

CENTRAL CONTROL LLC

Employee Manual Highlights

JANUARY 2010

Welcome to Central Control, Inc.

Congratulations, you are now employed by one of the health care companies managed by Central Control, Inc. (CCI). CCI manages long term care facilities for the aged and intermediate care facilities for the developmentally challenged. CCI has a long, proud heritage in healthcare in the states of Louisiana and Texas.

Now that you are an employee of the Company, we hope you will find your employment a rewarding one. The healthcare industry offers a rewarding experience because of the contributions you will personally be able to make in caring for the residents, clients, and customers.

You have joined an organization that has developed a reputation in the Gulf South for quality, integrity, honor, and commitment. Your fellow employees and team mates will expect the same from you. We all have high expectations for you, as you become an integral part of our team. We all hope that you too will find the same satisfaction and pride in members, and begin to make contributions of your talents and energies to improve our work environment and quality of care, we hope you feel the same sense of pride and accomplishment as we do daily.

This Employee Manual will provide answers to most of the questions you may have about the Company's benefit programs, as well as the company policies and procedures. You are responsible for reading and understanding this Employee Manual. If anything is unclear, please discuss the matter with you supervisor.

Welcome to the company! I wish you the very best for your success and happiness with the Company.

Sincerely,

Lannie Richardson, CEO
Central Control, Inc.

Some Things You Must Understand

The policies in this Employee Manual are to be considered guidelines. Upon hire, you will be provided the opportunity to read and ask questions about the Company's complete Employee Manual. During your employment, you may review the complete Employee Manual at any time by asking your Administrator or Executive Director. You are responsible for understanding everything contained in the complete Employee Manual. For your convenience, you are given this booklet entitled "Employee Manual Highlights" that will summarize the policies you will encounter most often.

The Company, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Employee Manual at any time without prior notice as business, employment legislation, and economic conditions dictate. No one other than the Chief Executive Officer of Central Control, Inc. may alter or modify any of the policies in this Employee Manual. Any alteration or modification of the policies in this Employee Manual must be in writing. No statement or promise by a supervisor, manager, or department head, past or present, may be interpreted as a change in policy nor will it constitute an agreement with an employee. Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but only that particular provision. The provisions of this Employee Manual will not be enforced in a way that violates federal or state law.

Employment At Will

Neither the complete Employee Manual nor this Employee Manual Highlights booklet is a contract of employment. They do not change your status as an at-will employee. This means that you are free to terminate your employment with the Company at any time, with or without reason. Likewise, the Company has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of the Company. No employee of the Company can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without written approval from the CEO.

**Receipt and Acknowledgment
Of Company Employee Manual Highlights**

Please read the following statements, sign below and return to your supervisor.

Understanding and Acknowledging Receipt of the Company Employee Manual Highlight

I have received and read a copy this Employee Manual Highlight Booklet. I understand that the policies and benefits described in it are subject to change at the sole discretion of the Company at any time and a full version of the Company Employee Manual can be reviewed any time by asking my Administrator or Executive Director.

At-Will Employment

I further understand that my employment is at will, and neither I nor the Company has entered into a contract regarding the duration of my employment. I am free to terminate my employment with the Company at any time, with or without reason. Likewise, the Company has the right to terminate my employment, or otherwise discipline, transfer, or demote me at any time, with or without reason, at the discretion of the Company. No employee of the Company can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the CEO.

Confidential Information

I am aware that during the course of my employment confidential information will be made available to me, for instance, product designs, marketing strategies, customer lists, pricing policies and other related information. I understand that this information is proprietary and critical to the success of the Company and must not be given out or used outside of the Company's premises or with non-Company employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.

Employee's Printed Name

Position

Employee's Signature

Date

Open Communication Policy

You should discuss any issue you may have with a co-worker directly with that person. If a resolution is not reached, you can arrange a meeting with your supervisor, unless of course you have an issue related to discrimination or you have an issue with your supervisor directly. Any information discussed in an Open Communication meeting is considered confidential.

Retaliation by supervisor against any employee for appropriate usage of Open Communication channels is unacceptable. Please remember it is counterproductive to a harmonious workplace for employees to create or repeat corporate rumors or office gossip. It is more constructive for an employee to consult his/her supervisor immediately with any questions.

Equal Employment Opportunity

The Company is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, national origin, sex (including pregnancy), age, religion, disability, veteran status, genetic characteristics, or any other factor protected by law. Management is primarily responsible for seeing that the Company's equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone. Any employees, including managers, involved in discriminatory practices will be subject to termination. **Employees should report violations of this policy to their Administrator or Executive Director or Corporate Compliance (318-613-4115).**

Anti-Harassment Policy

The Company is committed to maintaining a work environment that is free of discrimination. In keeping with this commitment, we will not tolerate harassment of employees by anyone, including any supervisor, co-worker, vendor, or customer. Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based upon a person's protected status, such as sex, color, race, religion, national origin, age, disability, veteran status or other protected group status. The Company will not tolerate any harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment. This policy also applies to threats or acts of violence or other abusive behavior.

All employees are responsible to help assure that we avoid harassment or other inappropriate or threatening behavior. **If you feel that you have experienced or witnessed harassment or other inappropriate behavior covered by this policy, you are to immediately notify the Administrator or Executive Director or Corporate Compliance (318-613-4115).** The Company forbids retaliation against anyone for reporting harassment, assisting in making a harassment complaint, or cooperating in a harassment investigation. Employees should report retaliation in accordance with this policy. The Company's policy is to investigate all complaints thoroughly and promptly. To the fullest extent practicable, the Company will keep complaints and the terms of their resolution confidential. If an investigation confirms that harassment has occurred, the company will take corrective action, including discipline, up to and including immediate termination of employment, as is appropriate.

