



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 18, 2024

Peter A. Terreri  
[pterreri@reedsmith.com](mailto:pterreri@reedsmith.com)

**No Review**

**Record #:** 4647  
**Date of Request:** 10/22/2024  
**Facility Name:** Northlake House  
**FID #:** 160264  
**Project Description:** Change of operator/licensee to New OpCo  
**County:** Mecklenburg

Dear Mr. Terreri:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the representation in your request and the CON law **in effect on the date of this response to your request**, the project as described is not governed by, and therefore, does not currently require a certificate of need. 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

Please do not hesitate to contact this office if you have any questions.

Sincerely,

Chalice L. Moore, Project Analyst

Micheala Mitchell, Chief

cc: Adult Care Licensure Section, DHSR

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION**

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704  
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

**Peter A. Terreri**  
Direct Phone: +1 215 241 5476  
Email: pterreri@reedsmith.com

October 18, 2024

**VIA OVERNIGHT MAIL**

Micheala Mitchell, Chief,  
NC Department of Health and Human Services  
Division of Health Services Regulation  
Healthcare Planning and Certificate of Need Section  
2704 Mail Service Center  
Raleigh, NC 27699-2704

**Re: Notice of Intent to Change Licensee  
Northlake House - Adult Care Home License HAL-060-150**

Dear Ms. Mitchell:

I am writing on behalf of Northlake AL Holdings, LLC (the “**Current Licensee**”), the licensed operator of Northlake House, an adult care home located at 9108 Reames Road, Charlotte, NC 28216 (the “**Community**”), to notify the Division of Health Services Regulation Certificate Of Need, that Charlotte MC, LLC (the “**New OpCo**”) is filing a Change of Ownership (“**CHOW**”) application with the North Carolina Department of Health and Human Services Adult Care Licensure Section.

Ownership of the Community’s building and/or property is not changing as a result of the CHOW application, which, if approved, will result in a change of the Community’s operator from the Current Licensee to the New OpCo. Additionally, there are no anticipated structural changes to the building.

By way of further background, note that this CHOW is authorized by the receiver, Michael Flanagan, who has authority to act for and on behalf of the Licensee pursuant to an Order issued by the United States District Court District of the Western District of North Carolina. A copy of the prior notice regarding the receivership, submitted to Adult Care Licensure Section on August 30, 2024, is included as Exhibit A.

I appreciate your review of this matter. Should you have any questions or concerns, please do not hesitate to contact me by phone at (215) 241-5476 or by email at pterreri@reedsmith.com.

Regards,

/s/ Peter A. Terreri  
Peter A. Terreri

*Enclosures*

cc: M. Flanagan, Receiver (*via email*)

## **Exhibit A**



**Craig W. Anderson**  
Direct Phone: +1 215 241-1019  
Email: craig.anderson@reedsmith.com

Reed Smith LLP  
599 Lexington Avenue  
New York, NY 10022-7650  
+1 212 521 5400  
Fax +1 212 521 5450  
reedsmith.com

August 30, 2024

**Via Overnight Mail**

North Carolina Department of Health Service Regulation  
Division of Health Service Regulation  
2001 Mail Service Center  
Raleigh, NC 27699

North Carolina Department of Health Service Regulation  
Adult Care Licensure Section  
2708 Mail Service Center  
Raleigh, NC 27699

**Re: Notice of Appointment of Receiver and Change of Management Company  
Northlake House - Adult Care Home License HAL-060-150**

To Whom It May Concern:

On August 30, 2024, the United States District Court District of the Western District of North Carolina (the “**Court**”), entered a Supplemental Order<sup>1</sup> pursuant to which Michael F. Flanagan, was appointed receiver (the “**Receiver**”) for the adult care home located at 9108 Reames Road, Charlotte, NC 28216 (the “**Community**”). The Community is currently operated currently by Northlake AL Holdings, LLC (the “**Licensee**”).

The receivership was requested by Fannie Mae due to the Licensee’s default under a loan made to Licensee by Fannie Mae. A copy of the Court’s Supplemental Order and the Receiver’s Curriculum Vitae showing his qualifications to serve as Receiver are enclosed herein for your files (Attachments A and B, respectively).

At this time, **the Licensee of the Community will remain the same. Accordingly, there is no change of ownership (“CHOW”) as a result of the Receiver’s appointment.** Instead, the Receiver’s appointment should be treated as a change of information only. The Receiver is in the process of coordinating with a prospective licensee, which will submit a CHOW application in the weeks to come in accordance with applicable regulations.

The Receiver intends to retain RSS/Northlake House Manager, LLC as a consultant to provide assistance to the current Licensee in managing the day-to-day operations of the Community. It is expected that

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<sup>1</sup> *Fannie Mae vs. Wayne Health Investors, et al.*, Civil Action No. 3:24-cv-00731-FDW-DCK.

RSS/Northlake House Manager, LLC will be appointed as the new management company in the near future.

Please note that during the receivership, we do not anticipate any material changes in the services provided, or any other changes to the delivery of care, at the Community beyond those that may occur in the normal course of business.

If you have any questions, please do not hesitate to call or email me at (607) 368-1967 or [craig.anderson@reedsmith.com](mailto:craig.anderson@reedsmith.com).

Very truly yours,

A handwritten signature in black ink, appearing to read "Craig W. Anderson". The signature is fluid and cursive, with the first name "Craig" being the most prominent.

Craig W. Anderson

*Enclosures*

cc: M. Flanagan, Receiver (*via email*)