

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

CAROL HESSLER Derivatively on Behalf of  
ADAPT HEALTH CORP.,

*Plaintiff,*

v.

LUKE MCGEE, STEPHEN P. GRIGGS, GREGG  
HOLST, JASON CLEMENS, FRANK J.  
MULLENS, JOSHUA PARNES, RICHARD  
BARASCH, TERENCE CONNORS, SUSAN  
WEAVER, DALE WOLF, DAVID S. WILLIAMS  
III, BRADLEY COPPENS, TED LUNDBERG,  
and ALAN QUASHA,

*Individual Defendants,*

and

ADAPT HEALTH CORP. f/k/a DFB  
HEALTHCARE ACQUISITIONS CORP.,

*Nominal Defendant.*

CIVIL ACTION  
NO. 21-5335

**ORDER GRANTING PRELIMINARY APPROVAL OF SETTLEMENT**

**AND NOW**, this 25th day of June 2024, upon consideration of Plaintiffs' Unopposed Motion for Preliminary Approval of the Derivative Settlement (ECF No. 23), it is hereby **ORDERED** that the Motion is **GRANTED**. It is further **ORDERED**:

1. **Preliminary Approval of the Settlement**: The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, *see* (ECF No. 23–3), and finds, pursuant to Rule 23.1 of the Federal Rules of Civil Procedure that the Settlement appears to be the product of serious, informed, arm's-length negotiations and that the Court will likely be able to finally approve the Settlement, subject to further consideration at the Settlement Hearing referred to

in paragraph 2 below, under Rule 23.1 as being fair, reasonable, adequate, and in the best interests of AdaptHealth and its stockholders.

2. **Settlement Hearing**: The Court will hold a hearing (the “Settlement Hearing”) at **10:00 a.m. on November 13, 2024** at the United States District Court for the Eastern District of Pennsylvania, Courtroom 11-A, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106:

(a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, adequate, and in the best interests of AdaptHealth and its stockholders and should be finally approved by the Court pursuant to Federal Rule of Civil Procedure 23.1;

(b) to determine whether a judgment substantially in the form attached as Exhibit D to the Stipulation should be entered dismissing the Action with prejudice;

(c) to determine whether the agreed Fee and Expense Award to be paid to Plaintiff’s Counsel should be approved;

(d) to hear and determine any objections to the Settlement or the agreed Fee and Expense Award; and

(e) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

3. The Court reserves the right to adjourn the Settlement Hearing, modify any other dates set forth herein, or approve the proposed Settlement with such modifications as the Parties may agree to without further notice to AdaptHealth stockholders, and retains jurisdiction to consider all further applications arising out of or

connected with the Settlement. At its discretion, the Court may decide to hold the Settlement Hearing by telephone or video conference.

4. **Manner of Giving Notice:** Not later than **twenty-one (21) calendar days** after the date of entry of this Order (the “Notice Date”), AdaptHealth shall, at its expense, mail a Notice in substantially the form attached to the Stipulation as Exhibit C to all stockholders of record of AdaptHealth as of the Notice Date. All stockholders of record who are not also the beneficial owners of the shares of AdaptHealth common stock held by them of record shall be requested to forward the Notice to such beneficial owners of those shares.
5. Not later than **thirty (30) calendar days** after the Notice Date, AdaptHealth shall, at its expense, cause the Notice to be published once in *The Wall Street Journal* and to be transmitted once over the *PR Newswire*.
6. Not later than **seven (7) calendar days** prior to the Settlement Hearing, Defendants’ counsel shall file with the Court proof, by affidavit, attesting to compliance with the notice provisions set forth in this Order.
7. **Approval Form and Content of Notice:** The Court (a) approves, as to the form and content, the Notice attached to the Stipulation as Exhibit C and (b) finds that the mailing and distribution of the Notice and the publication of the Settlement (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise AdaptHealth stockholders of the pendency of the Derivative Action, of the effect of the proposed Settlement (including the releases to be provided thereunder), of Plaintiff’s Counsel’s request for approval of the Fee and Expense Award, of their right to

object to the Settlement and/or the Fee and Expense Award, and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all persons or entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the Rules of Rule 23.1 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and all other applicable laws and Rules. The Date and time of the Settlement Hearing shall be included in the Notice before it is mailed or published.

8. **Appearances and Objections at the Settlement Hearing:** Any

AdaptHealth stockholder that continues to own shares of AdaptHealth common stock as of the date of the Settlement Hearing who objects to the Settlement and/or the agreed Fee and Expense Award may appear at his, her, or its own expense, individually or through counsel of his, her, or its own choice, by filing with the Clerk of the Court and delivering a notice of appearance to both Plaintiff's Counsel and Defendants' Counsel, at the addresses set forth below, such that it is received no later than **twenty-one (21) calendar days** prior to the Settlement Hearing, or as the Court may otherwise direct. Any AdaptHealth stockholder may file a written objection to the proposed Settlement and/or the Fee and Expense Award and appear and show cause why the proposed Settlement and/or the Fee and Expense Award should not be approved; provided, however, that no AdaptHealth stockholder shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the Fee and Expense Award unless that person or entity has filed a written objection, as described further in paragraph 9 below, with the Court and served copies of such objection on

