

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants,

Plaintiff,

vs.

Melvin B. Nickles, MD and Hartsville
Medical Group, LLC,

Defendants,

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

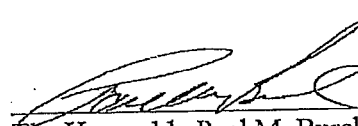
CONSENT ORDER TO AMEND TO ADD
GREG MCCANTS AS PLAINTIFF AND
TO LIFT STAY

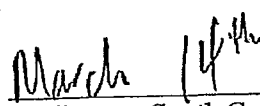
The parties, by and through their undersigned attorneys, and pursuant to the Consent Order to Stay signed by the Honorable Paul M. Burch on January 29, 2013 and filed January 30, 2013, which is attached hereto as Exhibit "A," as well as the Notice of Election to File Civil Action filed in the United States Court of Federal Claims and attached hereto as Exhibit "B", hereby consent to the filing and service of the Amended Summons and Complaint attached hereto as Exhibit "C" adding Greg McCants as a Plaintiff herein, and also consent to a lift of the stay immediately upon the filing and service of this Order.

Counsel for Defendants shall have thirty (30) days from the date of this Order to Answer the attached Amended Summons and Amended Complaint filed herewith.

The Clerk of Court shall place this case on the Jury roster in order to be tried using the date of the filing of this order as opposed to the date of the initial filing of this matter.

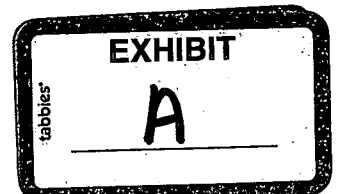
AND IT IS SO ORDERED.


The Honorable Paul M. Burch
Fourth Judicial Circuit


March 14th, 2014
Darlington, South Carolina

TRUE CERTIFIED COPY,


CLERK OF COURT/RMC
DARLINGTON COUNTY, S.C.



STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,
Plaintiffs,

Versus

Melvin B. Nickles, M.D., and Hartsville
Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

RESPONSES TO PLAINTIFFS' FIRST
INTERROGATORIES TO DEFENDANT
HARTSVILLE MEDICAL GROUP, LLC

TO: PLAINTIFFS AND THEIR ATTORNEY WILLIAM TUCK, ESQUIRE:

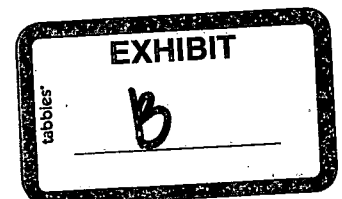
INTERROGATORIES

1. Please state the name, address and job title of the person(s) answering these Interrogatories, and provide the same information for any and all persons who assisted in gathering the information for same.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous and seeks information not relevant to the present litigation. Subject to the foregoing objection, Defendant states:

Defendant's attorneys; Angie Gainey; Stephanie Watford; Rachel Hoffman

2. Give the names and addresses of persons known to the party or counsel to have knowledge concerning the facts of the case and indicate whether or not written or recorded statements have been taken from the witnesses and indicate who has possession of such statements.



RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

- a. Stephanie Watford. Ms. Watford may be contacted through counsel.
- b. Angie Gainey. Ms. Gainey may be contacted through counsel.
- c. Dr. Melvin B. Nickles. Dr. Nickles may be contacted through his counsel.
- d. Rachel Hoffman. Ms. Hoffman may be contacted through counsel.
- e. Greg McCants
- f. Medical providers identified in the medical records.

Defendant is unaware of any written or recorded statements from any witness other than those contained in the Plaintiff's medical record.

3. For each person known to the party or counsel to have knowledge concerning the facts of the case, set forth either a summary sufficient to inform the other party of the important facts known to or observed by such witnesses, or provide a copy of any written or recorded statements taken from such witnesses.

RESPONSE: Defendants object to this Interrogatory on the grounds that it seeks the mental impressions, thought processes and trial strategy of Defendant's counsel, seeks documents prepared in anticipation of litigation and may constitute attorney work product. Subject to these objections, Defendant states:

- A. Angie Gainey.
- B. Stephanie Watford.
- C. Rachel Hoffman. She administered the Hepatitis B shot to Plaintiff on the dates indicated on Exhibit B to Plaintiff's Interrogatories. She further witnessed Plaintiff sign Exhibit B on the date indicated on Exhibit B.
- D. Dr. Melvin B. Nickles.
- E. Greg McCants. Mr. McCants is the Plaintiff in this case and will have relevant information regarding his injuries, treatment, and other material issues to this case.
- F. Medical staff identified in medical records. The medical staff treated the Plaintiff for his injuries.

