

ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

E-036-16

RECEIVED

SEP 27 2016

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name Hauser Ross Eye Institute Ambulatory Surgery Center

Address 2515 Klein Road

City Sycamore

Zip Code 60178

County DeKalb

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Name of current licensed entity for the facility DeKalb Surgical Services, LLC d/b/a Hauser Ross Eye Institute Ambulatory Surgery Center

Does the current licensee: own this facility _____ OR lease this facility X (if leased, check if sublease ☐)

Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship

_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental

X Limited Liability Company _____ Other, specify _____

Illinois State Senator for the district where the facility is located: Sen. Dave Syverson

State Senate District Number 35 Mailing address of the State Senator N/A

Illinois State Representative for the district where the facility is located: Rep. Robert Pritchard

State Representative District Number 70 Mailing address of the State Representative N/A

2. **OUTSTANDING PERMITS.** Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes ☐ No X. If yes, refer to Section 1130.520(f), and indicate the projects by Project # _____

3. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant EyeCare Services Partners Holdings LLC

Address [_____]

City, State & Zip Code [_____]

Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship

_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental

X Limited Liability Company _____ Other, specify _____

4. **NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed DeKalb Surgical Services LLC d/b/a Hauser Ross Eye Institute Ambulatory Surgery Center

Address 2515 Klein Road

City, State & Zip Code Sycamore, IL 60178

Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship

_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental

X Limited Liability Company _____ Other, specify _____

5. **BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY**

Exact Legal Name of Entity That Will Own the Site MAE Sycamore Holdings, LLC

Address 1900 Main St., Suite 375

City, State & Zip Code Irvine, CA 92614

Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship

_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental

X Limited Liability Company _____ Other, specify _____

Additional Applicant Information

DeKalb Surgical Services, LLC
2515 Klein Road
Sycamore, IL 60178

an Illinois Limited Liability Company

6. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:

- ☐ Purchase resulting in the issuance of a license to an entity different from current licensee;
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee;
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee;
- ☒ Stock transfer resulting in no change from current licensee; (NOTE: unit/equity interest transfer)
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
- ☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
- ☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"

7. APPLICATION FEE. Submit the application fee in the form of a check or money order for \$2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1**.

8. FUNDING. Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2**.

9. ANTICIPATED ACQUISITION PRICE: \$7,300,000.00

10. FAIR MARKET VALUE OF THE FACILITY: \$7,300,000.00
(to determine fair market value, refer to 77 IAC 1130.140)

11. DATE OF PROPOSED TRANSACTION: On or before October 31, 2016

12. NARRATIVE DESCRIPTION. Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**. NOTE: For transactions involving related parties the reason the change of ownership is taking place must be provided.

13. BACKGROUND OF APPLICANT (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #4**.

14. FINANCIAL STATEMENTS. (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements AND footnotes and an "A" or better bond rating, and append it to this application as **ATTACHMENT #5**. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking YES ☐ , and indicate the date the entity was formed.

15. LETTER OF INTENT: A signed and notarized letter of intent must be provided that contains the following information: the terms of the transaction, name and background of the parties, structure of the transaction, the person who will be the licensed or certified entity after the transaction is complete; the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, the fair market value of assets to be transferred, the purchase price or other form of consideration to be provided for these assets and a statement that the transaction will not be completed until after approval of the Illinois Health Facilities and Services Review Board. Append as **ATTACHMENT #6**.
NOTE: For transactions involving related parties a letter of intent is not required.

CERTIFICATION

I the undersigned certify that the above information and all attached information are true and correct to the best of my knowledge and belief.

I the undersigned certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois.

I the undersigned certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change.

I the undersigned certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

I the undersigned certify that the health care facility will not adopt a charity care policy that is more restrictive than the policy in effect during the year prior to the transaction.

I the undersigned certify that within 90 days after the closing of the transaction that I will provide a letter stating that the change of ownership has been completed in accordance with the letter of intent provided in the application for exemption. If the terms of the letter of intent have changed, those changes will be provided with this letter. I understand if the State Board determines that terms of the transaction have changed a new application for exemption will be submitted to the State Board.

Signature of Authorized Officer

M. T. Fricke

Typed or Printed Name of Authorized Officer: Michael T. Fricke

Title of Authorized Officer: CEO, EyeCare Services Partners Holdings LLC

Address: 2727 North Hardwood Street, STE 250

City, State & Zip Code: Dallas, Texas 75201

Telephone (469) 240-6738

Date:

9/23/16

Notary Signature

[Signature]

Date:

Sept. 23, 2016



CERTIFICATION

I the undersigned certify that the above information and all attached information are true and correct to the best of my knowledge and belief.

I the undersigned certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois.

I the undersigned certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change.

