

NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

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

January 30, 2019

Charles Trefzger  
P.O. Box 2568  
Hickory, NC 28603-2568

**Exempt from Review – Acquisition of Facility**

**Record #:** 2854  
**Facility Name:** Hamlet House  
**Type of Facility:** Adult care home  
**FID #:** 971261  
**Acquisition by:** Hamlet Health Holdings, LLC  
**Business #:** 2996  
**County:** Richmond

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your representations, the above referenced proposal is exempt from certificate of need (CON) review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency's determination is limited to the question of whether or not the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to N.C. Gen. Stat. §131E-181(b): "*A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.*"

In the event that the business listed above does acquire the facility, you should contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination regarding whether or not a certificate of need would be required.


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  
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Tanya M. Saporito  
Project Analyst



Martha J. Frisone  
Chief

cc: Adult Care Licensure Section, DHSR  
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

***HP Hamlet, LLC,  
Hamlet AL Holdings, LLC &  
Hamlet Health Holdings, LLC***

***Post Office Box 2568  
Hickory, North Carolina 28603-2568***

**January 18, 2019**

Martha Frisone, Chief  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
North Carolina Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704



Re: **Request for Non-Withdrawal of Certificate of Need** <sup>2854 NR</sup>  
HP Hamlet, LLC and Hamlet AL Holdings, LLC for Hamlet House (Richmond <sup>2996 Bus</sup> County), Facility ID # 971261, License No. HAL-077-010

Dear Ms. Frisone:

I am writing on behalf of HP Hamlet, LLC, a Delaware limited liability company with its principal place of business located at 2 South Pointe Drive, Suite 100, Lake Forest, California 92614 (“Current Lessor”); Hamlet AL Holdings, LLC, a North Carolina limited liability company with its principal place of business located at 400 Second Avenue NW, Hickory, North Carolina 28601 (“Lessee”); and Hamlet Health Holdings, LLC, a North Carolina limited liability company with its principal place of business located at 400 Second Avenue NW, Hickory, North Carolina 28601 (“New Lessor”). Current Lessor and Lessee currently own and operate the adult care home (“ACH”) known as Hamlet House, which is located at 632 Freeman Mill Road, Hamlet, North Carolina 28345 (the “Facility”).

Because the Facility was developed prior to the enactment of N.C. Session Law 1997-443, the Facility has not been issued a Certificate of Need (“CON”) by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the “Agency”), though the Facility is subject to North Carolina CON law. Stated differently, the Facility’s 60 ACH beds were “grandfathered in” at the time ACHs became subject to the CON law.

Current Lessor has entered into a contract to sell the Facility to New Lessor, an affiliate of Lessee. As part of this proposed transaction, the corporate leasehold structure will change. Please refer to the attached Exhibit A, which shows both the current corporate structure and the proposed new corporate structure. Other than the changes reflected in Exhibit A, no other changes are contemplated.

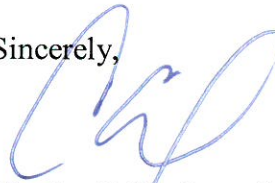
The parties believe it is in the best interests of the community for the transaction to take

place. Under the proposed new corporate structure, Lessee will continue to act as the lessee of the Facility and to operate it in accordance with the provisions of N.C. Gen. Stat. § 131D *et seq.* and 10A NCAC 13F *et seq.* The proposed change only relates to the entity that holds the ownership interest in the Facility's real property and to the entity that holds the ownership interests in the Lessee and New Lessor. No transfer of the Facility's CON is contemplated by this transaction.

In accordance with N.C. Gen. Stat. § 131E-189(c), please allow this letter to serve as prior written notice to the Agency of the proposed transaction outlined in Exhibit A. Furthermore, please consider this letter as a formal request that the Agency find good cause for the proposed change in corporate structure and conclude that the Facility's CON will not be withdrawn as a result of such change.

Should you need additional information in order to make a decision on this matter, please do not hesitate to contact me directly.

