



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

February 7, 2018

Virginia Hansen
902 Carnegie Center
Suite 500
Princeton, NJ 08540-6531

No Review

Record #: See Attachment A
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: See Attachment A
Business #: See Attachment A
Project Description: Change in licensee
County: See Attachment A

Dear Ms. Hansen:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letters of December 20, 2017, January 16, 2018 and January 29, 2018 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Adult Care Licensure Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

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original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Tanya S. Rupp
Project Analyst



Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Adult Care Licensure Section, DHSR
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR

ATTACHMENT A

Elmcroft of Southern Pines,
Elmcroft of Little Avenue,
Elmcroft of Northridge

FACILITY	ADDRESS	COUNTY	FID #	BUSINESS NAME	BUSINESS ID #	NO REVIEW ID #
Elmcroft of Southern Pines	101 Brucewood Road; Southern Pines, NC	Moore	971181	EC Opco Southern Pines, LP	2784	2498
Elmcroft of Little Avenue	7745 Little Avenue; Charlotte, NC	Mecklenburg	971280	EC Opco Little Avenue, LP	2785	2499
Elmcroft of Northridge	600 Newton Road; Raleigh, NC	Wake	920861	EC Opco Northridge, LP	2786	2500



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ROY COOPER
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MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

December 20, 2017

Susan M. Hendrickson
902 Carnegie Center, Suite 500
Princeton, NJ 08540-6531

Request for Information – No Review

Facility: Elmcroft of Little Avenue, FID # 971280 (Mecklenburg County)
Elmcroft of Northridge, FID # 920861 (Wake County)
Elmcroft of Southern Pines, FID # 971181 (Moore County)

Project Description: Change in licensee of facilities

County: See above

FID #: See above

Dear Ms. Hendrickson:

The Healthcare and Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your request for a determination as to whether the above mentioned project requires a certificate of need. In order for the Agency to make such a determination, please submit the following information to this office:

1. A chart or description that details the organization of each facility before closing. (You provided an illustrative organizational chart to show post-closing).
2. In the third paragraph of your letter, you state the closing date for the proposed transaction is January 15, 2017. Please clarify whether you mean 2017 or 2018.

Your prompt response will assist the Agency in making a timely review of your request. If you have any questions regarding this matter, please feel free to contact this office. If you would prefer to email the information, you may send it to Tanya.rupp@dhhs.nc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Tanya S. Rupp".

Tanya S. Rupp
Project Analyst, Certificate of Need

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION
WWW.NCDHHS.GOV

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Rupp, Tanya

From: Hansen, Virginia <Virginia.Hansen@dechert.com>
Sent: Monday, January 29, 2018 9:37 AM
To: Rupp, Tanya
Subject: [External] RE: Request for Information Letter (December)
Attachments: SKM_454e18011610400.pdf; NC - Ownership - North Ridge.docx; NC - Ownership - Little Avenue.docx; NC - Ownership - Southern Pines.docx

CAUTION: External email. Do not click links or open attachments unless verified. Send all suspicious email as an attachment to report.spam@nc.gov.

Good morning Ms. Rupp,

I previously submitted a CON exemption request for three assisted living facilities in North Carolina: Elmcroft of Little Avenue, Elmcroft of Northridge, and Elmcroft of Southern Pines. In response, you sent a letter requesting additional information in the form of the current ownership structure of each facility as well as the date of closing of the proposed transaction. In response to your letter, which I have attached here for your reference, I have attached documentation showing the pre-CHOW ownership. I can also confirm that the closing occurred on January 21, 2018, rather than the January 15th date I mentioned in my original letter, although operation of the facilities will not transfer until we receive licensure approval. Please let me know if you have any questions or need any additional information from me in order to process the exemption.

Sincerely,

Virginia Hansen
Associate

Dechert LLP
+1 215 994 2241 Direct
virginia.hansen@dechert.com
dechert.com

From: Rupp, Tanya [mailto:tanya.rupp@dhhs.nc.gov]
Sent: Tuesday, January 16, 2018 11:42 AM
To: Hansen, Virginia <Virginia.Hansen@dechert.com>
Subject: Re: [External] RE: Request for Information Letter (December)

Virgina,

Thank you for your prompt reply. I apologize for sending it through Veronica, but I have had issues with my email for months now and am unable to send attachments.