I the undersigned certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

I the undersigned certify that the health care facility will not adopt a charity care policy that is more restrictive than the policy in effect during the year prior to the transaction.

I the undersigned certify that within 90 days after the closing of the transaction that I will provide a letter stating that the change of ownership has been completed in accordance with the letter of intent provided in the application for exemption. If the terms of the letter of intent have changed, those changes will be provided with this letter. I understand if the State Board determines that terms of the transaction have changed a new application for exemption will be submitted to the State Board.

Signature of Authorized Officer



Typed or Printed Name of Authorized Officer: Ahmed Abdelsalam, M.D.

Title of Authorized Officer: Member/Manager, DeKalb Surgical Services, LLC

Address: 2515 Klein Road

City, State & Zip Code: Sycamore, IL 60178

Telephone (815) 756-5603

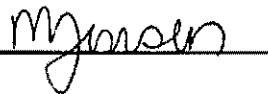
Date:

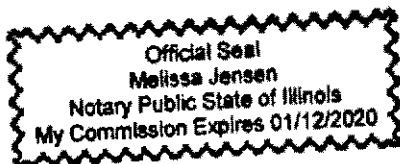
9/21/2016

Date:

9/21/16

Notary Signature





**ATTACHMENT #1
APPLICATION FEE**

See attached copy of check for application fee.

HOGAN MARREN BABBO & ROSE, LTD.

105380

VENDOR: ILLINOIS DEPARTMENT OF PUBLIC HEALTH

CHECK NO: 105380

OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
	CBA	09/26/2016	2500.00	2500.00	0.00

Application Fee for Change of Ownership Exemption

105380

HOGAN MARREN BABBO & ROSE, LTD.

ATTORNEYS AT LAW
321 NORTH CLARK STREET, SUITE 1301
CHICAGO, IL 60654

 **The PrivateBank**
www.theprivatebank.com
2-648/710

 E-Check
K. P. Bank for Business

CHECK NO.

CHECK DATE

VENDOR NO.

105380

09/26/2016

000726

PAY

CHECK AMOUNT

Two thousand five hundred and NO/100

\$2,500.00

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

TO THE
ORDER
OF





AUTHORIZED SIGNATURE

Security features. Details on back.

⑈ 105380 ⑈ ⑆071006486⑆ 2174350⑈

**ATTACHMENT #2
FUNDING**

The acquisition of one hundred percent (100%) of the membership interests in DeKalb Surgical Services, LLC will be funded by EyeCare Services Partners Holdings LLC ("ESPH") through a combination of a cash payment and a grant of a certain number of membership interests in ESPH to Dr. Ahmed Abdelsalam, DSS's current sole member.

**ATTACHMENT #3
NARRATIVE DESCRIPTION**

The current sole member and equity holder of DeKalb Surgical Services, LLC ("DSS"), the owner and operator of the Hauser Ross Eye Institute Surgery Center ("Surgery Center"), is Dr. Ahmed Abdelsalam. The transaction will result in the acquisition of one hundred percent (100%) of the equity interests of DSS by EyeCare Services Partners Holdings LLC ("ESPH"). ESPH is part of EyeCare Service Partners ("ESP"), the nation's leading vertically integrated eyecare services company in both quality and scale. Following the closing of this transaction, ESP will manage over forty-five practice locations employing over 100 ophthalmologists and optometrists as well as own and operate seven ambulatory surgery centers in five states. ESP strives to provide a patient centric model that delivers outstanding care and quality outcomes through its associated providers and staff by leveraging its comprehensive array of best-in-class technology, processes and managerial infrastructure with the goal of ensuring its affiliated provider groups can focus a maximum amount of their time on patient care.

Following the consummation of the transaction, Dr. Abdelsalam will be granted a five percent (5%) or greater equity interest in ESPH. Dr. Abdelsalam will continue to actively be involved with the Surgery Center's day-to-day operations as its President and a member of ESPH's Board of Managers. He also will continue to perform surgery at the Surgery Center and will remain a member of its executive and quality committees. Further, following the closing of the transaction, the entity holding the license for the Surgery Center will not change and shall continue to be DSS d/b/a Hauser Ross Eye Institute Surgery Center. The Surgery Center will also continue to participate in the Illinois Medicaid Program.

**ATTACHMENT #4
BACKGROUND OF APPLICANT(S)**

Certificates of Good Standing.

Attached please find certificates of good standing for DeKalb Surgical Services, LLC ("DSS") and EyeCare Services Partners Holdings LLC ("ESPH").

Ownership of Applicants.

Currently, Dr. Abdelsalam is the sole member and equity holder of DSS, the owner and operator of the Hauser Ross Eye Institute Surgery Center.

Following the closing of the transaction, ESPH will become the sole member and equity holder of DSS. Attached please find the current names, addresses, and percent interests of each member of ESPH.

