

## HOSPITAL CONVERSION APPLICATION

Please provide the following information (please replicate as needed):

|  |   |
|--|---|
| Name of Transacting Parties:   | Prime Healthcare Services – Landmark, LLC<br>Prime Healthcare Services, Inc.<br>Landmark Medical Center, Inc.<br>Northern Rhode Island Rehab Management Associates, L.P.<br>d/b/a Rehabilitation Hospital of Rhode Island<br>Prime Healthcare Holdings, Inc.<br>Prime Healthcare Management, Inc. |
| Date Application Submitted:  | January 2, 2013   |
| Additional Information Filed:  | March 14, 2013  |
| Additional Information Filed:  | April 18, 2013  |
| Additional Information Filed:  | May 21, 2013  |
| Additional Information Filed:  | June 14, 2013   |
| Final Initial Application Filed:   | July 8, 2013  |
| Date of Agreement Execution with the Director for Payment of Costs*:         | March 12, 2013  |
| Date of Agreement Execution with the Attorney General for Payment of Costs*: | March 12, 2013  |

\* Please provide copies of the responsive documents.

\*See **Exhibit 74**

**CERTIFICATION**

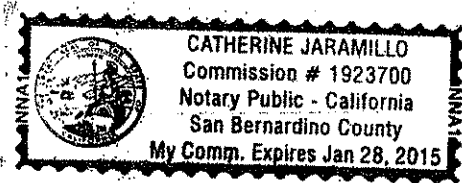
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Przem Kozal*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Landmark, LLC  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

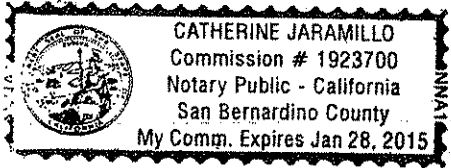
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Noem Redon*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services, Inc.  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.




*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).


*I hereby certify that the information contained in this application is complete, accurate and true.*

  
\_\_\_\_\_  
Signature by the President or Chief Executive Officer

Prime Healthcare Holdings, Inc.  
Entity

Subscribed and sworn to before me on this 11<sup>th</sup> day of June, 2013.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 8/13/14

See April 19, 2013 filing for certification pages for other Transacting Parties and licensed hospital affiliates.

**CERTIFICATION**

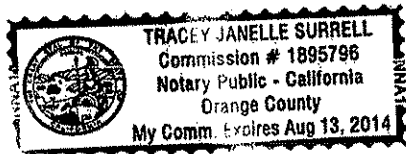
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Stephene Sorell*  
Signature by the President or Chief Executive Officer

Prime Healthcare Management, Inc.  
Entity

Subscribed and sworn to before me on this 11<sup>th</sup> day of June, 2013.

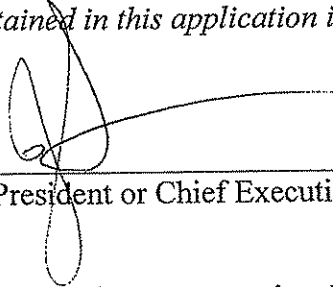


*Tracey J. Surrell*  
Notary Public  
My Commission Expires: 8/13/14

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*



\_\_\_\_\_  
Signature by the President or Chief Executive Officer

Jonathan N. Savage, Esq., in his capacity as the court-appointed Special Master for Landmark Health Systems, Inc., Landmark Medical Center and Northern Rhode Island Rehab Management Associates, L.P. d/b/a Rehabilitation Hospital of Rhode Island  
Entity

Subscribed and sworn to before me on this 4<sup>th</sup> day of April, 2013.

Julie A. Zaccagnini  
Notary Public  
My Commission Expires: 4/2/14

**CERTIFICATION**

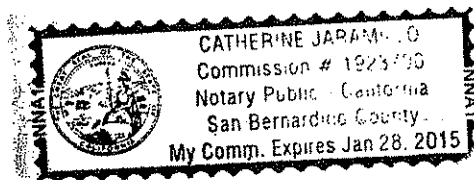
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Artem Reolou*  
Signature by the President or Chief Executive Officer

Alvarado Hospital LLC dba Alvarado Hospital Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan 28, 2015

**CERTIFICATION**

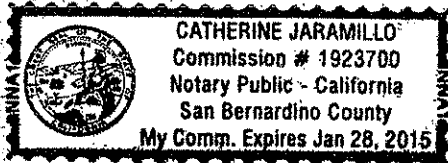
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Norm Redon*  
Signature by the President or Chief Executive Officer

Prime Healthcare Centinela, LLC dba Centinela Hospital Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo* Notary Public  
Notary Public  
My Commission Expires: Jan. 28, 2015



**CERTIFICATION**

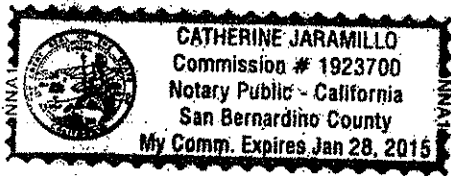
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Arum Redon*  
Signature by the President or Chief Executive Officer

Veritas Health Services, Inc., dba Chino Valley Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

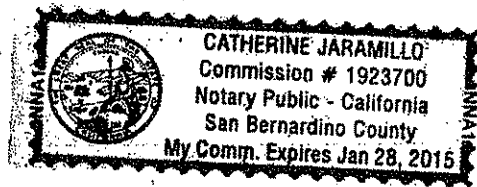
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Luem Seow*  
Signature by the President or Chief Executive Officer

Dallas Medical Center, LLC dba Dallas Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo*  
Notary Public  
My Commission Expires: Jan-28, 2015

**CERTIFICATION**

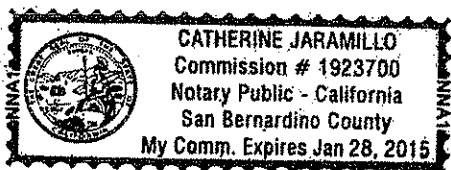
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Norm Reed*  
Signature by the President or Chief Executive Officer

Desert Valley Hospital, Inc. dba Desert Valley Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: *Jan-28, 2015*

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Mervin Redon*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Encino, LLC dba Encino Hospital Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo* Notary Public  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

Mrem Leolu  
Signature by the President or Chief Executive Officer

Prime Healthcare Services -- Garden Grove, LLC dba Garden Grove Hospital Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



Catherine Jaramillo, Notary Public  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

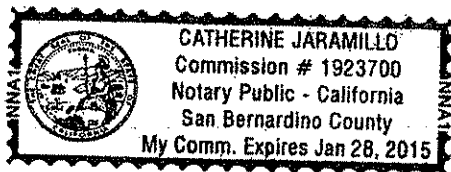
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Artem Leada*  
Signature by the President or Chief Executive Officer

Harlingen Medical Center, Limited Partnership dba Harlingen Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

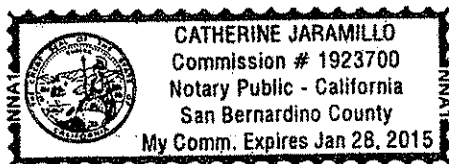
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Norm Leadon*  
Signature by the President or Chief Executive Officer

Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

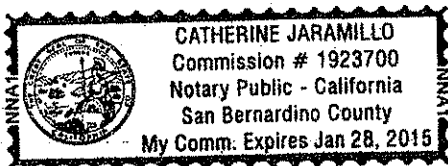
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Steve Redon*  
Signature by the President or Chief Executive Officer

Knapp Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan-28, 2015



**CERTIFICATION**

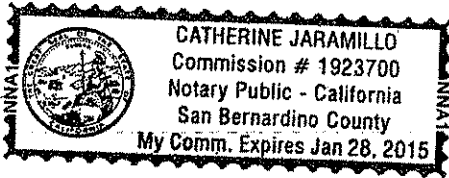
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Noem Sedov*  
Signature by the President or Chief Executive Officer

Prime Healthcare La Palma, LLC dba La Palma Intercommunity Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo* Notary Public  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

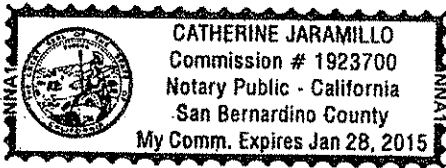
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Kevin Reed*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Lower Bucks, LLC dba Lower Bucks Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

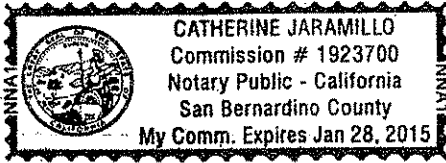
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Sam Seda*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Montclair, LLC dba Montclair Hospital Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Mrem Sedov*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Pampa, LLC dba Pampa Regional Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 26, 2015

**CERTIFICATION**

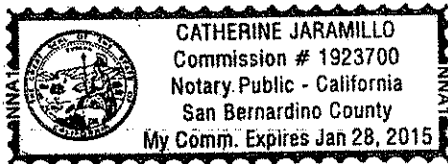
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Wynn Pedlow*  
Signature by the President or Chief Executive Officer

Prime Healthcare Paradise Valley, LLC dba Paradise Valley Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

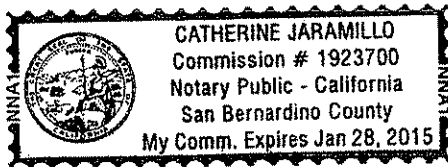
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Steven Ledes*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Providence, LLC dba Providence Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

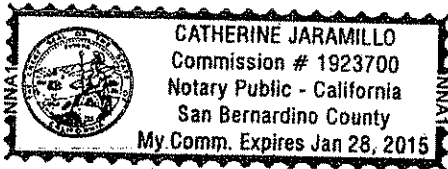
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Przem Szwed*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Roxborough, LLC dba Roxborough Memorial Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28. 2015

**CERTIFICATION**

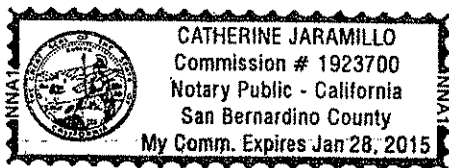
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Przem Radwan*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Saint John Leavenworth, LLC dba Saint John Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015



**CERTIFICATION**

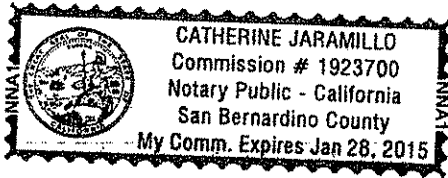
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Norm Padon*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Reno, LLC dba Saint Mary’s Regional Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo* Notary Public  
Notary Public  
My Commission Expires: Jan 28, 2015

**CERTIFICATION**

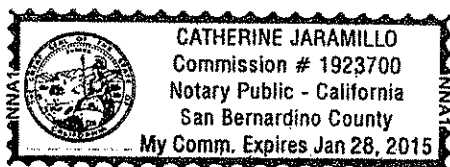
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*prem Lopez*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – San Dimas, LLC dba San Dimas Community Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan 28, 2015

**CERTIFICATION**

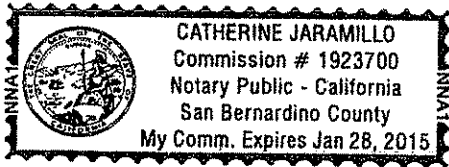
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Arem Ledo*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Shasta, LLC dba Shasta Regional Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo Notary Public*  
Notary Public  
My Commission Expires: Jan 28, 2015

**CERTIFICATION**

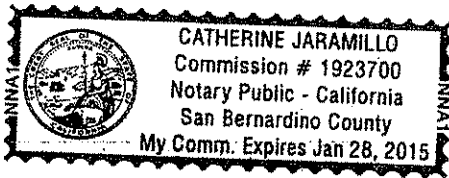
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Mem Lead*  
Signature by the President or Chief Executive Officer

Prime Healthcare Services – Sherman Oaks, LLC dba Sherman Oaks Hospital  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed).

*I hereby certify that the information contained in this application is complete, accurate and true.*

*Merv Sedon*  
Signature by the President or Chief Executive Officer

Prime Healthcare Anaheim, LLC dba West Anaheim Medical Center  
Entity

Subscribed and sworn to before me on this 12<sup>th</sup> day of April, 2013.



*Catherine Jaramillo, Notary Public*  
Notary Public  
My Commission Expires: Jan. 28, 2015

**TABLE OF CONTENTS**

| Question Number/Appendix | Page Number      |
|--------------------------|------------------|
| 1. ....                  | F-1-1 to F-1-9   |
| 2. ....                  | F-2-1            |
| 3. ....                  | F-3-1            |
| 4. ....                  | F-4-1 to F-4-9   |
| 5. ....                  | F-5-1            |
| 6. ....                  | F-6-1            |
| 7. ....                  | F-7-1 to F-7-39  |
| 8. ....                  | F-8-1 to F-8-6   |
| 9. ....                  | F-9-1 to F-9-2   |
| 10. ....                 | F-10-1 to F-10-4 |
| 11. ....                 | F-11-1           |
| 12. ....                 | F-12-1 to F-12-7 |
| 13. ....                 | F-13-1 to F-13-5 |
| 14. ....                 | F-14-1           |
| 15. ....                 | F-15-1 to F-15-2 |
| 16. ....                 | F-16-1           |
| 17. ....                 | F-17-1           |
| 18. ....                 | F-18-1 to F-18-2 |
| 19. ....                 | F-19-1           |
| 20. ....                 | F-20-1           |
| 21. ....                 | F-21-1 to F-21-3 |
| 22. ....                 | I-22-1 to F-22-2 |
| 23. ....                 | F-23-1 to F-23-2 |
| 24. ....                 | F-24-1           |
| 25. ....                 | F-25-1           |
| 26. ....                 | F-26-1 to F-26-4 |
| 27. ....                 | F-27-1 to F-27-2 |
| 28. ....                 | F-28-1 to F-28-2 |
| 29. ....                 | F-29-1           |
| 30. ....                 | F-30-1           |
| 31. ....                 | F-31-1           |
| 32. ....                 | F-32-1 to F-32-2 |
| 33. ....                 | F-33-1           |
| 34. ....                 | F-34-1           |
| 35. ....                 | F-35-1 to F-35-3 |
| 36. ....                 | F-36-1           |
| 37. ....                 | F-37-1           |
| 38. ....                 | F-38-1           |
| 39. ....                 | F-39-1           |

|          |                  |
|----------|------------------|
| 40. .... | F-40-1           |
| 41. .... | F-41-1 to F-41-2 |
| 42. .... | F-42-1           |
| 43. .... | F-43-1 to F-43-3 |
| 44. .... | F-44-1 to F-44-3 |
| 45. .... | F-45-1 to F-45-2 |
| 46. .... | F-46-1           |
| 47. .... | F-47-1 to F-47-4 |
| 48. .... | F-48-1 to F-48-3 |
| 49. .... | F-49-1           |
| 50. .... | F-50-1           |
| 51. .... | F-51-1           |
| 52. .... | F-52-1           |
| 53. .... | F-53-1 to F-53-5 |
| 54. .... | F-54-1           |
| 55. .... | F-55-1           |
| 56. .... | F-56-1           |
| 57. .... | F-57-1 to F-57-2 |
| 58. .... | F-58-1 to F-58-2 |
| 59. .... | F-59-1 to F-59-3 |
| 60. .... | F-60-1 to F-60-3 |
| 61. .... | F-61-1 to F-61-2 |
| 62. .... | F-62-1           |
| 63. .... | F-63-1           |
| 64. .... | F-64-1 to F-64-2 |
| 65. .... | F-65-1           |
| 66. .... | F-66-1 to F-66-2 |
| 67. .... | F-67-1 to F-67-2 |
| 68. .... | F-68-1           |
| 69. .... | F-69-1           |
| 70. .... | F-70-1 to F-70-2 |
| 71. .... | F-71-1           |
| 72. .... | F-72-1           |
| 73. .... | F-73-1 to F-73-2 |

APPENDIX A  
APPENDIX B  
APPENDIX C  
APPENDIX D  
APPENDIX E  
APPENDIX F

## EXHIBITS

| <u>Exhibit #</u> | <u>Description/Category/Title</u>   | <u>Page #</u>  |
|------------------|---|----------------|
| 1(a)             | Landmark Entities   | LPHCA/F 000001 |
| 1(b)             | Order Regarding Bid Process   | LPHCA/F 000002 |
| 1(c)             | PwC Report  | LPHCA/F 000009 |
| 1(d)             | Vector Group Report   | LPHCA/F 000043 |
| 1(e)             | Prime Holdings Stock Certificate  | LPHCA/F 000068 |
| 1(f)             | May 8, 2013 Memorandum  | LPHCA/F 000069 |
| 1(g)             | KASP Trust Stock Certificate  | LPHCA/F 000082 |
| 1(h)             | Prem Reddy Family Trust Stock Certificate   | LPHCA/F 000083 |
| 7(c)             | Sample Bylaws   | LPHCA/F 000084 |
| 10(a)-(gg)       | Organizational Documents  | LPHCA/F 000107 |
| 11               | Addresses of Licensed Facilities  | LPHCA/F 000832 |
| 12(a)            | Prime Organizational Charts   | LPHCA/F 000835 |
| 12(b)            | Organizational Chart of Landmark Entities   | LPHCA/F 000839 |
| 13               | Further Order Regarding Bid Process/Summary of Bids   | LPHCA/F 000841 |
| 15(a)            | LMC/RHRI Conflict of Interest Forms   | LPHCA/F 001011 |
| 15(b)            | Prime Conflict of Interest Forms  | LPHCA/F 001404 |
| 16(a)            | San Dimas Community Hospital Code of Ethics (Conflict of Interest Policies)                         | LPHCA/F 001517 |
| 16(b)            | PHSI Code of Conduct  | LPHCA/F 001523 |
| 17               | Closing Agenda  | LPHCA/F 001533 |
| 18               | Asset Purchase Agreement, as amended; Management Advisory Agreement; Working Capital Loan Agreement | LPHCA/F 001536 |
| 19               | Sample Medical Staff Bylaws   | LPHCA/F 002316 |
| 22               | Shasta Appeal   | LPHCA/F 002389 |
| 23               | Press Release   | LPHCA/F 002399 |
| 24(a)            | Prime Insurance Policies  | LPHCA/F 002401 |
| 24(b)            | Landmark Insurance Policies   | LPHCA/F 002405 |
| 25               | Closing Documents   | LPHCA/F 002409 |
| 26(b)            | Offering Package  | LPHCA/F 002420 |
| 28(b)(1)         | LMC Endowment   | LPHCA/F 002463 |
| 28(b)(2)         | LMC Restricted Funds  | LPHCA/F 002465 |
| 28(b)(3)         | Unrestricted Funds  | LPHCA/F 002470 |
| 28(c)            | Distribution of Charitable Assets   | LPHCA/F 002473 |
| 30               | Charitable Assets   | LPHCA/F 002475 |
| 31               | <i>Cy Pres</i> Court Order/Petition   | LPHCA/F 002482 |
| 32(a)            | PHSI Uncompensated Care   | LPHCA/F 002490 |
| 32(b)            | LMC/RHRI Uncompensated Care   | LPHCA/F 002494 |
| 41(a)            | LMC Resignations  | LPHCA/F 002496 |
| 41(b)            | Prime Resignations  | LPHCA/F 002500 |
| 43(a)(1)         | LMC/RHRI Audited Financials   | LPHCA/F 002507 |
| 43(a)(2)         | LMC/RHRI 2012/January 2013 Financials   | LPHCA/F 002655 |
| 43(a)(3)         | LMC/RHRI Management Letters   | LPHCA/F 002685 |



|          |  |         |        |
|----------|--|---------|--------|
| 44(a)    | Title Reports  | LPHCA/F | 002697 |
| 44(c)    | LMC Leases   | LPHCA/F | 003055 |
| 46(a)    | LMC/LHS 990's  | LPHCA/F | 003655 |
| 46(b)    | LMC/LHS Extensions   | LPHCA/F | 003844 |
| 47(b)    | LMC/RHRI Debts   | LPHCA/F | 003853 |
| 48(a)    | Special Master October Invoice   | LPHCA/F | 003933 |
| 48(b)    | Nixon Peabody Court Order  | LPHCA/F | 003979 |
| 51       | Third Party Payors   | LPHCA/F | 003981 |
| 53(a)(1) | Specialty and Tertiary Services  | LPHCA/F | 003982 |
| 53(a)(2) | LMC/RHRI Market Share  | LPHCA/F | 003983 |
| 53(d)(1) | Map of Service Area  | LPHCA/F | 003989 |
| 53(f)(1) | LMC/RHRI Licensed Beds   | LPHCA/F | 003992 |
| 53(f)(2) | Market Share of Beds   | LPHCA/F | 003994 |
| 53(f)(3) | Low Cost Provider  | LPHCA/F | 003996 |
| 54       | Taxes  | LPHCA/F | 003997 |
| 56       | Patient Statistics   | LPHCA/F | 004010 |
| 61(b)    | Nixon Peabody Engagement Letter  | LPHCA/F | 004011 |
| 70(a)    | Steward Spreadsheet  | LPHCA/F | 004015 |
| 70(b)    | Supporting Documentation   | LPHCA/F | 004018 |
| 71       | LMC/RHRI Staffing Levels   | LPHCA/F | 004021 |
| 73(a)    | Medical Services   | LPHCA/F | 004023 |
| 74       | Reimbursement Agreements   | LPHCA/F | 004025 |
| 75       | Application Versions   | LPHCA/F | 004042 |
|          | - Redline comparison of integrated Application<br>(combining 1/2/13 and 3/14/13 filings) |         |        |
|          | - Application (combining 1/2/13 and 3/14/13 filings)                                     |         |        |
|          | - Redline comparison of above combined<br>Application<br>with April 18, 2013 filing      |         |        |

