



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

July 18, 2014

John V. Arnold  
511 Union Street  
Suite 2700  
Nashville, Tennessee 37219

**No Review**

Facility or Business: Wilmington SurgCare  
Project Description: Add new indirect owner to the ownership structure  
County: New Hanover  
FID #: 923566

Dear Mr. Arnold:

The Certificate of Need Section (CON Section) received your letter of June 27, 2014 on July 1, 2014 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.

Moreover, you need to contact the Acute and Home Care Licensure and Certification and Medical Facilities Planning Sections of the Division of Health Service Regulation 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 by you. 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 the Certificate of Need Section. 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 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.



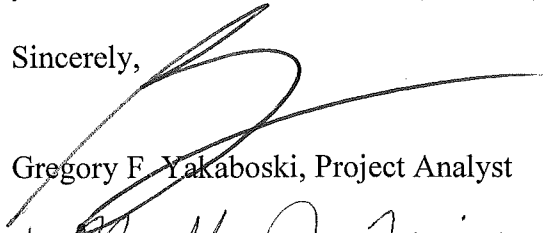
**Certificate of Need Section**  
www.ncdhhs.gov  
Telephone: 919-855-3873 • Fax: 919-733-8139  
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603  
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704  
An Equal Opportunity/ Affirmative Action Employer



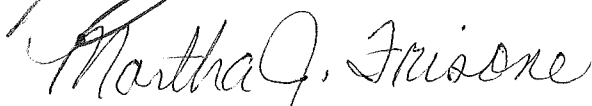
Mr. Arnold  
July 18, 2014  
Page 2

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Gregory F. Yakaboski, Project Analyst



Martha J. Frisone, Interim Chief  
Certificate of Need Section

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

# waller

Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
P.O. Box 198966  
Nashville, TN 37219-8966

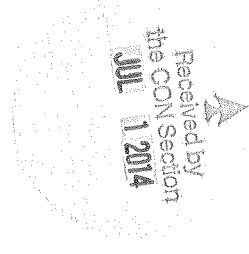
615.244.6380 main  
615.244.6804 fax  
wallerlaw.com



John Arnold  
Waller Lansden Dortch & Davis, LLP  
615.850.8018 direct  
john.arnold@wallerlaw.com

June 27, 2014

North Carolina Department of Health  
Attention: CON Program  
2704 Mail Service Center  
Raleigh, NC 27600-2704



Re: SurgCare, LP d/b/a Wilmington SurgCare  
Notice of Proposed Transaction

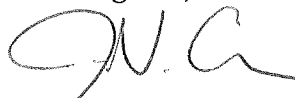
Dear Sir or Madam:

We are writing on behalf of Wilmington SurgCare, LP (“SurgCare”), which owns and operates an ambulatory surgery center known as “Wilmington SurgCare,” located at 1801 S. 17th Street, Wilmington, North Carolina 28401 (the “Facility”). The purpose of this letter is to notify you of a proposed transaction that will result in a change to the SurgCare indirect owners through a stock transaction. As a result of the transaction, a new indirect owner, Surgery Center Holdings, Inc. (the “Buyer”), will be added to the ownership structure. The parties intend to make the proposed transaction effective as soon as possible. For your convenience, we have attached organizational charts showing a “before” and “after” view of SurgCare’s ownership structure in connection with the transaction.

SurgCare will remain the owner and operator of the Facility and SurgCare’s Federal Employment Identification Number (EIN) (i.e., Tax ID) will not change as a result of the transaction. There are also no planned changes to the legal name, location or clinical operations of the Facility as a result of the transaction. Similarly, there are no planned changes in the staffing or day-to-day operations of the Facility as a result of the transaction. It is our understanding that the proposed addition of an indirect owner as a result of a stock transfer does not constitute a change of ownership that would require Certificate of Need review. I would greatly appreciate if you would let me know at your earliest possible convenience if you need any additional information or documentation regarding this transaction. If so, please send any forms or applications that are required to be completed by the Facility in connection with the transaction to my attention at 511 Union Street, Suite 2700, Nashville, Tennessee 37219 or via e-mail at john.arnold@wallerlaw.com.

I thank you in advance for your assistance. Please do not hesitate to contact me at 615-850-8018, if you have questions or need additional information.