4. Please state whether or not Hartsville Medical Group has ever been a party to any other civil action, and if so, please give: the names of all parties; the date of each such suit; the Court in which each such suit was brought. This would include, but is not limited to, any

type of complaint filed against Hartsville Medical Group by a patient with any state medical board, any type of actions taken against the corporation by any regulatory body or entity. For each such action, please state: the style of the case; the city, county and state in which the said case was filed; the date the case was filed; the name of the defense counsel defending you; the name of plaintiff's counsel; and the outcome of the case.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

The only claims brought against Defendant in the last three years have been the claims brought by the Plaintiffs.

5. Identify all insurance companies which provide any type of liability insurance coverage to you, including but not limited to first party liability policies, self-insured retention policies, and/or policies of excess and/or umbrella coverage, and set forth the numbers of policies involved, the policy period dates, and the amounts of liability insurance coverage provided and available for coverage of insurance in this matter in these policies, including any deductibles.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant is self-insured.

6. For each employee of this Defendant who filled out any portion of, signed, or initialed the medical records of Greg McCants when he was treated by an agent or employee of Hartsville Medical Group, identify the person, the official title and position, and whether the person is still employed by this Defendant. If that person is not presently employed by this

Defendant, state the person's last known address and present employment, if known. If this Defendant refuses to identify all such individuals, identify the person who would be the Rule 30 (b)(6), SCRPC witness for Hartsville Medical Group in regard to identifying all persons requested in this Interrogatory.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

- a. Rachel Hoffman. She was a clinical staff with Hartsville Medical Group and is employed by Dr. Melvin B. Nickles, P.A. Hoffman can be contacted through counsel.
- b. Angie Gainey. Certified Medical Assistant and is employed by Dr. Melvin B. Nickles, PA. Gainey can be contacted through counsel.
- c. Stephanie Watford. She was the office manager and is now employed by Dr. Melvin B. Nickles, PA. Watford can be contacted through counsel.

7. Pursuant to Rule 26(b)(4), SCRPC, identify each person you will call as an expert witness at the trial of this action. For each expert so called and identified, please provide the following: the witness' full name and address; the witness' qualification to give an opinion as an expert and field of expertise (if such information is available on an expert's *curriculum vitae* (CV), you may attach a copy thereof in lieu of answering this interrogatory subpart); the witness' occupation and place of employment; the subject matter on which the expert is expected to testify; the facts and opinions to which the expert is expected to testify; a complete basis for the grounds of each opinion; a complete list of all articles, treatises, texts, technical bulletins, professional guidelines, periodicals or papers which support the experts opinion. For each text or periodical cited, please denote the chapter and page where the information is located that supports the witnesses opinion.

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

8. For each expert witness named in your answer to question 7, please state: whether the witness has testified in any medical malpractice trials before, and if so, please list each time the witness has testified, including the name of the court and whether the witness testified for the plaintiff or defendant; and whether the witness has ever testified for this Defendant or Defendant's attorney in any prior medical malpractice case.

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

9. Please state whether any of these expert witnesses has provided a written medical report to this Defendant, its agents, and/or attorney. If so, identify each witness furnishing such a report and the date each report was given. Additionally, please provide a copy of any report.

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

10. Set forth in detail the business structure of Hartsville Medical Group. This would include the identity of any corporation, hospital or healthcare system, which has a financial

interest, controlling interest or ownership interest of the medical entity, including the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant. Additionally, please note whether the entity is a wholly owned subsidiary or partially owned subsidiary of another entity.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Hartsville Medical Associates, LLC was owned by Hartsville HMA, LLC and is now owned by Community Health Systems.

11. State the exact dates and places on and at which time an employee of Hartsville Medical Group saw Plaintiff Greg McCants, for the purpose of providing care or treatment. For this Interrogatory, do not state, "refer to medical records." Please give a complete recollection of any such encounters with the patient while addressing all parts of this Interrogatory.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Rachel Hoffman administered the Hepatitis B vaccinations to the Plaintiff on June 28, 2010 and July 28, 2010. Before the first vaccination, Rachel Hoffman gave Greg McCants a document entitled "Vaccine Information Statement." Both vaccinations were administered into Plaintiff's Right Deltoid. Rachel Hoffman documented each injection on the "Hepatitis B Vaccination Acceptance Form."

