



STATE OF RHODE ISLAND  
OFFICE OF THE ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903  
(401) 274-4400 • www.riag.ri.gov

*Peter F. Neronha*  
*Attorney General*

December 23, 2020

***Via Electronic Mail Only***

Patricia K. Rocha, Esq.  
Adler Pollock & Sheehan P.C.  
One Citizens Plaza, 8<sup>th</sup> Floor  
Providence, RI 02903  
PRocha@apslaw.com

***Re: Hospital Conversion Initial Applications of Chamber Inc.;  
Ivy Holdings Inc.; Ivy Intermediate Holdings, Inc.;  
Prospect Medical Holdings, Inc.; Prospect East Holdings,  
Inc.; Prospect East Hospital Advisory Services, LLC;  
Prospect CharterCARE, LLC; Prospect CharterCARE  
SJHSRI, LLC; Prospect CharterCARE RWMC, LLC (the  
“Transacting Parties”)***

Dear Attorney Rocha:

Attached at **Exhibit A** are questions from the Office of the Attorney General resulting from the information that was provided in the Hospital Conversion Initial Application, and supplemental materials, in the above-entitled matter. We will consider the answers to these questions as a supplement to the Initial Application. Accordingly, please provide the question and response in the same format as previously provided in the Initial Application and Supplemental Questions and identify the submission as “Supplement 5” to the Initial Application.

If the Transacting Parties would like to request that any information that is provided (including any question itself) be deemed confidential in accordance with R.I. Gen. Laws. § 23-17.14-32, please mark it preliminarily as “Confidential” and provide it in a separate packet. The Attorney General will make a determination regarding such information. Please note the information provided in response to the attached questions will become part of the public record in this matter.

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Please provide your responses as soon as possible, but in no event later than January 4, 2021, and let us know if you have any questions or if you would like to meet to discuss.

Sincerely,

*Jessica Rider*

Jessica Rider  
Special Assistant Attorney General  
Health Care Advocate  
401-274-4400 Ext. 2314

JR/dm  
Enclosure

cc: Leslie Parker, Esq., Adler Pollock & Sheehan, P.C.  
Michael Dexter, Chief, Center for Health Systems Policy & Regulation, RIDOH  
Fernanda Lopes, Chief, Health Systems Development, RIDOH  
Jacqueline Kelley, Esq., Legal Counsel, RIDOH  
Maria R. Lenz, Assistant Attorney General, RIAG

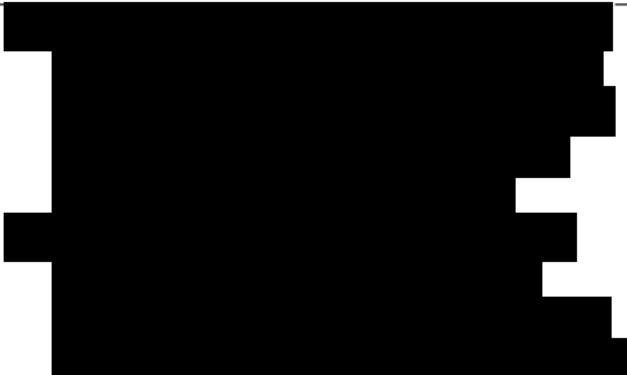
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## Exhibit A

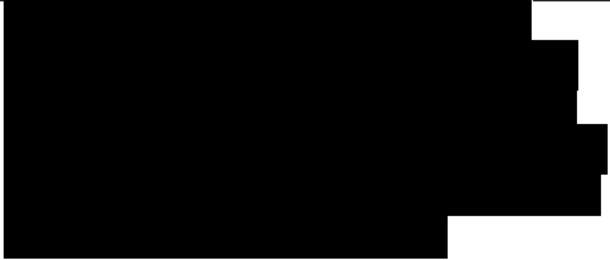
Please provide complete and accurate answers to the Fifth Set of Supplemental Questions below.