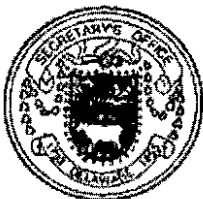
Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "EYECARE SERVICES PARTNERS HOLDINGS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF SEPTEMBER, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5520263 8300

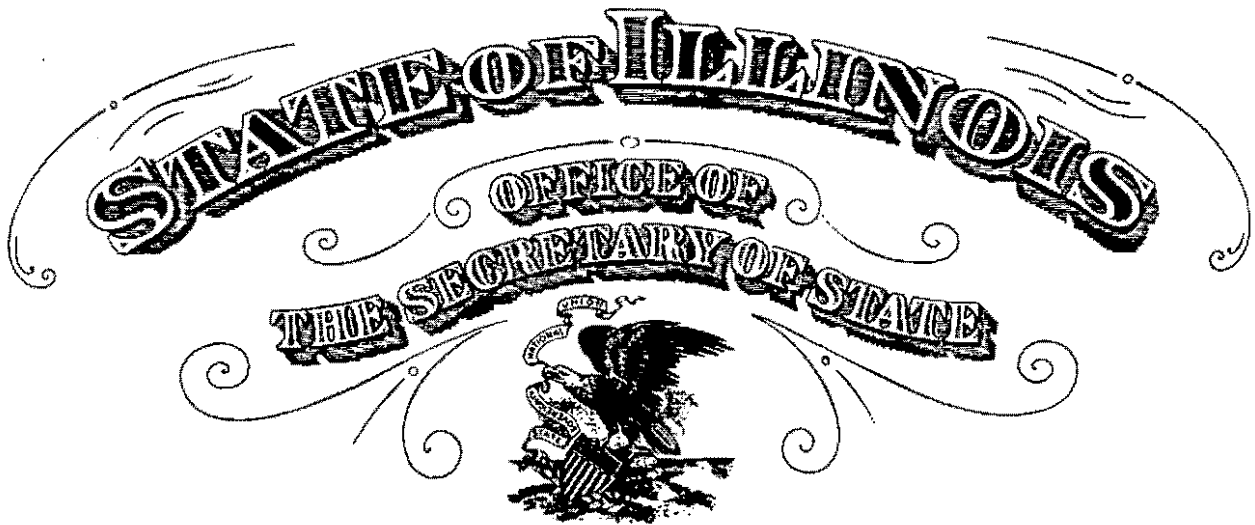
SR# 20165934029

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 203055233

Date: 09-26-16



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

DEKALB SURGICAL SERVICES, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 12, 2014, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of SEPTEMBER A.D. 2016 .

Jesse White

SECRETARY OF STATE

**ATTACHMENT #5
FINANCIAL STATEMENTS**

Attached please find the most recent audited financials for and EyeCare Services Partners Holdings LLC. DeKalb Surgical Services does not have audited financials as it has not been in operation for over a year.

**ATTACHMENT #6
LETTER OF INTENT**

Pursuant to statutory amendment, a Letter of Intent is no longer required to be submitted. However, pursuant to the terms of the transaction, EyeCare Services Partners Holdings LLC ("ESPH") is acquiring one hundred percent (100%) of the membership interests in DeKalb Surgical Services, LLC ("DSS"). Following the closing of the transaction, ESPH will become the Surgery Center's sole member and equity holder. As a result of this transaction, the entity holding the license will not change, only its member. Its current member, Dr. Ahmed Abdelsalam, will remain actively involved with the Surgery Center and a member of its medical staff. In addition, as part of the transaction, Dr. Abdelsalam will receive an equity interest in ESPH.

Neither DSS nor ESPH have outstanding certificate of need permits.

Within ninety (90) days of the closing of the transaction, the Surgery Center will notify the Illinois Health Facilities and Service Review Board that the transaction is complete and in accord with the material terms described herein.

**ATTACHMENT #6
LETTER OF INTENT**

Pursuant to statutory amendment, a Letter of Intent is no longer required to be submitted. However, pursuant to the terms of the transaction, EyeCare Services Partners Holdings LLC ("ESPH") is acquiring one hundred percent (100%) of the membership interests in DeKalb Surgical Services, LLC ("DSS"). Following the closing of the transaction, ESPH will become the Surgery Center's sole member and equity holder. As a result of this transaction, the entity holding the license will not change, only its member. Its current member, Dr. Ahmed Abdelsalam, will remain actively involved with the Surgery Center and a member of its medical staff. In addition, as part of the transaction, Dr. Abdelsalam will receive an equity interest in ESPH.

Neither DSS nor ESPH have outstanding certificate of need permits.

Within ninety (90) days of the closing of the transaction, the Surgery Center will notify the Illinois Health Facilities and Service Review Board that the transaction is complete and in accord with the material terms described herein.