Introductory Period

Your first ninety (90) days of employment at the Company are considered an Introductory Period, and during that period you will not be eligible for benefits described in the Employee Manual unless otherwise required by law. Your supervisor will work closely with you to help you understand the needs and processes of your job. During this Introductory Period, the Company will evaluate your suitability for employment, and you can evaluate the Company as well. Please understand, however, that completion of the Introductory Period does not guarantee continued employment, as employment is always At-Will. You are free to terminate your employment at any time, with or without reason, and the Company may choose to terminate your employment at any time, with or without reason. At the end of the Introductory Period, your supervisor will discuss your job performance with you. This review will be similar to the job performance review that is held for regular full-time or part-time employees on an annual basis. If at that time, further improvement is needed, an extension of up to sixty (60) days may be added.

Outside Employment

Employees may hold outside jobs as long as they notify their supervisor and continue to meet the performance standards of their jobs with the Company. The Company is the primary workplace for all full time employees, and all employees must meet all requirements of their jobs. If the Company determines that an employee's outside work interferes with job performance, the employee may be asked to terminate the outside employment if he/she wishes to remain with the Company.

Suggestions

We encourage all employees to bring forward their suggestions and good ideas about how our Company can be made a better place to work and our service to residents and clients enhanced. When you see an opportunity for improvement, please talk it over with your supervisor. She/he can help you bring your idea to the attention of the people in the company who will be responsible for possibly implementing it. You can use the "Bright Idea Form" to give the Company your suggestions. Your supervisor has the form.

Break and Meal Periods

To help promote employee efficiency, all full-time employees are entitled to two fifteen minute paid breaks each work day. You will have one break before your meal period and one after your meal period. These breaks should be scheduled with your supervisor. Employees are not to leave the premises during these paid breaks, and may be called back to work if his/her supervisor deems necessary. An interrupted paid break may be resumed under the direction of his/her supervisor.

If you work longer than four (4) hours, you will be given an unpaid thirty minute meal period. The time when meal periods are scheduled varies among departments, depending on the needs of each department. Each employee is to clock out/in using the hand punch system. You are requested not to perform any work during your regularly scheduled meal period. It is important to return to work on time at the end of your meal period.

Employment Classifications

At the time you are hired, you are classified as either full-time, part-time or temporary. In addition, you are classified as either non-exempt or exempt. All policies described in this Employee Manual and communicated by the Company apply to all employees, with the exception of certain wage, salary, time off limitations, and benefits. If you are unsure of which job classification your position fits into, please ask your supervisor.

Full-Time Employees: An employee who has successfully completed his or her introductory period and who works at least thirty-two (32) hours per week is considered a full-time employee. Unless otherwise specified, the benefits described in the Employee Manual apply only to full-time employees.

Part-Time Employees: An employee who works less than thirty-two (32) hours per week is considered a part-time employee. If you are a part-time employee, please understand that you are not eligible for benefits described in the Employee Manual, except as granted on occasion, or to the extent required by state and federal laws.

Regular Employees: Employees hired to work on a regular basis are classified as “regular” employees. Such employees may be either full or part-time.

Temporary Employees: From time to time, the Company may hire employees for specific periods of time or for the completion of a specific project. An employee hired under these conditions will be considered a temporary employee. The job assignment, work schedule and duration of the position will be determined on an individual basis. A temporary employee does not become a regular employee by virtue of being employed longer than the agreed upon specified period. Temporary employees are not eligible for benefits described in this Employee Manual, except as granted on occasion, or to the extent required by state and federal laws.

Exempt or Non-Exempt: At the time you are hired, you will be classified as either “exempt” or “non-exempt.” This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of forty hours per workweek. These employees are referred to as “non-exempt” in the Employee Manual. This means that they are not exempt from (and therefore should receive) overtime pay. Exempt employees are required to work at least 80 hours in a pay period and are not eligible for overtime pay.

Personnel Records and Administration

Questions regarding insurance, wages, and interpretation of policies may be directed to the Human Resources Manager. You should report any changes in important information to the Human Resources Manager, such as changes in your legal name, home address, home telephone number, person to call in case of emergency, number of dependents, marital status, change of beneficiary, driving record or status of driver’s license, if you operate any Company vehicles, military or draft status, exemptions on your W-4 tax form, Training Certificates, or Professional Licenses. You may see information which is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. Please make arrangements with the Human Resources Manager.

Performance and Compensation Reviews

Because we want you to grow and succeed in your job, the Company conducts a formal review one time per year for each employee. New employees may be reviewed near the end of their Introductory Period. A review may also be conducted in the event of a promotion or change in duties and responsibilities. This is a good time to discuss your interests and future goals and to ask questions. The Company's compensation reviews are given with performance reviews. Having your compensation reviewed does not necessarily mean that you will be given an increase due to individual and/or company performance.

Pay Period and Hours

Our payroll work week begins on Sunday at 12:00 a.m. and ends on Saturday at 11:59 p.m. Payday is normally on every other Monday for services performed during the two (2) week period ending the previous Saturday at 11:59 p.m. The bi-weekly pay schedule is made up of twenty-six (26) pay periods per year. Changes will be made and announced in advance whenever Company holidays or closings interfere with the normal pay schedule.

Shift Premium

The Company assigns certain employees to work on a second or third shift operation. These people may be paid an additional amount over and above the regular rate of pay for that job as a shift premium.

Time Records

By law, we are obligated to keep accurate records of the time worked by employees. This is done by the Hand Punch Recognition System. You are responsible for accurately recording your time. Tampering with your own or another employee's time record is cause for disciplinary action, up to and including possible termination, of both employees. In the event of an error in recording your time, please report the matter to your supervisor immediately.

Benefits

Certain eligible employees are provided benefits, including health insurance, dental and vision insurance, term life insurance, short and long term disability insurance and 401(K) plan. Available benefits will be discussed individually with each employee. Employees should refer to official plan documents for the details of each benefit plan.