### CONFIDENTIAL EXHIBITS

| <u>Exhibit #</u> | <u>Description/Category/Title</u>                            | <u>Page #</u> |        |
|------------------|--|---------------|--------|
| 9                | PHSI Minutes/Agendas   | LPHCA/F-C     | 000001 |
| 10               | Prem Reddy Family Trust                                      | LPHCA/F-C     | 000068 |
| 12               | Prime Healthcare Management Agreement                        | LPHCA/F-C     | 000131 |
| 16(a)            | LMC/RHRI Conflict of Interest Policies                       | LPHCA/F-C     | 000171 |
| 18               | Asset Purchase Agreement Schedules                           | LPHCA/F-C     | 000177 |
| 19(b)            | LMC Medical Staff Bylaws (with Credentialing<br>Procedures)  | LPHCA/F-C     | 000770 |
| 19(c)            | RHRI Medical Staff Bylaws (with Credentialing<br>Procedures) | LPHCA/F-C     | 000836 |
| 22(a)            | LMC DOH Notices  | LPHCA/F-C     | 000915 |
| 22(b)            | LMC DEM Notices  | LPHCA/F-C     | 000936 |
| 22(c)            | Prime – CMS 2567 Forms                                       | LPHCA/F-C     | 000943 |
| 23(a)            | Prime Investigations   | LPHCA/F-C     | 002985 |

|       |  |           |        |
|-------|--|-----------|--------|
| 23(b) | LMC Investigations                     | LPHCA/F-C | 002988 |
| 26(a) | Prime Due Diligence                    | LPHCA/F-C | 003132 |
| 26(b) | Offering Package                       | LPHCA/F-C | 003133 |
| 27    | Prime Acquisitions Considered          | LPHCA/F-C | 003182 |
| 38    | Prime Severance Agreements             | LPHCA/F-C | 003183 |
| 43(a) | Prime Financials                       | LPHCA/F-C | 003209 |
| 43(b) | Prime Summaries                        | LPHCA/F-C | 003369 |
| 43(c) | PHMI Tax Returns                       | LPHCA/F-C | 003385 |
| 43(d) | Prime Holdings Tax Returns             | LPHCA/F-C | 003993 |
| 45    | LMC/RHRI Litigation                    | LPHCA/F-C | 004570 |
| 59(a) | Prime Business Plan                    | LPHCA/F-C | 004593 |
| 61(a) | Prime's Consultant Contracts           | LPHCA/F-C | 004595 |
| 61(b) | Landmark Entities Consultant Contracts | LPHCA/F-C | 004617 |
| 63(a) | PHSI/PHMI Compliance Manual            | LPHCA/F-C | 004650 |
| 63(b) | LMC Compliance Policy                  | LPHCA/F-C | 004744 |
| 63(c) | RHRI Compliance Policy                 | LPHCA/F-C | 004745 |
| 63(d) | Landmark/RHRI Compliance Handbook      | LPHCA/F-C | 004746 |
| 65(a) | Prime Patient Satisfaction             | LPHCA/F-C | 004756 |
| 65(b) | LMC/RHRI Patient Satisfaction          | LPHCA/F-C | 004761 |
| 72    | Union Contracts                        | LPHCA/F-C | 005066 |

**A. OVERVIEW**

- 1. Please provide an executive summary of the proposed conversion which shall include a discussion of the date of implementation, purchase price, source of funds, debt, and commitments for and development of new services and/or facilities that are associated with the proposed conversion.**

This application will outline the proposed acquisition of Landmark Health Systems, Inc. (“LHS”), Landmark Medical Center (“LMC”), and Northern Rhode Island Rehab Management Associates, L.P. d/b/a Rehabilitation Hospital of Rhode Island (“RHRI”) by Prime Healthcare Services–Landmark, LLC (“Prime-Landmark”), a wholly-owned subsidiary of Prime Healthcare Services, Inc., a Delaware corporation (“PHSI”). LHS, LMC, RHRI, Prime-Landmark, and PHSI are all the “Transacting Parties” as that term is defined in the Hospital Conversion Act. The acquisitions are pursuant to an Asset Purchase Agreement entered into by order of the Superior Court for the County of Providence on October 11, 2012 between Jonathan N. Savage, solely in his capacity as the Court-Appointed Special Master (the “Special Master”) for LHS, LMC, RHRI, Landmark Physician Office Services (“LPOS”) and Prime-Landmark. LHS, LMC, RHRI, and LPOS shall be collectively referred to herein as the Landmark Entities. Please note that when information is provided in this application for LMC and RHRI for the period post-closing, it is understood that at that time the facility will be licensed under Prime-Landmark.

**Prime Healthcare Services – Landmark, LLC**

**Organization**

Prime-Landmark, a wholly-owned subsidiary of PHSI, is a Delaware limited liability company formed on September 19, 2012. Prime-Landmark and PHSI shall be collectively referred to herein as “Prime.” PHSI, by and through its subsidiaries, owns and operates eighteen (18) acute care hospitals in California, Nevada, Texas, Pennsylvania and Kansas with more than 3,000 licensed beds. See Response to Question No. 4. PHSI is also affiliated with the Prime Healthcare Services Foundation, Inc., a 501(c)(3) public charity, which owns and operates five (5) acute care hospitals in California. PHSI has been recognized by Thomson Reuters as a Top 15 Health System in the United States based on quality measures.

**Prime Healthcare Services, Inc.**

**Organization**

PHSI is a Delaware corporation which, by and through its subsidiaries, owns and operates eighteen (18) acute care hospitals in California, Kansas, Nevada, Texas, and Pennsylvania with more than 3,000 licensed beds. PHSI was originally formed as K Reddy Corp., on March 27, 2000 and changed its name to DVH Acquisition, Inc., on May 11, 2000. DVH Acquisition, Inc., changed its name to Desert Valley Health System, Inc., on January 11, 2001 and Desert Valley Health System, Inc., changed its name to Prime Healthcare Services, Inc., on August 24, 2005. PHSI’s Articles and related Amendments are set forth at **Exhibit 10(bb)**.

### **Relationship of Prime Healthcare Services, Inc. to Prime Healthcare Holdings, Inc.**

Prime Healthcare Holdings, Inc. is the sole shareholder of PHSI, and acts as the holding company which owns the stock of PHSI. Prime Healthcare Holdings, Inc. was created as part of certain financing arrangements so that the stock of PHSI was owned by a corporation rather than Dr. Prem Reddy's family trusts.

### **Ownership of Prime Healthcare Holdings, Inc.**

As of December 26, 2012, the KASP Trust is the sole shareholder of and owns 100% of Prime Healthcare Holdings, Inc. Prior to December 26, 2012, the KASP Trust owned 90% of Prime Healthcare Holdings, Inc., and the Dr. Prem Reddy Family Trust owned 10% of Prime Healthcare Holdings, Inc. The KASP Trust is an irrevocable trust created for the benefit of the children of Drs. Prem and Venkamma Reddy.

### **The KASP Trust**

The KASP Trust is an irrevocable trust which was created by Dr. Prem Reddy and Dr. Venkamma Reddy for the benefit of their three children. KASP Trust serves as the sole shareholder of Prime Healthcare Holdings, Inc., and makes those decisions required to be made by the shareholder of Prime Healthcare Holdings, Inc., under the bylaws of Prime Healthcare Holdings, Inc. The decisions include the following:

- Appointment of the Board of Directors;
- Amendments to Bylaws; and
- Amendments to Articles of Incorporation.

The KASP Trust and its trustee are not involved in the day-to-day operations of any hospitals and will not be involved in the day to day operations of Prime-Landmark.

Madan Reddy, the brother of Prem Reddy, M.D., serves as the trustee of the KASP Trust and, in such capacity, has the authority, on behalf of The KASP Trust, to make the decisions set forth above.

### **Landmark Health System**

#### **Organization**

Woonsocket Hospital ("WH") was established as a non-profit charity in 1873. It continued to operate in this form, as amended from time to time, until the late 1980s. In 1987, WH was reorganized under a newly created parent corporation known as Woonsocket Community Health ("WCH") for the purpose of advancing the hospital's mission. Shortly thereafter WH merged and consolidated with John Fogarty Memorial Hospital ("Fogarty Hospital"), a similar facility located in North Smithfield, Rhode Island. The newly combined entity was known as Woonsocket Hospital Corporation ("WHC"), which changed its name to Landmark Medical Center on September 8, 1988. Currently, LMC is licensed as a 214-bed general acute care hospital located in Woonsocket, Rhode Island.

At the same time that WH and FH merged, WH's parent corporation, WHC, merged and consolidated with the parent of Fogarty Hospital, Fogarty Health Systems, Inc. The consolidated entity, Fogarty-Woonsocket Health Care Corporation, changed its name to Landmark Health Systems on September 8, 1988. LHS is a tax-exempt organization and sole corporate member of LMC. LHS was formed to own, manage, and operate both hospital facilities, merge their operations and otherwise advance their missions. With LHS as the sole operator of both hospitals, the two facilities improved the integration and efficiency of their operations, and continued to serve communities in northern Rhode Island and southeastern Massachusetts with the same high quality health care that these facilities had traditionally provided.

LHS subsequently formed a joint venture with Braintree Rehabilitation Hospital in Braintree, Massachusetts for the purposes of converting and operating the facilities of the former Fogarty Hospital as a specially licensed rehabilitation hospital. This facility is RHRI, which is a for-profit rehabilitation hospital located in North Smithfield, Rhode Island.

In 2003, LHS subsequently formed a Joint Venture with LMC known as Northern Rhode Island Rehab Management Associates (NRIRMA). NRIRMA is a Delaware Corporation formed for the purposes of acquiring full ownership of and operating RHRI and its facilities.

In 2008, NRIRMA sold certain properties and facilities of RHRI to Medistar Rhode Island, LLC, a Texas limited liability company. NRIRMA leased back these properties from Medistar and continues to operate and manage RHRI.

LHS, LMC, NRIRMA and their organizational predecessors have created various subsidiary and/or affiliated entities which relate or related to serving the respective missions of each organization. Most of such affiliated entities no longer exist, or are no longer active. **Exhibit 1(a)** identifies all Landmark-related corporations and the current status of each. An organizational diagram of the Landmark Entities is provided at **Exhibit 12(b)**. Corporate documents and certificates for all active entities are provided among the documents in this submission.

### **Court Supervision and Governance**

On June 26, 2008, the Superior Court for the County of Providence appointed the Special Master to oversee the operations of LMC. LHS and RHRI followed on September 12, 2008 and November 13, 2008, respectively. The Special Master, under the supervision of the Court and in his capacity as Special Master, is the sole governing and operational authority for LMC, LHS, and NRIRMA. The Landmark Entities presently have no governing body, trustees, or other executives empowered to direct the Special Master or to undertake actions not delegated or approved by the Special Master.

The body of senior managers involved in the daily operations of the Landmark Entities, all of whom report to the Special Master, has been extensively reduced and consolidated since 2008, and is described and detailed in various documents included in this submission.

## **Bid Process**

Throughout the mastership proceeding, the Special Master, with the oversight of the Court-designated health care expert Pricewaterhouse Coopers, LLP (“PwC”), diligently searched for a strategic partner for the acquisition of the assets and business of the Landmark Entities. Despite receiving a significant amount of interest from numerous parties between 2008 and 2010, none of those interested parties completed a transaction for the purchase of the assets and business of the Landmark Entities.

In or about January 2011, in an effort to identify prospective purchasers for the Landmark Entities, with the recommendation of PwC, the Special Master retained Joshua Nemzoff of Nemzoff & Company, LLC to act as a Hospital Acquisition Advisor. Following Mr. Nemzoff’s retention by the Special Master, he identified approximately fifteen (15) entities interested in bidding on the assets and business of the Landmark Entities. In response to the growing interest in the acquisition of the assets and business of the Landmark Entities, the Superior Court for the State of Rhode Island sitting in Providence County entered an Order (attached as **Exhibit 1(b)**) outlining a process pursuant to which (i) those entities interested in purchasing the assets and business of the Landmark Entities could submit bids for the same, (ii) the Special Master and the Court could consider those bids submitted, and (iii) the Court could eventually make a decision relative to the bids submitted (the “Bid Process”). Throughout the Bid Process, the Special Master made available a December 2009 report, Landmark Medical Center Community Benefit Analysis, prepared by PwC (**Exhibit 1(c)**) and the March 2010 report, The Economic Impact of Landmark Health Systems on the Rhode Island Economy, prepared by Vector Group, LLC (**Exhibit 1(d)**).

As a result of the Bid Process, five (5) entities submitted bids for the assets and business of the Landmark Entities and the Court held several lengthy hearings relative to those bids submitted. Subsequent to those hearings, the Court on at least two (2) occasions directed the bidders to improve their respective bids and/or provide greater detail with regard to certain issues presented in their bids. Prior to a scheduled bid selection hearing, in or about late May 2011/early June 2011, Steward Medical Holdings, LLC (“Steward”) presented the Special Master with a bid which the Special Master deemed superior to all other bids that had been submitted to the Court. The Special Master presented the bid to the Court requesting authorization to accept the Steward bid. At the conclusion of a lengthy hearing, the Court determined that none of the previously submitted bids were acceptable or viable, that the Steward bid was acceptable and viable and that the Special Master was authorized to execute the Asset Purchase Agreement and Agreement for Advisory Services with Steward.

In September 2012, Steward informed the Special Master that it had no objection to the Special Master speaking with other potential bidders and exploring the interest of such bidders in acquiring the assets of the Landmark Entities. Thereafter, the Special Master contacted several parties, including Prime, to determine their interest in acquiring the assets of the Landmark Entities.

PHSI expressed an interest in acquiring the Landmark Entities and on September 19, 2012, the Special Master and the Landmark Entities reached an agreement on the terms under which

Prime-Landmark would be willing to acquire the assets. Thereafter, Prime deposited \$1 Million with the Special Master.

On October 9, 2012, the Court conditionally approved the Prime-Landmark Asset Purchase Agreement and authorized the Special Master to execute the Prime-Landmark Asset Purchase Agreement. The Court's approval was conditional as the schedules to the Prime Asset Purchase Agreement and the Working Capital Loan and the Advisory Agreement had not been finalized. Thereafter, the schedules, the Working Capital Loan and the Advisory Agreement were distributed to all parties.

On October 31, 2012, the Court, after hearing from all interested parties, approved the Prime-Landmark Asset Purchase Agreement, the Working Capital Loan, and the Advisory Agreement.

### **Proposed Conversion**

Under the Asset Purchase Agreement, the sellers propose to sell all right, title and interest in all assets, both real and personal, and both tangible and intangible, associated with owning, leasing, managing and operating LMC and RHRI, free and clear of all claims, liens and encumbrances. The assets include the business operations and any other assets located at the following addresses:

- (a) 115 Cass Avenue, Woonsocket, Rhode Island (the "Main Campus");
- (b) 116 Eddie Dowling Highway, North Smithfield, Rhode Island ("RHRI Campus");
- (c) 196 Cass Avenue, Woonsocket, Rhode Island (the "Business Office");
- (d) 186 Cass Avenue, Woonsocket, Rhode Island (the "Heart Center");
- (e) 206 Cass Avenue, Woonsocket, Rhode Island (the "Physician Office");
- (f) 219 Cass Avenue, Woonsocket, Rhode Island (the "Medical Office Bldg");
- (g) 20 Cumberland Hill Road, Woonsocket, Rhode Island (the "Drawing Station");
- (h) 115 Cass Avenue, Woonsocket, Rhode Island, Suite 2 (the "Oncology Practice");
- (i) 355 Cass Avenue, Woonsocket, Rhode Island ("Parking");
- (j) 63 Eddie Dowling Highway, North Smithfield, Rhode Island ("OB Practice");
- (k) 501 Great Road, North Smithfield, Rhode Island ("General Surgery"); and
- (l) 6 Blackstone Valley Place, Suite 501, Lincoln, Rhode Island.

Under the Asset Purchase Agreement, Prime-Landmark will pay a total purchase price of Forty Three Million Two Hundred Fifty Thousand Dollars (\$43,250,000). The Purchase Price will be payable as follows:

(a) Thirty Million Dollars (\$30,000,000) shall be paid for capital expenditures during the first five (5) years following the Closing;

(b) Two Million Dollars (\$2,000,000) shall be paid in satisfaction of the Sellers' indebtedness, including any accrued but unpaid interest, to Steward, as successor-in-interest to Caritas Christi;

(c) One Million Six Hundred Thousand Dollars (\$1,600,000) shall be paid in satisfaction of the Sellers' indebtedness, including any accrued but unpaid interest, to Northborough Capital Partners, LLC;

(d) Four Million Four Hundred Thousand Dollars (\$4,400,000) shall be paid in satisfaction of the Sellers' indebtedness, including any accrued but unpaid interest calculated with an interest rate of no more than six percent (6%), to Blackstone Medical Center, Inc., f/k/a Steward Medical Holdings Subsidiary Four, Inc. under that certain Working Capital Loan Agreement;

(e) Three Million Five Hundred Thousand Dollars (\$3,500,000) shall be payable at Closing by payment of the premium for the "tail" insurance;

(f) One Million Dollars (\$1,000,000.00) due to Buyer under the Working Capital Loan Agreement between Buyer and Seller shall be forgiven; and

(g) Seven Hundred Fifty Thousand Dollars (\$750,000.00) shall be available to pay expenses of the Mastership Case on and after the Closing.

The transaction shall be funded entirely through equity and Prime-Landmark will not take on any new debt commitments. The \$30,000,000 investment in capital is intended to be used in connection with the operation of the facilities as well as needed updates to the facilities, such as investments in technology or expansion of services.

**Commitments for and Development of New Services and Facilities**

Prime-Landmark will invest no less than \$30 Million during the five (5) years following the Closing to improve the facilities, the quality of care being provided, and the expansion of service lines at LMC. Prime-Landmark anticipates that the initial investments will be focused on upgrading the physical plant at LMC and purchasing new equipment and information technology systems used to deliver patient care. Prime-Landmark will also invest \$4,500,000 in physician recruitment during the first five years, and in the development of collaborative relationships with local physicians and community health centers which are, among other things, designed to deliver primary care in a more efficient and accessible manner and to identify services needed in the community. Prime-Landmark will also work with other area hospitals to develop centers of excellence at area hospitals.

**Role of Prime Healthcare Management, Inc.**

Prime Healthcare Management provides management, consulting, and support services to hospitals owned and operated by PHSI and Prime Healthcare Foundation. Prime Healthcare



Management's services include consulting services in the area of legal matters, risk management, clinical operations, finance and accounting.

Prime Healthcare Management will not manage the operations of LMC or RHRI as the operations will be managed by the Chief Executive Officer, Chief Financial Officer, and Chief Nursing Officer for the facilities and who will be employed by Prime-Landmark. Prime Healthcare Management's Vice-Presidents and Directors/Managers will provide advice and support to Prime-Landmark's employees in an effort to improve clinical quality and efficiencies as these individuals have developed subject matter expertise and have developed best practices.

The response to this Question 1 was updated in response to the April 3, 2013 request from the Rhode Island Attorney General and Rhode Island Department of Health for supplementary information regarding this Application ("April AG/DOH Request"), specifically concerning Deficiency 1. That deficiency requested confirmation that responses concerning PHSI have been incorporated into all questions of this Application. To the extent applicable, PHSI has been incorporated into all questions of this Application.

Deficiency 5 of the February AG/DOH Request asked:

**Please identify and provide any applicable documents that were not filed with this Initial Application that were filed with the previous Initial Application regarding the transaction with Landmark and Steward Healthcare.**

Response:

The Special Master thoroughly reviewed the previously filed Hospital Conversion Application in connection with the Steward HealthCare conversion (the "Steward Filing") during his preparation of the initial application associated with the proposed transaction (the "Prime Filing"). The Special Master included all information provided in connection with the Steward Filing that he identified as relevant and responsive to the questions asked in the application associated with the Prime Filing. To the extent that information or documents were provided with the Steward Filing and not provided with the Prime Filing, the exclusion of that information and those documents is the result of a determination that such information and/or documents were not relevant or responsive to the Prime Filing and the questions posed in the Prime application.

#### **May 21, 2013 Filing**

**14. Please explain the relationship between the KASP Trust and Prime Healthcare Services, Inc., including, how decisions are made to disburse funds to the KASP Trust from Prime Healthcare Services, Inc. Please provide any documents that effectuate this relationship.**

Response:

The KASP Trust is the sole shareholder of Prime Healthcare Holdings, Inc. ("Prime Holdings") and the KASP Trust, through its trustee, Madan Reddy (Dr. Prem Reddy's brother), elects the director of Prime Holdings. Dr. Prem Reddy is the sole director of Prime Holdings. Prime

Holdings, as the sole shareholder of PHSI, elects PHSI's directors and has elected Dr. Prem Reddy, Robert Diener, Ted Dutton, Greg Hafif, and Hon. Jack Hunt (Ret.) to serve as directors of PHSI.

PHSI's Board of Directors, acting as the Board of Directors of the subsidiary hospitals, decides whether to disburse funds from the subsidiary hospitals to PHSI, Prime Holdings and ultimately to the KASP Trust. Distributions occur only if there is net income remaining at the hospitals after the payment of operating expenses, making technological and other improvements, creating reserves and repaying any outstanding loans.

**Exhibit 1(e)** includes Stock Certificate #203, evidencing Prime Holdings ownership of PHSI. As noted in the May 8, 2013 Memorandum, appended at **Exhibit 1(f)** (see below), in 2010, Prime Holdings was formed as part of a financing undertaking, resulting in Prime Holdings, rather than KASP Trust, being the sole shareholder of PHSI. Also attached at **Exhibit 1(g)** is Stock Certificate #2, evidencing the KASP Trust's ownership in Prime Holdings.

