

HEALTHSOUTH EY/UBS BONDHOLDER SETTLEMENTS

FREQUENTLY ASKED QUESTIONS

IMPORTANT DATES AND DEADLINES:

ALL DEADLINES HAVE PASSED:

The settlements achieved by Bondholder Plaintiffs with Ernst & Young LLP and with the UBS Defendants were approved by the Court, the Claim filing deadline has passed, and two distributions of the settlement proceeds have occurred.

Settlement Hearing: On July 22, 2010, the Court held a hearing to consider whether to give the Settlements final approval, to consider Bondholder Plaintiffs' Lead Counsel's request for an award of attorneys' fees and reimbursement of litigation expenses and other matters.

Court Approved Settlements: On July 26, 2010, the Court entered judgments approving the Settlements and dismissing the claims against Ernst & Young and the UBS Defendants.

Claim Filing Deadline: The deadline for filing Proofs of Claim was September 29, 2010.

Distribution of Proceeds of the Settlements: Claims processing has been completed. The initial distribution of the proceeds of the Settlements occurred on June 16, 2014. A second distribution occurred on May 9, 2016. The persons and entities who received checks in the second distribution are those claimants who had cashed their initial distribution check and whose pro rata share of the amount available for distribution in the second distribution was at least \$10.

GENERAL BACKGROUND OF THE LAWSUIT AND THE SETTLEMENTS

What is the Bondholder Class Period?

The Bondholder Class Period is from July 30, 1999 through and including March 18, 2003. Other important time periods are the E&Y Class Period, which is from March 30, 2000 through and including March 18, 2003, and the UBS Class Period, which is from September 20, 2000 through and including March 18, 2003. Only Bondholder Class Members who purchased or acquired HealthSouth bonds, notes or other debt instruments during the E&Y Class Period were eligible to participate in the Settlement with E&Y and only Bondholder Class Members who purchased or acquired HealthSouth bonds, notes or other debt instruments during the UBS Class Period were eligible to participate in the Settlement with the UBS Defendants.

How do I know if I am a member of the Bondholder Class?

"Bondholder Class" means all Persons who purchased, exchanged or otherwise acquired bonds, notes or other debt instruments of HealthSouth Corporation beginning July 30, 1999 through and including March 18, 2003 and were damaged thereby. If you meet the criteria set forth in the definition, and were not excluded from the class by definition (as set forth in the Notice of the then proposed Settlements which can be downloaded from this website) or you did not submit a request to be excluded from the class that was accepted by the Court, you are a member of the class. .

Who are the Settling Defendants in the Ernst & Young and UBS Defendants Settlements?

Ernst & Young LLP (“E&Y”) and UBS AG, UBS Warburg, LLC, Howard Capek, Benjamin D. Lorello and William C. McGahan (collectively, the “UBS Defendants”) are the Settling Defendants.

Was I eligible to receive a payment under the proposed Settlements?

The claims asserted against the Settling Defendants cover only certain time periods. Only Bondholder Class Members who purchased or acquired HealthSouth bonds, notes or other debt instruments beginning March 30, 2000 through and including March 18, 2003 (the “E&Y Bondholder Class”) were eligible to participate in the Settlement with E&Y. Only Bondholder Class Members who purchased or acquired HealthSouth bonds, notes or other debt instruments beginning September 20, 2000 through and including March 18, 2003 (the “UBS Bondholder Class”) were eligible to participate in the Settlement with the UBS Defendants. If you did not purchase any HealthSouth bonds, notes or debt instruments during these time periods, you were not eligible to participate in these Settlements. The specific debt instruments that were eligible securities with respect to the Ernst & Young and the UBS Defendants Settlements are listed in the Notice.

Who was the Bondholder Lead Plaintiff?

“Bondholder Lead Plaintiff” means the Retirement Systems of Alabama.

Who are the attorneys who represented the Bondholder Class?

The Bondholder Class was represented by Bondholder Plaintiffs’ Lead Counsel: Bernstein Litowitz Berger & Grossmann LLP, Salvatore J. Graziano, 1251 Avenue of the Americas, New York, NY 10020 and Cunningham Bounds, LLC, Robert T Cunningham, Jr., 1601 Dauphin Street, Mobile, AL 36604.

BASIC INFORMATION

How much were the Settlements?

The settlement with Ernst & Young was for \$33,500,000 in cash. The settlement with the UBS Defendants was for \$100,000,000 in cash.

Which HealthSouth bond, notes or debt instruments were eligible securities for purposes of the Settlements?

The following HealthSouth bonds, notes or debt instruments (“HealthSouth Bonds”) were the eligible securities for purposes of the Settlements:

- a) 3.25% Convertible Debentures due 4/1/2003
- b) 6.875% Senior Notes due 6/15/2005
- c) 7.0% Senior Notes due 6/15/2008
- d) 10.75% Senior Subordinated Notes due 10/1/2008
- e) 8.5% Senior Notes due 2/1/2008
- f) 8.375% Senior Notes due 10/1/2011
- g) 7.375% Senior Notes due 10/1/2006
- h) 7.625% Senior Notes due 6/1/2012

Why did I get a form about the lawsuit?

You may be a member of the Bondholder Class and the court asked that the Notice be sent to you because you had a right to know about the then proposed settlements with Ernst & Young and the UBS Defendants and about all of your options. The Notice sets forth deadlines, all of which have long-since passed. The settlements have been approved, the Claim filing deadline has passed, and distribution of the proceeds of the settlements has occurred.

I do not think I had HealthSouth bonds or other HealthSouth debt instrument, why did I receive a Notice?

You may have been identified by HealthSouth or your broker or financial institution as potentially being a

Bondholder Class Member. We are unable to tell you exactly who provided your name, as we have received hundreds of thousands of names and addresses (some in the form of labels) which were used to send out information packets to potential members of the Bondholder Class.

What were the attorneys' fees?

Bondholder Plaintiffs' Lead Counsel, on behalf of all plaintiffs' counsel, were awarded attorneys' fees by the court in the amount of 13% of the Total Settlement Fund (i.e., 13% of the \$133,500,000 total settlement amount from the E&Y and UBS Settlements plus interest accrued thereon), plus reimbursement of their expenses which were incurred in connection with prosecuting the claims in the Bondholder Action.

Did Bondholder Class Members have to pay attorneys' fees directly?

No. The attorneys' fees and expenses awarded by the Court were paid out of the Settlement Funds.

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

The Claim filing deadline has passed and the proceeds of the settlements have been distributed.