12. Describe your understanding of the condition of Greg McCants as relayed by any prior or subsequent treating physician. For each such relay, identify: the date, time and place each statement or statements were made; who was present when the statement or statements were made; the specific physician making the statements; and state the contents

of any and all conversations between any prior or subsequent treating physician and identify the parties to each conversation and the date of each conversation. Specify whether each conversation was in person, by telephone or other communications channel. For this Interrogatory, do not state, "refer to medical records." Please give a complete recollection of any such encounters while addressing all parts of this Interrogatory.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant has not had any communications with any physicians that treated Mr. McCants.

13. State whether there were any policies, procedures, guidelines, rules or protocols that were in effect at Hartsville Medical Group, and/or their clinics at the time of the care and/or treatment alleged in the Complaint. If so, state: whether such policies, guidelines, rules or protocols are published and made by whom; the effective date of said policies, guidelines, rules or protocols; which medical professionals are bound by said policies, guidelines, rules or protocols; who is the administrator of any such policies, procedures, guidelines, rules and/or protocols; whether the policies, guidelines, rules or protocols in effect at the time of the occurrence(s) alleged in the Complaint have been changed, amended, or altered since the occurrence(s). If so, state the change(s) and the date(s) of any such change(s).

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant has provided a copy of the table of contents of the Protocols that applied to Hartsville Medical Group, LLC at the time of the incident. Upon information and belief, Susie Portello was responsible for maintaining protocols.

14. Please state with particularity each and every defense that you or your attorney(s) intend to present on your behalf at the trial of this case not otherwise shown in the defensive pleadings, regardless of whether such defenses are legal, equitable, factual, negative, or affirmative.

RESPONSE: Defendant objects to this Interrogatory on the grounds that it seeks the mental impressions, thought processes and trial strategy of Defendant's counsel, seeks documents prepared in anticipation of litigation and may contain attorney work product, and is overly broad. Subject to these objections, Defendant states:

Defendant's defenses are outlined in its Answer. Defendant reserves the right to supplement this response as discovery is ongoing.

15. State the name, author, publisher, title, date of publication and specific provision of all medical texts, books, journals or other medical literature which you or your attorney intend to use as authority or reference in defending any of the allegations set forth in the Complaint, and/or during the examination or cross-examination of any of the witnesses at trial, during any deposition, or otherwise in this case.

RESPONSE: Defendant has not yet determined which, if any, authors, publishers, titles, medical texts, books, journals or other medical literature that it will use as authority or reference in defending the allegations set forth in the Complaint, and/or during examination or cross-examination of any of the witnesses at trial, during any deposition, or otherwise in the case. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

16. Please state in comprehensive narrative detail your version of exactly what happened before, during and after the occurrence alleged in the Complaint.

RESPONSE: Defendants object to this Interrogatory on the grounds that it seeks the mental impressions, thought processes and trial strategy of Defendant's counsel, seeks documents prepared in anticipation of litigation and may constitute attorney work product. Subject to these objections, Defendant states:

See medical records.

17. If you contend that, the occurrence(s) in question resulted from Plaintiff's own lack of care, please set forth specifically what acts, conduct or omissions constituted such lack of care.

RESPONSE: Defendants object to this Interrogatory on the grounds that it seeks the mental impressions, thought processes and trial strategy of Defendant's counsel, seeks documents prepared in anticipation of litigation and may constitute attorney work product. Subject to these objections, Defendant states:

Because discovery is ongoing, Defendant is not yet able to provide a response to this Interrogatory. Defendant reserves the right to supplement this response at a later date.

18. Please set forth a list of photographs, sketches, charts, graphs, medical records, medical bills, medical notes, laboratory reports, laboratory test notes, consultation reports, discharge summaries, billing records, pathology reports, pathology test notes, notes or letters of any communications with any other physicians, and any other written or computer-generated files, plats, videotapes, audiotapes, pictures, drawings, animations, artist's renditions, x-rays, ultrasounds, diagrams, notes, memoranda, measurements, statements, correspondence, texts, records, reports, charts, laboratory slides, laboratory specimens, laboratory "cuts", electronic data files, e-mail communications, .jpg files, bitmap files, .tiff files, .gif files, or any other electronic images, data, webpages, brochures, information packets, manuals, or other writings or recordings, materials or physical evidence or other prepared documents or physical evidence in possession of the Defendant or

Defendant's counsel that relate to the claim or defense in this case.

