



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 16, 2020

Kenneth L. Burgess
PoynerSpruill
kburgess@poynerspruill.com

No Review

Record #: See Attachment A
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: See Attachment A
Business #: See Attachment A
Project Description: Corporate reorganization to create separate property ownership entities
County: See Attachment A

Dear Mr. Burgess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence 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.

You may need to contact the Agency's Nursing Home Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

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.

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

Sincerely,

[Handwritten signature of Michael J. McKillip]

Michael J. McKillip
Project Analyst

[Handwritten signature of Martha J. Frisone]

Martha J. Frisone
Chief

cc: Nursing Home Licensure and Certification 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

**Attachment A**

<b>Name of Facility</b>	<b>County</b>	<b>FID</b>	<b>New Property Ownership Entity</b>	<b>Business #</b>	<b>Record #</b>
Cornerstone Nursing and Rehabilitation Center	Harnett	923073	The Carrolton of Dunn Property Company, Inc.	3259	3355
Hunter Hills Nursing and Rehabilitation Center	Nash	923072	The Carrolton of Nash Property Company, Inc.	3260	3356
Roanoke River Nursing and Rehabilitation Center	Martin	923075	Williamston Nursing Facility Property Company, Inc.	3261	3357
Roanoke Landing Nursing and Rehabilitation Center	Washington	923414	The Carrolton of Plymouth Property Company, Inc.	3262	3358
Highland Acres Nursing and Rehabilitation Center	Robeson	923071	The Carrolton of Lumberton Property Company, Inc.	3263	3359
Cumberland Nursing and Rehabilitation Center	Cumberland	953074	The Carrolton of Fayetteville Property Company, Inc.	3264	3360

September 9, 2020

Kenneth L. Burgess  
*Partner*  
D: 919.783.2917  
F: 919.783.1075  
kburgess@poynerspruill.com

VIA EMAIL

Martha Frisone  
Chief  
Healthcare Planning and Certificate of Need Section  
N.C. Division of Health Service Regulation  
2701 Mail Service Center  
Raleigh, N.C. 27699-2704  
Via email to: [martha.frisone@dhhs.nc.gov](mailto:martha.frisone@dhhs.nc.gov)

RE: Notice of Corporate Reorganization: No Review and/or Exemption Notice

Dear Martha:

I am writing on behalf of our client Carrolton Facility Management, LLC and various related Carrolton health care entities which own six (6) skilled nursing facilities ("SNFs") in North Carolina ("Carrolton"). Beginning in the early 1980s, the N.C. Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "CON Section") issued to Carrolton certificates of need ("CONs") for the construction of the following six SNFs:

1. The Carrolton of Dunn (most recent CON issued to The Carrolton of Dunn, Inc.);
2. The Carrolton of Nash (most recent CON issued to The Carrolton of Nash, Inc.);
3. The Carrolton of Williamston (most recent CON issued to Williamston Nursing Home Care, L.L.C.);
4. The Carrolton of Plymouth (most recent CON issued to The Carrolton of Plymouth, Inc.);
5. The Carrolton of Fayetteville (most recent CON issued to The Carrolton of Fayetteville, Inc.); and
6. The Carrolton of Lumberton (most recent CON issued to Powell-Roberson Enterprises).

Since approximately 2005, each of the above-referenced facilities has been operated by a Principle Long Term Care, Inc. entity pursuant to leases with Carrolton. Effective October 1, 2020, or as soon thereafter as the Nursing Home Licensure and Certification Section issues new licenses to Carrolton for the facilities, the operation of each facility will be assumed by a Carrolton entity.

In preparation for this resumption of operations of the six (6) SNFs by Carrolton, the legal entities which own each of the six (6) facilities have been reorganized to convert them to limited liability companies and/or to accurately reflect in each entity name that it owns the bricks and mortar and real estate of each facility ("Propco"), as opposed to the operations which are owned by a related entity to each Propco ("Opco"). Specifically, those new limited liability companies and the respective Carrolton facility which each owns are as follows:

1. The Carrolton of Dunn Property Company, Inc. (the Dunn facility);
2. The Carrolton of Nash Property Company, Inc. (the Nash facility);
3. Williamston Nursing Facility Property Company, LLC (the Williamston facility);
4. The Carrolton of Plymouth Property Company, Inc. (the Plymouth facility);
5. The Carrolton of Lumberton Property Company, Inc. (the Lumberton facility); and

