
June 15, 2023

Re: Sunrise House

Fred DeLuca,

Please find this letter as notification of anticipated program-wide layoffs. Yesterday, Sunrise House received an unannounced visit from the State of New Jersey to investigate a complaint filed with the State. Additionally, the State reviewed the facility's compliance to prior cited deficiencies that resulted in the receipt of a conditional license.

Unfortunately, the State found that the program remained out of compliance and has ordered the program to cease admissions to all programs effective June 14, 2023. It is anticipated that all patients currently receiving treatment will complete treatment and discharge before July 1, 2023.

Without a license, Sunrise House effectively becomes an inactive program and is therefore planning a phased layoff strategy. Because this layoff is a result of unforeseen emergent circumstances, Sunrise House cannot meet the 30-day notice proviso in Section 3.06 of the collective bargaining agreement. However, we are providing this notice as soon as possible after determining that a layoff is necessary.

The Company will meet with the Union to discuss any concerns regarding the layoff, as required under the CBA, and will comply with all other requirements of the CBA and applicable law. It is unknown at this time whether the program will be able to reopen but AAC will remain in communication with the Union to assure that full transparency remains throughout the process.

We will provide notification to all employees of the coming layoffs by the end of the day on June 16, 2023, and notify each employee of their anticipated last day of employment as the schedule is finalized.

Sincerely,



Tom Britton
Chief Executive Officer
American Addiction Centers, Inc.