RESPONSE: Defendants object to this Interrogatory to the extent that it seeks information privileged under the attorney-client privilege; work product doctrine; and documents protected as being prepared in anticipation of litigation. Defendants further object to the extent that this Interrogatory is overly broad and ambiguous. Subject to these objections, Defendant states:

See documents attached to Defendant Hartsville Medical Group's Responses to Plaintiff's Requests for Production of Documents.

19. Have you (or has anyone acting on your behalf) had any conversations with any person at any time with regard to the manner in which the care and treatment alleged in the Complaint was provided, or have you overheard any statement made by any persons at any time with regard to Greg McCants or the manner in which the care and treatment alleged in the Complaint was provided to Greg McCants? If so, state: the date or dates of such conversation(s) and/or statement(s); the place of such conversation(s) and/or statement(s); all persons present for the conversation(s) and/or statement(s); the matters and things stated by the person in the conversation(s) and/or statement(s); whether the conversation(s) was oral, written and/or recorded; and who has possession of the statement(s) if written and/or recorded.

RESPONSE: Defendants object to this Interrogatory to the extent that it seeks information privileged under the attorney-client privilege; work product doctrine; and documents protected as being prepared in anticipation of litigation. Defendants further object to the extent that this Interrogatory is overly broad and ambiguous. Subject to these objections, Defendant states:

Upon information and belief, Defendant has not had any conversations with any person or entity regarding Greg McCants's medical treatment.

20. If any physician, nurse, or nursing assistant who treated Greg McCants has been subjected to disciplinary proceedings or peer review by any professional association, please

indicate the name of the association, the date of the proceedings and results of any such proceeding. This Interrogatory is not asking for any information that is privileged but is asking for the type of discoverable information enunciated in the case of *McGee v. Bruce Hospital System*, 312 S.C. 58, 439 S.E.2d 257 (1993).

RESPONSE: Defendants object to this Interrogatory to the extent that it seeks information privileged under the attorney-client privilege; work product doctrine; and documents protected as being prepared in anticipation of litigation. Defendants further object to the extent that this Interrogatory is overly broad and ambiguous. Subject to these objections, Defendant states:

There was no disciplinary proceedings or peer review of any person regarding the incident described in the Complaint.

21. Identify each and every rule, regulation, by-law or other document of any hospital, association, licensing authority, accrediting authority or other private body, which you, or your attorneys, may use at trial in defense of the allegations contained in the Complaint.

RESPONSE: Defendant has not yet determined which, if any, rule, regulation, by-law, or other document of any hospital, association, licensing authority, accrediting authority or other private body that it will use as authority or reference in defending the allegations set forth in the Complaint, and/or during examination or cross-examination of any of the witnesses at trial, during any deposition, or otherwise in the case. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made.

22. Identify all records this Defendant has which pertain to care and treatment of Greg McCants, including any and all charts, ultrasounds, x-ray films, C.T. scans, M.R.I. scans, PET scans, nuclear scans, electrocardiograms, EEGs, EKGs, arteriograms, doppler reports/data, photographs, videotapes, molds, microscopic slides, tissue blocks, or any other "writing or recording" as defined by Rule 1001(1), SCRE related in any fashion to the medical treatments

or care provided to Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See Defendant's Responses to Plaintiff's Requests for Production.

23. With respect to the records listed in your answer to question 22, please state: the identity of the person(s) who kept the above-designated records, where they were kept, and state whether they were kept as part of the standard business practice of Hartsville Medical Group.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

No particular person was designated to be the records custodian. Angie Gainey, Stephanie Watford, and Rachel Hoffman all participated in maintaining records identified in Interrogatory No. 22.

24. For all records listed in your answer to question 22, please describe any alterations in the record, or any record additions, subtractions, or changes in entries wherein, the alterations, additions, subtractions, or changes in entries were not made at or near the time of the original facts recorded.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Any alterations to the medical records are noted in the medical records.

