



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

Pat McCrory
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Secretary DHHS

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Division Director

May 13, 2013

Barton Walker
McGuireWoods LLP
Post Office Box 31247
Charlotte, North Carolina 28231

No Review

Facility or Business: The Center of Morehead City, LLC d/b/a The Surgical Center of Morehead City
Project Description: Change in Membership in The Center of Morehead City, LLC d/b/a The Surgical Center of Morehead City County:
FID #: 954590

Dear Mr. Walker:

The Certificate of Need Section (CON Section) received your letter March 27, 2013 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 Section 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.

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.



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

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Barton Walker
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Sincerely,



Jane Rhoe-Jones, Project Analyst



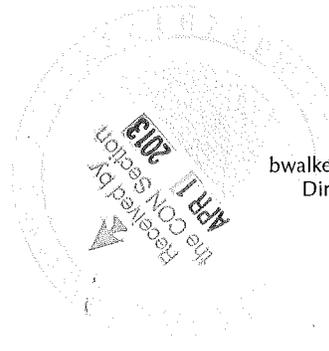
Craig R. Smith, Chief
Certificate of Need Section

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

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March 27, 2013

Mr. Craig R. Smith
Chief, Certificate of Need Section
North Carolina Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

Re: Notice of Change in Membership in The Center of Morehead City, LLC d/b/a The Surgical Center of Morehead City

Dear Mr. Smith,

This letter shall serve as notice that The Center of Morehead City, LLC d/b/a The Surgical Center of Morehead City (the "Company") intends to sell new units of ownership to one individual investor, who will purchase a 1.2727% interest in the Company. In addition, the Class B member of the Company will purchase an additional 0.5679 units of the Company to maintain 30.0000% ownership, pursuant to the Class B member's anti-dilution right. Attached as Exhibits A and B respectively are pre- and post-transaction Company ownership charts for your review.

The Company will continue to operate its ambulatory surgical center under the terms of its Certificate of Need ("CON"). There will be no change to the Company's tax identification number, Medicare and Medicaid numbers. The only changes that will occur are the addition of the new member and the purchase of additional units by the Class B member. Based on these facts, we understand that the Company is not required to request an exemption from the Certificate of Need Section related to the change in membership described above.

We would appreciate your office reviewing this information and advising us whether our analysis is correct and that this unit issuance is not subject to CON review.

If you have any questions or concerns, please feel free to contact me at (704) 373-8923.

Kind Regards,

Barton Walker

EXHIBIT A

MEMBERSHIP UNITS (PRE-CLOSING)

Member	Units	Ownership Percentage
Class A Members		
Thomas Bates, M.D.	5.3846	5.1852%
Michael Bell, M.D.	5.3846	5.1852%
Robert Brockman, M.D.	5.3846	5.1852%
Robert Coles, M.D.	5.3846	5.1852%
Bradford Drury, M.D.	5.3846	5.1852%
Robert Garrison, M.D.	5.3846	5.1852%
Ashraf Guirgues, M.D.	5.3846	5.1852%
John T. Johnson, Jr., M.D.	5.3846	5.1852%
Arthur Klose, M.D.	5.3846	5.1852%
John LoPiccolo, D.P.M.	2.6923	2.5926%
Dean Marson, M.D.	5.3846	5.1852%
Jeffrey Moore, M.D.	5.3846	5.1852%
John Yurko, M.D.	5.3846	5.1852%
Matthew Zettl, M.D.	5.3846	5.1852%
Class A Total	72.6923	70.0000%
Class B Member		
Cataract and Laser Center Partners, LLC d/b/a Ambulatory Surgical Centers of America	31.1538	30.0000%
Class B Total	31.1538	30.0000%
TOTAL	103.8462	100.0000%

EXHIBIT B

MEMBERSHIP UNITS (POST-CLOSING)

Member	Units	Ownership Percentage
Class A Members		
Thomas Bates, M.D.	5.3846	5.0909%
Michael Bell, M.D.	5.3846	5.0909%
Robert Brockman, M.D.	5.3846	5.0909%
Robert Coles, M.D.	5.3846	5.0909%
Bradford Drury, M.D.	5.3846	5.0909%
Robert Garrison, M.D.	5.3846	5.0909%
Ashraf Guirgues, M.D.	5.3846	5.0909%
John T. Johnson, Jr., M.D.	5.3846	5.0909%
Arthur Klose, M.D.	5.3846	5.0909%
John LoPiccolo, D.P.M.	2.6923	2.5455%
Dean Marson, M.D.	5.3846	5.0909%
Jeffrey Moore, M.D.	5.3846	5.0909%
Jeffrey Viscardi, M.D.	1.3462	1.2727%
John Yurko, M.D.	5.3846	5.0909%
Matthew Zettl, M.D.	5.3846	5.0909%
Class A Total	74.0384	70.0000%
Class B Member		
Cataract and Laser Center Partners, LLC d/b/a Ambulatory Surgical Centers of America	31.7308	30.0000%
Class B Total	31.7308	30.0000%
TOTAL	105.7692	100.0000%