Plaintiff's Counsel and Defendants' Counsel at the addresses set forth below such that they are received no later than **twenty-one (21) calendar days** prior to the Settlement Hearing:

*Counsel for Plaintiff:*

**LEVI & KORSINSKY, LLP**

Gregory M. Nespole

33 Whitehall Street, 17<sup>th</sup> Floor New York, New York 10004

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*Counsel for Defendants Stephen P. Griggs, Gregg Holst, Jason Clemens, Frank J. Mullen, Joshua Parnes, Richard Barasch, Terence Connors, Dr. Susan Weaver, Dale Wolf, David S. Williams III, Bradley Coppens, Ted Lundberg, and Alan Quasha, and Nominal Defendant AdaptHealth Corp.:*

**WILLKIE FARR & GALLAGHER LLP**

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*Counsel for Defendant Luke McGee:*

**KRAMER LEVIN NAFTALIS&FRANKEL LLP**

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Copies of the objections must also be emailed to [gnespole@zlk.com](mailto:gnespole@zlk.com), [tcosenza@willkie.com](mailto:tcosenza@willkie.com), and [djames@kramerlevin.com](mailto:djames@kramerlevin.com) no later than **twenty-one (21) calendar days** prior to the Settlement Hearing.

9. Any objections, filings and other submissions by the objecting AdaptHealth stockholder must identify the case name and civil action number *Hessler v. McGee et al.*, Civ. No. 2:21-cv-05335-GJP, and must contain: (a) written and signed notice

of intention to appear that states the name, address, telephone number, and email address of the person or entity objecting; (b) proof of current ownership of AdaptHealth common stock, including the number of shares and documentary evidence of when such stock ownership was acquired; and (c) a written detailed statement of the person's objections that states with specificity the grounds for the objection, including any legal and evidentiary support the stockholder wishes to bring to the Court's attention. Attendance at the Settlement Hearing is not necessary; however, persons wishing to be heard orally in opposition to approval of the Settlement and/or the Fee and Expense Award are required to indicate in their written objection their intention to appear at the Settlement Hearing. Objectors that enter an appearance and desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing. Objectors that intend to appear at the Settlement Hearing through counsel, which will be at the objectors' own expense, must also identify that counsel by name, address, and telephone number and that counsel must file a notice of appearance with the Court and serve it on Plaintiff's Counsel and Defendants' Counsel so that the notice is received on or before **twenty-one (21) calendar days** before the date set herein for the Settlement Hearing. It is within the Court's discretion to allow appearances at the Settlement Hearing either in person or by telephone or video conference.

10. Unless the Court orders otherwise, any AdaptHealth stockholder who or which does

not make his, her, or its objection in the manner provided herein shall: (a) be deemed to have waived his, her, or its right to object to any aspect of the proposed Settlement, the Final Order and Judgment, or the Fee and Expense Amount; (b) be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Final Order and Judgment, or the Fee Expense Amount; and (c) be deemed to have waived, barred, and foreclosed from being heard with respect to any matters concerning the Settlement or the Fee and Expense Amount.

AdaptHealth stockholders do not need to appear at the Settlement Hearing or take any other action to indicate their approval of the Settlement.

11. **Stay of Proceedings and Injunction:** Until otherwise ordered by the Court, the Derivative Action remains stayed with respect to all proceedings other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Plaintiff, and all other AdaptHealth stockholders, from commencing or prosecuting any and all of the Released Claims against each and all of the Released Defendants. The Court finds that issuance of this provision is necessary and appropriate in aid of the Court's jurisdiction over the Derivative Action. The Court finds no bond is necessary for issuance of this provision.

12. **Termination of Settlement:** If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or Final Approval otherwise fails to occur for any reason, the Settlement and the Stipulation shall be canceled and terminated; this Order (other than this paragraph 12) shall be vacated and

rendered null and void, and shall be of no further force and effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of Plaintiff, or other AdaptHealth stockholders, and Defendants, and the Parties shall revert to their respective positions in the Derivative Action as of immediately prior to the execution of the Stipulation.

13. **Supporting Papers:** Plaintiff's Counsel shall file and serve the opening papers in support of final approval of the proposed Settlement and the Fee and Expense Amount, if any, no later than **thirty-five (35) calendar days** prior to the Settlement Hearing; and reply papers shall be filed and served no later than **seven (7) calendar days** prior to the Settlement Hearing.

14. **Approval of Settlement:** If the Settlement provided for in the Stipulation is approved by the Court following the Settlement Hearing, the Court shall enter the Order and Final Judgment substantially in the form attached to the Stipulation as Exhibit D.

15. **Approval Not Contingent on Approval of Fee and Expense Amount:** Whether the Order and Final Judgment obtains Final Approval is not conditioned upon approval of the Fee and Expense Award, either at all or in any particular amount, by the Court.

16. **Jurisdiction:** Subject to the terms set forth in the Stipulation, the Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.



BY THE COURT:

*/s/ Gerald J. Pappert*  
Gerald J. Pappert, J.