25. Were any records lost, misplaced, destroyed or are any records currently unavailable?

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

No.

26. If question 24 or 25 is answered affirmatively, please state: What record or document?; When?; Why?; By whom?; In whose custody was it in at the time?; and, State its contents.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See Response to Interrogatory Number 24 and 25.

27. State the exact dates and places on and at which you saw Greg McCants, for the purpose of providing care or treatment.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See Medical Records attached to Defendant's Responses to Plaintiff's Requests for Production of Documents.

28. During the course of your professional relationship with Greg McCants, state the name and address of any health care provider(s) you referred him to or consulted with at any time and the date(s) and purpose of said referral or consultation.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant never referred Greg McCants anywhere.

29. During the course of your professional relationship with Greg McCants, state whether any care and treatment of Greg McCants was provided as part of employment and/or an association with any entity. If so, state the name and address of said entity and describe the employment and/or association.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant gave Greg McCants Hepatitis B vaccinations as part of a contract to provide Hepatitis B vaccinations for employees of Darlington County.

30. Describe what you contend to be the standard of care in regard to diagnosis and treatment of a patient under the same circumstances as Plaintiff Greg McCants at the time he was in your care. For the purposes of this Interrogatory, please do not state "refer to medical records". Please state with specificity what you contend to be the appropriate standard of care in regard to the treatment of Greg McCants and the basis of such opinion.

RESPONSE: Defendants object to this Interrogatory on the grounds that it seeks the mental impressions, thought processes and trial strategy of Defendant's counsel, seeks documents prepared in anticipation of litigation and may constitute attorney work product. Subject to these objections, Defendant states:

Defendant expects the standard of care to be established by its expert witness once a decision is made regarding which expert will testify at trial. Defendant reserves the right to supplement this response once that decision is made.

31. Is it your understanding that any physician, nurse, nursing assistant, or other medical person in attendance during that period of time as outlined in Plaintiffs' Complaint

deviated from acceptable standards of good medical practice in the performance of his or her duties with respect to Greg McCants? If your answer is in the affirmative, state with respect to each such deviation the following: identify each person who deviated from acceptable standards of good medical practice as stated above; describe the nature of the deviation; and state whether the deviation probably caused or contributed the Plaintiff's injuries / damages as outlined in the Complaint.

RESPONSE: Defendants object to this Interrogatory on the grounds that it seeks the mental impressions, thought processes and trial strategy of Defendant's counsel, seeks documents prepared in anticipation of litigation and may constitute attorney work product. Subject to these objections, Defendant states:

No.

32. Give the title, author, date, volume and page, where appropriate; of any periodical, journal, text, paper, or other publication of any kind, to which this Defendant intends to refer, or about which this Defendant intends to ask any questions, during the examination or cross-examination of any witness at trial or during any deposition.

RESPONSE: See Defendant's response to Interrogatory No. 15.

33. Set forth Defendant Hartsville Medical Group's CEO's gross compensation for each of the past three (3) years.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

34. Set forth Defendant Hartsville Medical Group's annual gross revenue for each of the past three (3) fiscal years.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly

burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

35. Set forth Defendant Hartsville Medical Group's annual net profit for each of the past three (3) years.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

36. Set forth the current fair market value of total assets, liabilities and net worth of Defendant, Hartsville Medical Group.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

37. If it is your contention that Plaintiff's injuries / damages were caused in whole or in part by some person or persons, or entity other than you, please identify each such person or entity fully, giving name, address, occupation, title, and relationship to you.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant is not currently in a position to answer this question at this point as discovery is ongoing. Defendant reserves the right to supplement this response at a later date.

38. If you contend that some other person or legal entity is, in whole or in part liable to you or the party asserting a claim against you in this matter, identify such person or entity,

describe the basis of said liability, and identify the name and current address of each witness who can testify to each fact you rely upon for said contention.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Defendant is not currently in a position to answer this question at this point as discovery is ongoing. Defendant reserves the right to supplement this response at a later date.