Education Assistance

To encourage and reward individuals who want to improve professionally, the Company offers an Education Assistance benefit to full-time, regular employees. Interested employees should refer to the complete Employee Manual for the details of this policy.

Holidays

Regular full-time employees are entitled to paid holidays on the following days:

New Year's Day

Martin Luther King Day

Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

To qualify for holiday pay, you must work the scheduled workday immediately before the holiday and immediately after the holiday. If a holiday occurs during your scheduled vacation, you are eligible for the holiday pay. You are not eligible to receive holiday pay when you are on an unpaid leave of absence.

You may take time off to observe your religious holidays not included on this list by using a full day of unused vacation or paid time off leave. Otherwise, you may take time off without pay. Please schedule the time off in advance with your supervisor.

Work Performed on Company Holidays

All Regular Full-time employees shall receive eight (8) hours holiday pay for each company recognized holiday whether scheduled to work or scheduled off. Regular Full-time employees who work on a company recognized holiday will be paid for hours worked on that holiday at their regular rate plus eight hours holiday pay.

Paid Time Off

Paid Time Off (PTO) may be taken as vacation time, to allow you to rest, relax, and pursue special interests. PTO may also be used during an employee's own illness, to care for an ill child, or for medical, legal or other personal business appointments which can only be scheduled during business hours. The Company has provided PTO as one of the many ways in which we show our appreciation to our employee.

Only REGULAR FULL-TIME EXEMPT employees are eligible to accrue PTO. Part-time and non-exempt employee are not eligible. PTO hours begin accruing after completing your Introductory Period (90 days).

Years of Employment	Bi-weekly Accrual Rate (In Hours)	Total Accrual Per Year (In Days)
Less than three (3) years	3.077 hrs.	10 days
More than three (3) years	4.615 hrs.	15 days

PTO Policies

Except in the instance of illness, all PTO must be scheduled in advance with your supervisor. Every effort will be made to grant your request for PTO at the time you desire. However, PTO cannot interfere with your department's operation and therefore must be approved by your supervisor in advance. If any conflicts arise in requests for PTO, preference will be given to the first employee who requests the time off.

Only accrued PTO may be taken. You may not receive advance PTO pay (for time off taken in excess of your PTO accrual balance). If an exempt employee chooses to take time off in excess of their PTO available, they may be docked according to the federal salary basis regulation. If you are on an approved leave of absence for more than thirty (30) days, PTO will not continue to accrue.

If you have accrued PTO hours upon the termination of your employment with the Company, you will be paid for that time at your regular base hourly rate

ACCUMULATION RIGHTS

Forty (40) hours or less of accrued PTO will be carried forward into the net year. However, any accrued but not used PTO in excess of 40 hours will be paid at 75% to the employee by 12/31 year end. Exceptions to this policy may be made in unusual circumstances. Each case will be considered separately by management.

VACATIONS

Vacation is a time for you to rest, relax, and pursue special interests. The Company has provided paid vacation as one of the many ways in which we show our appreciation for your work, knowledge, skills, and talents; all of which contribute to make the Company a leader in its field.

Only REGULAR FULL-TIME NON-EXEMPT employees are eligible to accrue vacation. Part-time employees are not eligible. Vacation days begin accruing after one (1) year of employment.

AMOUNT OF VACATION

Eligible employees earn vacation as follows:

Years of Employment	Total Earned Per Year (In Days)
After one (1) year of employment	5 days (40 hours)
After three (3) years of employment	10 days (80 hours)
After ten (10) years of employment	15 days (120 hours)

VACATION POLICIES

The Company will always try to let you use your vacation time as desired, but vacations cannot interfere with your department's operation. Therefore, your vacation must be approved by your supervisor at least one (1) month in advance. If any conflicts arise in vacation requests, preference will be given to the employee with the longest length of continuous service.

Ass vacation time must be taken in full day increments. Specific vacation dates must be approved by your supervisor. Your supervisor has the responsibility to maintain adequate staffing levels and has the authority to limit the approval of vacation requests in order to meet operational needs. Requests will normally be granted as long as your absence will not seriously affect the Company's operations.

If you have unused vacation days upon the termination of your employment with the Company, you will be paid for that time at your regular base hourly rate.

ACCUMULATION RIGHTS

Vaation time may not be carried over and accumulad from year to year. However, any earned but not used vacation will be paid at 75% to the employee. Exceptions to this policy may be made un unusual circumstances. Each case will be viewed on an individual bsis by management.

Other Paid Leaves

Election Day

We encourage you to exercise your voting privileges in local, state, and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours. If necessary, you may take up to two hours' leave from work to vote in a governmental election or referendum. You will be expected to notify your supervisor at least one week in advance.

Funeral (Bereavement) Leave

Up to two working days of leave with pay (not charged to other leave time) shall be granted to regular, full-time employees upon request to make arrangements for and attend funeral services of the employee's spouse, child, parent, parent-in-law, grandparent, grandparent-in-law, granddaughter, grandson, daughter-in-law, son-in-law, step-parent, domestic partner, brother, sister, brother-in-law, sister-in-law, daughter or son of the employee's spouse or domestic partner, and any relative living in the household of the employee or domestic partner. The Company will observe the day before and the day after the funeral as bereavement days.

Funeral leave pay will only be made to employees for actual time spent away from work for the funeral or its arrangements. For example, if the death occurs at a time when work is not scheduled, payment will not be made. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive holiday or vacation pay in addition to paid funeral leave.

Jury Duty

If you are called for jury duty, you must notify your supervisor within forty-eight hours of receipt of the jury summons. Employees will receive one day of paid leave for jury summons. Full-time employees will receive 8 hours of pay. Part-time employees will receive pay based on their regularly scheduled hours of work per day. You must report for work if you are released from jury duty before the end of our work day or if you are temporarily released from jury duty.