There is no need to send copies of your response to the others on this string; the other "cc" was to make people aware of the fact that my email issues persist!

Thank you; I look forward to hearing from you. Have a good day.

Tanya S. Rupp
N.C. Department of Health and Human Services
Project Analyst, CON Section - Division of Health Service Regulation
809 Ruggles Drive, Raleigh, NC 27603
tanya.rupp@dhhs.nc.gov
www.ncdhhs.gov/dhsr
(919)855-3873

From: Hansen, Virginia <Virginia.Hansen@dechert.com>
Sent: Tuesday, January 16, 2018 11:35 AM
To: Moore, Veronica M
Cc: Rupp, Tanya; Pittman, Lisa
Subject: [External] RE: Request for Information Letter (December)

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Hi Ms. Moore,

Thank you for sending over this letter. I will provide this information to you as soon as possible.

Best,

Virginia Hansen
Associate

Dechert LLP
+1 215 994 2241 Direct
virginia.hansen@dechert.com
dechert.com

From: Moore, Veronica M [<mailto:veronica.moore@dhhs.nc.gov>]
Sent: Tuesday, January 16, 2018 11:09 AM
To: Hansen, Virginia <Virginia.Hansen@dechert.com>
Cc: Rupp, Tanya <tanya.rupp@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>
Subject: Request for Information Letter (December)

Good Morning Ms. Hansen,

On behalf of Ms. Tanya Rupp, I have attached a copy of the Request for Information letter sent on December 20, 2017. This letter was returned back to our office one day last week.

If you have any questions or need any further assistance, please let us know.

Thanks

Have a wonderful day ☺

Veronica Moore

Certificate of Need

Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

(919) 855-3873 Office

Veronica.moore@dhhs.nc.gov

809 Ruggles Drive
2704 Mail Service Center
Raleigh, NC 27699-2704



Nothing Compares

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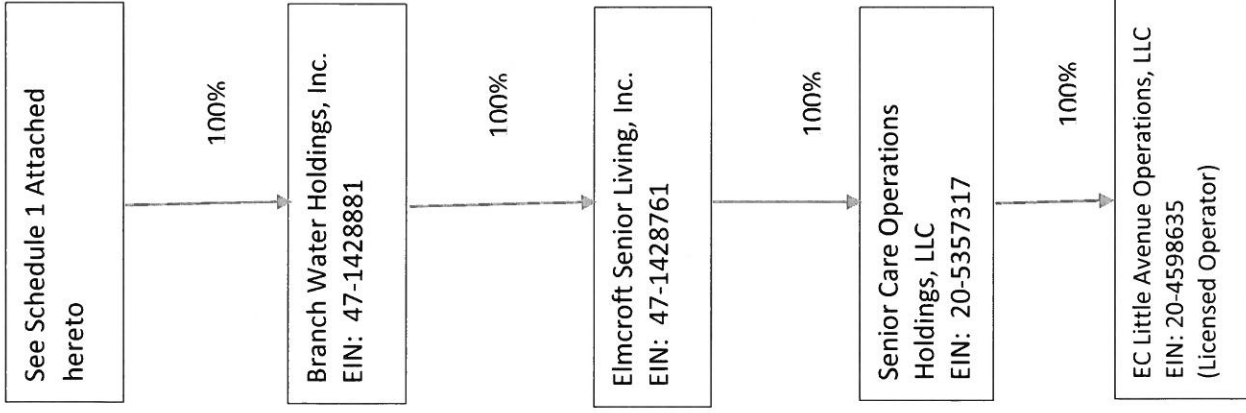
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OPS 1 Portfolio Org Chart

All entities are organized under the laws of the State of Delaware and have a principal place of business at 700 North Hurstbourne Parkway, Louisville, KY 40222



