

NEWS RELEASE
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Pleasant Care: Bankruptcy Court Finalizes Class Action Settlement Restoring Health Care Benefits and Vacation Pay to Hundreds of Workers

Los Angeles, CA --- Morris Polich & Purdy LLP represented a class of several hundred former employees of the now defunct Pleasant Care nursing home chain, after their health insurance coverage was *retroactively* terminated and earned vacation pay withheld.

In February, 2007, the Pleasant Care companies filed for Chapter 11 bankruptcy. During the reorganization, the Pleasant Care facilities remained open, and their employees continued to work under the belief that they were still covered by Pleasant Care's self-funded health insurance plan. After a couple of months, however, Pleasant Care stopped funding the plan, and the employees were billed directly for medical services they thought were covered. Some had bills of more than \$10,000, and the bankruptcy court set a bar date for all administrative claims that was due to expire before many of the workers received their bills. Morris Polich & Purdy took the case only 11 days before the bar date. Considering that the defendants were already in bankruptcy, "it was a big risk," says David Vendler, a partner with the firm. However, Vendler states, "the workers badly needed help, or a real injustice was going to be done."

Because the case was in bankruptcy court, Morris Polich & Purdy partnered with Richard Baum, a bankruptcy attorney in Los Angeles. "The first thing to do was to extend the bar date and get a notice to the class that they could understand" Baum stated. Bankruptcy Judge Ellen Carroll agreed that the bar date had to be moved back, and, in what Baum says may be a first, the new notice of administrative claim bar date was rewritten in plain English, then translated into Tagalog, as many of the affected workers were from the Philippines.

The bankruptcy court initially declined to allow the claimants to be treated as a class. After this ruling, Vendler and Baum decided that filing a separate action in the District Court was their best alternative. After several rounds of procedural wrangling over venue, which plaintiffs eventually won, the defendants agreed to settle the claims on a class basis, and this settlement was finally approved by the bankruptcy court. Under the terms of the settlement, the employees will receive approximately 65% of their claims, a greater percentage than all of the other administrative claimants.

Vendler is particularly proud of the result. "Very few firms in Los Angeles would take a class action case on contingency against a set of defendants already in bankruptcy court" Vendler states, "but this was a case where we simply could not stand idly by and watch people face potential bankruptcy, just because they committed the crime of going to work every day." Ultimately, the defendants did the right thing in settling the case.

About MPP

Morris Polich & Purdy LLP is a regional law firm that works with its clients on a national basis. We represent clients in every state, as well as many U.S. possessions. We also have a wealth of international affiliations.

Our business strategy focuses on litigation, which is what we do best. Our dedication to clients, combined with a wealth of experience, both in the trial and appellate courts, are the qualities that distinguish us from other law firms. Our trial attorneys are known for their vast experience and success. We provide superior legal services in a manner consistent with our clients' best interests and goals. We are committed to expertise in all our areas of practice, knowing our clients' businesses and providing client service at the highest level.