39. Please state whether or not Melvin Nickles, M.D. was a Hartsville Medical Group employee, agent, or servant during the time period he was treating Greg McCants, as referenced in the Complaint, and if not, please state the following: how his services were charged to Greg McCants; how Melvin Nickles, M.D. was paid or reimbursed by this Defendant for any of his services performed on or to Greg McCants; whether or not Defendant Hartsville Medical Group, LLC deducted any social security, income tax, or any other deductions of any kind from Melvin B. Nickles, M.D. and remuneration; whether there are or were any written contracts, agreements of employment, or indemnification agreements for Melvin B. Nickles, M.D.'s services in existence. If so, in whose custody are they at the present time; and was a W-2 form made by Defendant Hartsville Medical Group for any individual listed herein?

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Dr. Nickles was an employee of the Defendant at the time of the incident described in the Complaint.

Respectfully submitted,

SWEENEY, WINGATE & BARROW, P.A.



Martin S. Driggers, Jr.

Richard E. McLawhorn, Jr.

115 Cargill Way, Suite B

Hartsville, South Carolina 29550

(803) 865-0390

**ATTORNEYS FOR DEFENDANT HARTSVILLE
MEDICAL GROUP, LLC**

Hartsville, South Carolina

May 30, 2014

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Melvin B. Nickles, M.D., and Hartsville
Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**DEFENDANT HARTSVILLE MEDICAL
GROUP, LLC'S RESPONSES TO
PLAINTIFFS' FIRST REQUESTS FOR
PRODUCTION TO DEFENDANT
HARTSVILLE MEDICAL GROUP, LLC**

2016 AUG 17 AM 11:58
CLERK OF COURT
DARLINGTON COUNTY, S.C.

TO: PLAINTIFFS AND THEIR ATTORNEY WILLIAM TUCK, ESQUIRE:

REQUEST FOR PRODUCTION

1. All writings and recordings in the possession, custody or control of this Defendant or this Defendant's attorney, or other person or entity, listed in, referred to, or used in the preparation of this Defendants answers or responses to Plaintiff's First Set of Interrogatories to Defendant Hartsville Medical Group.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

2. All writings and recordings related in any manner to the medical care or treatment provided to Greg McCants.



RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

3. In regard to medical care and medical treatments provided to Greg McCants produce all Patient chart(s), Identification Sheets, History and Physical Examination Records, Consent Forms, Physician's Progress Records, Nurses Notes, Physician's Order Sheets, Consultation Notes, Laboratory Reports, Laboratory Test Notes, Consultation Reports, Discharge Summaries, Billing Records, Pathology Reports, Pathology Test Notes, notes or letters of any communications with any other physicians, and any other written or computer-generated files, photographs, plats, sketches, videotapes, audiotapes, pictures, drawings, animations, artist's renditions, x-rays, ultrasounds, diagrams, notes, memoranda, measurements, statements, correspondence, texts, records, reports, charts, laboratory slides, laboratory specimens, laboratory "cuts," electronic data files, e-mail communications, .jpg files, bitmap files, .tiff files, .gif files, or any other electronic images, data, webpages, brochures, information packets, manuals, or other writings or recordings, materials or physical evidence of any kind having any relation to Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

4. All medical articles, treatises, and/or any other medical literature you claim supports your diagnosis, treatments, or care provided to Greg McCants.

RESPONSE: Defendant has not yet determined which, if any, authors, publishers, titles, medical texts, books, journals or other medical literature that it will use as authority or reference in defending the allegations set forth in the Complaint, and/or during examination or cross-examination of any of the witnesses at trial, during any deposition, or otherwise in the case. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

5. Copies of all writings or recordings related in any fashion to the events or claims in the Complaint obtained by this Defendant or anyone acting on its behalf via Subpoena *Duces Tecum*, signed authorization form, or other legal process.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation. Subject to these objections, Defendant states:

See attached documents.

6. All grievances, complaints, and lawsuits filed against this Defendant involving or alleging professional negligence, nursing errors, or administrative errors related in any fashion to the practice of medicine.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

7. All letters, memorandum, e-mails, telephone messages, computer messages,

petitions, complaints, or other documents evidencing notification which you have received of any alleged substandard care of patients for the time period January 1, 2009 to present.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, Defendant has no such records.

8. Copies of any and all reports, detailing complaints by patients or families of patients for lack of care or misconduct regarding such patients for the time period January 1, 2009 to present. The Plaintiffs do not seek the names of these patients and consents to the redacting of any HIPAA protected information.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, Defendant has no such records.