- 15. Please explain the relationship between the [Dr.] Prem Reddy Family Trust and Prime Healthcare Management, Inc., including, how decisions are made to disburse funds to the [Dr.] Prem Reddy Family Trust from Prime Healthcare Management, Inc. Please provide any documents that effectuate this relationship.**

Response:

Prem Reddy Family Trust is the sole shareholder of Prime Healthcare Management, Inc. Prem Reddy Family Trust, through its trustee, Dr. Prem Reddy, elects the Board of Directors of Prime Healthcare Management, Inc. The Board of Directors of Prime Healthcare Management, Inc. (consisting of Dr. Prem Reddy) determines when to disburse distributions to Prem Reddy Family Trust. Disbursements would occur only after all operating expenses were paid and sufficient reserves were set aside.

Stock Certificate #2 is appended at **Exhibit 1(h)**, evidencing ownership of Prime Healthcare Management, Inc. by Prem Reddy Family Trust.

- 20. Please provide the current status of the creation of "the three (3) new trusts to replace the KASP Trusts", as noted in the February 18, 2013 letter from Michael J. Sarrao to Prem Reddy, MD (re: resignation as co-trustee).**

Response:

As part of efforts to update the estate planning of Drs. Prem and Venkamma Reddy, a plan has been developed to create three new trusts to replace the KASP Trust with a separate trust for each of the children. There will be one (1) trust that benefits Kavitha Bhatia, one trust that benefits Ashok Reddy, and one trust that benefits Sunitha Reddy. It is anticipated that the new trusts will be created within the next few months. This will mean that Prime Healthcare Holdings, Inc. will have three (3) shareholders rather than one.

**June 14, 2013 Filing**

**Prime Healthcare Holdings, Inc. (“Prime Holdings”)**

Prime Holdings is a Delaware corporation and the sole shareholder of Prime Healthcare Services, Inc. (“PHSI”). Prime Holdings was formed in 2010 as a result of certain financing arrangements so that PHSI stock would be held by a corporation rather than Prem Reddy’s family trusts. The holding of PHSI stock is Prime Holdings’ sole function.

Prime Holdings is a holding company that has no employees and will play no role in the management and operations of Landmark Medical Center (“LMC”) and Rehabilitation Hospital of Rhode Island (“RHRI”) post-conversion.

See the organizational chart at May Filing, **Exhibit 1(a) (now Exhibit 12(a))**, LPHCA/M-00001, which shows Prime Holdings’ organizational position just below KASP Trust which is Prime Holdings’ sole shareholder.

**Prime Healthcare Management, Inc. (“PHMI”)**

PHMI is a California corporation that is wholly-owned by Prem Reddy Family Trust. See the organizational chart at May Filing, **Exhibit 1(b) (now Exhibit 12(a))**, LPHCA/M-00003, showing this organizational relationship.

The role of PHMI is described at April Filing, I-1-6 to I-1-7 and I-12-4, as well as in the May 8, 2013 Memorandum at May Filing, **Exhibit 16 (now Exhibit 1(f))**, LPHCA/M-00109-00121.

See April Filing, I-1-1 through I-1-7 and the Exhibits referenced therein, for a complete response to this question.

**2. Contact information of President or CEO of each Transacting Party (Please replicate as needed):**

Prime Healthcare Services – Landmark, LLC

|  |                           |            |
|--|---------------------------|------------|
| Name: Prem Reddy, M.D., FACC, FCCP   | Telephone: (909) 235-4400 |            |
| Address: 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario                           | State: CA                 | Zip: 91761 |
| E-mail: <a href="mailto:premreddy@primehealthcare.com">premreddy@primehealthcare.com</a> | Fax (909) 235-4419        |            |

Prime Healthcare Services, Inc.

|  |                           |            |
|--|---------------------------|------------|
| Name: Prem Reddy, M.D., FACC, FCCP   | Telephone: (909) 235-4400 |            |
| Address: 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario                           | State: CA                 | Zip: 91761 |
| E-mail: <a href="mailto:premreddy@primehealthcare.com">premreddy@primehealthcare.com</a> | Fax (909) 235-4419        |            |

Prime Healthcare Holdings, Inc.

|  |                           |            |
|--|---------------------------|------------|
| Name: Prem Reddy, M.D., FACC, FCCP   | Telephone: (909) 235-4400 |            |
| Address: 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario                           | State: CA                 | Zip: 91761 |
| E-mail: <a href="mailto:premreddy@primehealthcare.com">premreddy@primehealthcare.com</a> | Fax (909) 235-4419        |            |

Prime Healthcare Management, Inc.

|  |                           |            |
|--|---------------------------|------------|
| Name: Prem Reddy, M.D., FACC, FCCP   | Telephone: (909) 235-4400 |            |
| Address: 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario                           | State: CA                 | Zip: 91761 |
| E-mail: <a href="mailto:premreddy@primehealthcare.com">premreddy@primehealthcare.com</a> | Fax (909) 235-4419        |            |

Landmark Entities

|  |                                  |            |
|--|----------------------------------|------------|
| Name: Richard Charest, R.Ph., MBA  | Telephone: (401) 769-4100 x 2000 |            |
| Address: 115 Cass Avenue, Woonsocket   | State: RI                        | Zip: 02895 |
| E-mail: <a href="mailto:rcharrest@landmarkmedical.org">rcharrest@landmarkmedical.org</a> | Fax (401) 766-5488               |            |

3. Name, title, address, phone, fax and e-mail of one contact person for each Transacting Party for this application process (only if different from the President/CEO in Question 2)(Please replicate as needed):

Prime Healthcare Services – Landmark, LLC

|  |                           |            |
|--|---------------------------|------------|
| Name: Cynthia Warren, Esq.   | Telephone: (401) 331-5700 |            |
| Address: 301 Promenade Street, Providence                          | State: RI                 | Zip: 02908 |
| E-Mail: <a href="mailto:cwarren@cm-law.com">cwarren@cm-law.com</a> | Fax: (401) 454-4526       |            |

Prime Healthcare Services, Inc.

|  |                           |            |
|--|---------------------------|------------|
| Name: Cynthia Warren, Esq.   | Telephone: (401) 331-5700 |            |
| Address: 301 Promenade Street, Providence                          | State: RI                 | Zip: 02908 |
| E-Mail: <a href="mailto:cwarren@cm-law.com">cwarren@cm-law.com</a> | Fax: (401) 454-4526       |            |

Prime Healthcare Holdings, Inc.

|  |                           |            |
|--|---------------------------|------------|
| Name: Cynthia Warren, Esq.   | Telephone: (401) 331-5700 |            |
| Address: 301 Promenade Street, Providence                          | State: RI                 | Zip: 02908 |
| E-Mail: <a href="mailto:cwarren@cm-law.com">cwarren@cm-law.com</a> | Fax: (401) 454-4526       |            |

Prime Healthcare Management, Inc.

|  |                           |            |
|--|---------------------------|------------|
| Name: Cynthia Warren, Esq.   | Telephone: (401) 331-5700 |            |
| Address: 301 Promenade Street, Providence                          | State: RI                 | Zip: 02908 |
| E-Mail: <a href="mailto:cwarren@cm-law.com">cwarren@cm-law.com</a> | Fax: (401) 454-4526       |            |

Landmark Entities

|  |                           |            |
|--|---------------------------|------------|
| Name: Stephen D. Zubiago, Esq.   | Telephone: (401) 454-1017 |            |
| Address: One Citizens Plaza, Providence  | State: RI                 | Zip: 02903 |
| E-Mail: <a href="mailto:SZubiago@nixonpeabody.com">SZubiago@nixonpeabody.com</a> | Fax: (401) 454-1030       |            |

**B. EXISTING AFFILIATE HOSPITALS OF THE TRANSACTING PARTIES:**

4. For each existing affiliate hospital of the Transacting Parties, please provide the following information (Please replicate as needed):

|  |  |                      |            |
|--|--|----------------------|------------|
| Name of Facility: Alvarado Hospital LLC  |  | License #: 090000013 |            |
| Address: 6655 Alvarado Road, San Diego   |  | State: CA            | Zip: 92120 |
| Telephone: (619) 287-3720  |  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC |  |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit                                 |  |                      |            |

|   |  |                      |            |
|---|--|----------------------|------------|
| Name of Facility: Prime Healthcare Centinela, LLC dba Centinela Hospital Medical Center |  | License #: 930000027 |            |
| Address: 555 E. Hardy Street, Inglewood   |  | State: CA            | Zip: 90301 |
| Telephone: (310) 673-4660   |  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC          |  |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |  |                      |            |

|   |  |                      |            |
|---|--|----------------------|------------|
| Name of Facility: Veritas Health Services, Inc. dba Chino Valley Medical Center |  | License #: 240000125 |            |
| Address: 5451 Walnut Avenue, Chino  |  | State: CA            | Zip: 91710 |
| Telephone: (909) 464-8600   |  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership <u>X</u> Corporation ___ LLC  |  |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit                                  |  |                      |            |

|  |                   |            |
|--|-------------------|------------|
| Name of Facility: Dallas Medical Center, LLC dba Dallas Medical Center         | License #: 008564 |            |
| Address: 7 Medical Parkway, Dallas   | State: TX         | Zip: 75234 |
| Telephone: (972) 247-1000  |                   |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC |                   |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit                                 |                   |            |

|  |                      |            |
|--|----------------------|------------|
| Name of Facility: Desert Valley Hospital, Inc. dba Desert Valley Hospital      | License #: 240000562 |            |
| Address: 16850 Bear Valley Rd., Victorville                                    | State: CA            | Zip: 92395 |
| Telephone: (760) 241-8000  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership <u>X</u> Corporation ___ LLC |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit                                 |                      |            |

|  |                      |            |
|--|----------------------|------------|
| Name of Facility: Prime Healthcare Services – Encino, LLC dba Encino Hospital Medical Center | License #: 930000051 |            |
| Address: 16237 Ventura Boulevard, Encino   | State: CA            | Zip: 91436 |
| Telephone: (818) 995-5000  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC               |                      |            |
| Tax Status: ___ For-profit <u>X</u> Non-Profit   |                      |            |

|  |                      |            |
|--|----------------------|------------|
| Garden Grove, LLC dba Garden Grove Hospital Medical Center                     | License #: 060000152 |            |
| Address: 12601 Garden Grove Boulevard, Garden Grove                            | State: CA            | Zip: 92843 |
| Telephone: (714) 537-5160  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit                                 |                      |            |

|  |                   |            |
|--|-------------------|------------|
| Name of Facility: Harlingen Medical Center, Limited Partnership                                | License #: 007880 |            |
| Address: 5501 South Expressway 77, Harlingen   | State: TX         | Zip: 78550 |
| Telephone: (956) 365-1000  |                   |            |
| Type of Ownership: ___ Individual <u>X</u> Partnership ___ Corporation ___ LLC<br>[SEE NOTE 1] |                   |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit   |                   |            |

NOTE 1 – Subsidiaries of PHSI own 68% of Harlingen Medical Center, Limited Partnership.

|  |                      |            |
|--|----------------------|------------|
| Name of Facility: Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital | License #: 060000124 |            |
| Address: 17772 Beach Boulevard, Huntington Beach                                       | State: CA            | Zip: 92647 |
| Telephone: (714) 843-5000  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC         |                      |            |
| Tax Status: ___ For-profit <u>X</u> Non-Profit (as of January 1, 2013)                 |                      |            |



|  |                   |            |
|--|-------------------|------------|
| Name of Facility: Knapp Medical Center   | License #: 000480 |            |
| Address: 1401 E. Eighth Street, Weslaco  | State: TX         | Zip: 78596 |
| Telephone: (956) 968-8567  |                   |            |
| Type of Ownership: ___ Individual ___ Partnership <u>X</u> Corporation ___ LLC |                   |            |
| Tax Status: ___ For-profit <u>X</u> Non-Profit                                 |                   |            |

|   |                      |            |
|---|----------------------|------------|
| Name of Facility: Prime Healthcare La Palma, LLC dba La Palma Intercommunity Hospital | License #: 060000136 |            |
| Address: 7901 Walker Street, La Palma   | State: CA            | Zip: 90623 |
| Telephone: (714) 670-7400   |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC        |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                      |            |

|   |                   |            |
|---|-------------------|------------|
| Name of Facility: Prime Healthcare Services – Lower Bucks, LLC dba Lower Bucks Hospital | License #: 123101 |            |
| Address: 501 Bath Road, Bristol   | State: PA         | Zip: 19007 |
| Telephone: (215) 785-9200   |                   |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC          |                   |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                   |            |

|  |                      |            |
|--|----------------------|------------|
| Name of Facility: Prime Healthcare Services – Montclair, LLC dba Montclair Hospital Medical Center | License #: 240000141 |            |
| Address: 5000 San Bernardino Street, Montclair   | State: CA            | Zip: 91763 |
| Telephone: (909) 625-5411  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                     |                      |            |
| Tax Status: ___ For-profit <u>X</u> Non-Profit   |                      |            |

|  |                   |            |
|--|-------------------|------------|
| Name of Facility: Prime Healthcare Services – Pampa, LLC dba Pampa Regional Medical Center | License #: 100151 |            |
| Address: One Medical Plaza, Pampa  | State: TX         | Zip: 79065 |
| Telephone: (806) 665-3721  |                   |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC             |                   |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit   |                   |            |

|  |                      |            |
|--|----------------------|------------|
| Name of Facility: Prime Healthcare Paradise Valley, LLC dba Paradise Valley Hospital | License #: 090000086 |            |
| Address: 2400 East Fourth Street, National City                                      | State: CA            | Zip: 91950 |
| Telephone: (619) 470-4321  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC       |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit                                       |                      |            |

|   |                      |            |
|---|----------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– Providence, LLC dba Providence Medical<br>Center | License #: H-105-003 |            |
| Address: 8929 Parallel Parkway, Kansas<br>City  | State: KS            | Zip: 66112 |
| Telephone: (913) 596-4000   |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                    |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                      |            |

|  |                   |            |
|--|-------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– Roxborough, LLC dba Roxborough<br>Memorial Hospital | License #: 910401 |            |
| Address: 5800 Ridge Avenue, Philadelphia   | State: PA         | Zip: 19128 |
| Telephone: (215) 487-4245  |                   |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                       |                   |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit   |                   |            |

|   |                      |            |
|---|----------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– Saint John Leavenworth, LLC dba Saint<br>John Hospital | License #: H-052-002 |            |
| Address: 3500 S. Fourth Street,<br>Leavenworth  | State: KS            | Zip: 66048 |
| Telephone: (913)-680-6000   |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                          |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                      |            |

|  |                           |            |
|--|---------------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– Reno, LLC dba Saint Mary’s Regional<br>Medical Center | License #: Not Applicable |            |
| Address: 235 W. 6 <sup>th</sup> Street, Reno   | State: NV                 | Zip: 89503 |
| Telephone: (775) 770-3000  |                           |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                         |                           |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit   |                           |            |

|   |                      |            |
|---|----------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– San Dimas, LLC dba San Dimas<br>Community Hospital | License #: 930000139 |            |
| Address: 1350 West Covina Boulevard, San<br>Dimas   | State: CA            | Zip: 91773 |
| Telephone: (909) 599-6811   |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                      |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                      |            |

|  |                      |            |
|--|----------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– Shasta, LLC dba Shasta Regional Medical<br>Center | License #: 230000023 |            |
| Address: 1100 Butte Street, Redding  | State: CA            | Zip: 96049 |
| Telephone: (530) 244-5400  |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                     |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit   |                      |            |

|   |                      |            |
|---|----------------------|------------|
| Name of Facility: Prime Healthcare Services<br>– Sherman Oaks, LLC dba Sherman Oaks<br>Hospital | License #: 930000149 |            |
| Address: 4929 Van Nuys Boulevard,<br>Sherman Oaks   | State: CA            | Zip: 91403 |
| Telephone: (818) 981-7111   |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                  |                      |            |
| Tax Status: ___ For-profit <u>X</u> Non-Profit  |                      |            |

|   |                      |            |
|---|----------------------|------------|
| Name of Facility: Prime Healthcare<br>Anaheim, LLC dba West Anaheim Medical<br>Center | License #: 060000182 |            |
| Address: 3033 West Orange Avenue,<br>Anaheim  | State: CA            | Zip: 92804 |
| Telephone: (714) 827-3000   |                      |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC        |                      |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                      |            |

|  |                     |            |
|--|---------------------|------------|
| Name of Facility: Landmark Medical Center  | License #: HOS00117 |            |
| Address: 115 Cass Avenue, Woonsocket   | State: RI           | Zip: 02895 |
| Telephone: (401) 769-4100  |                     |            |
| Type of Ownership: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> LLC |                     |            |
| Tax Status: <input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-Profit   |                     |            |

|  |                     |            |
|--|---------------------|------------|
| Name of Facility: Rehabilitation Hospital of Rhode Island  | License #: RHC02102 |            |
| Address: 116 Eddie Dowling Highway, North Smithfield   | State: RI           | Zip: 02896 |
| Telephone: (401) 766-0800  |                     |            |
| Type of Ownership: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC |                     |            |
| Tax Status: <input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-Profit   |                     |            |

5. Please identify any changes that will occur in the information provided in response to Question 4 as a result of the implementation of the conversion.

|   |                |            |
|---|----------------|------------|
| Name of Facility: Prime Healthcare Services – Landmark, LLC dba Landmark Medical Center | License #: TBD |            |
| Address: 115 Cass Avenue, Woonsocket  | State: RI      | Zip: 02895 |
| Telephone: (401) 769-4100   |                |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC          |                |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                |            |

|   |                |            |
|---|----------------|------------|
| Name of Facility: Prime Healthcare Services – Landmark, LLC dba Rehabilitation Hospital of Rhode Island | License #: TBD |            |
| Address: 116 Eddie Dowling Highway, North Smithfield  | State: RI      | Zip: 02895 |
| Telephone: (401) 769-4100   |                |            |
| Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>X</u> LLC                          |                |            |
| Tax Status: <u>X</u> For-profit ___ Non-Profit  |                |            |

**6. Estimate the date for the implementation of the proposed conversion, if approved:  
Month/Year:**

In accordance with Section 2.1 of the Asset Purchase Agreement, as amended, the estimated date for the implementation of the proposed conversion, if approved, shall be within thirty (30) days after the Transacting Parties' receipt of the approvals from the Rhode Island Attorney General and the Rhode Island Department of Health pursuant to Chapter 23-17 (Licensing of Health Care Facilities) and Chapter 23-17.14 (The Hospital Conversions Act) of the Rhode Island General Laws, or such other date after the receipt of such approvals as the parties may agree in writing and, if required, as approved by the Court. This response was replaced pursuant to Deficiency 6 of the February AG/DOH Request.

See Third Amendment to Asset Purchase Agreement attached at **Exhibit 18**.

**June 14, 2013 Filing**

**Prime Holdings**

See response to this question at April Filing, I-6-1. The addition of Prime Holdings as a Transacting Party does not change that response.

**PHMI**

See response to this question at April Filing, I-6-1. The addition of PHMI as a Transacting Party does not change that response.



**C. CORPORATE**

7. (a) With regard to the officers, members of the boards of directors, trustees, executives, and senior level managers of each of the Transacting Parties and their affiliates, please provide the following for the past 2 years: (a) name; (b) address; (c) phone number; (d) occupation; and (e) tenure.

(b) Provide the (a) name; (b) address; (c) phone number; and (d) occupation of the proposed members of the board of directors, trustees, executives, and senior managers after the conversion of the Transacting Parties and their affiliates, identifying any additional or removal of members.

(c) Please describe the governance structure of the new hospital after conversion, including a description of how members of any board of directors, trustees or similar type group will be chosen.

(a) Prime Healthcare Services, Inc. (Parent Company and Manager of Prime Healthcare Services – Landmark, LLC)

**Board of Directors**

| Name                         | Address   | Telephone      | Occupation                                   | Tenure          |
|------------------------------|---|----------------|--|-----------------|
| Prem Reddy, M.D., FACC, FCCP | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Chairman, President & CEO, PHSI              | 2001 to Present |
| Robert Diener                | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Attorney, Retired Healthcare Executive       | 6/10 to Present |
| Ted Dutton                   | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | School Facilities Construction Consultant    | 6/10 to Present |
| Greg Hafif                   | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Attorney, Vice-Chairman Bank Holding Company | 6/10 to Present |
| Hon. Jack Hunt (Ret.)        | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Retired Superior Court Judge                 | 6/10 to Present |
| Lex Reddy                    | 5000 E. Spring Street, Suite 400, Long Beach, CA 90815              | (562) 429-0100 | Former CEO                                   | 6/10 to 2/12    |

The Board of Directors of PHSI also serves as the Board of Directors for each of the following entities that own and operate the following hospitals:

1. Desert Valley Hospital, Inc. dba Desert Valley Hospital
2. Veritas Health Services, Inc. dba Chino Valley Medical Center
3. Prime Healthcare La Palma, LLC dba La Palma Intercommunity Hospital
4. Prime Healthcare Anaheim, LLC dba West Anaheim Medical Center
5. Prime Healthcare Paradise Valley, LLC dba Paradise Valley Hospital
6. Prime Healthcare Centinela, LLC dba Centinela Hospital Medical Center
7. Prime Healthcare Services – San Dimas, LLC dba San Dimas Community Hospital
8. Prime Healthcare Services – Garden Grove, LLC dba Garden Grove Hospital Medical Center
9. Prime Healthcare Services – Shasta, LLC dba Shasta Regional Medical Center
10. Alvarado Hospital LLC dba Alvarado Hospital Medical Center
11. Prime Healthcare Services – Roxborough, LLC dba Roxborough Memorial Hospital
12. Prime Healthcare Services – Pampa, LLC dba Pampa Regional Medical Center
13. Prime Healthcare Services – Reno, LLC dba Saint Mary’s Regional Medical Center
14. Prime Healthcare Services – Lower Bucks, LLC dba Lower Bucks Hospital
15. Dallas Medical Center, LLC dba Dallas Medical Center
16. Prime Healthcare Services - Providence, LLC dba Providence Medical Center
17. Prime Healthcare Services - Saint John Leavenworth, LLC dba Saint John Hospital

Prime Healthcare Services – Harlingen Management, LLC, which is governed by PHSI’s Board of Directors, serves as the General Partner of Harlingen Medical Center, Limited Partnership.