SCHEDULE 1

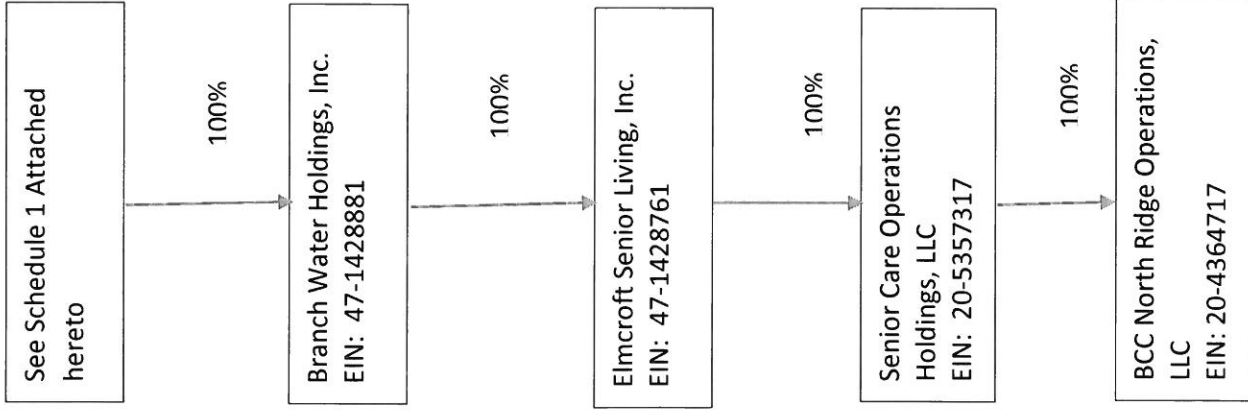
**Branch Water Holdings,
Inc.**

Owner	% Ownership	% Voting Rights	Address	DOB	SSN
Riverwood Capital, LLC (1)(2)	27.3%	50.0%	2015 Camargo Road Louisville, KY 40207	05/12/1953	11-3815694
John Timothy Wesley (2)	27.3%	50.0%	12037 Hunting Crest Prospect, KY 40059	08/18/1959	402-82-9202
Robin L. Barber	11.8%	0.0%	1003 Grand Oaks Court Crestwood, KY 40014	03/19/1963	170-60-4099
Michael L. Kirzinger	7.9%	0.0%	5707 Valley Park Drive Louisville, KY 40299	09/19/1966	405-11-0567
The balance is owned by 9 individuals, none of whom owns 5.0% or more individually.	25.7%	0.0%			
Total	100.0%	100.0%			

1. The sole member of Riverwood Capital, LLC is the Commonwealth Trust Company, trustee of The Mulloy 2014 Delaware Trust.
2. Riverwood Capital, LLC and John Timothy Wesley hold 100% of all voting rights with respect to Branch Water Holdings, Inc.

OPS 1 Portfolio Org Chart

All entities are organized under the laws of the State of Delaware and have a principal place of business at 700 North Hurstbourne Parkway, Louisville, KY 40222



SCHEDULE 1

**Branch Water Holdings,
Inc.**

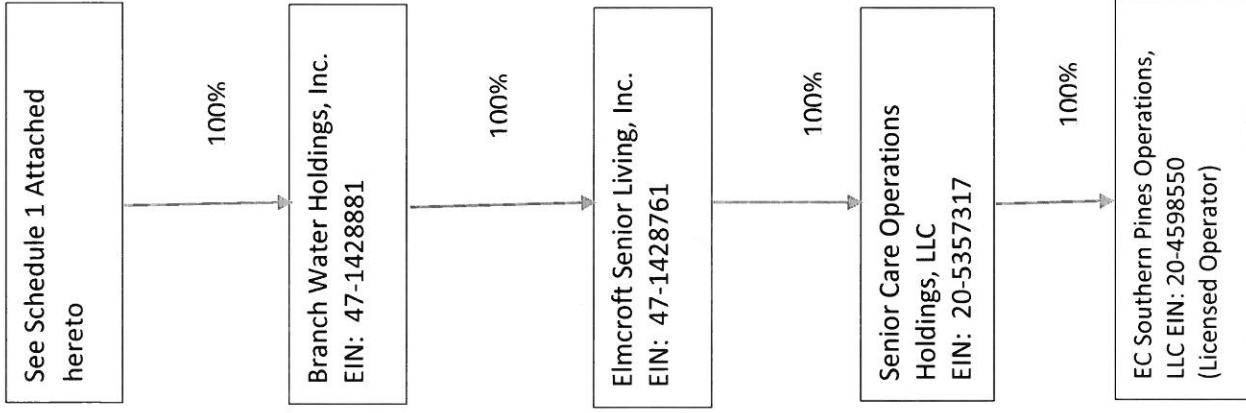
Owner	% Ownership	% Voting Rights	Address	DOB	SSN
Riverwood Capital, LLC (1)(2)	27.3%	50.0%	2015 Camargo Road Louisville, KY 40207	05/12/1953	11-3815694
John Timothy Wesley (2)	27.3%	50.0%	12037 Hunting Crest Prospect, KY 40059	08/18/1959	402-82-9202
Robin L. Barber	11.8%	0.0%	1003 Grand Oaks Court Crestwood, KY 40014	03/19/1963	170-60-4099
Michael L. Kirzinger	7.9%	0.0%	5707 Valley Park Drive Louisville, KY 40299	09/19/1966	405-11-0567
The balance is owned by 9 individuals, none of whom owns 5.0% or more individually.	25.7%	0.0%			
Total	100.0%	100.0%			