Unpaid Leaves

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with the Company. It is the policy of the Company to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable.

There are several types of unpaid leaves for which you may be eligible.

Family and Medical Leave Policy

The Family and Medical Leave Act provides up to 12 weeks of leave in certain situations and up to 26 weeks of leave to care for an ill or injured service member. The complete Family and Medical Leave policy is attached as a separate file. Updated forms for use with this policy may be obtained at your local Human Resource office.

Military Leave of Absence

If you are a full-time employee and are inducted into the U.S. Armed Forces or serve in the National Guard, you will be eligible for unpaid leave to fulfill your orders and you will be eligible for re-employment after completing military service, under certain circumstances. The details of this type of leave are provided in the complete Employee Manual.

Insurance Premium Payment during Leaves of Absence

In the event an employee takes a leave of absence under the Family Medical Leave Act and in other certain very limited situations as approved by Human Resources and the CEO of Central Control, Inc., your insurance benefits may remain active for up to 12 weeks. During your leave you will be required to pay your portion of your current group health insurance benefits premium, and the company will pay its portion. The Company will also comply with any other applicable laws, including but not limited to military leave laws, in continuing health insurance coverage for its employees. Failure to make a timely payment as arranged by the Benefits Administrator may result in loss of coverage.

The Company may also approve other General Leaves of Absence on a limited basis in extenuating circumstances, but you may have to pay for your continued group health insurance benefits in full for all or part of this leave or your health insurance benefits may be terminated. If your benefits are terminated, the Company's COBRA provider will be notified promptly, and you will have the option of continuing your insurance premiums at full price.

General Employee Safety

The Company is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees. The Company will maintain safety and health practices consistent with the needs of our industry. Employees should refer to the complete Employee Manual for all policies addressing safety. Employees should immediately report all accidents, injuries, potential safety hazards, or safety suggestions to their supervisor. If you fail to report an accident or injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits.

Security Checks

All items brought onto Company property are subject to inspection. All work areas and items contained in work areas are company property and subject to search at any time. Employees have no expectation of privacy in their work areas or in items that they carry onto Company property.

Weapons

The Company strictly prohibits all persons who enter company property from carrying a handgun, firearm, knife, or other prohibited weapon of any kind regardless of whether the person is licensed to carry the weapon or not. Any employee disregarding this policy will be subject to immediate termination.

Smoking

Smoke only in designated smoking areas. Please be courteous and concerned about the needs of your fellow employees and others. Please do not smoke in restricted areas.

Computer Software (Unauthorized Copying)

The Company does not condone the illegal duplication of software and will take disciplinary action against employee violating this policy.

Computers, Electronic Mail, and Voice Mail Usage Policy

Company property, including computers, electronic mail and voice mail, should only be used for conducting company business. Incidental and occasional personal use of company computers and our voice mail and electronic mail systems is permitted, but information and messages stored in these systems will be treated no differently from other business-related information and messages, as described below. The use of the electronic mail system may not be used to solicit for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations. Furthermore, the electronic mail system is not to be used to create any offensive or disruptive messages. Among those which are considered offensive, are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comments that offensively address someone's age, sexual orientation, religious or political beliefs, national origin, or disability. In addition, the electronic mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization. Although the Company provides certain codes to restrict access to computers, voice mail and electronic mail to protect these systems against external parties or entities obtaining unauthorized access, employees should understand that these systems are intended for business use, and all computer information, voice mail and electronic mail messages are to be considered as company records. The Company must, and does, maintain the right and the ability to enter into any of these systems and to inspect and review any and all data recorded in those systems. Because the Company reserves the right to obtain access to all voice mail and electronic mail messages left on or transmitted over these systems, employees should not assume that such messages are private and confidential or that the Company or its designated representatives will not have a need to access and review this information. Individuals using the Company's business equipment should also have no

expectation that any information stored on their computer - whether the information is contained on a computer hard drive, computer disks or in any other manner - will be private.

Any employee who violates this policy or uses the electronic communication systems for improper purposes may be subject to discipline, up to and including termination.

Dress Code and Personal Appearance

Please understand that you are expected to dress and groom yourself in accordance with health care business standards. You are expected to be suitably attired and groomed during working hours or when representing the Company. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our Company image. With these goals in mind, the Company has set the following minimum standards that must be followed:

1. Because we work closely with consumers, residents, and patients, personal hygiene is important. Daily baths, shaving, deodorant and daily mouth hygiene are essential to providing professional care and projecting a professional image.
2. Employees who are responsible for direct consumer, resident or patient care and employees who handle items to be used directly by consumers, residents, patients, or for patient care are prohibited from having artificial fingernails or nail enhancements, including but not limited to, overlays, wraps, tips or attached or painted decorations. This includes, but is not limited to, nursing staff, certified nursing assistants, other nursing aides, dietary employees, and employees who participate in any therapy, recreational activities, or other activities with consumers, residents or patients. In addition, nails cannot exceed 1/4 inch in length beyond the fingertips for this group of employees.

Administrative employees or other employees who do not participate in direct consumer, resident, or patient contact or in the handling of items to be used in direct consumer, resident or patient care must keep nails clean and short (i.e., no longer than 1/2 inch beyond the fingertips). These employees are also prohibited from using decoration on the nails, such as rhinestones, painting or other adhesive decorations.