**Senior Managers**

| Name                         | Address   | Telephone      | Occupation                          | Tenure                                      |
|------------------------------|---|----------------|-------------------------------------|---|
| Prem Reddy, M.D., FACC, FCCP | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Chairman, President & CEO, PHSI     | 2001 to Present                             |
| Mike Sarian                  | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | President, Hospital Operations I    | 6/2012 to Present                           |
| Luis Leon, PA-C              | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | President, Hospital Operations II   | 2/12 to present<br>(Prior roles since 2001) |
| Harsha Upadhyay              | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Vice-President, Clinical Operations | 9/12 to present<br>(Prior roles since 2006) |
| Michael Sarrao               | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | General Counsel                     | 3/06 to 12/12                               |

| Name                 | Address   | Telephone      | Occupation                     | Tenure           |
|----------------------|---|----------------|--------------------------------|------------------|
| R. David Grant       | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Interim General Counsel        | 12/12 to Present |
| Lex Reddy            | 5000 E. Spring Street, Suite 400, Long Beach, CA 90815              | (562) 429-0100 | Former CEO                     | 2001 to 2/12     |
| Roger Krissman       | 5000 E. Spring Street, Suite 400, Long Beach, CA 90815              | (562) 429-0100 | Former Chief Financial Officer | 2004 to 7/12     |
| Suzanne Richards, RN | 15248 Eleventh Street, Victorville, CA 92395                        | (760) 245-8691 | Former Chief Clinical Officer  | 2005 to 8/12     |

**Prime Healthcare Services Foundation, Inc. (Parent Company of Non-Profit Hospitals)**

| Name                         | Address   | Telephone      | Occupation                                 | Tenure           |
|------------------------------|---|----------------|--|------------------|
| Prem Reddy, M.D., FACC, FCCP | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Chairman, President & CEO, PHSI            | 12/06 to Present |
| Kavitha Bhatia, M.D.         | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Pediatrician                               | 8/11 to Present  |
| Gene Hernandez               | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Retired Police Chief                       | 8/11 to Present  |
| William Ruh                  | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | City Council Member, Real Estate Executive | 8/11 to Present  |
| David Thorson                | C/O 3300 East Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Insurance Company Executive                | 8/11 to Present  |

The Board of Directors of Prime Healthcare Services Foundation also serves as the corporate board of the following entities that own and operate the following non-profit hospitals:

1. Prime Healthcare Services – Encino, LLC dba Encino Hospital Medical Center
2. Prime Healthcare Services – Montclair, LLC dba Montclair Hospital Medical Center
3. Prime Healthcare Services – Sherman Oaks, LLC dba Sherman Oaks Hospital
4. Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital
5. Knapp Medical Center dba Knapp Medical Center

Following as provided in the response to Deficiency 8 of February AG/DOH Request:

Relationship between Dr. Prem Reddy Family Foundation and PHSI.

There is no relationship between the Dr. Prem Reddy Family Foundation (“Family Foundation”) and PHSI except for the following:

- The Family Foundation owns and operates a community medical library located adjacent to Desert Valley Hospital in Victorville, California. At times, the Family Foundation will require assistance with respect to the operation of the medical library such as a plumbing repair or information technology/computer issue. To the extent assistance is required, employees of Desert Valley Hospital will provide such assistance to the Family Foundation at no cost to the Family Foundation.
- The community medical library operated by the Family Foundation has two (2) meeting rooms that Desert Valley Hospital will sometimes use to conduct training or education programs for its employees. To the extent these meeting rooms are used by Desert Valley Hospital, the Family Foundation is paid a rental fee by Desert Valley Hospital.
- Dr. Prem Reddy serves as the President of the Family Foundation and as a member of the Board of Directors of the Family Foundation. Dr. Prem Reddy also serves as the Chairman, President & Chief Executive Officer of PHSI, and as a member of the Board of Directors of PHSI.

Relationship between Dr. Prem Reddy Family Foundation and Prime Healthcare Services Foundation.

There is no relationship between the Family Foundation and Prime Healthcare Services Foundation (“PHSF”) except for the following:

- As a private non-operating foundation, the Family Foundation is required to contribute certain amounts of money each year to public charities or, subject to expenditure responsibility being in place, to private operating foundations. The Family Foundation has made and will likely continue to make contributions to PHSF each year to support PHSF’s mission with such contributions being subject to expenditure responsibility even though PHSF has been a public charity since 2009.
- Dr. Prem Reddy serves as the President of the Family Foundation and as President of PHSF. Dr. Prem Reddy also serves on the Board of Directors of the Family Foundation and PHSF.
- Kavitha Bhatia, M.D., serves as the Treasurer of the Family Foundation, as a member of the Board of Directors of the Family Foundation, and as a member of the Board of Directors of PHSF.

Relationship between Prime Healthcare Services Foundation and PHSI.

PHSI has donated its membership interests in four of its subsidiary hospitals in 2009 (Encino Hospital Medical Center), 2010 (Montclair Hospital Medical Center), 2011 (Sherman Oaks Hospital), and 2012 (Huntington Beach Hospital) to PHSF. In addition, PHSF became the sole member of Knapp Medical Center as of January 1, 2013. As a result of these donations, Encino Hospital Medical Center (“EHMC”), Montclair Hospital Medical Center (“MHMC”), Sherman Oaks Hospital (“SOH”), and Huntington Beach Hospital (“HBH”) have the following relationships with PHSI:

- Employees of EHMC, MHMC, SOH, and HBH participate in PHSI's Self-Funded Medical Benefits Plan and each hospital pays a per participant premium/charge to PHSI each month. The premium/charge is based on actuarial reports. This relationship has been approved by the disinterested members of PHSF's Board of Directors.
- Employees of EHMC, MHMC, SOH, and HBH participate in PHSI's 401(k) program.
- EHMC, MHMC, SOH, and HBH are covered under certain master insurance policies maintained by PHSI with third party insurance carriers. EHMC, MHMC, SOH, and HBH pay their share of the applicable premiums to PHSI and PHSI passes through such payments to the third party carriers. This relationship has been approved by the disinterested members of PHSF's Board of Directors.
- Prime Healthcare Management, Inc., an affiliate of PHSI, provides certain management, consulting, and support services to EHMC, MHMC, SOH, and HBH subject to the terms of management services agreements. These relationships have been approved by the disinterested members of PHSF's Board of Directors.
- Dr. Prem Reddy serves as the President of PHSF and as the Chairman, President & Chief Executive Officer of PHSI. Dr. Prem Reddy also serves on the Board of Directors of PHSI and PHSF.
- Within the next twelve (12) months, employees of Knapp Medical Center will likely participate in PHSI's Self-Funded Medical Benefits Plan and 401(k) program and Knapp Medical Center may participate in PHSI's insurance programs.

In addition, PHSF operates community clinics in partnerships with the City of Chino and the City of Montclair which are near Chino Valley Medical Center and Montclair Hospital Medical Center.

Each hospital also has a local governing board as follows, updated in response to the February AG/DOH Request. Two additional hospitals recently acquired by PHSI: Providence Medical Center and Saint John Hospital are included. Knapp Medical Center had been added in the March 14, 2013 filing.

**Alvarado Hospital Medical Center**

| Name                     | Address   | Telephone      | Occupation                      |
|--------------------------|---|----------------|---------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909-235-4400  | Chairman, President & CEO, PHSI |
| Gerard Arcilla, M.D.     | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Prakash Bhatia, M.D.     | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Maurice Buchbinder, M.D. | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Richard Butcher, M.D.    | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Michael Butera, M.D.     | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Allan Churukian, M.D.    | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Larry Emdur, D.O.        | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | CMO                             |
| Irwin Goldstein, M.D.    | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Frederick Howden, M.D.   | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Tony McElroy             | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Police Captain                  |
| Lakshmi Prathipati, M.D. | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Allie Pruitt             | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Community Volunteer             |
| Jerome Robinson, M.D.    | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |
| Richard Safrin, M.D.     | 6655 Alvarado Road, San Diego, CA 92120                       | (619) 287-3270 | Physician                       |

| Name              | Address                                    | Telephone      | Occupation |
|-------------------|--|----------------|------------|
| Brian Weeks, M.D. | 6655 Alvarado Road, San Diego,<br>CA 92120 | (619) 229-4902 | Physician  |

Additional Senior Managers

| Name          | Address                                    | Telephone      | Occupation    |
|---------------|--|----------------|---------------|
| Luis Leon, PA | 6655 Alvarado Road, San Diego,<br>CA 92120 | (619) 287-3270 | CEO           |
| Brian Kleven  | 6655 Alvarado Road, San Diego,<br>CA 92120 | (619) 287-3270 | CFO           |
| Peggy Bailey  | 6655 Alvarado Road, San Diego,<br>CA 92120 | (619) 287-3270 | CNO           |
| Robin Gomez   | 6655 Alvarado Road, San Diego,<br>CA 92120 | (619) 287-3270 | Administrator |

**Centinela Hospital Medical Center**

| Name                           | Address  | Telephone      | Occupation                            |
|--------------------------------|--|----------------|---------------------------------------|
| Prem Reddy, M.D.               | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI    |
| Richard Sires, M.D.            | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Physician/Chief of Staff              |
| Linda Bradley                  | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Hospital CEO                          |
| Emmanuel Mba,<br>M.D.          | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Physician                             |
| Lee Weiss, M.D.                | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Physician                             |
| Norman Cravens                 | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Community Volunteer                   |
| Paryus Patel, M.D.             | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | CMO                                   |
| Robert Chesne, M.D.            | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Physician                             |
| Marc Little                    | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | COO, Faithful Central<br>Bible Church |
| Luke Clauss                    | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Asst. Fire Chief                      |
| Doris Lyonga, M.D.             | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Physician                             |
| Firooz Pak, M.D.               | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Physician                             |
| Florence Guerrero-<br>McCarthy | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | Community Volunteer                   |
| Mohammad<br>Abdelnaser         | 555 East Hardy Street,<br>Inglewood, CA 90301                    | (310) 680-1492 | CNO                                   |

Additional Senior Manager

| Name         | Address                                       | Telephone      | Occupation |
|--------------|---|----------------|------------|
| Paul Sennett | 555 East Hardy Street,<br>Inglewood, CA 90301 | (310) 680-1492 | CFO        |



**Chino Valley Medical Center**

| Name              | Address  | Telephone      | Occupation                            |
|-------------------|--|----------------|---------------------------------------|
| Prem Reddy, M.D.  | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman, President &<br>CEO, PHSI    |
| Irv Edwards, M.D. | 111 N. Sepulveda #210,<br>Manhattan Beach, CA 90266              | (909) 464-8600 | Physician/Chief of Staff              |
| Matt Ballantyne   | 13220 Central Avenue, Chino,<br>CA 91710                         | (909) 464-8600 | City Manager                          |
| James Lally, D.O. | 5451 Walnut Avenue, Chino,<br>CA 91710                           | (909) 464-8600 | CMO                                   |
| Miles Pruitt      | 5450 Walnut Avenue, Chino,<br>CA 91710                           | (909) 464-8600 | Police Chief                          |
| Wayne Joseph      | 5130 Riverside Drive, Chino,<br>CA 01710                         | (909) 464-8600 | School Superintendent                 |
| Mike Sarian       | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President of Hospital<br>Operations I |
| Paul Segalla      | 14911 City Center Drive, Chino<br>Hills, CA 91709                | (909) 902-5260 | Fire Chief                            |

**Additional Senior Managers**

| Name              | Address                                | Telephone      | Occupation   |
|-------------------|--|----------------|--------------|
| Mark Uffer        | 5451 Walnut Avenue, Chino,<br>CA 91710 | (909) 464-8600 | Regional CEO |
| Martin Mansukhani | 5451 Walnut Avenue, Chino,<br>CA 91710 | (909) 464-8600 | CFO          |
| Doreen Dan        | 5451 Walnut Avenue, Chino,<br>CA 91710 | (909) 464-8600 | CNO          |

**Dallas Medical Center**

| Name                | Address  | Telephone      | Occupation                                  |
|---------------------|--|----------------|---|
| Prem Reddy, M.D.    | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI          |
| Luis Leon           | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President, Hospital<br>Operations II, PHSI  |
| Djiraj Kotwal, M.D. | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Physician                                   |
| Ephraim Keng, M.D.  | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Physician                                   |
| Peter Grays, M.D.   | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Physician                                   |
| Rufus Green, M.D.   | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Physician                                   |
| Don Timm, M.D.      | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Physician/Chief of Staff                    |
| Charles Heath       | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | President, Metrocrest<br>Hospital Authority |
| Raji Kumar          | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Hospital CEO                                |
| Chirag Patel, M.D.  | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Chief Medical Officer                       |
| John Beall          | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | CNO   |
| Stella Fayomi       | 7 Medical Parkway, Dallas, TX<br>75234                           | (972) 247-1000 | Controller                                  |

Senior Managers included above.

**Desert Valley Hospital**

| Name                     | Address   | Telephone      | Occupation                         |
|--------------------------|---|----------------|------------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | Chairman, President & CEO, PHSI    |
| Victor Sabo, M.D.        | 16850 Bear Valley Road, Victorville, CA 92395                 | (760) 241-8000 | CMO                                |
| Martin Mansukhani        | 16850 Bear Valley Road, Victorville, CA 92395                 | (760) 241-8000 | CFO                                |
| Jose Luis Noronha, M.D.  | 16850 Bear Valley Road, Victorville, CA 92395                 | (760) 241-8000 | Physician                          |
| Maryam Zand, D.O.        | 16850 Bear Valley Road, Victorville, CA 92395                 | (760) 241-8000 | Physician                          |
| Thurston Smith           | 700 7 <sup>th</sup> Avenue, Hesperia, CA 92345                | (760) 241-8000 | City Council Member                |
| Carl Tate                | 21011 Bear Valley Road, Suite 4, Apple Valley, CA 92308       | (760) 241-8000 | Real Estate Executive              |
| Charbel Aoun, M.D.       | 14214 Main Street, Hesperia, CA 92385                         | (760) 217-4969 | Chief of Staff                     |
| Mike Sarian              | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909) 235-4400 | President of Hospital Operations I |
| Margaret Peterson, Ph.D. | 16850 Bear Valley Road, Victorville, CA 92395                 | (760) 241-8000 | CEO                                |
| Wanda Ruben, RN          | 16850 Bear Valley Road, Victorville, CA 92395                 | (760) 241-8000 | CNO                                |

Senior Managers included above.

**Encino Hospital Medical Center**

| Name                     | Address  | Telephone      | Occupation                          |
|--------------------------|--|----------------|-------------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400) | Chairman, President &<br>CEO, PHSI  |
| Bockhi Park              | 16237 Ventura Boulevard,<br>Encino, CA 91436                     | (818) 907-8630 | Hospital CEO                        |
| Sundeep Bhatia,<br>M.D.  | 16237 Ventura Boulevard,<br>Encino, CA 91436                     | (818) 907-8630 | CMO                                 |
| J. Nathan Rubin,<br>M.D. | 16237 Ventura Boulevard,<br>Encino, CA 91436                     | (818) 907-8630 | Physician/Chief of Staff            |
| James Cairns             | 16237 Ventura Boulevard,<br>Encino, CA 91436                     | (818) 907-8630 | Fire Chief                          |
| David Thorson            | 16237 Ventura Boulevard,<br>Encino, CA 91436                     | (818) 907-8630 | Insurance Executive                 |
| Kenneth Lehman           | 16237 Ventura Boulevard,<br>Encino, CA 91436                     | (818) 907-8630 | Community Volunteer                 |
| Mike Sarian              | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400) | President, Hospital<br>Operations I |
| Kanner Tillman           | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400) | CFO                                 |
| Jason Greenspan,<br>M.D. | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400) | Physician                           |

Additional Senior Manager

| Name      | Address                                      | Telephone      | Occupation                               |
|-----------|--|----------------|--|
| Em Garcia | 16237 Ventura Boulevard,<br>Encino, CA 91436 | (818) 907-8630 | Director of Nursing and<br>Administrator |

**Garden Grove Hospital Medical Center**

| Name                     | Address  | Telephone      | Occupation                         |
|--------------------------|--|----------------|------------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI |
| Sofia Abina, RN          | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | CNO and Administrator              |
| Hassan Alkhouli,<br>M.D. | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Regional CMO                       |
| Asaad Hakim, M.D.        | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Physician                          |
| Edward Hernandez,<br>Jr. | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Community Volunteer                |
| H. Joseph Khan,<br>M.D.  | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Physician/Chief of Staff           |
| Hong S. Kim, M.D.        | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Physician                          |
| Kermit D. Marsh          | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Community Volunteer                |
| Virg Narbutas            | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Regional CEO                       |
| Hung Nguyen, M.D.        | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Physician                          |
| Joseph Polisar           | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Community Volunteer                |
| Peter Wang, M.D.         | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843              | (714) 537-5160 | Physician                          |

Additional Senior Manager

| Name       | Address   | Telephone      | Occupation |
|------------|---|----------------|------------|
| Alan Smith | 12601 Garden Grove Blvd.,<br>Garden Grove, CA 92843 | (714) 537-5160 | CFO        |

**Harlingen Medical Center**

| Name                        | Address  | Telephone      | Occupation                         |
|-----------------------------|--|----------------|------------------------------------|
| Prem Reddy, M.D.            | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI |
| Hugo Blake, M.D.            | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Physician                          |
| Marion Lawler, M.D.         | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Physician                          |
| Cecil Simmons, M.D.         | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Physician                          |
| C. Michael Scott            | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Community Volunteer                |
| Michael Rinaldi             | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Community Volunteer                |
| William Torkildsen,<br>M.D. | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Physician                          |
| Francisco Loya, M.D.        | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | CMO                                |
| David Glassburn             | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | CFO                                |
| Brenda Ivory                | 5501 South Expressway 77,<br>Harlingen, TX 78550                 | (956) 365-1000 | Administrator                      |

Senior Managers included above.