1. The sole member of Riverwood Capital, LLC is the Commonwealth Trust Company, trustee of The Mulloy 2014 Delaware Trust.

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OPS 1 Portfolio Org Chart

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SCHEDULE 1

**Branch Water Holdings,
Inc.**

Owner	% Ownership	% Voting Rights	Address	DOB	SSN
Riverwood Capital, LLC (1)(2)	27.3%	50.0%	2015 Camargo Road Louisville, KY 40207	05/12/1953	11-3815694
John Timothy Wesley (2)	27.3%	50.0%	12037 Hunting Crest Prospect, KY 40059	08/18/1959	402-82-9202
Robin L. Barber	11.8%	0.0%	1003 Grand Oaks Court Crestwood, KY 40014	03/19/1963	170-60-4099
Michael L. Kirzinger	7.9%	0.0%	5707 Valley Park Drive Louisville, KY 40299	09/19/1966	405-11-0567
The balance is owned by 9 individuals, none of whom owns 5.0% or more individually.	25.7%	0.0%			
Total	100.0%	100.0%			

1. The sole member of Riverwood Capital, LLC is the Commonwealth Trust Company, trustee of The Mulloy 2014 Delaware Trust.
2. Riverwood Capital, LLC and John Timothy Wesley hold 100% of all voting rights with respect to Branch Water Holdings, Inc.



SUSAN M. HENDRICKSON

susan.hendrickson@dechert.com
+1 609 955 3206 Direct
+1 609 873 9132 Fax

December 15, 2017

VIA FEDEX

North Carolina Dept. of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704
Attn: Martha Frisone, Assistant Section Chief

Re: Request for Exemption from Certificate of Need ("CON") Review of Adult Care Homes

Dear Ms. Frisone:

Elmcroft Senior Living ("**Elmcroft**") currently owns, through its subsidiaries, the Adult Care Home facilities set forth on **Attachment A** (the "**Facilities**"). Elmcroft has agreed to transfer the licensed operations of the Facilities to subsidiaries of Ventas, Inc., one of the nation's leading healthcare real estate investment trusts ("**Ventas**"). Ventas, through its subsidiaries, currently owns the real property used to operate the Facilities.


As a result of this proposed transaction, subsidiaries of Ventas will become the new licensees of the Facilities. Ventas subsidiaries will continue to own the real property of each Facility. The new ownership structure following the proposed ownership change is attached at **Attachment B**. The Facilities' residents and staff will not be impacted in any way by the proposed transaction. There will be no change in bed capacity or the type of services provided.

The proposed transaction is currently anticipated to close January 15, 2017. In connection with this transaction, we request a letter of exemption from the CON requirements. Pursuant to Chapter 131E, Article 9, Section G.S. 131E-176(16) of the North Carolina General Statutes, a change in the licensee is not the type of action that would constitute "new institutional health services," which would be subject to CON review.

Should you have questions or need clarification, please do not hesitate to contact me by telephone at 215-994-2359 or by email at susan.hendrickson@dechert.com. We will attempt to promptly provide you with any additional information you request. Thank you for your time and attention to this matter.