3. The use of perfume, cologne, or after-shave is prohibited because of consumers, residents or patients who may react adversely to strong smells (for example, those with respiratory problems).
4. Hair must be neat and clean. Hairstyles that interfere with eye contact and extreme colors or styles are not acceptable. For example, bright pink hair, extreme spiked hair, mohawks, other extreme hairstyles, or hair higher than few inches from the head is not acceptable.
5. Facial hair must be neatly trimmed and beards may be no longer than two inches below the jaw line.
6. Tattoos that are offensive or excessive must be covered while on duty.
7. Employees may wear one earring per ear. No other visible body jewelry is permitted. Employees who are responsible for direct consumer, resident or patient care may wear only stud-type earrings no larger than a quarter. This includes, but is not limited to, nursing staff, certified nursing assistants, other nursing aides, dietary employees, and employees who participate in any therapy, recreational activities, or other activities with consumers, residents or patients.

Other employees may wear one earring per ear and may not have other visible body jewelry. For these employees, earrings should not hang lower than an inch from the earlobe and should not be more than a quarter in diameter.

Personal appearance should be a matter of concern for each employee. If your supervisor feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. Employees who violate dress code standards may be subject to appropriate disciplinary action. **Please also refer to your Facility Policy regarding Dress Code.** If a conflict exists between your facility's policy and the policy in the Employee Manual, the stricter rule applies.

Drug-Free Workplace Policy

It is the policy of the Company to maintain a workplace that provides a safe, efficient and professional environment for all employees. The use and abuse of drugs and alcohol could pose a serious threat to the health, well being and safety of our clients, residents, guests and employees. For these nonexclusive reasons, the Company prohibits the use, possession, manufacture, sale and/or distribution of all illegal drugs, drug related paraphernalia, intoxicating substances or alcohol on the Company property, in the Company vehicles or while engaged in the Company activities and work activities at any location. Being in possession of and/or under the influence of drugs or alcohol, or having a detectable amount of this type of substance in your

system while engaged in the Company activities and work activities at any location, while on the Company property or while in the Company vehicles is also strictly prohibited.

In addition to daily observation, to enforce this drug and alcohol policy, the Company will or may do the following:

1. Pre-Employment Testing: All applicants are required as a condition of employment to pass a Pre-Employment drug and/or alcohol test.
2. Post accident Testing: All persons whose conduct may have been a contributing factor in an accident will be tested for drugs and/or alcohol after such accident.
3. Random Testing: Testing may be done on an unannounced, random basis.
4. Reasonable Cause Testing: An employee may be tested when a representative of the Company has reason to believe that an employee is under the influence of drugs and/or alcohol based on behavior, job performance, physical signs of drug and/or alcohol use and/or other factors.

Prescription drug use and use of other medication can also have a negative or adverse effect on maintaining a safe working environment. For this reason, only the person to whom a drug is prescribed may possess and use the prescription drug. All medication must be in a properly identified prescription container or a manufacturer's container if bought over the counter. Employees who perform safety sensitive functions and who are using medication that may prevent them from performing their jobs safely must contact the Human Resources Department before or immediately upon reporting to work. The Company reserves the right to consult with a physician to determine whether the use of a medication will affect the safe performance of job duties.

Any employee who violates any portion of this policy will be subject to disciplinary action, up to and including termination. Any employee who refuses to take a drug or alcohol test, who alters a sample in any way, or who fails to cooperate with this policy in any way will be subject to disciplinary action, up to and including termination. Applicants who test positive on a Pre-Employment drug or alcohol test will be denied employment. Applicants who refuse to take a drug or alcohol test, who alter a sample in any way, or who fail to cooperate with testing in any way will be denied employment.

The Company will follow all provisions of state law in implementing and testing under this policy. Employees should be aware that anyone who tests positive on drug or alcohol test may be denied workers' compensation or unemployment compensation under certain state laws.

Employees should refer to the complete Employee Manual for more information on maintaining a Drug-Free Workplace.

Expense Reimbursement

You must have your supervisor's written authorization (usually by way of a requisition or purchase order) prior to incurring an expense on behalf of the Company. To be reimbursed for all authorized expenses, you must submit an expense report or voucher accompanied by receipts and it must be approved by your supervisor. Employees should refer to the complete Employee Manual for details of the Expense Reimbursement Policy.

Gifts

Advance approval from management is required before an employee may accept or solicit a gift of any kind from a patient, client, customer, supplier or vendor representative. Employees are not permitted to give unauthorized gifts to customers or suppliers, except for certain promotional "premiums" (such as t-shirts, coffee mugs, pens or key chains) imprinted with the Company logo or sales information.

Solicitations and Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job and does not apply to break periods and meal times. Employees are not permitted to sell chances, merchandise or otherwise solicit or distribute literature without management approval. Solicitation and distribution is also prohibited in patient care areas at all times. Persons not employed by the Company are prohibited from soliciting or distributing literature on Company property or from being on Company property.

Use of Company Vehicle

Employees who are authorized to operate a Company vehicle in the course of their assigned work or who operate their own vehicles in their jobs are responsible for being familiar with Company rules on this topic. Details of the Company's policy are in the complete Employee Manual.

Violence in the Workplace Policy

The Company will not tolerate violence or threats of violence in the workplace. The Company prohibition against threats and acts of violence applies to all persons involved in the Company's operation, including but not limited to personnel, contract, and temporary workers and anyone else on Company property. Violations of this policy by any individual on Company property will lead to disciplinary action, up to and including termination and/or legal action as appropriate. Every employee is encouraged to report incidents of threats or acts of physical violence of which he/she is aware. The report should be made to your supervisor.

Separation from Employment

The Company operates under the principle of at-will employment. This means that neither you nor the Company has entered into a contract regarding the duration of your employment. You are free to terminate your employment with the Company at any time, with or without reason. Likewise, the Company has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of the Company.

The Company hopes and expects that you will give at least two weeks notice in the event of your resignation. Any accrued but unused Paid Time Off or vacation will be paid out at the time of employment termination.

Termination of Your Employment and Standards of Conduct

The Company will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from the Company,
2. Fail to return from an approved leave of absence on the date specified by the Company, or
3. Fail to report to work or call in except in emergency situations.