**Huntington Beach Hospital**

| Name                       | Address  | Telephone      | Occupation                         |
|----------------------------|--|----------------|------------------------------------|
| Prem Reddy, M.D.           | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman, President &<br>CEO, PHSI |
| Hassan Alkhouli            | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Regional CMO                       |
| M. Michael Mahdad,<br>M.D. | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Physician                          |
| Kumar Raja, M.D.           | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Physician                          |
| Khaled Chan, M.D.          | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Physician                          |
| Kenneth Small              | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Police Chief                       |
| Mark Bell, M.D.            | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Physician                          |
| Cathy Green                | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | City Council Member                |
| Timothy Ryan               | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Community Volunteer                |
| Patrick McIntosh           | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Police Chief                       |
| Virg Narbutas              | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Regional CEO                       |
| Joseph Nassir, M.D.        | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Chief of Staff                     |
| Paul QaQundah,<br>M.D.     | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Physician                          |
| Josette Taglieri, M.D.     | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647             | (714) 843-5000 | Physician                          |

Additional Senior Managers

| Name       | Address  | Telephone      | Occupation |
|------------|--|----------------|------------|
| Alan Smith | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647 | (714) 843-5000 | CFO        |

| Name            | Address  | Telephone      | Occupation            |
|-----------------|--|----------------|-----------------------|
| Sofia Abina, RN | 17772 Beach Boulevard,<br>Huntington Beach, CA 92647 | (714) 843-5000 | CNO and Administrator |



**Knapp Medical Center**

| Name                        | Address   | Telephone      | Occupation                       |
|-----------------------------|---|----------------|----------------------------------|
| Dr. Prem Reddy              | 3300 E. Guasti Road, Ontario, CA 91761                        | (909)-235-4321 | Chairman, President & CEO        |
| Luis Leon                   | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909)-235-4361 | President Hospital Operations II |
| Dr. Michael DeCandia.       | 1401 E. Eighth Street, Weslaco, Texas 78596                   | (956)-696-5461 | Physician                        |
| Dr. S. Gopal Krishnan       | 1331 East Sixth Street, Weslaco, Texas 78596                  | (956)-968-9502 | Physician                        |
| Dr. Miguel Tello            | 909 So. Airport Dr., Weslaco, Texas 78596                     | (956)-968-0560 | Physician                        |
| Mr. Brian A. Humphreys, Jr. | 1000N. Westgate Dr., Weslaco, Texas 78596                     | (956)-878-1150 | Banker                           |
| Mr. Rudy Salinas            | 2300 W. Pike, Ste 201, Weslaco, Texas 78596                   | (956)-968-2108 | Lawyer                           |

Additional Senior Managers

| Name             | Address                                     | Telephone      | Occupation            |
|------------------|---|----------------|-----------------------|
| William Adams    | 1401 E. Eighth Street, Weslaco, Texas 78596 | (956) 968-8567 | Regional CEO          |
| Dinah Gonzalez   | 1401 E. Eighth Street, Weslaco, Texas 78596 | (956) 968-8567 | CFO and Administrator |
| Marcia Patterson | 1401 E. Eighth Street, Weslaco, Texas 78596 | (956) 968-8567 | Interim CNO           |

**La Palma Intercommunity Hospital**

| Name                     | Address  | Telephone       | Occupation                         |
|--------------------------|--|-----------------|------------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400  | Chairman, President &<br>CEO, PHSI |
| Hassan Alkhouli,<br>M.D. | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Regional CMO                       |
| Sami Shoukair, M.D.      | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician/Chief of<br>Staff        |
| Mahendra Patel,<br>M.D.  | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician                          |
| H. Mark Fatemi,<br>M.D.  | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician                          |
| Alan Heilpern, M.D.      | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician                          |
| Helene Saad, M.D.        | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician                          |
| Marlene Pritchard        | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Bank Manager                       |
| Norman Kuo, MD,<br>PhD   | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician                          |
| Brian O'Neal             | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | School Board Member                |
| Mark Scheier, M.D.       | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Physician                          |
| Virg Narbutas            | 7901 Walker Street, La Palma,<br>CA 90623                        | (714) -670-7400 | Regional CEO                       |

Additional Senior Managers

| Name            | Address                                   | Telephone       | Occupation  |
|-----------------|---|-----------------|-------------|
| Alan Smith      | 7901 Walker Street, La Palma,<br>CA 90623 | (714) -670-7400 | CFO         |
| Curtis Thompson | 7901 Walker Street, La Palma,<br>CA 90623 | (714) -670-7400 | Interim CNO |

**Lower Bucks Hospital**

| Name                  | Address  | Telephone      | Occupation                           |
|-----------------------|--|----------------|--------------------------------------|
| Prem Reddy, M.D.      | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman, President &<br>CEO, PHSI   |
| Luis Leon             | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President, Hospital<br>Operations II |
| Sanjay Bhatia, M.D.   | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | CMO                                  |
| Phillip Brackin, M.D. | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Physician                            |
| Martin Mersky, M.D.   | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Physician                            |
| Dan Bates             | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| Tina Davis            | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| Bruce Harris          | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| Robert Leipziger      | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| Louis Quattrocchi     | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| JoAnna Schneyder      | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| James Sell            | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| Ronald Walker         | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Community Volunteer                  |
| Peter Adamo           | 501 Bath Road, Bristol, PA<br>19007                              | (215) 785-9200 | Regional CEO                         |

**Additional Senior Managers**

| Name             | Address                             | Telephone      | Occupation |
|------------------|-------------------------------------|----------------|------------|
| Courtney Coffman | 501 Bath Road, Bristol, PA<br>19007 | (215) 785-9200 | CFO        |

| Name          | Address                             | Telephone      | Occupation |
|---------------|-------------------------------------|----------------|------------|
| Patricia Bain | 501 Bath Road, Bristol, PA<br>19007 | (215) 785-9200 | CNO        |

**Montclair Hospital Medical Center**

| Name               | Address  | Telephone      | Occupation                                      |
|--------------------|--|----------------|---|
| Prem Reddy, M.D.   | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI              |
| Virginia Eaton     | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | Community Volunteer                             |
| Gary Lai, M.D.     | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | Physician/Chief of Staff                        |
| Bill Ruh           | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | City Council<br>Member/Real Estate<br>Executive |
| James Lally, D.O.  | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 464-8600 | Physician                                       |
| J. Frank Hsu, M.D. | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | CMO   |
| Donald Vodvarka    | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | Community Volunteer                             |
| Gregory Brentano   | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | Hospital CEO                                    |
| Troy Ament         | 5000 San Bernardino St.,<br>Montclair, CA 91763                  | (909) 625-5411 | Fire Chief                                      |
| Mike Sarian        | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | President of Hospital<br>Operations I           |

Additional Senior Managers

| Name              | Address   | Telephone      | Occupation   |
|-------------------|---|----------------|--------------|
| Mark Uffer        | 5000 San Bernardino St.,<br>Montclair, CA 91763 | (909) 625-5411 | Regional CEO |
| Martin Mansukhani | 5000 San Bernardino St.,<br>Montclair, CA 91763 | (909) 625-5411 | CFO          |
| Gail Aviado       | 5000 San Bernardino St.,<br>Montclair, CA 91763 | (909) 625-5411 | CNO          |

**Pampa Regional Medical Center**

| Name                     | Address   | Telephone    | Occupation              |
|--------------------------|---|--------------|-------------------------|
| Doug Ware                | Brown, Graham and Company<br>2225 Perryton Parkway<br>Pampa, TX 79065 | 806-665-0085 | Accountant              |
| Jeff Andrews             | Leverich Companies<br>509 N. Price Road<br>Pampa, TX 79065            | 806-665-0063 | Accountant              |
| Glennette Goode          | Goode Angus<br>808 W. Francis<br>Pampa, TX 79065                      | 806-665-9432 | Rancher                 |
| Harold Prive             | Frank's True Value<br>401 N. Ballard<br>Pampa, TX 79065               | 806-665-4995 | Owner-Hardware Store    |
| Rene P. Grabato,<br>M.D. | 2931 Perryton Parkway<br>Pampa, TX 79065                              | 806-665-6511 | Physician               |
| Robert Julian, M.D.      | 3023 Perryton Parkway #101<br>Pampa, TX 79065                         | 806-665-0801 | Chief of Staff          |
| Brad Morse               | One Medical Plaza<br>Pampa, TX 79065                                  | 806-663-5628 | Chief Executive Officer |
| Twilla Thomas, RN        | One Medical Plaza<br>Pampa, TX 79065                                  | 806-663-5874 | Director of Nursing     |
| Dolores Czesnowski       | One Medical Plaza<br>Pampa, TX 79065                                  | 806-663-5625 | Executive Assistant     |

Senior Managers included above.

**Paradise Valley Hospital**

| Name                    | Address  | Telephone      | Occupation                                 |
|-------------------------|--|----------------|--|
| Prem Reddy, M.D.        | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI         |
| Prakash Bhatia, M.D.    | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Physician                                  |
| Donna Crowley,<br>M.D.  | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Physician                                  |
| Elmer Harder, M.D.      | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Physician                                  |
| Paul Manos, M.D.        | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Physician/Chief of Staff                   |
| Albert McClain,<br>M.D. | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Physician                                  |
| Frank Parra             | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Emergency Services<br>Director, Fire Dept. |
| Allie Pruitt            | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Boys & Girls Club<br>President             |
| John Pressler           | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Credit Union CEO                           |
| Janet Caceres           | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | CFO  |
| Neerav Jadeja           | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Administrator                              |
| Luis Leon, PA           | 2400 East Fourth Street,<br>National City, CA 91950              | (619) 470-4321 | Regional CEO                               |

Additional Senior Managers

| Name                  | Address   | Telephone      | Occupation |
|-----------------------|---|----------------|------------|
| Rosemarie Lim, M.D.   | 2400 East Fourth Street,<br>National City, CA 91950 | (619) 470-4321 | CMO        |
| Gemma Rama-<br>Banaag | 2400 East Fourth Street,<br>National City, CA 91950 | (619) 470-4321 | CNO        |

Providence Medical Center (Board of Directors in Development)

| Name             | Address  | Telephone      | Occupation                           |
|------------------|--|----------------|--------------------------------------|
| Prem Reddy, M.D. | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman, President &<br>CEO, PHSI   |
| Luis Leon, PA    | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President, Hospital<br>Operations II |

Additional Senior Managers

| Name       | Address   | Telephone      | Occupation |
|------------|---|----------------|------------|
| Randy Nyp  | 8929 Parallel Parkway, Kansas<br>City, KS 66112 | (913) 596-4000 | CEO        |
| Dave Dulny | 8929 Parallel Parkway, Kansas<br>City, KS 66112 | (913) 596-4000 | CFO        |



**Roxborough Memorial Hospital**

| Name                     | Address  | Telephone      | Occupation                         |
|--------------------------|--|----------------|------------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI |
| Joanne Knapp             | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Community Volunteer                |
| James Brown              | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Community Volunteer                |
| Patrick Lenahen,<br>M.D. | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Physician                          |
| Lawrence Bloom,<br>M.D.  | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Physician                          |
| Pradeep Bhagat,<br>M.D.  | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Physician                          |
| Sally Lane, M.D.         | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Medical Director                   |
| Kathleen Brogan          | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Community Volunteer                |
| Barbara Texter           | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Community Volunteer                |
| Peter Adamo              | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Regional CEO                       |
| Natalie Glantz           | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | CNO                                |
| Tom Reinboth             | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Interim CFO                        |
| Michael Henrici          | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | HRO                                |
| Andrea Pedano            | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Medical Director                   |
| Matt Shelak              | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Regional COO                       |
| Diane Schweizer          | 5800 Ridge Avenue,<br>Philadelphia, PA 19128                     | (215) 483-9900 | Fire Chief                         |

**Saint John's Hospital** (Board of Directors in Development)

| Name             | Address  | Telephone      | Occupation                           |
|------------------|--|----------------|--------------------------------------|
| Prem Reddy, M.D. | 3300 E. Guasti Road, 3rd Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman, President &<br>CEO, PHSI   |
| Luis Leon, PA    | 3300 E. Guasti Road, 3rd Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President, Hospital<br>Operations II |

Additional Senior Managers

| Name          | Address   | Telephone      | Occupation |
|---------------|---|----------------|------------|
| Randy Nyp     | 3500 S. Fourth Street,<br>Leavenworth, KS 66048 | (913)-680-6000 | CEO        |
| David Dulny   | 3500 S. Fourth Street,<br>Leavenworth, KS 66048 | (913)-680-6000 | CFO        |
| Jody Flincher | 3500 S. Fourth Street,<br>Leavenworth, KS 66048 | (913)-680-6000 | CNO        |

**Saint Mary's Regional Medical Center**

| Name                       | Address  | Telephone      | Occupation                         |
|----------------------------|--|----------------|------------------------------------|
| Prem Reddy, M.D.           | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI |
| Barbara Campbell           | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Community Volunteer                |
| Debbie Day                 | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Community Volunteer                |
| Bruce Farringer,<br>M.D.   | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Physician                          |
| Helen Lidholm              | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Hospital CEO                       |
| Barbara Curti              | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Community Volunteer                |
| Christian, Eby, M.D.       | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Physician                          |
| Frank Gallagher            | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Community Volunteer                |
| Magda Martinez-<br>Hoffman | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Community Volunteer                |
| Raymond Scott, M.D.        | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Physician/Chief of Staff           |
| Dennis Yamamoto,<br>M.D.   | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Physician                          |
| Jenny Wilson, M.D.         | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Physician                          |
| Richard Bryan, M.D.        | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503                 | (775) 770-3000 | Physician                          |

Additional Senior Managers

| Name               | Address  | Telephone      | Occupation |
|--------------------|--|----------------|------------|
| Jose Aguirre, M.D. | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503 | (775) 770-3000 | CMO        |
| Dan Galles         | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503 | (775) 770-3000 | CFO        |

| Name        | Address  | Telephone      | Occupation |
|-------------|--|----------------|------------|
| Katie Grimm | 235 W. 6 <sup>th</sup> Street, Reno, NV<br>89503 | (775) 770-3000 | CNO        |

**San Dimas Community Hospital**

| Name                  | Address   | Telephone      | Occupation                      |
|-----------------------|---|----------------|---------------------------------|
| Prem Reddy, M.D.      | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909-235-4400  | Chairman, President & CEO, PHSI |
| Martin Mansukhani     | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor, Ontario, CA 91761 | (909-235-4400  | CFO                             |
| Gregory Brentano      | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | Hospital CEO                    |
| Rajnish Jandial, M.D. | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | Physician                       |
| Dinesh Samant, M.D.   | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | Physician/Chief of Staff        |
| Emmett Badar          | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | City Council Member             |
| Hon. Jack Hunt (Ret)  | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | Retired Judge                   |
| Don Slawson           | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | Sheriff Captain                 |
| Jeffrey Templeman     | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | City Council Member             |
| Ronald Watson         | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | Asst. Fire Chief                |
| Zuhair Yahya, M.D.    | 1350 W. Covina Boulevard, San Dimas, CA 91773                 | (909) 599-6811 | CMO                             |

Additional Senior Managers

| Name         | Address                                       | Telephone      | Occupation   |
|--------------|---|----------------|--------------|
| Mark Uffer   | 1350 W. Covina Boulevard, San Dimas, CA 91773 | (909) 599-6811 | Regional CEO |
| Dora Noriega | 1350 W. Covina Boulevard, San Dimas, CA 91773 | (909) 599-6811 | CNO          |

**Shasta Regional Medical Center**

| Name                            | Address  | Telephone      | Occupation                          |
|---------------------------------|--|----------------|-------------------------------------|
| Prem Reddy, M.D.                | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI  |
| Jeff Avery                      | 1100 Butte Street, Redding, CA<br>96001                          | (530) 244-5400 | Insurance Executive                 |
| Piyush Dhanuka,<br>M.D.         | 1100 Butte Street, Redding, CA<br>96001                          | (530) 244-5400 | Physician/Chief of Staff            |
| Randall Hempling                | 1100 Butte Street, Redding, CA<br>96001                          | (530) 244-5400 | Hospital CEO                        |
| Thiruvipati<br>Nandakumar, M.D. | 1100 Butte Street, Redding, CA<br>96001                          | (530) 244-5400 | Physician                           |
| Phil Watkins                    | 1100 Butte Street, Redding, CA<br>96001                          | (530) 244-5400 | Insurance Executive                 |
| Glen Hayward                    | 1100 Butte Street, Redding, CA<br>96001                          | (530) 244-5400 | Director, Tribal Health<br>Services |

**Additional Senior Managers**

| Name                      | Address                                 | Telephone      | Occupation |
|---------------------------|---|----------------|------------|
| Marcia McCampell,<br>M.D. | 1100 Butte Street, Redding, CA<br>96001 | (530) 244-5400 | CMO        |
| Becky Levy                | 1100 Butte Street, Redding, CA<br>96001 | (530) 244-5400 | CFO        |
| Cyndy Gordon              | 1100 Butte Street, Redding, CA<br>96001 | (530) 244-5400 | CNO        |

**Sherman Oaks Hospital**

| Name                     | Address  | Telephone        | Occupation                         |
|--------------------------|--|------------------|------------------------------------|
| Prem Reddy, M.D.         | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400   | Chairman, President &<br>CEO, PHSI |
| Bockhi Park              | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | Hospital CEO                       |
| Muhammad Anwar,<br>M.D.  | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | CMO                                |
| J. Nathan Rubin,<br>M.D. | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | Physician/Chief of Staff           |
| Kenn Phillips            | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | Community Volunteer                |
| Kanner Tillman           | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | CFO                                |
| Em Garcia                | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | CNO and Administrator              |
| Roland Santos            | 4929 Van Nuys Boulevard,<br>Sherman Oaks, CA 91403               | (818) – 981-7111 | Director of Nursing                |

Senior Managers included above.

**West Anaheim Medical Center**

| Name                       | Address  | Telephone      | Occupation                                   |
|----------------------------|--|----------------|--|
| Prem Reddy, M.D.           | 3300 E. Guasti Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909-235-4400  | Chairman, President &<br>CEO, PHSI           |
| Hassan Alkhouli,<br>M.D.   | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Regional CMO                                 |
| Fairborz Shams, D.O.       | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Physician/Chief of Staff                     |
| Fred Shalom, M.D.          | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Physician                                    |
| George Baskevitch,<br>M.D. | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Physician                                    |
| Ching Lee, M.D.            | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Physician                                    |
| Jonathan Birnbaum,<br>M.D. | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Physician                                    |
| Sami Shoukair, M.D.        | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Physician                                    |
| Darlene Fishman            | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Director, RN Program at<br>Community College |
| Rod Natale                 | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Retired Police Chief                         |
| Roger Smith                | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Retired Fire Chief                           |
| Virg Narbutas              | 3033 W. Orange Avenue,<br>Anaheim, CA 92804                      | (714) 229-4000 | Regional CEO                                 |

Additional Senior Managers

| Name          | Address                                     | Telephone      | Occupation |
|---------------|---|----------------|------------|
| Alan Smith    | 3033 W. Orange Avenue,<br>Anaheim, CA 92804 | (714) 229-4000 | CFO        |
| Ginger Edward | 3033 W. Orange Avenue,<br>Anaheim, CA 92804 | (714) 229-4000 | CNO        |



LHS, LMC & NRMIRA presently have no governing bodies as they are under Special Mastership. The following persons are executive officers or senior staff of LMC & RHRI during the past two years:

|                      |  |
|----------------------|--|
| Name                 | Richard Charest                              |
| Home Address         | 19 Lincoln Drive, North Smithfield, RI 02896 |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895        |
| Occupation           | President of LMC and CEO of RHRI             |
| Position with Entity | President of LMC and CEO of RHRI             |
| Telephone Number     | 401-765-1410                                 |
| Tenure               | 7-15-85 - Present                            |

|                      |  |
|----------------------|--|
| Name                 | Lisa Zapatka                           |
| Home Address         | 20 Arbor Way, North Kingston, RI 02854 |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895  |
| Occupation           | Chief Nursing Officer                  |
| Position with Entity | Chief Nursing Officer                  |
| Telephone Number     | 401-578-1920                           |
| Tenure               | 7-9-04 – 4-13-12                       |

|                      |                                       |
|----------------------|---------------------------------------|
| Name                 | Charlene Elie                         |
| Home Address         | 155 Bryn Mawr Avenue, Auburn MA 01501 |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895 |
| Occupation           | Chief Nursing Officer                 |
| Position with Entity | Chief Nursing Officer                 |
| Telephone Number     | (508) 468-3966                        |
| Tenure               | 10-1-2012 - present                   |

|                      |  |
|----------------------|--|
| Name                 | Matthew Cotti                                |
| Home Address         | 19 Clyfton Street, Apt, 1, Plymouth MA 02360 |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895        |
| Occupation           | Chief Financial Officer                      |
| Position with Entity | Chief Financial Officer                      |
| Telephone Number     | 508-468-0953                                 |
| Tenure               | 7-5-11 – 7-17-12                             |

|                      |                                       |
|----------------------|---------------------------------------|
| Name                 | Thomas Klessens                       |
| Home Address         | 4 Nottingham Road, Tyngsboro, MA      |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895 |
| Occupation           | Chief Financial Officer               |
| Position with Entity | Chief Financial Officer               |
| Telephone Number     | 978-649-8776                          |
| Tenure               | 10-15-12 - Present                    |

|                      |                                       |
|----------------------|---------------------------------------|
| Name                 | Robert Crausman, MD                   |
| Home Address         | 5 Adams Circle, Rehoboth MA 02769     |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895 |
| Occupation           | Chief Medical Officer                 |
| Position with Entity | Chief Medical Officer                 |
| Telephone Number     | 401-595-3327                          |
| Tenure               | 3-6-10 – 11-23-12                     |

|                      |                                       |
|----------------------|---------------------------------------|
| Name                 | Glen Fort, MD                         |
| Home Address         | 69 Highland Avenue, Warwick, RI 02886 |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895 |
| Occupation           | Chief Medical Officer                 |
| Position with Entity | Chief Medical Officer                 |
| Telephone Number     | 401-766-3428                          |
| Tenure               | 2-1-13 to present                     |

|                      |                                       |
|----------------------|---------------------------------------|
| Name                 | Colleen Ryan                          |
| Home Address         | 107 South Street, Foxborough MA 02395 |
| Business Address     | 115 Cass Avenue, Woonsocket, RI 02895 |
| Occupation           | CIO and VP Professional Services      |
| Position with Entity | CIO and VP Professional Services      |
| Telephone Number     | 508-453-6529                          |
| Date of Hire         | 4-1-00 - present                      |

|                      |   |
|----------------------|---|
| Name                 | Demetra Ouellette                                     |
| Home Address         | 20 Dover Circle, Franklin, MA 02038                   |
| Business Address     | 116 Eddie Dowling Highway, North Smithfield, RI 02896 |
| Occupation           | Chief Operating Officer, RHRI                         |
| Position with Entity | Chief Operating Officer, RHRI                         |
| Telephone Number     | 508-346-3147  |
| Tenure               | 6-20-11 – Present                                     |

|                      |   |
|----------------------|---|
| Name                 | Keith Rafal, MD                                       |
| Home Address         | 124 Fisher Street, Medway MA 02053                    |
| Business Address     | 116 Eddie Dowling Highway, North Smithfield, RI 02896 |
| Occupation           | Chief Medical Officer, RHRI                           |
| Position with Entity | Chief Medical Officer, RHRI                           |
| Telephone Number     | 508-533-6285  |
| Date of Hire         | 1-22-01 – 2-28-12                                     |

|                      |  |
|----------------------|--|
| Name                 | Jorge Mayoral, MD  |
| Home Address         | 315 Old River Road, # 15, Lincoln RI 02865               |
| Business Address     | 116 Eddie Dowling Highway, North Smithfield, RI 02896    |
| Occupation           | Chief Medical Officer, RHRI                              |
| Position with Entity | Chief Medical Officer, RHRI                              |
| Telephone Number     | 201-707-0378   |
| Tenure               | 6-1-12 – 4-30-13 (later date than in resignation letter) |

|                      |   |
|----------------------|---|
| Name                 | Kathy Keeling   |
| Home Address         | 131 Howard Avenue, Pascoag, RI 02859                  |
| Business Address     | 116 Eddie Dowling Highway, North Smithfield, RI 02896 |
| Occupation           | Director of Nursing, RHRI                             |
| Position with Entity | Director of Nursing, RHRI                             |
| Telephone Number     | (401) 568-5145  |
| Date of Hire         | March 6, 2005   |

(b) Prime-Landmark has not yet identified those individuals who will serve on the local governing boards for Landmark Medical Center and Rehabilitation Hospital of Rhode Island. Nonetheless, the local governing boards will be comprised of local community leaders,

medical staff members, and hospital management. Prime-Landmark will seek input from all stakeholders as to the selection of the local governing board members.