Sincerely,

 (on behalf of Susan M. Hendrickson)

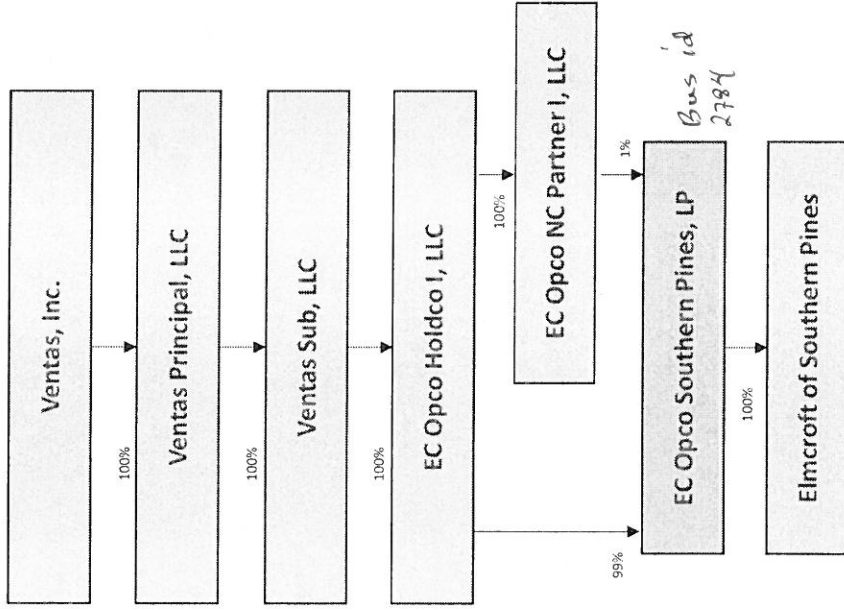
Susan M. Hendrickson

SMH

Enclosures

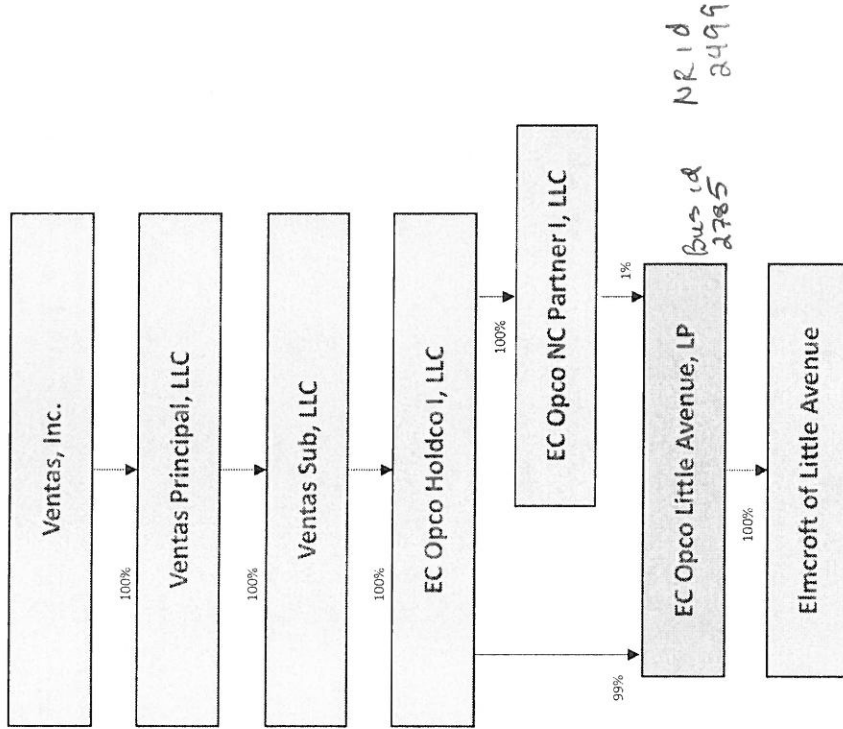
Attachment B

Post-Closing Organizational Chart:
Elmcroft of Southern Pines



*Bus id NR 10 2498
2784*

Post-Closing Organizational Chart:
Elmcroft of Little Avenue



Post-Closing Organizational Chart:
Elmcroft of Northridge