By accepting employment with us, you have a responsibility to the Company and to your fellow employees to adhere to certain rules of behavior and conduct. Generally speaking, we expect each person to act in a mature and responsible way at all times. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed below, please see your supervisor for an explanation.

1. Violation of any company rule; any action that is detrimental to the Company's efforts to operate profitably.
2. Violation of security or safety rules or failure to observe safety rules or Company safety practices; failure to wear required safety equipment; tampering with Company equipment or safety equipment.
3. Negligence or any careless action which endangers the life or safety of another person.
4. Being intoxicated or under the influence of a controlled substance or alcohol while at work; use, possession or sale of a controlled substance in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
5. Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
6. Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on company premises or when representing the Company; fighting, or provoking a fight on company property, or negligent damage of property.

7. Insubordination or refusing to obey instructions properly issued by your manager pertaining to your work; refusal to help out on a special assignment.
8. Threatening, intimidating or coercing fellow employees on or off the premises at any time, for any purpose.
9. Engaging in an act of sabotage; negligently causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
10. Theft or unauthorized possession of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
11. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by the Company; alteration of company records or other company documents.
12. Violating the non-disclosure agreement; giving confidential or proprietary Company information to competitors or other organizations or to unauthorized Company employees; breach of confidentiality of personnel information.
13. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
14. Immoral conduct or indecency on company property.
15. Conducting a lottery or gambling on company premises.
16. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.
17. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
18. Sleeping or loitering during working hours.
19. Excessive use of company telephone for personal calls.
20. Smoking in restricted areas or at non-designated times, as specified by department rules.

21. Creating or contributing to unsanitary conditions.
22. Posting, removing or altering notices on any bulletin board on company property without the permission of an officer of the Company.
23. Failure to report an absence or late arrival; excessive absence or lateness.
24. Obscene or abusive language toward any manager, employee, resident or client; indifference or rudeness towards a resident or client or fellow employee; any disorderly/antagonistic conduct on company premises.
25. Speeding or careless driving of company vehicles.
26. Failure to immediately report damage to, or an accident involving, company equipment; or failure to immediately report an accident or injury on Company property or while conducting Company business.
27. Soliciting during working time, in working areas or in patient care areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
28. Failure to use the hand punch recognition system.

Note that the following list of Unacceptable Activities does not include all types of conduct that can result in disciplinary action, up to and including termination. Nothing in this list alters the at-will nature of your employment; either you or the Company may terminate the employment relationship with or without reason, and in the absence of any violation of these rules.

Phone Use

Employees are not permitted to use the phones in the facility for personal reasons except in the case of a true emergency. Examples of a true emergency would include serious illness of a close family member, injury of a child, death of a close family member, a house fire, a car accident involving a close family member, or other matters of a similar serious nature. Employees should inform family members about this policy and instruct them that they can only call in case of an emergency.

Cell Phone Policy

The use of cell phones and camera phones while on-duty, while in patient care areas, or while driving presents a safety hazard, and a distraction to co-employees, residents or clients, and guests or visitors. Cell phone or camera phone use also creates a substantial threat to residents and business privacy and confidentiality. For these reasons, all cell phones must be turned OFF while on duty. Employees can not talk on or otherwise use cell phones (for example, to take pictures) for any reason while on-duty. Special risks are related to the use of cell phones while driving. Employees who drive company vehicles or drive their personal vehicles for company business are prohibited from using cell phones while driving or while otherwise on duty.

Employees should tell family members or others to call the facility directly in case of an emergency. Failure to comply with this policy will result in disciplinary action, up to and including termination.

Attendance, Absences, and Lateness

The Company expects you to be ready to work at the beginning of your assigned daily work hours, and to complete your projects and duties by the end of your assigned work hours. Please let your supervisor know if you will be away from your work station for an extended period of time and when you expect to return.

From time to time, it may be necessary for you to be absent from work. The Company is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Vacation days or PTO have been provided for this purpose.

If you are unable to report to work or if you will arrive late, please contact your supervisor four (4) hours before your shift is scheduled to begin. If you know in advance that you will need to be absent, please request this time off directly from your supervisor.

If you're arriving to work late, please let your supervisor know when you expect to arrive for work. When possible, every employee is expected to make the calls themselves.

If you are absent because of an illness for three (3) or more successive days, your supervisor will request that you submit written documentation from your doctor stating you are able to resume normal work duties before you will be allowed to return to work. A doctor's excuse will be required for absences on weekends, holidays, the day before and the day after a holiday.

Your supervisor will make a note of any absence or lateness, and their reasons, in your personnel file. Be aware that excessive absences, lateness or leaving early may lead to disciplinary action, including possible termination. Failure to report to work as scheduled or not to call in may be grounds for termination. In addition, three (3) un-excused absences in a ninety (90) day period will result in termination.

Employees whose absences may be covered by the Family and Medical Leave Policy should consult the Family and Medical Leave Act Policy for notice requirements under this policy. Employees whose absences are covered by the Family and Medical Leave Policy will not have the covered absences held against them.

Disciplinary Policy

This Disciplinary Policy applies to all employees. This policy provides a framework for improving employee performance and on-the-job conduct. However, in certain situations because of the seriousness of the offense or related circumstances, the Company may choose to take action outside of this Disciplinary Actions Policy, including immediate termination.

Discipline Procedure

Unacceptable behavior, which does not lead to immediate dismissal, may be dealt with in the following manner:

1. **Counseling** by your supervisor to make sure you understand the nature of the problem and the expected remedy.
2. **Written Warning** by your supervisor if your performance does not improve or you again violate Company policy to discuss the problem, emphasize the seriousness of the problem, and the need to immediately correct the problem.
3. **Final Written Warning/ Probation or Suspension** by your supervisor to again discuss the problem, emphasize the seriousness of the problem, and the need to immediately correct the problem or face termination.
4. **Termination** may occur if performance problems persist or other disciplinary problems occur.