(c) After the conversion, Prime-Landmark will be a wholly-owned subsidiary of PHSI, and the Board of Directors of PHSI will serve as the Board of Directors of Prime-Landmark. Prime-Landmark will form local governing boards at Landmark Medical Center and Rehabilitation Hospital of Rhode Island. Each local governing board will have five (5) to eleven (11) members including local physicians and community leaders. A proposed set of Local Governing Board bylaws are attached as **Exhibit 7(c)**.

**May 21, 2013 Filing**

**16. If Prime Healthcare Services, Inc. has no employees, what entity employs each of the individuals identified as its leadership executives outlined on its website: <http://www.primehealthcare.com/About-Us/Leadership.aspx?>**

Response:

Prime Healthcare Services, Inc. has no employees. Prime Healthcare Management, Inc. employs the leadership referenced at the Prime website.

For a complete description of the role of Prime Healthcare Management, Inc., please see the May 8, 2013 Memorandum appended at **Exhibit 16**.

**17. Is Prem Reddy employed or otherwise compensated by any entity and if so, by whom?**

Response:

Dr. Prem Reddy is employed and compensated by Prime Healthcare Management, Inc.

**June 14, 2013 Filing**

**Prime Holdings**

(a) Dr. Prem Reddy is the sole director and officer of Prime Holdings. There are no Senior Managers.

| Name                               | Address   | Telephone      | Occupation                            | Tenure          |
|------------------------------------|---|----------------|---------------------------------------|-----------------|
| Prem Reddy,<br>M.D., FACC,<br>FCCP | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman,<br>President & CEO,<br>PHSI | 2010 to Present |

- (b) No change post-conversion.
- (c) Not applicable as to Prime Holdings.

**PHMI**

(a) Dr. Prem Reddy is the sole director and officer of PHMI. See Chart below for current and former Senior Managers.

**Senior Managers**

| Name                               | Address   | Telephone      | Occupation                             | Tenure   |
|------------------------------------|---|----------------|--|--|
| Prem Reddy,<br>M.D., FACC,<br>FCCP | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Chairman,<br>President & CEO,<br>PHSI  | 2001 to Present                                    |
| Mike Sarian                        | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President, Hospital<br>Operations I    | 6/12 to Present                                    |
| Luis Leon, PA-C                    | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | President, Hospital<br>Operations II   | 2/12 to present<br><br>(Prior roles<br>since 2001) |
| Harsha<br>Upadhyay                 | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | Vice-President,<br>Clinical Operations | 9/12 to present<br><br>(Prior roles<br>since 2006) |
| Michael Sarrao                     | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | General Counsel                        | 3/06 to 12/12                                      |
| R. David Grant                     | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | General Counsel                        | 12/12 to 4/13                                      |
| Sharyn Alcaez                      | C/O 3300 East Guasti<br>Road, 3 <sup>rd</sup> Floor,<br>Ontario, CA 91761 | (909) 235-4400 | General Counsel                        | 4/13 to present                                    |

- (b) No change post-conversion.
- (c) Not applicable as to PHMI.

See April filing I-7-1 to I-7-36 for responses to (a) and (b) as to the Directors and Senior Managers of the other Transacting Parties and their affiliates. As to (c), see April Filing, I-7-37.

8. **Please provide a list of all current committees, subcommittees, task forces, or similar entities of the board of directors or trustees. With regard to each please include:**
- i. **a short description of the purpose of each committee; and**
  - ii. **the name, address, phone number, occupation and tenure of each current committee member.**

PHSI's Board of Directors does not have any subcommittees at this time and confirmed this fact in the response to Deficiency 10 of the February AG/DOH Request.

Below is a description of the committees that the Prime-affiliated hospitals may have. Prime anticipates that the local governing boards for LMC and RHRI will have some or all of the following committees:

#### **EXECUTIVE COMMITTEE**

A. Composition - The Chair or Vice Chair and Secretary or one other member of the Governing Board. This committee shall meet as needed.

B. Purpose and Functions: The purpose and function of the Executive Committee shall be as follows: (1) to transact all interim business that may occur between Governing Board meetings, for which approval or decision by the full Governing Board is not required; (2) to act in lieu of or in conjunction with any other committee, provided such action does not conflict with the policies and expressed wishes of the Governing Board or these bylaws. Any action so taken shall be ratified or modified, if necessary, at the next regular Governing Board meeting; (3) to serve as the Nominating Committee of the Governing Board and receive from the Board of Directors all nominees for Regular Members to the Governing Board for the Board's consideration and vote; (4) to serve as the Bylaws Committee, consider, and prepare for the Governing Board and the Board of Directors amendments to the Governing Board Bylaws; (5) to make recommendations to the Governing Board about capital acquisitions; (6) to serve as an investigational arm of the Governing Board on any Hospital or Medical Staff issue deemed appropriate by the Board.

#### **JOINT MEDICAL STAFF REVIEW COMMITTEE**

A. Composition – The Joint Medical Staff Review Committee is composed of an equal number of members of the Governing Board and of the Medical Executive Committee, but the Medical Staff members shall at least include the Chief of Staff and the Medical Director or Chairman of Performance Improvement Committee. The Administrator shall be a non-voting ex-officio member. The chair of the committee shall alternate yearly between members of the Governing Board and the Medical Staff. The committee shall meet as needed and shall transmit written reports of its activities to the Medical Executive Committee and to the Governing Board.

B. Purpose and Functions – The purpose and functions of the Joint Medical Staff Review Committee shall be as follows: (1) to constitute a forum for the discussion of matters of Hospital and Medical Staff mission, vision, performance, policy, practice and planning; (2) to serve as a forum for interaction between the Governing Board and the Medical Staff on such



matters as may be referred by the Medical Executive Committee or the Governing Board; and (3) to exercise such other responsibilities as are set forth in the Medical Staff Bylaws.

### **LONG RANGE AND INSTITUTIONAL PLANNING COMMITTEE**

A. Composition - Two (2) Governing Board members and at least three (3) members representing Medical Staff and hospital administration. Nursing Administration and other departments and services should be included as advisors as appropriate. It shall meet as needed. This Committee shall report to the full Governing Board and to the Board of Directors.

B. Purpose and Functions – The purpose and functions of the Long Range and Institutional Planning Committee shall be as follows: (1) to identify long range objectives; (2) to monitor the progress of the strategic plan; (3) to monitor conditions of the buildings and grounds of the hospital; (4) to monitor hospital development programs; (5) to make recommendations to the Governing Board concerning new and existing services and capital building or equipment needs; and (6) to establish, maintain, review and update, on a three (3) year basis capital projects and land use plan in accordance with federal regulations,

### **INSTITUTIONAL REVIEW COMMITTEE**

A. Composition - A Governing Board member, the Chief Executive Officer, the Administrator, the past Chief of Staff, the Medical Director, and as needed, representatives from Pathology, Pharmacy, Medical Records, clergy, other scientists, and applicable clinical specialties. This committee meets as needed.

B. Purpose and Functions – The purpose and functions of the Institutional Review Committee shall be as follows: (1) to recommend to the Governing Board policy guidelines for new procedures and for new treatment protocols; and (2) to receive and review all proposed investigational studies and protocols and make recommendations to the Governing Board.

C. Delegation to Third Party Institutional Review Board – The Governing Board may delegate the duties and responsibilities of the Institutional Review Committee to a third party Institutional Review Board.

### **FINANCE COMMITTEE**

A. Composition - A Governing Board member, the Chief Executive Officer, the Chief Financial Officer and other staff members as assigned. This committee meets as needed.

B. Purpose and Functions – The purpose and functions of the Finance Committee shall be as follows: (1) to examine financial, statistical and other performance reports and prepare reports to the Governing Board; and (2) to conduct a review and make recommendations to the Governing Board and the Board of Directors concerning annual operating and capital budgets, all joint ventures and professional contracted services, the capital planning process, and results of the annual audit.

In the April AG/DOH Request, Deficiency 11 asked for the information requested in Section 8(ii) for all of the members of all of the sub-committees of the local governing boards of the Prime-affiliated hospitals. See below.

Chino Valley Medical Center Executive Committee

Irv Edwards, M.D.  
111 North Sepulveda #210  
Manhattan Beach, CA 90266  
(310) 379-7916  
Chief of Staff/Emergency Medicine Physician Chief of Staff term expires in December 2014

James M. Lally, D.O.  
5451 Walnut Avenue  
Chino, CA 91710  
(909) 464-8604  
Chief Medical Officer/Family Medicine  
CMO Since Prime acquisition in 2004 to present

Lower Bucks Hospital Credentials Sub-Committee

Prem Reddy, M.D.  
3300 E. Guasti Road  
Ontario, CA 91761  
(909) 235-4321  
Chairman, President and CEO, Prime Healthcare Services  
Tenure: December 7, 2012 – December 31, 2013

Luis Leon, PA-C  
3300 E. Guasti Road  
Ontario, CA 91761  
(909) 235-4362  
President of Operations II, Prime Healthcare Services  
Tenure: December 7, 2012 – December 31, 2013

Peter Adamo  
501 Bath Road  
Bristol, PA 19007  
(215) 785-9202  
Regional CEO, Lower Bucks Hospital  
Tenure: December 7, 2012 – December 31, 2013

Bruce Harris  
206 Otter Street  
Bristol, PA 19007  
(215) 788-4596  
Vice President, Harris Fuel, Inc.  
Tenure: December 7, 2012 – December 31, 2013

Phillip Brackin, M.D.  
501 Bath Road  
Bristol, PA 19007  
(215) 785-9350  
Radiologist, LBH Radiology Department  
Tenure: December 7, 2012 – December 31, 2013

Martin Mersky, M.D.  
501 Bath Road  
Suite 203  
Bristol, PA 19007  
(215) 785-9601  
Internal Medicine Physician, Current President of the LBH Medical Staff  
Tenure: December 7, 2012 – June 30, 2013

Roxborough Memorial Hospital Credentials Sub-Committee<sup>1</sup>

Prem Reddy, M.D.  
3300 E. Guasti Road  
Ontario, CA 91761  
(909) 235-4321  
Chairman, President and CEO, Prime Healthcare Services

Peter Adamo  
Regional Chief Executive Officer  
5800 Ridge Avenue  
Philadelphia, PA 19128  
619-955-3498

Joanne Knapp (Community member - retired)  
584 Fairway Terrace  
Philadelphia, PA 19128  
215-482-0307  
Tenure: 4/24/2012 - Present

---

<sup>1</sup> The purpose of the Credentials Committee is to review and provide recommendations to the Board concerning every medical staff application both for appointment and reappointment to the Hospital, including the assessment of all privileges requested by the Practitioner.

Sally Lane, M.D.  
Chief Medical Officer – Roxborough Memorial Hospital  
5735 Ridge Avenue, Suite 103  
Philadelphia, PA 19128  
215-487-3070  
Tenure: 4/24/2012 - Present

Barbara Texter  
Employee - Quest Diagnostics  
590 Paoli Avenue  
Philadelphia, PA 19128  
866-788-9024 - X 7451  
215-482-5457  
Tenure: 4/24/2012 - Present

Andrea Pedano, D.O.  
Medical Director: Utilization Review  
5438 Ridge Avenue  
Philadelphia, PA 19128  
215-487-1887  
Tenure: 4/24/2012 - Present

San Dimas Community Hospital Executive Committee

Dinesh Samant, M.D.  
625 E. Badillo Street  
Covina, California 91723  
(626) 915-7300  
Chief of Staff/IM/Cardiologist  
Term began January 2012 - expires December 2014

Zuhair Yahya, M.D.  
1334 W. Covina Boulevard #202  
San Dimas, California 91773  
(909) 592-2023  
Chief Medical Officer/IM/Endocrinologist Since Prime Acquisition in July 2008 to present

Gregory Brentano  
1350 W. Covina Boulevard  
San Dimas, CA 91773  
(909) 394-2729  
CEO  
Two terms: 7/08 - 9/09  
8/11 – present

**June 14, 2013 Filing**

**Prime Holdings**

Prime Holdings has no committees, task forces or similar entities.

**PHMI**

PHMI has no committees, task forces or similar entities.

See April Filing, I-8-1 through I-8-5, concerning Prime-affiliated hospital committees.

9. Please provide agenda and minutes of all meetings of the board of directors or trustees and any of its committees, subcommittees, task forces related to the conversion, or similar entities (excluding those focused on peer review and confidential medical matters) that occurred within the 2 year period prior to submission of the application (beginning with January 1) to the present in identifiable format. Please note, meeting packages may also be requested by the Attorney General to complete the Initial Application.

As noted in response to Question No. 1, the Landmark Entities have been under Special Mastership since 2008. At the time of the appointment of the Special Master, all boards and committees of the Landmark Entities were dissolved.

Copies of the agenda, meeting package, and minutes of the meetings of the Board of Directors of PHSI, are attached as **Confidential Exhibit 9**.

In the February AG/DOH Request, Deficiency 12 asked:

**Please confirm that the minutes from the October 15, 2012 Board of Directors meeting of PHSI represent the only meeting of this PHSI Board in the last two (2) years related to this conversion.**

Response:

The October 15, 2012 Board of Directors meeting of PHSI was the only meeting related to the proposed conversion contemplated by the Asset Purchase Agreement approved by the Court in October, 2012. However, the Board of Directors considered and approved PHSI's prior bid to acquire LMC and RHRI at a meeting on April 18, 2011. This bid was ultimately withdrawn. Copies of the minutes for the April 18, 2011 meeting are attached as **Confidential Exhibit 9**.

In the February AG/DOH Request, Deficiency 13 requested the agenda packet for the October 15, 2012 meeting. See **Confidential Exhibit 9**.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

#### June 14, 2013 Filing

#### Prime Holdings

Prime Holdings held no meetings related to the conversion.

#### PHMI

PHMI held no meetings related to the conversion.

See April Filing, I-9-1 and the Exhibits referenced therein, for a discussion as to meetings held by PHSI relating to the conversion.

10. Please provide each of the following applicable documents and amendments for each of the Transacting Parties and affiliated hospital(s):

(a) Charter

(b) Certificate and Articles of Incorporation and By-laws

(c) Certificate of Partnership and Partnership Agreement

(d) Certificates or Articles of Organization and Operating Agreement

(e) Other organization documents.

If any of the above documents are proposed to be revised or modified in any way as a result of the proposed conversion, include the proposed revisions or modifications.

See attached:

- **Exhibit 10(a)** - Organizational documents for Landmark Health Systems and Landmark Medical Center
- **Exhibit 10(b)** - By-laws of Landmark Health Systems
- **Exhibit 10(c)** - By-laws of Landmark Medical Center
- **Exhibit 10(d)** - Organizational documents for Northern Rhode Island Rehab Management Associates, L.P.
- **Exhibit 10(e)** – Third Amended and Restated Partnership Agreement of Northern Rhode Island Rehab Management Associates, L.P. (updated in response to Deficiency 14 of AG/DOH Request)
- **Exhibit 10(f)** –Certificate of Formation and Operating Agreement for Prime-Landmark.
- **Exhibit 10(g)** – Articles of Incorporation and Bylaws of Desert Valley Hospital, Inc.
- **Exhibit 10(h)** - Articles of Incorporation and Bylaws of Veritas Health Services, Inc.
- **Exhibit 10(i)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Sherman Oaks, LLC
- **Exhibit 10(j)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Montclair, LLC
- **Exhibit 10(k)** – Certificate of Formation and Operating Agreement for Prime Healthcare Huntington Beach, LLC
- **Exhibit 10(l)** – Certificate of Formation and Operating Agreement for Prime Healthcare La Palma, LLC
- **Exhibit 10(m)** – Certificate of Formation and Operating Agreement for Prime Healthcare Anaheim, LLC
- **Exhibit 10(n)** – Certificate of Formation and Operating Agreement for Prime Healthcare Paradise Valley, LLC



- **Exhibit 10(o)** – Certificate of Formation and Operating Agreement for Prime Healthcare Centinela, LLC
- **Exhibit 10(p)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Encino, LLC
- **Exhibit 10(q)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – San Dimas, LLC
- **Exhibit 10(r)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Garden Grove, LLC
- **Exhibit 10(s)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Shasta, LLC
- **Exhibit 10(t)** – Certificate of Formation and Operating Agreement for Alvarado Hospital, LLC
- **Exhibit 10(u)** – Certificate of Formation and Partnership Agreement for Harlingen Medical Center, Limited Partnership
- **Exhibit 10(v)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Roxborough, LLC
- **Exhibit 10(w)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Pampa, LLC
- **Exhibit 10(x)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Reno, LLC
- **Exhibit 10(y)** – Certificate of Formation and Operating Agreement for Dallas Medical Center, LLC
- **Exhibit 10(z)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Lower Bucks, LLC
- **Exhibit 10(aa)** – Articles of Incorporation and Bylaws of Knapp Medical Center
- **Exhibit 10(bb)** – Articles of Incorporation and Bylaws of PHSI
- **Exhibit 10(cc)** – Articles of Incorporation and Bylaws of Prime Healthcare Management, Inc.
- **Exhibit 10(dd)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services – Providence, LLC
- **Exhibit 10(ee)** – Certificate of Formation and Operating Agreement for Prime Healthcare Services - Saint John Leavenworth, LLC

In the February AG/DOH Request, Deficiency 15 stated:

**Please confirm that the documents provided in Exhibit 10(h) are relative to Chino Medical Center, that the documents provided in Exhibit 10(m) are relative to West Anaheim Medical Center and that the documents provided in Exhibit 10(x) are relative to St. Mary's Regional Medical Center.**

Response:

The documents provided in **Exhibit 10(h)** relate to Veritas Health Services, Inc., a California corporation which does business as and is the licensed operator of Chino Valley Medical Center.

The documents provided in **Exhibit 10(m)** relate to Prime Healthcare Anaheim, LLC, a Delaware limited liability company which does business as and is the licensed operator of West Anaheim Medical Center.

The documents provided in **Exhibit 10(x)** relate to Prime Healthcare Services – Reno, LLC which does business as and is the licensed operator of Saint Mary’s Regional Medical Center.

**KASP Trust**

In response to Deficiency 20 of the April AG/DOH Request concerning the KASP Trust, please see response to Question 1.

**May 21, 2013 Filing**

2. **Deficiency 20 - Please provide a complete response to Question 10 for the KASP Trust by including the formation documents requested.**

Response:

See **Exhibit 10(ff)**.

12. **Please provide the formation documentation for the Dr. Prem Reddy Family Trust.**

Response:

See **Confidential Exhibit 10**

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

13. **Please provide the formation documentation for Prime Healthcare Holdings, Inc.**

Response:

See **Exhibit 10(gg)**.

18. **Please provide the formation documents for Prem Reddy, LLC and explain its relationship to Prime Healthcare Services, Inc., Prime Healthcare Holdings, Inc., Prime Healthcare Management, Inc., and Prime Healthcare Services — Foundation, Inc., if any.**

Response:

Prem Reddy, LLC does not exist and, to the best of Prime's knowledge, has never existed. Prime acknowledges that this entity is referenced in the KASP Trust and has checked all likely Secretary of State websites (California, Delaware and Nevada).

**June 14, 2013 Filing**

**Prime Holdings**

The Articles of Incorporation and Bylaws for Prime Holdings are included at May Filing, **Exhibit 13**, LPHCA/M 00093-00105 (now as **Exhibit 10(gg)**).

**PHMI**

The Articles of Incorporation and Bylaws for PHMI are included at April Filing, **Exhibit 10**, LPHCA/I 00695-00714 (now as **Exhibit 10(cc)**).

See **Exhibit 10** for June 12, 2013 letter, signed by Prem Reddy, M.D., concerning the plan to revise the Prime Landmark Bylaws (now as **Exhibit 10(c)**).

Other formation documents are referenced in the April Filing, I-10-1 to I-10-2. KASP Trust is located at May Filing, **Exhibit 2** (now as **Exhibit 10(ff)**), LPHCA/M-00004-00065. Prem Reddy Family Trust is located at May Filing, **Confidential Exhibit 12** (now **Confidential Exhibit 10**), LPHCA/M-C-00053-00115.

**Note:** All organizational documents are included at **Exhibit 10** of this filing.

11. Please provide the name and mailing address of all licensed facilities in which the for-profit corporation maintains an ownership interest or controlling interest or operating authority.

See attached **Exhibit 11**.

**June 14, 2013 Filing**

**Prime Holdings**

See April Filing, **Exhibit 11**, LPHCA/I 00737-00739.

**PHMI**

See April Filing, **Exhibit 11**, LPHCA/I 00737-00739.

12. (a) Please provide organizational charts for the existing and post conversion Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control; and

(b) Please provide a detailed narrative that describes the organizational structure of the Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.

(a) See attached **Exhibit 12(a)** for the current organizational chart of PHSI. The organizational structure of PHSI will not change post-conversion. Prime-Landmark, included on **Exhibit 12(a)**, will own LMC & RHRI. See attached **Exhibit 12(b)** for the current organizational chart of the Landmark Entities.

In the February AG/DOH Request, Deficiency 17 stated:

**Please confirm that there are no partners, affiliates, parents, subsidiaries or related legal entity in which the Transacting Parties have a twenty percent (20%) or greater ownership or membership interest or control (e.g., any affiliates/joint ventures of the individual hospitals). Please update information regarding Prime from November 2012, if necessary.**

Response:

Prime Healthcare Services – Lower Bucks, LLC

Prime Healthcare Services – Lower Bucks, LLC is the sole member of BMC Primary Care Physicians, LLC and BMC Specialty Care Physicians, LLC.

