



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

August 8, 2014

Carrie A. Hanger  
Smith Moore Leatherwood, LLP  
300 N. Greene Street, Suite 1400  
Greensboro, North Carolina 27401

**No Review**

Facility or Business: Greater Gaston Endoscopy Center  
Project Description: Corporate reorganization and name change  
County: Gaston  
FID #: 101055

Dear Ms. Hanger:

The Certificate of Need Section (CON Section) received your letter of July 9, 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 Section, 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](http://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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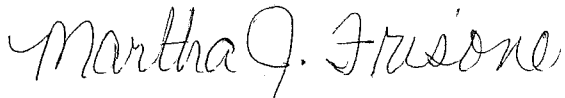
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Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Gloria C. Hale, Project Analyst



Martha J. Frisone, Interim Chief  
Certificate of Need Section

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

July 9, 2014

Martha J. Frisone, Interim Chief  
Bernetta Thorne-Williams, Project Analyst  
Certificate of Need Section  
N.C. Department of Health and Human Services  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Received by  
the CON Section  
JUL 14 2014

Re: Greater Gaston Center, LLC, Certificate of Need to develop an ambulatory surgical facility with no more than two GI endoscopy rooms/Gaston County, Project I.D. # F-8602-10

Dear Ms. Frisone and Ms. Thorne-Williams:

We are writing you on behalf of our client, Greater Gaston Center, LLC ("GGC"), a North Carolina limited liability company. The Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section (the "CON Section") issued a certificate of need ("CON") allowing GGC to develop an ambulatory surgical facility with no more than two gastrointestinal endoscopy rooms in Gaston County (Project I.D. # F-8602-10) effective January 8, 2014.

GGC has determined that it is in its best interest to undergo a corporate reorganization effective July 2, 2014. The name of the reorganized entity is Greater Gaston Endoscopy Center, LLC. Besides the new name, the only other changes occurring during the reorganization are the realignment of minority interests held by certain members. The identities of the members have not changed, and no member has acquired a majority interest as a result of the reorganization. Enclosed as Exhibit A is the Amendment to the Articles of Organization documenting the changes made during the corporate reorganization.

Pursuant to 10A NCAC 14C.0502(b)(1), the ownership of a CON is not transferred when "the holder of the certificate is a corporation and the identity of the holder changes because of a corporate reorganization." Further, the realignment of minority interests in the facility does not result in the transfer of a CON; instead, control is only transferred by a realignment of ownership interests "when any person acquires a majority interest in the facility, project or holder or any parent entity of the facility, project or holder." 10A NCAC 14C.0502(c).

Here, GGC's name has changed due to corporate reorganization. All of the members of the limited liability company remain the same, and no member has acquired a majority interest in the company due to the reorganization.

In addition, reorganizations of existing health services have long been deemed exempt from CON review. For example, by a letter dated June 6, 1996, the CON Section determined that the reorganization of Hospice of Cabarrus County, Inc. to establish Hospice of Cabarrus County, Inc. as a controlled affiliate

Martha J. Frisone, Interim Chief  
July 9, 2014  
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of Cabarrus Memorial Hospital, Inc. Likewise, the CON Section issued a no review letter dated April 12, 2002 stating that the corporate reorganization of Mariner Post-Acute Care Network into Mariner Health Care, Inc. was not regulated under the Certificate of Need Law and thus did not require a CON. Further, the CON Section has even found that the acquisition of a 50% interest in a part owner of an existing health care provider by a third party was exempt from CON requirements in a June 25, 1998 no review letter regarding the acquisition of a 50% interest in Diagnostic Radiology Imaging, LLC by Radiology Imaging Partners, LLC in Guilford County. In comparison, the changes here are much less -- only the amount of some of the existing owners' minority interests have changed.

Based upon this information, we request that you confirm in writing that GGC's reorganization does not result in the transfer of ownership of the CON for Project I.D. F-8602-10. If you have any questions or need additional information, please do not hesitate to call me. We look forward to hearing from you as soon as possible.

With kindest regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP



Carrie A. Hanger

Enc.

C2014 167 00089

*State of North Carolina*  
*Department of the Secretary of State*

**Limited Liability Company**  
**AMENDMENT OF ARTICLES OF ORGANIZATION**

Pursuant to §57D-2-22 of the General Statutes of North Carolina, the undersigned limited liability company hereby submits the following Articles of Amendment for the purpose of amending its Articles of Organization.

1. The name of the limited liability company is: Greater Gaston Center, LLC
2. The text of each amendment adopted is as follows (attach additional pages if necessary):

The Articles of Organization of this limited liability company shall be amended by deleting Article 1 in its entirety and inserting therefore a new Article 1 to read as follows:

"1. The name of the limited liability company is: Greater Gaston Endoscopy Center, LLC."

3. (Check either a or b, whichever is applicable)  
A.  The amendment(s) was (were) duly adopted by the majority vote of the organizers of the limited liability company prior to the identification of initial members of the limited liability company.  
B.  The amendment(s) was (were) duly adopted by the unanimous vote of the members of the limited liability company or was (were) adopted as otherwise provided in the limited liability company's Articles of Organization or a written operating agreement.
4. These articles will be effective upon filing, unless a date and/or time is specified: \_\_\_\_\_

This the 16th day of June, 2014.

**Greater Gaston Center, LLC**

*Name of Limited Liability Company*



*Signature*

Frank Principal, Member, Board of Managers, Company Official

*Type or Print Name and Title*

**NOTES:**

1. Filing fee is \$50. This document must be filed with the Secretary of State.  
CORPORATIONS DIVISION  
(Revised January 2014)

P. O. BOX 29622

RALEIGH, NC 27626-0622  
(Form L-17)

EXHIBIT A