



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

June 21, 2013

Denise Gunter  
Nelson Mullins Riley & Scarborough LLP  
380 Knollwood Street, Suite 530  
Winston-Salem, NC 27103

**Exempt from Review – Acquisition of Facility**

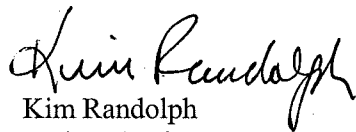
Facility: Piedmont Endoscopy Center, Inc.  
Acquisition by: Piedmont Gastroenterology Specialists, P.A.  
County: Forsyth  
FID #: 943399


Dear Ms. Gunter:

In response to your letter of June 13, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Piedmont Gastroenterology Specialists, P.A.. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.G.S. §131E-181(b): *“A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.”*

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

  
Kim Randolph  
Project Analyst

  
Craig R. Smith, Chief  
Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR  
Medical Facilities Planning Section, DHSR



**Certificate of Need Section**

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



# Nelson Mullins

Nelson Mullins Riley & Scarborough LLP  
Attorneys and Counselors at Law  
380 Knollwood Street / Suite 530 / Winston-Salem, NC 27103  
Tel: 336.774.3300 Fax: 336.774.3378  
www.nelsonmullins.com

Denise M. Gunter  
Tel: 336.774.3322  
Fax: 336.774.3372  
Denise.Gunter@nelsonmullins.com

June 13, 2013

**By Overnight Delivery**  
(Delivery Site Phone 919.855.3873)

Mr. Craig Smith, Chief  
Certificate of Need Section (DHSR)  
N.C. Department of Health & Human Services  
809 Ruggles Drive  
Raleigh, NC 27603



Re: *Acquisition of Piedmont Endoscopy Center, Inc. by Piedmont Gastroenterology Specialists, P.A.*

*Acquisition of Piedmont Gastroenterology Specialists, P.A.  
by Salem Gastroenterology Associates, P.A.*

Dear Mr. Smith:

I am writing on behalf of our clients Piedmont Gastroenterology Specialists, P.A. ("PGS"), Salem Gastroenterology Associates, P.A. ("SGA") and Piedmont Endoscopy Center, Inc. ("PEC") regarding the transactions described herein. PGS and SGA are each North Carolina professional corporations and medical practices in Winston-Salem. PGS is also the sole owner (shareholder) of PEC, a North Carolina business corporation and licensed ambulatory surgical facility (License No. AS0044), also in Winston-Salem.

This letter provides the Certificate of Need Section with prior written notice, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), that PGS intends to acquire its wholly-owned subsidiary PEC. This acquisition will be accomplished by merger of PEC "upward" into the corporate parent, PGS.

This letter also provides the Certificate of Need Section with prior written notice, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), that SGA intends to acquire PGS. This acquisition will be accomplished by a merger of PGS into SGA, with SGA as the surviving entity following the merger. At the time of SGA's acquisition of PGS, PGS's assets will

Mr. Craig Smith, Chief  
June 13, 2013  
Page 2

include the ambulatory surgical facility formerly operated by PEC, by virtue of the merger of PEC into PGS described in the first paragraph of this letter.

We expect that the merger of PEC into PGA will close and be effective on or about the close of business on June 30, 2013, and expect the merger of PGS into SGA will close and be effective on or about July 1, 2013. As you know, the CON law provides that upon receiving prior written notice, the CON Section shall exempt from CON review the acquisition of "*an existing health service facility, including equipment owned by the health service facility at the time of acquisition.*" N.C. Gen. Stat. § 131E-184(a)(8). An ambulatory surgical facility is a health service facility. *Id.* at § 131E-176(9b).

We would therefore appreciate receiving written confirmation that the acquisition of Piedmont Endoscopy Center, Inc. by Piedmont Gastroenterology Specialists, P.A. is exempt from CON review. We also would appreciate receiving written confirmation that the acquisition of Piedmont Gastroenterology Specialists, P.A. by Salem Gastroenterology Associates, P.A. is exempt from CON review. Because of the proposed July 1, 2013 effective date of the merger, we would greatly appreciate if you would contact me immediately (or if I am out of the office, my partner Richard Howington at 336.774.3321) if you have any questions or concerns regarding the acquisition.

Thank you for your assistance and consideration.

Sincerely,  
Nelson Mullins Riley & Scarborough LLP



Denise M. Gunter