Prime Healthcare Services – Roxborough, LLC

Prime Healthcare Services – Roxborough, LLC is the sole member of Prime Healthcare Services Roxborough Providers, LLC. This entity provides billing services for physicians employed by Prime Healthcare Services – Roxborough, LLC.

Prime Healthcare Services – Pampa, LLC

Prime Healthcare Services – Pampa, LLC is the sole member of SPMG Signature Pampa Medical Group, Inc., a Texas nonprofit corporation.

Prime Healthcare Services – Garden Grove, LLC

Prime Healthcare Services – Garden Grove, LLC is the owner of a 33% interest in Garden Grove Imaging Center, LLC which operates an outpatient MRI Center.

Prime Healthcare Services – Reno, LLC

Prime Healthcare Services – Reno, LLC is the owner of membership interests in the following entities:

- Reno Imaging Partners, LLC = 51% (PET/CT)
- Reno Cyberknife, LLC = 20%
- Surgery Center of Reno, LLC = 14.07%
- St. Mary's Outpatient Surgery Center at Galena = 46.27%

Knapp Medical Center is the owner of the following interests:

- Knapp Medical Group = 100%
- Knapp Medical Center ASC, LLC = 100% (Surgery Center)
- Mid-Valley Physician Association = 100%

PHSI is the sole member of:

Prime Healthcare Services – St. Mary's Passaic, LLC and Prime Healthcare Services – St. Michael's, LLC, which were formed in connection with PHSI's proposed acquisition of St. Mary's Hospital in Passaic, New Jersey and Saint Michael's Medical Center in Newark, New Jersey. At the present time, these entities do not own or operate any hospitals as the transactions have not yet been consummated.

In the February AG/DOH Request, Deficiency 19 stated:

**Please incorporate all Prime Healthcare Services Foundation hospitals into the organizational chart.**

Response:

As PHSI and Prime Healthcare Holdings, Inc., do not have any ownership interest in Prime Healthcare Services Foundation, rather than incorporate those entities which own and operate the Prime Healthcare Services Foundation hospitals into an organizational chart for PHSI, an organizational chart for Prime Healthcare Services Foundation is attached at **Exhibit 12(a)**.

In the February AG/DOH Request, Deficiency 20 asked:

**Please provide a detailed narrative describing the relationship between Prime Healthcare Services - Foundation Inc. and 1/ Prime Healthcare Holdings, Inc., 2/ the KASP Trust, and 3/ the Dr. Prem Reddy Family Trust.**

Response:

There is no relationship between Prime Healthcare Services Foundation, Inc. on the one hand and Prime Healthcare Holdings, Inc., the KASP Trust, and/or the Dr. Prem Reddy Trust on the other hand. Prime Healthcare Services Foundation, Inc. is a Delaware non-stock corporation which has no owners or shareholders.

Assuming this question was related to the relationship between PHSI on the one hand and Prime Healthcare Holdings, Inc., the KASP Trust, and/or the Dr. Prem Reddy Family Trust on the other hand, the relationship among these entities is described below:

- Prime Healthcare Holdings, Inc. is the sole shareholder of PHSI.
- Prior to December 21, 2012, Prime Healthcare Holdings, Inc. had 100 shares outstanding and the KASP Trust owned 90 shares of Prime Healthcare Holdings, Inc. and the Dr. Prem Reddy Family Trust owned 10 shares of Prime Healthcare Holdings, Inc.
- On December 21, 2012 and December 26, 2012, the Dr. Prem Reddy Family Trust transferred its shares of Prime Healthcare Holdings, Inc. stock to the KASP Trust. As of December 27, 2012, the KASP Trust was the sole shareholder of Prime Healthcare Holdings, Inc.
- The KASP Trust is an irrevocable trust created for the benefit of the lineal descendants (i.e., children) of Drs. Prem and Venkamma Reddy.
- The Dr. Prem Reddy Family Trust is a revocable living trust created by Dr. Prem Reddy.

In the February AG/DOH Request, Deficiency 21 asked:

**Please incorporate Prime Healthcare Management and Dr. Prem Reddy Family Foundation into the organizational chart.**

Response:

Prime Healthcare Management, as described in the response to Deficiencies 23 and 25 of February AG/DOH Request has no organizational link to the Prime entities. Rather, Prime Healthcare Management provides management services to the Prime entities. As noted in the response to Deficiency 8, the Dr. Prem Reddy Family Foundation has no organizational link to PHSI and/or Prime Healthcare Services Foundation. As a result, it should not be incorporated into an organizational chart for PHSI or Prime Healthcare Services Foundation. Both entities are depicted on organizational charts at **Exhibit 12(a)**.

In the February AG/DOH Request, Deficiency 22 asked:

**Please describe the relationship of Prime Healthcare Services, Dallas I, LLC and Prime Healthcare Services, Dallas II, LLC to the Dallas Medical Center.**

Response:

Prime Healthcare Services Dallas I, LLC acquired 100% of the membership interests in Dallas Medical Center, LLC and is now the sole member of Dallas Medical Center, LLC.

Prime Healthcare Services Dallas II, LLC acquired the rights of the lenders under certain loans made by third parties to Dallas Medical Center, LLC and is now the holder of certain promissory

notes executed by Dallas Medical Center, LLC in favor these third parties. In other words, Prime Healthcare Dallas II, LLC is a lender to Dallas Medical Center, LLC.

In the February AG/DOH Request, Deficiency 23 asked:

**Please describe the role of Prime Healthcare Management in the proposed conversion.**

Response:

Prime Healthcare Management, Inc. provides certain management, consulting, and support services to subsidiaries of PHSI and Prime Healthcare Services Foundation and PHSI's "corporate staff" are employees of Prime Healthcare Management, Inc. Prime Healthcare Management's role in the proposed conversion will include the following:

- Attorneys employed by Prime Healthcare Management have been involved in the negotiation, preparation, and execution of the Asset Purchase Agreement, the Advisory Services Agreement, and Working Capital Loan as well as the preparation of the necessary applications related to the conversion.
- Luis Leon, PA-C, President, Hospital Operations II, and other corporate staff members are employees of Prime Healthcare Management and have spent time advising LMC and RHRI under the terms of the Advisory Services Agreement.
- Finance staff members employed by Prime Healthcare Management have been involved in the preparation of projections submitted in connection with this application.
- If the transaction is approved and consummated, Prime-Landmark will likely execute a Management Services Agreement with Prime Healthcare Management so that Prime Healthcare Management can provide support services to LMC and RHRI.

The Articles of Incorporation and Bylaws for Prime Healthcare Management, Inc. are attached at **Exhibit 10(cc)**. As requested in Deficiency 23 of the April AG/DOH Request, the Management Services Agreement is attached **Confidential Exhibit 12**. It is noted that in cases of new acquisitions, Prime Healthcare Management typically waives and/or defers its right to be paid fees until such time as the hospital is generating a profit sufficient to support itself and make necessary improvements. Prime expects to do the same with LMC and RHRI.

In the February AG/DOH Request, Deficiency 25 asked:

**Please identify the legal relationship between Prime Healthcare Management and 1/ PHSI and 2/ Prime-Landmark.**

Response:

There is no legal relationship between Prime Healthcare Management, Inc., and PHSI. Prime Healthcare Management, Inc. is a party to a Management Services Agreement, dated June 28, 2012, as amended (the "Management Services Agreement"), with those subsidiaries of PHSI that own and operate acute care hospitals. Under the terms of the Management Services Agreement,



Prime Healthcare Management provides management, consulting, and support services to each of the subsidiaries.

(b) PHSI is a Delaware corporation which is the parent corporation of those corporations and limited liability companies which are the owners and licensed operators of the for-profit acute care hospitals within the Prime Healthcare system. For example, Prime Healthcare Services – Lower Bucks, LLC is the owner and licensed operator of Lower Bucks Hospital in Bristol, Pennsylvania and is a wholly owned subsidiary of PHSI.

PHSI, is a wholly-owned subsidiary of Prime Healthcare Holdings, Inc., a Delaware corporation. The shareholder of Prime Healthcare Holdings, Inc. is the KASP Trust.

In the April AG/DOH Request, Deficiency 17 asked about the ownership and purpose of Bio-Med Services, Inc.

Response:

PHSI is the sole shareholder of Bio-Med Services, Inc., a bio-medical services company. Bio-Med Services, Inc., provides asset management services to hospitals owned and operated by PHSI, and Prime Healthcare Services Foundation with respect to bio-medical/patient care equipment. Bio-Med Services' services include the maintenance and repair of bio-medical equipment.

Also in the April AG/DOH Request, Deficiencies 17 and 18 asked for additional various information on the Prime organizational charts. All charts are included at **Exhibit 12(a)** including the ownership of all entities, trusts and foundations owned by Prem Reddy.

In the April AG/DOH Request, Deficiency 18 inquired about the K Reddy Corporation which, as described in the response to Question 1, was the original name of PHSI when PHSI was formed in 2000.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

**May 21 2013 Filing**

- 1. Deficiency 17 - Please provide the organizational chart that clearly defines Dr. Reddy's ownership control in each of the entities requested in this Deficiency.**

Response:

This question asks for an organizational chart that depicts Dr. Reddy's "ownership control." This question cannot be answered with a chart and, instead, this response will address the ownership and control of the entities on the so-called PHSI Organizational Chart attached at **Exhibit 12(a)**. This Chart shows all of the Prime Healthcare Services, Inc. ("PHSI") entities, including those entities aligned with Prime Healthcare Services-Landmark, LLC ("Prime-Landmark"). The entities aligned with Prime-Landmark include the KASP Trust, Prime

Healthcare Holdings, Inc. and PHSI. Each of those entities has as its sole shareholder or sole member the entity directly above, not Dr. Reddy as the question seems to imply (i.e., KASP Trust owns 100% interest in Prime Healthcare Holdings, Inc.; Prime Healthcare Holdings, Inc. owns 100% interest in PHSI, etc.). The same holds true for all of the other entities on the PHSI Organizational Chart.

As to the KASP Trust, at the top of the PHSI Organizational Chart, Dr. Reddy is the Grantor (or Settlor). As the KASP Trust is an irrevocable trust, Dr. Reddy is not the owner of the KASP Trust.

Regarding control, although Dr. Reddy has no ownership interest in the entities on the PHSI Organizational Chart, he has certain control in his capacity as director and officer of Prime Healthcare Holdings, Inc., PHSI and the subsidiaries including Prime-Landmark. Also, in the case of the KASP Trust, Dr. Reddy exercises certain control through his power to appoint trustees.

On the so-called Prime Healthcare Management Organizational Chart at **Exhibit 12(a)**, the same analysis would apply with one difference. The Prem Reddy Family Trust is a revocable trust and, therefore, Dr. Prem Reddy may dissolve this trust at any time. Accordingly, Dr. Reddy is often referred to and considered the owner of Prime Healthcare Management, Inc. Notwithstanding this perception, it remains the case that Prem Reddy Family Trust, not Dr. Prem Reddy, holds a 100% ownership interest in Prime Healthcare Management, Inc.

**10. Regarding Question #12, please include Harlingen Medical Center on the organization chart.**

Response:

Prime Healthcare Services – Harlingen, LLC owns a 64.6% interest in Harlingen Medical Center. Prime Healthcare Services – Harlingen Management, LLC owns 3.45% interest in Harlingen Medical Center. Those ownership interests are noted on Page 1 of the PHSI Organizational Chart. Page 2 shows Harlingen Medical Center. See **Exhibit 12(a)**.

**June 14, 2013 Filing**

**Prime Holdings**

(a) See May Filing, **Exhibit 1(a)**, LPHCA/M-00001 for the organizational chart showing Prime Holdings both currently and post-conversion. See April Filing, **Exhibit 12(b)**, LPHCA/I 00744-00745 as to the organizational charts regarding LMC and RHRI.

(b) Prime Holdings owns 100% of PHSI. See April Filing, I-12-1 to I-12-2 regarding a description of those entities in which PHSI and affiliates own at least 20% of their ownership interests.

**PHMI**

(a) See May Filing, **Exhibit 1(b)**, LPHCA/M-00003 for the organizational chart showing PHMI both currently and post-conversion.

(b) PHMI owns 100% of Prime Healthcare Air Transportations, LLC, Hospital Business Services, Inc. and International Aircraft Investment, LLC. See April Filing, I-12-1 to I-12-2 regarding a description of those entities in which PHSI and affiliates own at least 20% of their ownership interests.

**Note: All organizational charts are at Exhibit 12 of this filing.**

**13. Please provide a description of criteria established by the board of directors of the existing hospital for pursuing a proposed conversion with one or more health care providers.**

As noted in the Executive Summary, the Landmark Entities have been under the Special Mastership since 2008. At the time of the appointment of the Special Master, all boards and committees of the Landmark Entities were dissolved. Attached at **Exhibit 13** are the summaries and other information used by the Special Master to analyze the bids made by various prospective purchasers of the Landmark Entities.

In the February AG/DOH Request, Deficiencies 26 and 27 asked:

- 1. Please provide any and all documents related to PHSI being selected as the proposed bidder.**
- 2. Please list and describe all criteria considered for selecting PHSI as the proposed bidder.**

Response:

Petition for Instructions and Court Order attached at **Exhibit 13**. Further explanation is provided below.

As represented to the Court on October 9, 2012, subsequent to the termination of the Steward Healthcare Asset Purchase Agreement (the "Steward APA"), the Special Master was again faced with a critical situation relative to the survival of the Landmark Entities. The termination of the Steward APA created an unstable and uncertain situation for employees and, most importantly, patients of LMC. Although not formally advised, the Special Master was concerned with the likely possibility of Steward's withdrawal prior to the receipt of its September 27, 2012 letter formally indicating its withdrawal. The Special Master's belief that Steward would terminate was supported by reports from people in the community who had been told directly by Steward representatives that Steward was withdrawing from this mastership process. In addition, Steward verbally encouraged the Special Master and others to investigate as to whether another deal could be made with another potential buyer. Unfortunately, based upon the circumstances and timing, the Special Master's viable, alternative options were very few.

The Special Master took that opportunity to assess who would have interest as a possible buyer. For a variety of reasons, that assessment revealed that the potential pool of viable, interested parties who could move quickly with this transaction was not large. PHSI was one of the parties immediately identified in that assessment. In addition to PHSI's proven ability to run a large, successful hospital system and its obvious financial ability, the Special Master pursued PHSI because PHSI was well known to the Special Master having previously established itself as one of the "finalists" in the prior bid process which had been a very public, open and vetted process. Although tentative to re-engage in this process, after speaking with the Special Master, PHSI ultimately expressed a willingness to renew its interest in LMC. With that renewed interest, the Special Master worked very diligently to bring them back into the process and the Special Master was very pleased and relieved when PHSI expressed a willingness to commit to come

back into the Rhode Island healthcare environment as evidenced by the submission of its present Asset Purchase Agreement (the "PHSI APA"). It is important to note that re-engaging a so-called "underbidder" after the primary bidder has failed to consummate the sale is not an uncommon process in receivership/mastership proceedings. PHSI expressed a clear desire to obtain immediate Court approval for the PHSI APA as it wanted to quickly get involved in the operations of LMC so as to stabilize it as quickly as possible. Part of the reason for this position was that PHSI recognized that LMC was at a critical point and, if not stabilized immediately, it would be difficult, if not impossible, to turn around. Although sharing PHSI's concerns, the Special Master informed PHSI that immediate approval of an agreement would be impossible because the Rhode Island mastership process requires the Special Master to solicit other interest and provide notice and a hearing on the approval of any proposed agreement. PHSI understood this restriction and agreed that any approval should happen in accordance with this Court's proper procedure. Recognizing his fiduciary obligation, the Special Master then reached out to other parties that might be a viable, interested party.

During the more than two weeks following Steward's withdrawal, the Special Master engaged in very intensive discussions with Care New England ("CNE"). Although not considered a viable acquirer during the initial bid process, CNE has come along in an extraordinary way in recent years and there was a strong feeling that CNE's acquisition of LMC would make a lot of sense for its model, particularly in light of its potential acquisition of Memorial. As a result, the Special Master, in cooperation with Governor Chafee, worked with CNE in an attempt to put together an acquisition proposal that satisfied the healthcare needs of Northern Rhode Island and similarly protected and preserved LMC. The Special Master and many others believed that such an acquisition fit the CNE model of community hospitals. Although hopeful that a workable and viable acquisition proposal could be developed with CNE, there were underlying concerns with respect to CNE's ability to provide the required capital injection that would be required to stabilize LMC. Several days prior to the hearing on the PHSI APA and despite hundreds and hundreds of hours spent by CNE conducting due diligence, CNE advised the Special Master that it could not submit a proposal for the acquisition of LMC. CNE advised that its decision was not due to an inability to conclude due diligence, but rather, because CNE reached a conclusion that risks associated with the acquisition model existed that deemed it imprudent for CNE to pursue.

Upon the withdrawal of interest from CNE, the Special Master reached out to the other potential acquirer options, specifically Lifespan and CharterCare. The Special Master personally contacted Lifespan's CEO and explained the mastership process and the Special Master's obligation to engage and facilitate due diligence for anyone that might have an interest in acquiring LMC. The Special Master also engaged the assistance of Richard Charest, President of LMC, and Christopher Callaci, Esq., counsel to the United Nurses and Allied Professionals, in an effort to engage Lifespan in this process. Members of Lifespan's executive staff participated in those initial discussions with the Special Master, Mr. Charest and Mr. Callaci, however, Lifespan did not pursue any follow-up or request any due diligence. In addition to the above, the Special Master is aware that, only 1-2 days prior to the hearing on the PHSI APA, other members of our State government engaged in discussions with Lifespan seeking that Lifespan submit a proposal similar to the model that Lifespan had initially entertained two to three years prior. It is important to note that the prior model discussed with Lifespan was rejected because it did not contemplate the survival of LMC as a full service, community hospital, and thus, was deemed not to be an appropriate commitment to the Northern Rhode Island community.

Regarding CharterCare, similarly the Special Master contacted CharterCare in an effort to solicit its interest. Similar to CNE, there were underlying concerns with respect to CharterCare's ability to provide the required capital injection that would be required to stabilize LMC. Ultimately, similar to CNE and Lifespan, CharterCare elected not to submit a proposal for the acquisition of LMC.

The above events are a summary of those that took place during the period between Steward's withdrawal and the hearing on PHSI's APA. As evidenced by the Court's approval of the PHSI APA and its entry of an Order to that effect, the Court was satisfied that appropriate and sufficient efforts had been undertaken by the Special Master to identify a new buyer after Steward's withdrawal.

In the April AG/DOH Request, Deficiency 26 requested any additional documents that could be responsive to this question. There are no additional documents responsive to this question.

In the April AG/DOH Request, Deficiency 26 also asked for identification of the document provided at LPHCA/SQE 120. That document is part of the document beginning on LPHCA/SQE 116. This page was a summary of the Prime bid from the Fall of 2012, prepared by the Special Master in the Fall of 2012, to provide a summary of the contemplated Prime transaction that could be easily compared to the summaries of earlier bids.

In the April AG/DOH Request, Deficiency 27 asks for additional information relating to the criteria concerning the choice of Prime.

Response:

In its order of February 14, 2011, the Court outlined the criteria to be used in the selection of the qualified purchaser. Those criteria included:

1. Price;
2. Experience of the Qualified Purchaser in running healthcare facilities;
3. Capitalization and/or access to capital that the Qualified Purchaser has;
4. The minimum capital the Qualified Purchaser is willing to commit to LMC/RHRI;
5. The 5 year cash flow projection of LMC/successor institution;
6. The period of time that the Qualified Purchaser is willing to commit to not selling the assets, business, and or equity of LMC or its successor; and
7. How the Qualified Purchaser intends to meet the healthcare needs of the community currently served by LMC, including without limitation, (i) any services that the Qualified Purchaser anticipates terminating, and (ii) the approximate number of employees that the Qualified Purchaser anticipates retaining.

These criteria are also mentioned in the narrative response to Question 26.

When Steward terminated its Asset Purchase Agreement, the Special Master reviewed other potential buyers, including PHSI who had previously established themselves as a finalist in the prior bid process. The Special Master also started discussions with Care New England and Lifespan and CharterCare. As noted, the Special Master was concerned that Care New England

lacked the ability to provide the required capital necessary to inject into LMC to stabilize it. The Special Master had concerns about Lifespan and CharterCare as a potential buyer as its previous proposal had indicated that it was not going to plan for LMC to continue as a full service community hospital. In addition, there were concerns that CharterCare would not have the ability to inject needed capital. Despite discussions, Care New England, Lifespan and CharterCare indicated that they would not submit a proposal for the acquisition. No documents were ever received by the Special Master from Care New England, Lifespan or CharterCare. The Special Master did not prepare any written documents regarding the discussions.

In contrast, Prime met the criteria that had been set out by the Court in 2011. Specifically, the price was comparable to the Steward transaction; Prime was experienced in running healthcare facilities as evidenced by its ranking as being in the top 15 healthcare systems nationwide and the Special Master was aware of this due to the prior discussions with Prime when it had been a finalist in the earlier process; Prime has capital to assist LMC and was willing to commit sufficient capital to LMC/RHRI; Prime has the ability to plan for a five year cash flow projection of LMC; Prime was willing to commit to not selling assets, the business or the equity in LMC for a period of time. In addition, Prime had previously been interested in Landmark and had had the opportunity to learn about LMC and become familiar with the hospital. Most importantly, unlike Steward, Care New England, Lifespan and CharterCare, Prime was and remains willing to purchase LMC where no other hospital or system has expressed a willingness to take the risk of acquiring LMC and start the process quickly.