Each step of the process will be documented by your supervisor.

Crisis Suspension

If you commit any of the actions listed below, or any other action not specified but similarly serious, a crisis suspension may be used while an investigation is conducted and appropriate discipline considered. You will be suspended without pay pending an investigation of the situation. Following the investigation you may be terminated without any previous disciplinary action having been taken.

1. Allegation of verbal or physical abuse to a resident or client.
2. Theft.
3. Falsification of Company's records.
4. Failure to follow safety practices.
5. Breach of Confidentiality Agreement.
6. Threat of, or the act of, doing bodily harm.
7. Willful or negligent destruction of property.
8. Use and/or possession of intoxicants, drugs or narcotics.

The Company does not guarantee that it will use this Disciplinary Policy in all situations. The Company reserves the right to terminate employment at any time, with or without reason. Additionally, the Company reserves the right to prosecute any employee for any infraction in accordance with state and federal laws.

Return of Company Property

Any Company property issued to you, such as computer equipment, keys, or company credit card must be returned to the Company at the time of your termination. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization form for this purpose. This policy will not be enforced in a way that violates state or federal law.

Insurance Conversion Privileges

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985,

in the event of your termination of employment with the Company or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your own expense. Upon termination, you will learn how you can continue your insurance coverage and any other benefits you currently have as an employee who is eligible for continuation. Consult your supervisor for additional details.

Post-Employment Inquiries

As a general rule, the Company does not respond to requests for references. As an employee of the Company, do not under any circumstances respond to any requests for information regarding another employee. All requests for employment references should be referred to the Human Resources office.

Policies and Procedures Regarding Federal And State False Claims Acts

I. Policy Statement.

It is the policy of each facility managed by Central Control, L.L.C. (“Facility”) that its employees, contractors, and agents comply with all federal, state, and local laws and regulations related to performance of their responsibilities at the Facility.

The following policy provides a detailed description of various federal and state laws, as well as the Facility’s policies and procedures, for detecting and preventing health care fraud and abuse in compliance with the state Medicaid plan amendments promulgated to comply with Section 6032 (Employee Education About False Claims Recovery) of the Deficit Reduction Act of 2005 (“DRA”).

II. Application of Policy.

This policy applies to all employees, contractors, and agents of the Facility. All such employees, contractors, and agents must be aware of the provisions of the federal and state laws that prohibit the submission of false or fraudulent claims. Contractors and agents are those non-employed entities and individuals involved in the billing and collection processes or otherwise engaged in providing patient/resident care.

III. The Federal False Claims Act.1

Under the Federal False Claims Act (FCA), a person is liable to the U.S. Government for knowingly² presenting, or causing to be presented, a “false or fraudulent claim for payment or approval;” or making, using, or causing to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government.

¹ 31 U.S.C. § 3729, *et seq.*

² The Federal False Claims Act defines “knowing” and “knowingly” as: (1) having actual knowledge of the information; (2) acting in deliberate ignorance of the truth or falsity of the information; or (3) acting in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required. 31 U.S.C. § 3729, § 3733.

Penalties include civil fines ranging from \$5,000 to \$10,000, plus three times the actual amount of damages for *each* instance of the violation, as well as the costs of a civil suit instituted to recover the penalties or damages. A potential defendant may limit its liability if it discloses the violation within 30 thirty days of learning of it, and if it is not already subject to civil, criminal, or administrative actions for the violation.

The FCA prohibits any retaliation or workplace discrimination against any person who reports suspected violations of the FCA. Facility prohibits any discriminatory actions against an employee, contractor, or agent who initiates or assists in such an action. However, the FCA does not protect bad faith reporting of claims that a person knows are not true. A person who knowingly makes a false allegation of a FCA violation could be guilty of a crime.

A person who has information that he or she believes violates the FCA may file a “qui tam” lawsuit. Qui tam lawsuits refer to actions brought by private parties in the name of the Government against an entity for violation of the FCA. Depending on the circumstances surrounding the claim, the Government may choose to pursue a lawsuit, although qui tam plaintiffs may participate in the matter, subject to certain limitations. Qui tam plaintiffs could receive anywhere from 10-30% of the recovery, depending on his or her contribution to the case.

However, any finding by the court that the qui tam plaintiff planned and initiated the violation upon which the action was based will reduce or preclude any share of the recovery that the person would otherwise receive. In addition, such an action to attempt to obtain money from Facility could be a crime.

IV. The Federal Program Fraud Civil Remedies Act.

The Program Fraud Civil Remedies Act (“PFCRA”) provides for administrative remedies against persons who make, or cause to be made, a false claim or written statement to certain federal agencies, including the Department of Health and Human Services. Under the PFCRA, any person who makes, presents, or submits, or causes to be made, presented or submitted a claim that the person knows or has reason to know is false, fictitious, or fraudulent is subject to civil monetary penalties of up to \$5,000 per false claim or statement, and up to twice the amount claimed in lieu of damages. Violations are investigated by the Department of Health and Human Services, Office of the Inspector General. Enforcement actions must be approved by the United States Attorney General. Penalties may be recovered through a civil action brought by the Attorney General or through an administrative offset against “clean” claims.

V. Louisiana False Claims Act.

In addition to the federal laws, all employees, contractors, and agents must be aware of the Louisiana’s False Claims Act, entitled the “Medical Assistance Programs

Integrity Laws” (“MAPIL”).³ MAPIL prohibits knowingly submitting, or causing to be submitted, false claims for the purpose of obtaining payment from a medical assistance program, i.e., Louisiana Medicaid. MAPIL also prohibits illegal kickbacks of patient referrals, the delivery of substandard goods and services, and false representations of Medicaid eligibility.

Violations of MAPIL could result in a civil fine of up to three times the amount of actual damages, plus interest; civil monetary penalties of up to \$10,000 for each false claim; and all costs related to investigations and proceedings of the violation. However, a court may waive the civil fines and monetary penalties if the defendant disclosed all information known to him or her to the Government within 30 days of obtaining the information; he or she fully cooperates with all investigations of the violation; and no criminal prosecution or civil or administrative action had been commenced at the time of disclosure.

Similar to the federal laws, all employees, contractors, and agents of Facility can also file a qui tam action if he or she has information regarding a violation of MAPIL. Depending on the information submitted to the Government, the qui tam plaintiff could receive anywhere from 10-30% of the recovery. **However**, as with the FCA, any finding by the court that the qui tam plaintiff planned and initiated the violation upon which the action was based will reduce or preclude the share of the recovery that the person would otherwise receive. In addition, an individual who uses the qui tam process in a manner to extort money from Facility could be guilty of a crime.

VI. Louisiana’s Statute Regarding Employee Protection from Reprisal.

La. Rev. Stat. Ann. § 23:967 prohibits employers from retaliating against employees who act in good faith, and after advising employer of potential violation of a law, discloses or threatens to disclose an employment practice that may violate state law; or provides information to an investigation, hearing or inquiry into an alleged violation; or refuses to participate in the employment practice.

Employees may institute civil actions against the employer for the aforementioned prohibitions. The court may award the employee monetary damages, although the employee could be liable to the employer for attorneys fees and costs if the court finds the lawsuit was brought in bad faith or if the employer’s actions were not in violation of the law.

All lawsuits based on this statute must be brought within one year of the date of the employer’s action against the employee.⁴

VII. Texas Medicaid Fraud Prevention Law

³ La. Rev. Stat. Ann. § 46:437.1, *et seq.*

⁴ *Nolan v. Jefferson Parish Hosp. District No. 2*, 790 So.2d 725 (5th Cir. 2001).

The Texas Medicaid Fraud Prevention Law (“FPL”) combats fraud and abuse by health care providers participating in the Medicaid Program. Tex. Hum. Res. Code Ann. §§ 36.001. Like the FCA and PFCRA, the FPL provides fines and penalties in connection with making false claims and statements in connection with the Medicaid program. The law requires restitution of the value of any Medicaid payment plus interest, damages of two times the value of the payment, and a civil penalty of \$5,000 to \$15,000 for each violation that results in an injury to a disabled person, an elderly person, or a person younger than 18 years of age. If the violation does not result in such an injury, the law requires a civil penalty of \$1,000 to \$10,000 for each violation and damages of two times the value of the payment. A court may waive the civil penalties and award two times the amount of the payment if the defendant voluntarily discloses the violations.

Unlike the FCA, the FPL does not permit private individuals to file “qui tam” actions in which the government does not exercise its right to participate. Private individuals who report fraud may receive a percentage of the recovery if the state prosecutes the case. A private individual cannot prosecute a case on his or her own. If the court finds that the private plaintiff planned and initiated the violation upon which the civil suit was based, it may reduce the share of the recovery that the person would otherwise receive. If the person is convicted of criminal conduct arising from their role in the fraud or false claims violation, the court must dismiss the person from the civil action and bar him or her from receiving any share of the proceeds. The state is not liable for any expenses incurred by a private person in bringing a civil action.

The FPL contains important protections for whistleblowers. Employees who suffer discrimination because of their involvement in false claims actions may be awarded (1) two times their back pay plus interest, (2) reinstatement at the seniority level they would have had but for the discrimination, and (3) compensation for any costs or damages they have incurred.

Facility Procedures and Policies for Detection and Prevention of Fraud and Abuse

Facility is committed to prevention of fraud and abuse through education and training of its employees, contractors, and agents. There is no tolerance for violation of applicable laws and regulations, and under no circumstance shall an employee, contractor, or agent of Facility engage in any intimidating or retaliatory act against an individual who, in good faith, makes a report of practices reasonably believed to be a violation of this policy.

As part of Facility’s efforts to detect and prevent fraud and abuse, Facility engages in the following:

- **Documentation** Facility documents each claim and transmits information to ensure that all claims are billed in a manner consistent with the services rendered.

- **Retention of Records** As part of an effort to maintain accurate documentation of claims, Facility shall preserve all written materials and records in a secure location, and for a reasonable duration.
- **Billing and Claims Reimbursement** All personnel involved in coding, billing, and claims submission shall abide by the regulations and statutes referenced in this policy, as well as those laws related to any form of government reimbursement.
- **Monitoring and Audits** Facility shall conduct unannounced and periodic audits to ensure that its employees, contractors, and agents are in compliance with all policies of Facility. The audits may be conducted internally or externally, by private or by state parties. Results of each audit shall be confidential, absent a preemptive law requiring such disclosure to the public. Actions taken pursuant to each audit shall be documented and followed up by the compliance officer and employees, contractors, and agents involved.
- **Designation of Compliance Officer** George Dorr shall serve as the Compliance Officer (CO) to monitor this policy and all related training and education. Employees, contractors, and agents can rely on Mr. Dorr as the central representative to maintain oversight of Facility and ensure adherence to its compliance policies. Upon request, Mr. Dorr shall offer further compliance training to employees, contractors, and agents.
- **Investigations by Compliance Officer** All reports made to the CO shall be investigated. Regardless of the results, the CO shall report its findings to the Facility administrator and governing board.

Facility is committed to providing an environment of honesty and integrity, and we welcome all comments, questions, and suggestions regarding the provisions addressed in this policy.

VIII. Independence of Facilities

The substance of this policy and procedure has been separately adopted by each Facility's governing board (Board). The adoption of a common policy by each Facility's Board should not be construed as a waiver of corporate separateness and/or any other protections afforded by law to the entity governed by each such Board.