Martha Frisone  
September 9, 2020  
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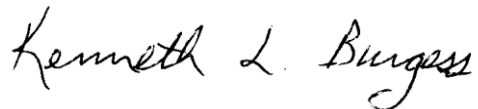
6. The Carrolton of Fayetteville Property Company, Inc. (the Fayetteville facility).<sup>1</sup>

Both before and after each of the Carrolton entities identified above was reorganized and/or renamed, the same individuals were and are the ultimate owners of each facility. In other words, the upstream ownership of each facility is not changing. Rather, a corporate reorganization has occurred to create separate property and operations entities for each facility.

As such, we do not believe that these corporate changes constitute a change of ownership under the CON Statute and we do not believe that this internal corporate reorganization otherwise implicates the CON Statute. However, since the legal names and structure of the legal entity which owns each of the six (6) SNFs has been changed, we are providing this notice to the CON Section so that the Agency's records are current and accurate. In the event your office concludes that these corporate changes constitute the acquisition of an existing health service facility under the CON Statute or otherwise implicate the CON Statute, then please accept this correspondence as a Notice of Exemption Acquisition of an existing health service facility which is exempt from further CON review, or the requirement to obtain a CON, pursuant to N.C.G.S. 131E-184(a)(8). In the alternative, please accept this correspondence as a "No Review Determination" notice.

Please let me know if you have any questions about this correspondence or need additional information.

Sincerely yours,



**Kenneth L. Burgess**  
*Partner*

cc: Sonya Rozier  
Sandy Roberson

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<sup>1</sup> A related operations company has also been established for each of the facilities but those entities are responsible for operations only and have no ownership interest in the physical plant or the CON rights of each facility.

**From:** [Frisone, Martha](#)  
**To:** [Waller, Martha K](#)  
**Subject:** FW: [External] Notice of No Review and/or Exemption: Carrolton Skilled Nursing Facilities  
**Date:** Wednesday, September 9, 2020 12:43:49 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[Signed CON Section Exemption Notice.pdf](#)

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**Martha J. Frisone**

Chief

[Division of Health Service Regulation](#), Healthcare Planning and Certificate of Need  
[NC Department of Health and Human Services](#)

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#StayStrongNC and get the latest at [nc.gov/covid19](https://nc.gov/covid19).

Office: 919-855-3879

[martha.frisone@dhhs.nc.gov](mailto:martha.frisone@dhhs.nc.gov)

809 Ruggles, Edgerton  
2704 Mail Service Center  
Raleigh, NC 27699-2704

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**From:** Burgess, Kenneth L. <KBurgess@poynerspruill.com>  
**Sent:** Wednesday, September 9, 2020 12:40 PM  
**To:** Frisone, Martha <martha.frisone@dhhs.nc.gov>  
**Subject:** [External] Notice of No Review and/or Exemption: Carrolton Skilled Nursing Facilities

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Martha, attached please find a Notice of No Review and/or Exemption regarding the restructuring of several entities related to our client Carrolton Facility Management LLC and its related entities that own six skilled nursing facilities. Please let me know if you need any additional information regarding this notice. Thanks, Ken Burgess

**Kenneth L. Burgess** | Partner

**Poyner Spruill**<sup>LLP</sup>  
ATTORNEYS AT LAW

1151 Falls Road, Suite 1000  
Rocky Mount, N.C. 27804

**D:** 919 783 2917 | **M:** 919 449 4754

[Kburgess@poynerspruill.com](mailto:Kburgess@poynerspruill.com) | [www.poynerspruill.com](http://www.poynerspruill.com)

*Due to the increasing risks posed by the spread of COVID-19, we have made the decision to have all attorneys and staff work remotely. This decision comes after much planning and close monitoring of media and local government coverage of the virus.*

*Maintaining a safe work environment, while continuing to serve our clients is our highest priority. We have taken steps to ensure that our attorneys and staff are equipped with the proper technology that will allow them to seamlessly serve our clients. Thank you for your patience and understanding during this time of uncertainty.*



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