

**STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF INGHAM
THIRTIETH JUDICIAL CIRCUIT**

JACQUELINE CARSON,
CONNIE MATHEWS, and
SERVICE EMPLOYEES INTERNATIONAL
UNION HEALTHCARE MICHIGAN,

Plaintiffs,

Case No. 07- 1822 -AA
Hon.

v.

JANET OLSZEWSKI, in her capacity as
Director of the Michigan Department of
Community Health, MANOR CARE, INC.,
and its operating group HCR MANOR CARE,
and THE CARLYLE GROUP,

Defendants.

LISA M. SMITH (P46150)
KLIMIST, McKNIGHT, SALE,
McCLOW & CANZANO, P.C.
Attorneys for Plaintiffs
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TEMPORARY RESTRAINING ORDER AND ORDER TO SHOW CAUSE

At a session of said Court held in the City of Lansing, County of Ingham,

State of Michigan on Dec. 20, 2007

PRESENT: HONORABLE _____
Ingham County Circuit Court Judge

The court has considered Plaintiffs' Complaint, Motion for Preliminary Injunction, Motion for Temporary Restraining Order, Briefs, Affidavits and Exhibits and has determined the following:

1. Plaintiffs have a likelihood of success on the merits of their claims.
2. Plaintiffs will suffer irreparable harm and loss if Defendants are not enjoined.

3. Plaintiffs have no adequate remedy at law.

4. Plaintiffs will suffer greater injury from the denial of temporary injunctive relief than Defendants will suffer from the granting of such relief. The granting of this temporary restraining order will further the public interest.

5. On December 13 and 14, 2007, Plaintiff SEIU Healthcare Michigan served its administrative complaint upon Manor Care attorney Phyllis Adams, a representative from Carlyle, Karen H. Bechtel, each of the 28 Manor Care Facilities in Michigan, the Director, the Department and the Governor. They have not responded and no one has identified Carlyle's Michigan counsel or General Counsel.

6. On December 19, 2007, Plaintiffs Carson and Mathews served their administrative complaint upon Manor Care attorney Phyllis Adams, a representative from Carlyle, Karen H. Bechtel, each of the 28 Manor Care Facilities in Michigan, the Director, the Department and the Governor. They have not responded and no one has identified Carlyle's Michigan counsel or General Counsel.

7. The only responses of Manor Care and Carlyle are the indirect press reports (Exs. E-F) and the December 18, 2007 filings (Ex. C) in which Manor Care and Carlyle threaten to close on the Proposed Transactions immediately and by no later than the end of 2007. The status quo must be preserved in order for Michigan's licensure review process to be meaningful review and to avoid the transfer of the 28 licensed nursing homes to non-licensed entities that have been stripped of their assets and given a heavy debt burden. Also, given the number of parties involved and the threat that Defendants will close on the Proposed Transactions after notice but before filing, it is determined that further notice for the TRO should not be required.

IT IS ORDERED:

1. A temporary restraining order is issued, and
security is excused for good cause

~~[or]~~

security in the amount of \$ _____ must be posted by no later than
_____, 200_____.

2. Defendants (and their subsidiaries and affiliates) are enjoined and restrained, whether
alone or in concert with others:

- a. to maintain the status quo and require Defendants Manor Care and Carlyle to refrain from taking any steps in furtherance of the Proposed Transactions until after a hearing is held and an order entered on Plaintiffs' Motion for Preliminary Injunction;
- b. enjoining the Proposed Transactions from taking place until after a hearing is held and an order entered on Plaintiffs' Motion for Preliminary Injunction;
- c. enjoining Defendant Director and her Department from permitting the new owners from operating the Facilities under the old licenses until after a hearing is held and an order entered on Plaintiffs' Motion for Preliminary Injunction;
- d. requiring the Director and Department to perform the required licensure investigation and review in a diligent and thorough manner in order to protect the health, safety, and welfare of patients and to assure the medical accountability of monies spent from public funds until after a hearing is held and an order entered on Plaintiffs' Motion for Preliminary Injunction; and
- e. requiring that the Director and Department to process the administrative complaints in a diligent and thorough manner in order to protect the health, safety, and welfare of patients and to assure the medical accountability of monies spent from public funds until after a hearing is held and an order entered on Plaintiffs' Motion for Preliminary Injunction.

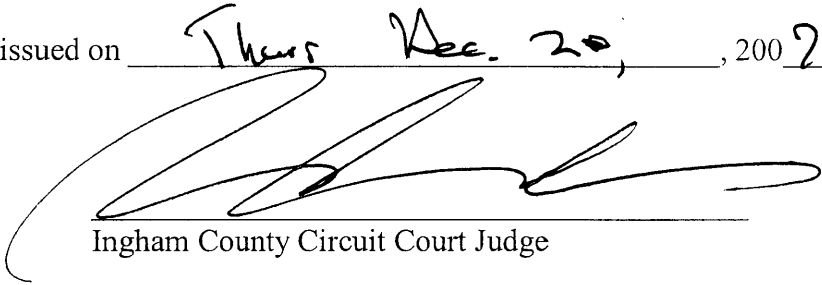
3. Plaintiffs are granted leave to commence discovery immediately, including
deposition(s) or other discovery, before the preliminary injunction hearing.

4. This order shall remain in full force and effect until this court specifically orders otherwise.

5. Defendant s shall show cause before this court on January 2, 2008 at 11⁰⁰ a.m./p.m. why a preliminary injunction should not be ordered according to the terms and conditions requested.

6. Plaintiff must serve a copy of the pleadings in this case and this order on Defendants by Dec. 26, 2007.

7. This order was issued on Thurs Dec. 20, 2007 at 3:55 a.m./p.m.



Ingham County Circuit Court Judge

Prepared by
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