The following definitions have been used:

- Chamber Inc. (“Chamber”);
- Ivy Holdings, Inc. (“Ivy”);
- Ivy Intermediate Holdings, Inc. (“IIH”);
- Prospect Medical Holdings, Inc. (“PMH” or “Prospect”);
- Prospect East Holdings, Inc. (“PEH”);
- Prospect East Hospital Advisory Services, LLC (“PEHAS”);
- Prospect CharterCARE, LLC (“PCC”);
- Prospect CharterCARE SJHSRI, LLC (“OLF”);
- Prospect CharterCARE RWMC, LLC (“RWMC”);
- CharterCARE Community Board (“CCCB”)
- Chamber, Ivy, IIH, PMH, PEH, PEHAS, PCC, OLF, RWMC (collectively, the “Transacting Parties” or “Parties”);
- OLF and RWMC (“Rhode Island Hospitals”).
- Ivy Board of Directors (“Ivy BOD”);
- Ivy Intermediate Holdings, Inc. Board of Directors (“IIH BOD”);
- Prospect Medical Holdings Board of Directors (“PMH BOD”); and Rhode Island Department of Health’s Change in Effective Control Application (“RIDOH CEC”).

S5-1	Question S4-13	Please provide a fourth quarter summary document of financial results similar to the third quarter document provided at C-CIIH-008231.
S5-2	Question S4-35	

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S5-3	Financials	<p>(a) Provide a detailed summary and supporting documentation of the terms and amount of Leonard Green's initial investment to PMH.</p> <p>(b) Explain why there two different Leonard Green shareholders (Green Equity Investors V, L.P. and Green Equity Investors Side V, L.P), and if the terms to their investments differ, please describe the differences and provide the reasoning for the difference.</p> <p>(c) Please list any and all subsequent investments by the Leonard Green shareholders to PMH after the initial investment.</p>
S5-4	Financials	Except for dividends, please provide the total amount, with a breakdown of the amount and description, of any cash or non-cash assets paid or otherwise transferred by Ivy, IIH, PMH and/or any subsidiary, to Leonard Green (e.g. management fees) since Leonard Green's initial investment into PMH.
S5-5	Financials	(a) Provide a list, with amounts and descriptions, of all cash and non-cash assets, including but not limited to dividends, salary, compensation or other benefits, and stock options, received by Samuel Lee ("Lee"), David Topper, and/or the David and Alexa Topper Family Trust (collectively, "Topper"),