As noted above, the termination of Steward's Asset Purchase Agreement was made known on September 27, 2012 and reported to the Court on October 9, 2012 at the time the Prime Asset Purchase Agreement was submitted to the Court. One of the most significant issues created as a result of Steward's termination was the financial ability of LMC to continue while a new purchaser was sought and the process re-commenced with a new buyer. It was imperative that the Special Master identify a potential buyer who had the ability and willingness to provide immediate financial assistance, maintain such assistance during the acquisition period as well as commit to investing after the Closing. As noted, Prime had that ability which the other potential buyers did not have.

Prime had submitted an Asset Purchase Agreement on or about September 26, 2012 expressing its interest and commitment to acquire LMC. The Special Master outlined in its Petition for Instructions dated September 28, 2012 the factors that the Special Master considered. Specifically, the petition notes that the Special Master had previously determined that Prime had the experience and financial ability to commit to the purchase, it had a nationally recognized reputation and described the Special Master's exercise of his business judgment to the proposed transaction. The Special Master reviewed the breakdown of the consideration, including the proposed expenditures within the first five years, it agreed to operate Landmark for a period of three years after closing, and funding through a line of credit until closing. The Special Master also noted that Prime's proposal was not subject to many of the contingencies that Steward had required. Finally, the Special Master recited the advantages of Prime's proposal, including the benefits to the hospital, employees, community and creditors. The Special Master stated that he believed that the approval of Prime was "commercially reasonable, based in sound business judgment and in the best interests of the respective Receivership Estates, their stakeholders, creditors and the citizens of northern part of the State of Rhode Island."

**May 21, 2013 Filing**

3. **Deficiency 26 - Please provide the requested information regarding LPHCA SQE 120 (now located at LPHCA/I 00823).**

Response:

The document that is currently Bates-stamped as LPHCA/I 00823 (formerly Bates stamped as LPHCA SQE 120) is a summary of the Prime Bid that was offered in the Fall of 2012 when Steward backed out of the transaction. This bid summary was prepared in the Fall of 2012 by the Special Master in accordance with the format of previous bid summaries that had been prepared in prior years for the purpose of facilitating the review and comparison of the Prime Bid with bids that had been made in the past.

A description of this document, the creator of the document and the time-frame in which the document was created is addressed in the 4th paragraph found on Page I-13-3 of the Prime-Landmark Application. It notes that the summary was prepared in the Fall of 2012 by the Special Master and there is a description of the document and its purpose.

**June 14, 2013 Filing**

**Prime Holdings**

Not Applicable.

**PHMI**

Not Applicable.

See April Filing, I-13-1 through I-13-4 and the Exhibits referenced therein, for a response to this question.



June 14, 2013 Filing

14. Please provide a description of request(s) for proposals issued by the existing hospital(s) relating to pursuing a proposed conversion.

See Exhibit 13

Prime Holdings

Not Applicable.

PHMI

Not Applicable.

See April Filing, **Exhibit 13**, LPHCA/I 00746-00915, for a response to this question.

15. Please provide copies of current conflict of interest forms from all incumbent or recently incumbent officers, members of the board of directors, trustees, and senior management including the medical directors of the Transacting Parties on a form acceptable to the Attorney General (“incumbent or recently incumbent” means those individuals holding the position at the time the application is submitted and any individual who held a similar position within one year prior to the application’s acceptance).

Conflict of Interest forms for the Landmark Entities are attached at **Exhibit 15(a)**.

Replacement and additional Prime Conflict of Interest forms are at **Exhibit 15(b)**.

#### May 21, 2013 Filing

4. **Deficiency 28A - Please provide Conflict of Interest Statements for the following people affiliated with Prime [that] were listed in the HCA Application Response to Question 7 (Board of Trustees and Senior Level Managers):**
- (a) Lex Reddy, PHSI Board of Directors and Senior Manager
  - (b) Roger Krissman, Senior Manager
  - (c) Suzanne Richards, Senior Manager

#### Response:

By letter, dated April 24, 2013, those individuals were asked to complete and return Conflict of Interest forms. A second request was mailed May 8, 2013. To date, these individuals have not responded. Correspondence to these individuals is appended at **Exhibit 15(b)**.

#### June 14, 2013 Filing

##### Prime Holdings

See Conflict of Interest form for Dr. Prem Reddy, the sole director and officer of Prime Holdings, appended at **Exhibit 15(b)**.

##### PHMI

See Conflict of Interest form for Dr. Prem Reddy, the sole director and officer of PHMI, appended at **Exhibit 15(b)**. In addition, see Conflict of Interest forms for PHMI’s current senior managers: Dr. Prem Reddy, Mike Sarian, Luis Leon, PA-C and Harsha Upadhyay and PHMI’s former Senior Managers, Michael Sarrao and R. David Grant at **Exhibit 15(b)** of the April Filing, LPHCA/I 01309-01395. The Conflict of Interest form for Sharyn Alcaez, current General Counsel, is appended at **Exhibit 15(b)**. See discussion regarding other former PHMI Senior Managers at May Filing, M-2 and the Exhibit referenced therein.

See Conflict of Interest forms for LMC and RHRI in April Filing, **Exhibit 15(a)**, LPHCA/I  
00916-01308.

**16. Please provide conflict of interest statements, policies and procedures.**

Attached as **Exhibit 16(a)** is the Code of Ethical Business and Professional Behavior for San Dimas Community Hospital. Each hospital affiliated with PHSI has a similar policy. The Conflict of Interest policies are included at Paragraph 11 therein.

Attached as **Confidential Exhibit 16(a)** are LMC's & RHRI's Conflict of Interest policies and procedures. There are no separate policies and procedures for LHS.

In the February AG/DOH Request at Deficiency 29, PHSI's Code of Ethical Business and Professional Behavior was requested. See **Exhibit 16(b)**.

PHSI's conflict of interest policy is contained within its Compliance Manual on pages 18-20. A replacement Compliance Manual is appended at **Confidential Exhibit 63(a)**. Prime-Landmark will be subject to same.

In response to Deficiency 30 of the April AG/DOH Request, PHSI confirms that it has no other conflict of interest policies except as set forth in the Compliance Manual and in PHSI's Code of Ethical Business and Professional Behavior.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

**June 14, 2013 Filing**

**Prime Holdings**

Prime Holdings has no conflict of interest policies and procedures.

**PHMI**

PHMI has no conflict of interest policies and procedures except as set forth in the PHMI Compliance Manual appended at **Confidential Exhibit 63(a)**.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

See April Filing, I-16-1 and the Exhibits referenced therein, as to Conflict of Interest policies and procedures of the other Transacting Parties.

17. Please provide the draft Closing Memorandum, including, but not limited to, certification, exhibits, and/or schedules required for the closing documents and/or other closing documents. As any changes are made, the parties are required to update this response. Within 7 calendar days of signing the Closing Memorandum, the parties are required to provide a signed copy, including, but not limited to certification, exhibits and/or schedules or other documents required for the closing.

See attached Exhibit 17.

**June 14, 2013 Filing**

**Prime Holdings**

See April Filing, Exhibit 17, LPHCA/I 001412-001414 for the Closing Memorandum.

**PHMI**

See April Filing, Exhibit 17, LPHCA/I 001412-001414 for the Closing Memorandum.

- 18. Please provide the binding transaction documents, such as an asset purchase/transfer agreement, affiliation agreement and/or memorandum of understanding and all exhibits and schedules (including any updates or supplements).**

See attached **Exhibit 18**.

In response to Deficiency 32 of the February AG/DOH Request, the non-confidential Schedules to the Asset Purchase Agreement are included at **Exhibit 18**. The confidential Schedules are appended at **Confidential Exhibit 18**. In response to Deficiency 32 of the April AG/DOH Request, it is noted that the Schedules previously provided have not been updated. Any updates would occur prior to the closing of the transaction.

In the February AG/DOH Request at Deficiency 33, the following was requested:

**Please identify and describe who controls Landmark's physician offices services (POS).**

Response:

LMC owns 100% of Landmark Physician Office Services ("LPOS"). While LMC's ownership interest in LPOS is an asset of the LMC Mastership Estate, LPOS is not part of or subject to the LMC Mastership proceeding and is not the subject of its own mastership proceeding. Absent this Court's control of LPOS's operations through mastership or receivership, LPOS has and continues to operate independently and in accordance with its own governance protocols. Mr. Richard Charest, as permitted by LPOS governance and in his capacity as President and CEO of LPOS, possesses the authority to take action on behalf of LPOS. The Special Master for LMC is consulted regarding issues related to LPOS in the same way as would be typical and appropriate for the 100% owner of any corporate entity.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

**May 21, 2013 Filing**

- 6. Deficiency 32 - Have any of the asset purchase agreement schedules been updated? If so, please identify them by bates stamp number.**

Response:

The Schedules to the Asset Purchase Agreement have not changed since they were filed March 14, 2013.

**June 14, 2013 Filing**

**Prime Holdings**

See April Filing, **Exhibit 18**, LPHCA/I 01415- 02194 and **Confidential Exhibit 18** LPHCA/I-C 00114-00706.

**PHMI**

See April Filing, **Exhibit 18**, LPHCA/I 01415- 02194 and **Confidential Exhibit 18** LPHCA/I-C 00114-00706.

19. Please provide a copy of the Transacting Parties' affiliated hospital's Credentialing Committee Guidelines, Policies and/or Procedures, including any contemplated changes thereto. Please describe any arrangements for cross-privileging of medical staff affiliated with either of the Transacting Parties and their affiliates before and after the proposed conversion.

At each of the Prime-affiliated hospitals, credentialing is performed by each hospital's independent medical staff in accordance with the medical staff's bylaws and rules and regulations. Attached as **Exhibit 19** is a copy of the Medical Staff Bylaws in place at PHSI Healthcare's Desert Valley Hospital. Prime-Landmark will not seek to make any changes to the existing medical staff bylaws at LMC and RHRI and **Exhibit 19** is attached only for a point of reference. There are no arrangements for cross-privileging of medical staff.

See attached **Confidential Exhibit 19(b)** for credentialing committee guidelines, policies and/or procedures related to LMC.

See attached **Confidential Exhibit 19(c)** for credentialing committee guidelines, policies and/or Procedures related to RHRI.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

**June 14, 2013 Filing**

**Prime Holdings**

Not Applicable.

**PHMI**

Not Applicable.

See response to this question at April Filing, I-19-1 and the Exhibits referenced therein.



- 20. Please discuss whether the proposal will require the review by any relevant federal authority and, if so, please identify such review(s) and provide current status.**

The Asset Purchase Agreement contemplates that Prime-Landmark will accept assignment of the Medicare Provider Agreements/Provider Numbers of the Landmark Entities. As a result, Prime-Landmark will be required to file a CMS Form 855A related to the proposed change of ownership and the Centers for Medicare and Medicaid Services will have to approve the assignment. Such filing will be coordinated with the Closing.

The February AG/DOH Request, at Deficiency 34, inquired whether any filing was required with the Federal Trade Commission.

Response:

No filing is required with the Federal Trade Commission.

**June 14, 2013 Filing**

**Prime Holdings**

See response at April Filing, I-20-1.

**PHMI**

See response at April Filing, I-20-1.

21. Please identify all government permits, licenses, or other approvals necessary to implement the proposed conversion and the status thereof.

| Entity  | Consent Required   | Status  |
|---|--|---|
| Landmark Medical Center   | Rhode Island Department of Health and Attorney General for Conversion Application; Approval by RI Department of Health on Change of Effective Control            | In progress   |
|   | Rhode Island Department of Health approval for transfer of following licenses: pharmacy, controlled substance, x-ray tubes, radioactive materials, food business | In progress   |
|   | DEA Registration   | Will submit application for DEA Registration after receipt of Rhode Island state pharmacy license |
|   | Division of Workforce Regulations approval for facilities license  | In progress   |
|   | Medicare Certification<br>Medicaid Certification   | In progress<br>In progress  |
| Landmark Health Systems   | Rhode Island Department of Health and Attorney General for Conversion Application; Approval by RI Department of Health on Change of Effective Control            | In progress   |
| Northern Rhode Island Rehab Management Associates, LP d/b/a Rehabilitation Hospital of Rhode Island | Rhode Island Department of Health and Attorney General for Conversion Application; Approval by RI Department of Health on Change of Effective Control            | In progress   |
|   | Rhode Island Department of Health approval for transfer of following licenses: pharmacy, controlled substance, x-ray tubes, radioactive materials, food business | In progress   |

| Entity   | Consent Required   | Status   |
|--|--|--|
|  | DEA Registration<br><br>Division of Workforce Regulations approval for facilities license<br><br>Medicare Certification<br><br>Medicaid Certification                    | Will submit application for DEA Registration after receipt of Rhode Island state pharmacy license<br><br>In progress<br><br>In progress<br><br>In progress |
| Rhode Island Specialty Hospital                                      | Approval of RI Department of Health for the transfer of 20% of the membership interest in RISH to Prime-Landmark   | In progress  |
| Southern New England Regional Cancer Center (SNERCC)                 | Change order by RI Department of Health to the SNERCC Certificate of Need reflecting the transfer of 38% of the membership interest in SNERCC from LMC to Prime-Landmark | Discussions with joint venture partner in progress   |
| The Heart Center<br>186 Cass Avenue<br>Woonsocket, RI                | RI Department of Health  | Will transfer with main license (hospital premise)   |
| Drawing Station<br>20 Cumberland Hill Road<br>Woonsocket, RI         | RI Department of Health  | Will transfer with main license (hospital premise)   |
| Northern RI Hematology/Oncology<br>115 Cass Avenue<br>Woonsocket, RI | RI Department of Health  | Will transfer with main license (hospital premise)   |

In the February AG/DOH Request, the following question at Deficiency 35 was asked:

**Please provide additional details related to the discussions on the Southern New England Regional Cancer Center and the transfer of interest in the specialty long-term acute care hospital.**

Response:

Section 1.2(q) of the Court-approved Asset Purchase Agreement entered into by and between the Special Master and Prime-Landmark requires the Special Master to transfer LMC's ownership interest in the SNERCC and RISH. Since the Court's approval of the APA, the Special Master and Prime-Landmark have been engaged in positive, ongoing, amicable discussions with Radiation Therapy Services, Inc. ("RTSI") regarding either the transfer of LMC's ownership interest in SNERCC or, alternatively, RTSI's acquisition of LMC's interest in SNERCC. As the direction of these discussions and negotiations become more focused and the terms become more formal, the Special Master will notify the Court with any and all pertinent updates and/or necessary revisions to the Asset Purchase Agreement and related documents.

Regarding RISH, neither the Special Master nor Prime-Landmark has engaged in discussions with Kindred Health.

Notwithstanding the above, as of this date, the terms of the Asset Purchase Agreement and the obligations of the Transacting Parties thereunder remain unchanged.

**June 14, 2013 Filing**

**Prime Holdings**

See response at April Filing, I-21-1 through I-21-3.

**PHMI**

See response at April Filing, I-21-1 through I-21-3.

**22. Please provide a list of pending or adjudicated citations, violations or charges against the Transacting Parties and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each.**

On April 16, 2012, Prime Healthcare Services – Shasta, LLC dba Shasta Regional Medical Center (“SRMC”) received notice from the California Department of Public Health (“CDPH”) that CDPH sought to assess a penalty of \$1,600 for failure to timely report an alleged privacy breach to the affected patient and a penalty of \$1,500 for failure to timely report an alleged privacy breach to CDPH. These proposed penalties relate to an alleged privacy breach that occurred on or about December 13, 2011 arising out of a patient’s public disclosure of her medical condition and SRMC’s limited response thereto. SRMC contends that no privacy breach occurred and has appealed the proposed penalties. No hearing has been scheduled.

On November 9, 2012, SRMC received notice from CDPH that CDPH sought to assess a penalty of \$95,000 based on alleged privacy breach on or about December 13, 2011 arising out of a patient’s public disclosure of her medical condition and SRMC’s limited response thereto. SRMC contends that no privacy breach occurred and has appealed the proposed penalty. No hearing has been scheduled.

On November 9, 2012, SRMC received notice from CDPH that CDPH sought to assess a penalty of \$25,000 based on alleged privacy breach arising out of an isolated incident of an employee improperly accessing a medical record. The subject employee was terminated and SRMC believes the proposed penalty is excessive. SRMC has appealed the proposed penalty. No hearing has been scheduled.

In the February AG/DOH Request, the following question was asked at Deficiency 36:

**Please provide a copy of the appeal notice to the California Department of Health requesting a hearing related to the \$95,000 penalty assessed at the Shasta Regional Medical Center related to a privacy breach of a patient's medical records.**

Response:

Attached as **Exhibit 22** is a copy of Shasta Regional Medical Center’s November 16, 2012 appeal and request for a hearing related to the \$95,000 penalty assessed by the California Department of Public Health related to an alleged privacy breach. Attached to the November 16, 2012 appeal is the letter to the California Department of Public Health which set forth the applicable law regarding a waiver by the patient.

In the February AG/DOH Request, the following question was asked at Deficiency 37:

**For all transacting parties, please provide copies of any violation notices received from any licensing, regulatory, or accrediting authorities related to quality of care issues.**

As to LMC, see **Confidential Exhibit 22(a)** and **Confidential Exhibit 22(b)**.

As to Prime-Landmark and PHSI, there are no such notices. See **Confidential Exhibit 22(c)** as to CMS 2567 inspection forms/related plans of correction for the Prime-affiliated hospitals, in response to Deficiency 37 of the April AG/DOH Request. The forms contain deficiencies and corrective action plans which have been implemented.

See also response to Question 23 and Exhibits.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

**June 14, 2013 Filing**

**Prime Holdings**

None as to Prime Holdings.

**PHMI**

PHMI was named on the subpoena described at April Filing, **Confidential Exhibit 23(a)**, LPHCA/I-C 02923-02924.

See April Filing, I-22-1 through I-22-2 and the Exhibits referenced therein, for a response to this question as to the other Transacting Parties. See also the response to Question 23 of this filing.

**23. Please provide a description of any current or impending litigation and/or investigations by foreign, federal, state or municipal boards or governments, administrative agencies against each Transacting Party and its affiliates. For each claim, include the nature, an estimate of the amount, the status, and whether it is covered by any applicable insurance.**

See **Confidential Exhibit 23(a)** for information related to Prime (which includes a response to Deficiency 38 of the February AG/DOH Request and April AG/DOH Request.

Regarding LMC:

As the documents attached to **Confidential Exhibit 23(b)** detail, a laptop, stolen from a LMC conference room, contained limited protected health information concerning some of LMC's patients. LMC notified the affected patients of the loss of the protected health information. Furthermore, LMC took action as detailed in **Confidential Exhibit 23(b)** to address this incident and took appropriate steps to prevent such an incident in the future. No patients have notified LMC of any unauthorized use of their information. The breach was reported to OCR and OCR is investigating this incident as noted and described in the attached correspondence. LMC, in compliance with the deadline as extended by agreement of the parties, prepared the attached response to OCR as part of its informal resolution process. The current status is that LMC has provided that response to OCR for its review and LMC awaits further communication on this matter from OCR.

In the February AG/DOH Response, Deficiency 40 asked for:

**Please include an updated response for each Transacting Party regarding any current or impending litigation.**

Response:

Question #23 refers to litigation and investigations concerning governmental authorities. An update regarding general litigation is described in the response to Deficiency 70 (Question 45).

See also response to Question 22 and Exhibits.

Any supporting documents provided in response to this question that are labeled Confidential Exhibits are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws § 23-17.14-32.

**June 14, 2013 Filing**

**Prime Holdings**

None as to Prime Holdings.

**PHMI**

PHMI was named on the subpoena described at April Filing, **Confidential Exhibit 23(a)**, LPHCA/I-C 02923-02924.

See April Filing, I-23-1 and the Exhibits referenced therein, for a response to this question as to the other Transacting Parties. As an update to April Filing, **Confidential Exhibit 23(a)**, please note that the Office for Civil Rights of the United States Department of Health and Human Services investigation at Shasta Regional Medical Center has concluded with a settlement agreement and payment of a settlement amount as described in the June 11, 2013 Press Release appended at **Exhibit 23**.



24. Please provide a list of insurance contracts in full force and effect for each Transacting Party and their affiliates, including professional, directors and officers and comprehensive general liability, including coverage limits, purpose of insurance, and duty of coverage, both currently and post conversion. Please provide detailed information concerning any and all coverage provided by self-insured funds and/or captive insurance companies to provide coverage for risks, including but not limited to the amount of the self-insurance fund, claims paid, or claims pending.

See attached **Exhibit 24(a)** for information related to Prime.

See attached **Exhibit 24(b)** for information related to the Landmark Entities.

#### June 14, 2013 Filing

##### Prime Holdings

See April Filing, I-24-1 and **Exhibit 24(a)**, LPHCA/I 02278-02281, for all insurance policies.

##### PHMI

See April Filing, I-24-1 and **Exhibit 24(a)**, LPHCA/I 02278-02281, for all insurance policies.

See April Filing, **Exhibit 24(b)**, LPHCA/I 02282-02285 for LMC/RHRI insurance policies.

25. Please provide a copy or description of all agreements executed or anticipated to be executed by any of the Transacting Parties in connection with the proposed conversion.

See **Exhibit 25** for drafts of the following documents: Assignment and Undertaking Agreement; Assignment and Assumption Agreement, and DEA Limited Power of Attorney.

**June 14, 2013 Filing**

**Prime Holdings**

See April Filing, **Exhibit 25**, LPHCA/I 02286-02296.

**PHMI**

See April Filing, **Exhibit 25**, LPHCA/I 02286-02296.