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August 21, 2017

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Division of Employment and Training
Wisconsin Department of Workforce
Development
201 East Washington Avenue, Room E-100
P.O. Box 7972
Madison, WI 53707

Mayor Tom Barrett
City of Milwaukee, City Hall
200 East Wells Street, #201
Milwaukee, WI 53202

Milwaukee County Executive Chris Abele
Milwaukee County Courthouse
901 North 9th Street, Room 306
Milwaukee, WI 53233

Dear State and Local Officials:

On July 12, 2017, I was appointed as Wis. Stats. Chapter 128 Receiver of Fortis Management Group, LLC and its related entities (together, "Fortis") in Milwaukee County Case No. 17-CV-5769. A copy of the Order Appointing Receiver is enclosed. The purpose of the receivership is to facilitate the transfer of the operations of Fortis's 65 skilled nursing and assisted living facilities to new operators.

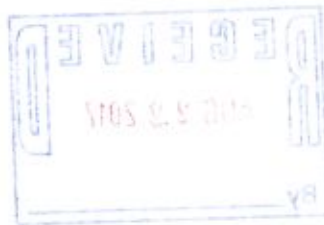
The Receiver hereby provides notice that, following the transition of approximately 36 of the 65 facilities to new operators, there will be a layoff of a number of employees (both local and remote) who are employed by the Milwaukee, WI office located at 111 West Michigan Street, Milwaukee, Wisconsin 53203 (the "Milwaukee Office"). This letter is also to provide notice that, upon the transition of all 65 facilities to new operators and upon the completion of related transition and wind-down activities, including providing for the collection of accounts receivable and preparation of required reports, including those required by payors as well as tax reports, the Milwaukee Office, as operated by Fortis, will close, Fortis will cease operating entirely at this site, and all the employees of the Milwaukee Office will cease to be employed by Fortis.

It is possible that some employees of the Milwaukee Office could be offered employment by new operators, and that a new operator could operate certain facilities out of the Milwaukee Office and occupy the Milwaukee Office, but, at this time, we do not know how many employees, if any, will be offered employment.

While an exact date has not yet been established for the final transition of approximately 36 of the 65 facilities to new operators, it is anticipated that the related layoffs will take place sixty (60) days from the date of this letter (the "Last Day"). Due to the uncertainty surrounding the exact timing of the transition, the Receiver may extend the Last Day by sending a notice similar to this to all affected employees notifying the affected employees of the new date. This employment loss is expected to be



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permanent, and there will be no bumping rights for other positions with Fortis (i.e., there will be no right to displace employees with less seniority). Employees in all job classifications will be affected.

While an exact date has not yet been established for the transition of all 65 facilities to new operators and the completion of related transition and wind-down activities, including those noted above, it is anticipated that the closure of the Milwaukee Office in its entirety will take place prior to September 30, 2018 (the "Closing Day"). Due to the uncertainty surrounding the timing of the transition of all 65 facilities to new operators and the timing of the related transition and wind-down activities, the Receiver may extend the Closing Date by sending a notice similar to this to all affected employees notifying the affected employees of the new date. All employees of all job classifications will be affected, the employment loss is expected to be permanent, and there will be no bumping rights for other positions with Fortis.

We are sending this letter to satisfy any legal obligation to provide notice pursuant to the Worker Adjustment and Retraining Notification Act ("WARN") (29 U.S.C. Sections 2101 *et seq.*) and Wisconsin's Business Closing and Mass Layoff ("WBCML") Law (section 109.07 of the Wisconsin Statutes and Chapter DWD 279 of the Wisconsin Administrative Code) and to give as much advance notice to the affected employees as possible. If no such legal obligation exists, this letter is being provided voluntarily. The information provided is based upon the best information available to Fortis at this time.

Currently, there are approximately 225 Fortis employees who are employed by the Milwaukee Office located at 111 West Michigan Street, Milwaukee, Wisconsin. We anticipate 25% or more of these employees will be laid off within sixty (60) days of this letter and we anticipate the Milwaukee Office will close in its entirety by the end of September, 2018. However, employees may be employed beyond this date due to business need or through the court-supervised receivership proceeding.

Additional information concerning this matter can be obtained from Michael S. Polsky, Esq., Court-Appointed Receiver at 414-390-5935 or mpolsky@bcblaw.net. This letter is provided pursuant to state and federal laws, which encourage employers who are not required to comply with the business closing notice statutes to, nonetheless, provide such notice, and should not be construed as an admission of coverage under 29 U.S.C. § 2101, *et seq.*, or Wis. Stat. § 109.07.

Should you have any questions, please feel free to contact me.

Very truly yours,

BECK, CHAET, BAMBERGER & POLSKY, S.C.


Michael S. Polsky

MSP:lcs
Enclosure
cc: Mark F. Bromley, Esq. (via email)(w/encl)