Sincerely,



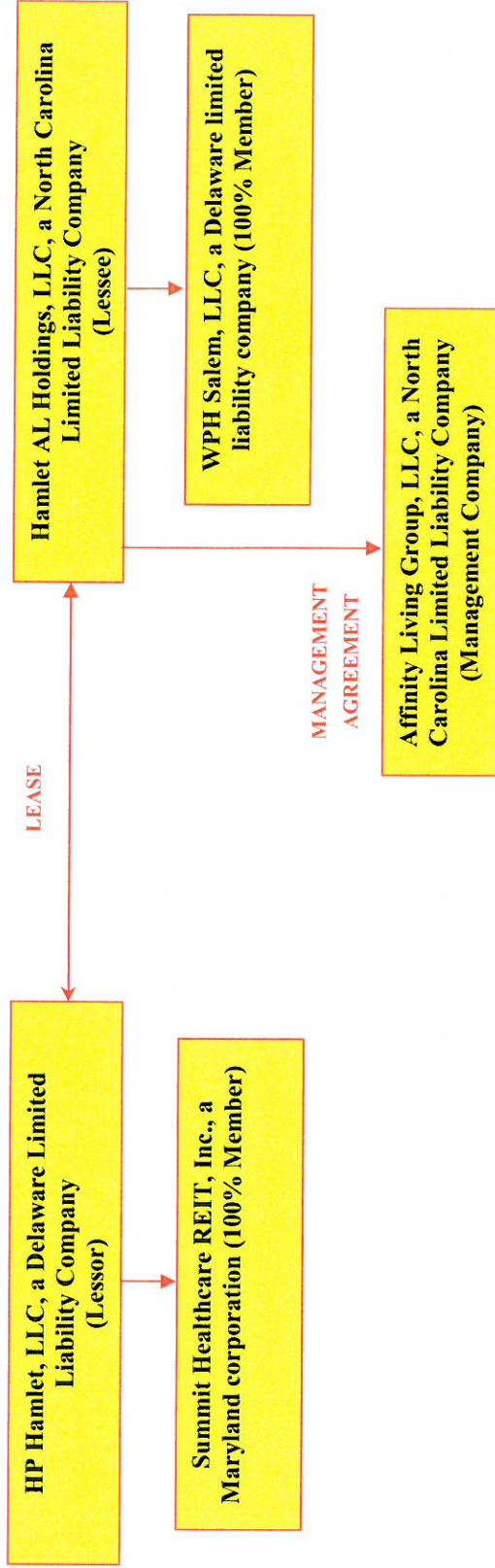
Charles E. Trefzger, Jr.  
Authorized Representative  
HP Hamlet, LLC  
Hamlet AL Holdings, LLC  
Hamlet Health Holdings, LLC

Exhibit A:  
Proposed Changes to Corporate Structure

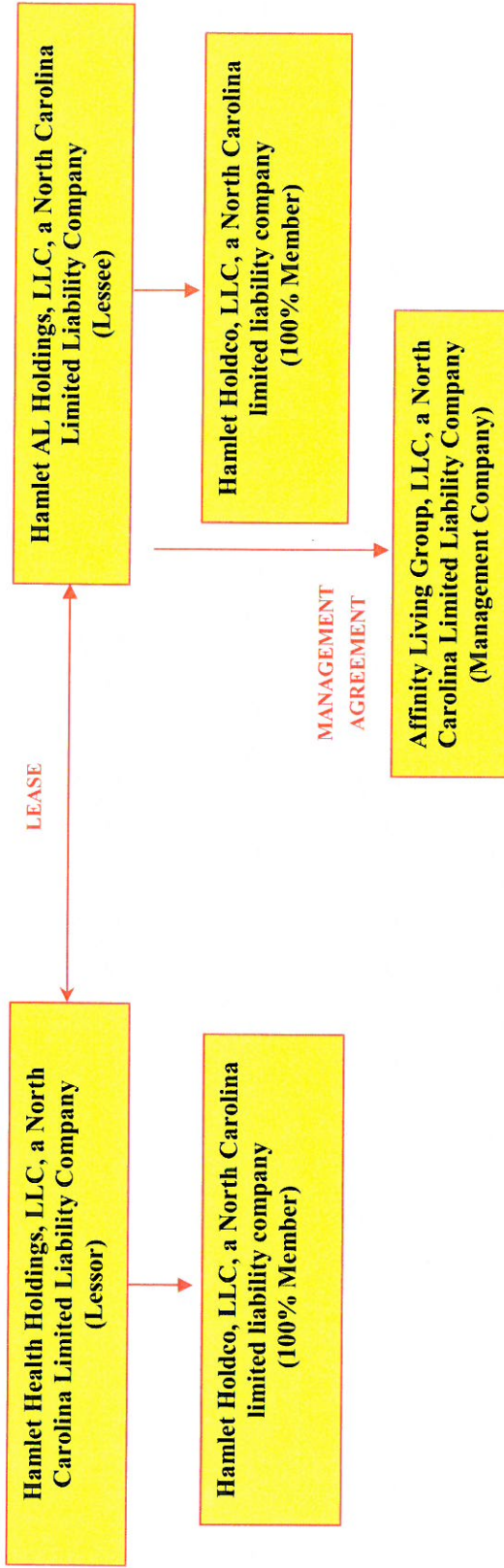


**EXHIBIT A**

**Hamlet House  
Current Corporate Structure**



# Hamlet House Proposed New Corporate Structure



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

*Effective January 1, 2018, this license is issued to*

*Hamlet AL Holdings, LLC*

*to operate an Adult Care Home known as*

*Hamlet House*

*located at 632 Freeman Mill Road  
Hamlet, NC, Richmond County.*

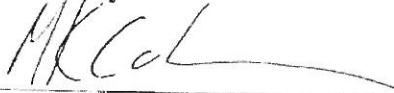
*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2018.*

*License Number: HAL-077-010*

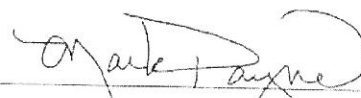
*Capacity: 60*

*Special Care Units:  Yes  No*

Authorized by:



Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation