

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported):
December 1, 2020

SUMMIT HEALTHCARE REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

000-52566
(Commission
File Number)

73-1721791
(I.R.S. Employer
Identification No.)

2 South Pointe Drive, Suite 100, Lake Forest, California 92630
(Address of principal executive offices)

(800) 978-8136
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act.
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Item 8.01 Other Events

Attached hereto as Exhibit 99.1 is a copy of the communication that Summit Healthcare REIT, Inc. (the “Company”) issued to its security holders.

Item 9.01 Financial Statements and Exhibits

Exhibit No. Description

[99.1](#) [Communications to security holders dated December 1, 2020](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

SUMMIT HEALTHCARE REIT, INC.

By: /s/ Elizabeth A. Pagliarini

Name: Elizabeth A. Pagliarini

Title: Chief Financial Officer

Dated: December 1, 2020



December 1, 2020

**Summit Healthcare REIT, Inc.
Recommends Rejection of
CMG Partners, LLC and its affiliates Mini-Tender Offer**

Dear Summit Healthcare Stockholder:

Recently you may have received correspondence from CMG Partners, LLC and its affiliates, CMG Income Fund II, LLC, CMG Liquidity Fund, LLC and Blue River Capital, LLC (jointly, "CMG"), relating to an unsolicited mini-tender offer to purchase your shares of Summit Healthcare REIT, Inc. ("we" or "Summit").

We understand that CMG is offering to purchase up to 500,000 of Summit's shares for \$0.60 per share in cash. **We believe that CMG's offer price is less than the current and potential long-term value of Summit's shares and recommend against selling shares at those prices.**

To reject CMG's offer, simply ignore it. You do not need to respond.

CMG's offer price is substantially below our most recent estimated valuation (as of December 31, 2019) of \$2.82 per share.* In arriving at our recommendation against selling your shares to CMG, we considered the historical performance of the real estate market and of our portfolio, along with our outlook with respect to executing and achieving our investment objectives in a manner that is accretive to stockholder value. Based on that review, we believe that CMG is attempting to opportunistically acquire your shares in order to make a profit and, as a result, deprive you of the opportunity to recover past loss of value and realize longer term appreciation in value of your shares.

Please be aware that Summit is not in any way affiliated with CMG. CMG made a similar unsolicited mini-tender offer for Summit's shares in November 2017 and again in April 2019, and CMG has a history of making such unsolicited mini-tender offers for shares of other public companies. We urge you to consult your financial advisor and exercise caution with respect to this and other mini-tender offers. Mini-tender offers are designed to seek less than 5% of a company's outstanding shares, thereby avoiding the filing, disclosure and procedural requirements adopted by the Securities and Exchange Commission ("SEC") for the protection of investors. The SEC has cautioned investors about offers of this nature, noting that some "bidders make mini-tender offers at below-market prices, hoping that they will catch investors off guard." Additional information about mini-tender offers is available on the SEC's website at www.sec.gov/reportspubs/investor-publications/investorpubsminitendhtm.html.

We have filed a Form 8-K with the SEC in response to CMG's offer, which is available for free on our website at www.summithealthcarereit.com. If you have any questions related to CMG's offer, please contact your financial advisor or Summit's Investor Relations at 800.978.8136. You are also welcome to contact Summit's Senior Vice President, Chris Kavanagh, directly at 949.535.1988 or by email at ckavanagh@summithealthcarereit.com.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Pagliarini", with a horizontal line extending to the right.

Elizabeth Pagliarini
Chief Operating Officer & Chief Financial Officer

This letter contains forward-looking statements relating to the business and financial outlook of Summit Healthcare REIT, Inc. that are based on our current expectations, estimates, forecasts and projections and are not guarantees of future performance. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on any such statements. A number of important factors could cause actual results to differ materially from the forward-looking statements contained in this release. Such factors include those described in the Risk Factors section of Summit Healthcare REIT, Inc.'s annual report on Form 10-K for the year ended December 31, 2019, and quarterly reports for the periods ended March 31, 2020, June 30, 2020 and September 30, 2020. Forward looking statements in this letter speak only as of the date on which such statements were made, and we undertake no obligation to update any such statements that may become untrue because of subsequent events. We claim the safe harbor protection for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

** For further information regarding the December 31, 2019 per share estimated valuation and certain limitations related thereto, please read our Form 10-K filed on March 25, 2020, available at www.summithealthcarereit.com/sec-filings/.*
