

**EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA**

STEPHEN BUSHANSKY , Derivatively on)	
Behalf of AAC Holdings, Inc.,)	
)	
Plaintiff,)	Case No. A-15-727891-C
)	
v.)	
)	NOTICE TO CURRENT AAC
JERROD N. MENZ, MICHAEL T.)	STOCKHOLDERS
CARTWRIGHT, DARRELL S.)	
FREEMAN, SR., JERRY D. BOSTELMAN,)	
LUCIUS E. BURCH, III, DAVID C.)	
KLOEPPPEL, and RICHARD E.)	
RAGSDALE,)	
)	
Defendants,)	
)	
-and-)	
)	
AAC HOLDINGS, INC. , a Nevada)	
corporation,)	
)	
Nominal Defendant.)	
_____)	

TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS OF COMMON STOCK OF AAC HOLDINGS, INC. (“AAC”)

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY AS YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THE LITIGATION.

YOU ARE HEREBY NOTIFIED that the above-captioned shareholder derivative action (the “Action”), is being settled on the terms set forth in the Stipulation of Settlement dated as of February 14, 2018 (the “Stipulation” or “Settlement”). This Notice is provided by order of the District Court for the Eighth Judicial District in Clark County, Nevada (the “Court”).

The Action alleges state law claims against certain of AAC’s directors and officers for breach of fiduciary duty and gross mismanagement. Pursuant to the terms of the Settlement set forth in the Stipulation, AAC agreed to adopt and/or maintain certain Corporate Governance Enhancements. The Corporate Governance Enhancements shall be maintained for a period of no

less than three (3) years from the date of adoption, except for modifications required by applicable law or regulation or as agreed in writing with Plaintiff's Counsel. The Defendants also agreed to cause an award of attorneys' fees and expenses to be paid to Plaintiffs' Counsel in the total amount of \$1,000,000 (the "Fee and Expense Award"), subject to approval of the Court. Defendants have denied and continue to deny each and all of the claims and allegations of wrongdoing asserted in the Action. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation.¹

On May 10, 2018, at 9:00 a.m., a hearing (the "Settlement Hearing") will be held at the Regional Justice Center, 200 Lewis Avenue, Las Vegas, Nevada 89155, to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate and should be approved; hear and rule on any objections thereto; determine whether the Order and Final Judgment should be entered; and determine whether the Fee and Expense Award should be approved.

This Notice provides an overview of certain provisions of the Stipulation. It is not a complete statement of the events of the Action or the terms set forth in the Stipulation. For additional information about the claims asserted in the Action and the terms of the proposed Settlement, you may inspect the Stipulation and other papers filed in the Action at the Clark County, Nevada Clerk of Court's office at any time during regular business hours. Inquiries regarding the proposed Settlement also may be made to Plaintiff's Counsel: David Katz, Weiss Law LLP, 1500 Broadway, 16th Floor, New York, NY 10036, Tel. (212) 682-3025, or John P. Aldrich, Aldrich Law Firm, Ltd., 1601 S. Rainbow Blvd., Suite 160, Las Vegas, NV 89146, Tel. (702) 853-5490.

You may enter an appearance before the Court, at your own expense, individually or through counsel of your choice. If you want to object at the Settlement Hearing, you must be a Current AAC Stockholder and you must first comply with the procedures for objecting, which are set forth in the Stipulation and its accompanying exhibits, including the Full Notice. **Any objection to any aspect of the Settlement must be filed with the Clerk of the Court no later than April 30, 2018**, in accordance with the procedures set forth in the Stipulation. Any Current AAC Stockholder who fails to object in accordance with such procedures will be bound by the Order and Final Judgment of the Court granting final approval to the Settlement, and shall be deemed to have waived the right to object (including the right to appeal) and forever shall be barred, in this proceeding or in any other proceeding, from raising such objection.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

¹ A copy of the Stipulation has been filed with the Court.