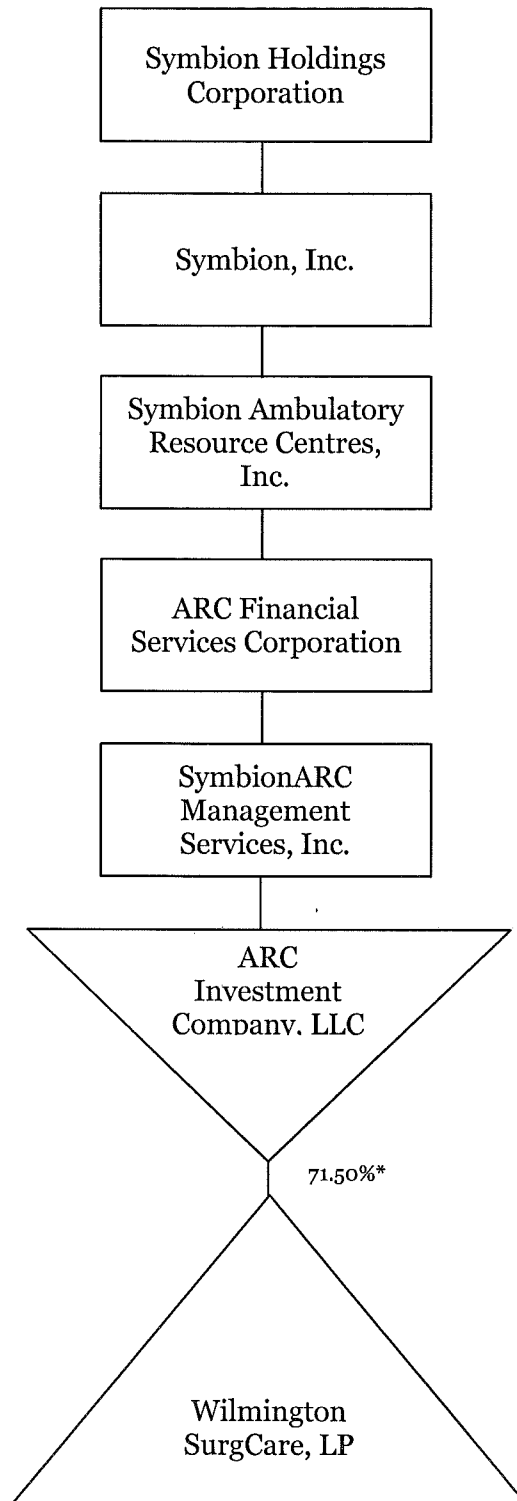
Best regards,



John V. Arnold

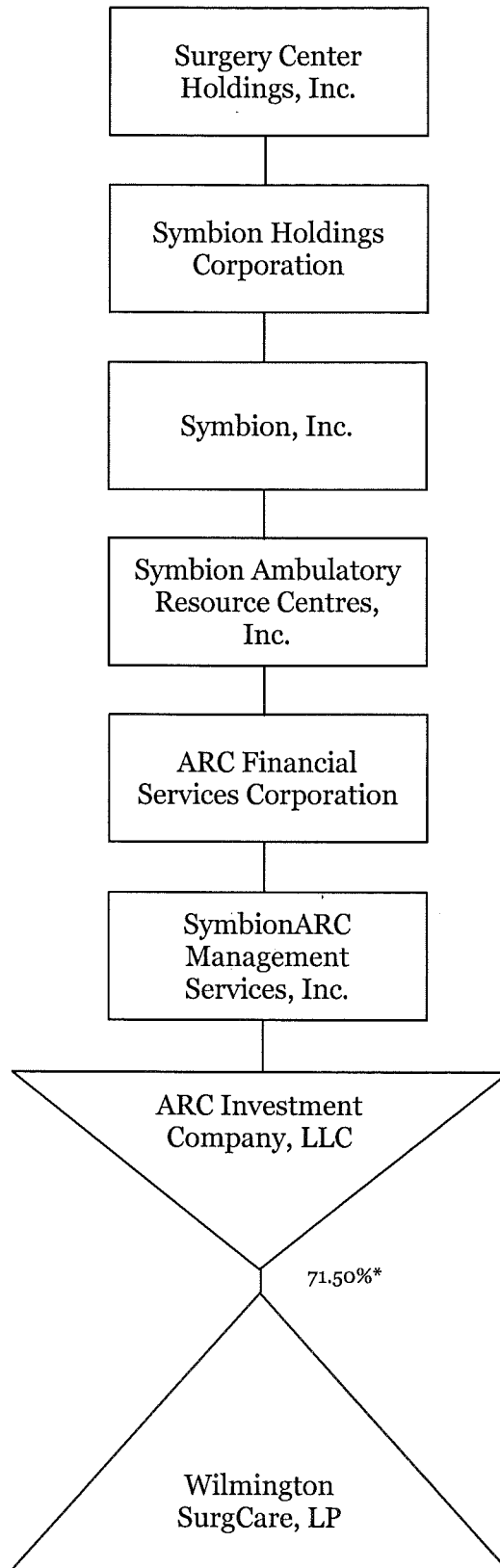
JVA

**OWNERSHIP STRUCTURE  
(CURRENT - BEFORE)**



\*Remaining 28.50% held by individual physician investors (not changing).

**OWNERSHIP STRUCTURE  
(ANTICIPATED - AFTER)**



\*Remaining 28.50% held by individual physician investors (not changing).