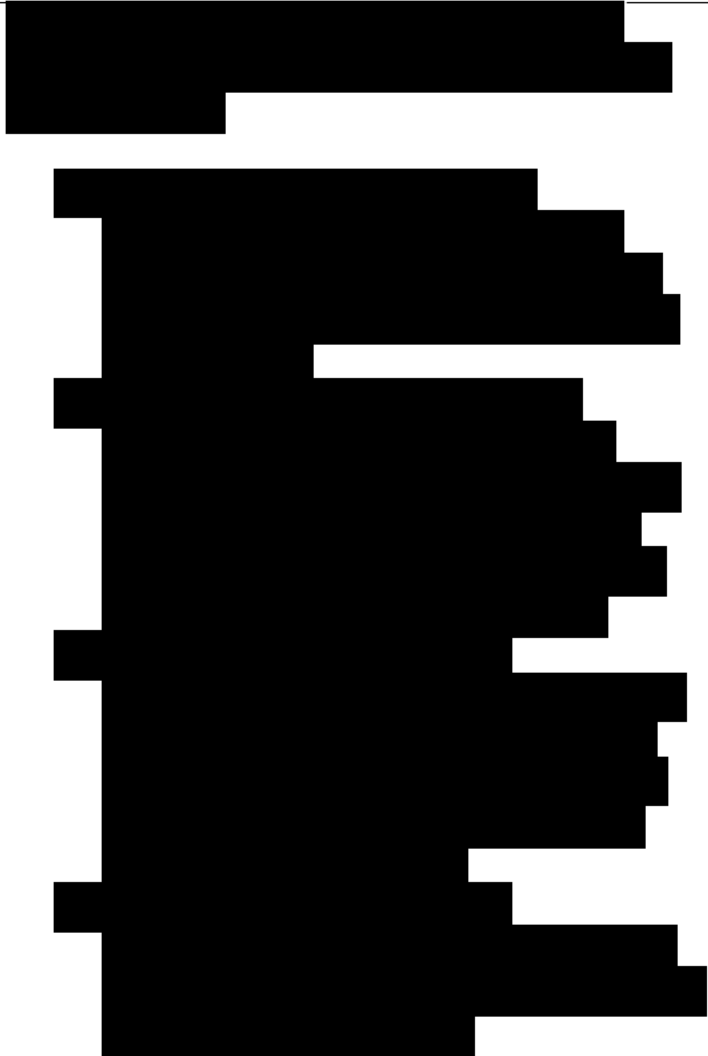
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		<p>from Ivy, IIH, PMH and/or any subsidiary since January 2018.</p> <p>(b) Have any cash or non-cash assets been paid or otherwise transferred from Chamber to Lee or Topper since Chamber's creation? If so, please describe.</p>
S5-6	Financials	<p>(a) Please list and describe all cash and non-cash assets that have been paid or otherwise transferred from PMH to Ivy or IIH since January 2018.</p> <p>(b) Have any cash or non-cash assets been paid or otherwise transferred from PMH or its affiliates to Chamber since its creation? If so, please describe.</p>
S5-7	Financials	<p>Please describe all policies or procedures that Prospect or PCC or the RI Hospitals have regarding the timing of paying vendors and how invoices are prioritized. Indicate if any policy or procedure has changed as a result of COVID-19.</p>
S5-8	Financials	<p>Please provide a description and all relevant documents for the following:</p> <p>(a) A listing of the vendors that are contracted through PMH and serve the RI Hospitals and those that are contracted directly through PCC, OLF, and RWMC.</p> <p>(b) Any change of vendors in the past four years at PMH or PCC, OLF and RWMC and the reason for such change in vendors.</p> <p>(c) Any time in the past four years that a vendor has stopped deliveries to OLF or RWMC for nonpayment.</p>

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		<ul style="list-style-type: none"><li>(d) Any instance of clinical staff raising concerns regarding the quality of supplies or frequent change in vendors during the past four years at the RI Hospitals.</li><li>(e) Any instance of vendor holds for the past four years, both at PMH and PCC/RI Hospitals.</li><li>(f) Any instance of vendors terminating services with PMH, PCC and/or the RI Hospitals in the past for years.</li><li>(g) Any instance where a clinical function could not be performed or provided at OLF or RWMC due to lack of supplies in the past four years.</li><li>(h) Any instance of a vendor invoice at PMH, PCC and/or the RI Hospitals being 120 days past due in the past four years.</li><li>(i) Any instance where PMH or PCC/the RI Hospitals stopped payment or ordering under a vendor contract and then restarted after negotiating a settlement of some type in the past four years.</li><li>(j) Any instance where a vendor to PMH, PCC, OLF or RWMC placed a “credit hold” or other similar holdback due to non-payment during the past four years.</li><li>(k) Any instance where PMH, PCC, OLF or RWMC bounced checks during the past four years.</li></ul> <p>Please include an affidavit of the individual(s) attesting to the responses to this question.</p>
S5-9	MPT Transaction	In his interview under oath, David Ragosta referenced a power point presentation presented to MPT by PCC in May 2019. Provide a copy of that presentation.

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S5-10	Governance	Provide a chart that lists and describes: (a) all entities currently owned by Ivy, IIH, and PMH; and (b) all entities expected to be owned by Ivy, IIH, and PMH after the conversion.
S5-11	Governance	(a) Does Chamber currently own any entities or have any subsidiaries? If so, provide a chart that lists and describes each entity or subsidiary. (b) Provide a chart that list and described all entities expected to be owned by Chamber post conversion.
S5-12	Governance	 The content of this row is entirely redacted with black boxes.