operating in the ordinary course?

- Yes. Yes, as a part of the restructuring process, the Company has received commitments for secured debtor-in-possession (DIP) financing to provide the Company with greater financial flexibility and sufficient liquidity to meet its obligations to customers during the restructuring process.

Will vendors continue providing goods that are necessary to continue operations?

- The Company expects day-to-day operations at all of its open facilities to continue normally. All goods and services provided to the Company after the filing date will be paid in-full on customary business terms. As a result, the Company does not expect vendors to alter service to the Company in any way.