9. All writings or recordings of any kind received from, provided to or generated by any expert witness whom this Defendant expects to call as a witness at the trial of this case. (In lieu of providing medical records and depositions transmitted to any expert, a listing of all of the medical records and depositions provided will be sufficient).

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

10. All writings or recordings of any kind relied upon by any expert witness in forming an opinion in this case whom this Defendant expects to call as a witness at trial.

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

11. Written statements or transcripts of recorded statements taken from any witness or potential witness concerning the facts or issues of this action.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, the only written statement or transcripts taken from any witness or potential witness concerning the facts or issues of this action are the deposition transcripts from other suits brought by Plaintiffs against Darlington County and Defendant.

12. All writings or recordings relating in any way to the events set forth in the Complaint herein.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

13. The *Curriculum Vitae* of any and all witnesses whom you intend to call as an expert witness in the trial of this case.

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of expertise.

14. The *Curriculum Vitae* of any and all physicians, nurses, other healthcare providers, and any employee of Hartsville Medical Group who treated Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, Defendant has no such records.

15. All writings and recordings with regard to the medical records of this Defendant concerning Greg McCants, from the date that Greg McCants first sought medical care from Hartsville Medical Group until the present, including, but not limited to, all office notes, memoranda, data, correspondence, photographs, plats, pictures, sketches, videotapes, drawings, artist's renditions, x-rays, ultrasounds, diagrams, notes, measurements, statements, laboratory slides, laboratory specimens, laboratory "cuts," electronic data files, .jpg files, bitmap files, .tiff files, .gif files, or any other electronic images, e-mail messages, webpages, brochures, information packets, and any other written or typed material contained within the medical chart of Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Attached to these responses is every document in Defendant's possession relating to Greg McCants's visits to Defendant.

16. Produce a table of contents of your policies and procedures manual in effect during 2010 and any modifications and/or revision thereto.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

17. All tax returns of Hartsville Medical Group and/or its clinics (or any related entity) for the previous five year (5) year period.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation.

18. All correspondence concerning Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

19. Copies of all writings or recordings, including insurance claim forms, with regard to billings or statements for services rendered to Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, Defendant cannot locate the billing or statements for services rendered to Greg McCants. Defendant is actively searching for these documents and will supplement if and when Defendant locates them.

20. Copies of charges or records of your charges for services and any related treatments provided to Greg McCants, together with any payments made thereon.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See Defendant's response to Request No. 19.

21. A copy of the declaration sheet and complete policy of liability insurance of Hartsville Medical Group. This would include any primary policy of insurance, any self insured retention coverage and any excess or umbrella coverage and all endorsements or attachments thereto, including copies of any letters or assessment of additional premiums or monies for a period of five years prior to the date of this request. Additionally, this would include all insurance agreements and/or policies, in their entirety, which afford protection to this Defendant for acts and omissions set forth by Plaintiffs in the above entitled and numbered case including, but not limited to, primary, umbrella and excess policies which may obligate any respective insurance company to satisfy part of all the judgment which may be rendered in an action against this Defendant arising out of the acts or omissions of any such member or employee of any Defendant.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these

objections, Defendant states:

Defendant has requested these documents and will supplement when received.

22. All writings or recordings, including all correspondence contained in your files or charts to or from any liability, insurance carrier that may provide coverage for the events outlined in Plaintiffs' Complaint.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

23. All writings or recordings related in any fashion to investigations undertaken regarding the matters alleged in the Complaint and the injuries of and/or damages sustained by Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, there was no investigation undertaken regarding the matters alleged in the Complaint and the injuries and/or damages sustained by Greg McCants.

24. All writings or recordings, including all correspondence contained in your files or office charts or any correspondence, which has been transmitted to or from any expert witness who has reviewed the facts and circumstances of this claim on your behalf or on the behalf of any Defendants.

RESPONSE: Defendant has not yet determined which, if any, expert it will call at trial. Defendant reserves the right to supplement this response as discovery progresses and at such time as an appropriate decision on expert witnesses can be made. Defendant also reserves the right to call any and all experts named by any other party to this action and reserve the right to call any other medical personnel in the records to testify regarding their field of

expertise.

25. Please provide any and all writings or recordings that relate to the claim or the defense in the case.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents

26. All writings or recordings related to in any fashion to Melvin B. Nickles, M.D.'s relationship with Hartsville Medical Group and/or its clinics, including but not limited to contracts, ownership, indemnity, insurance, stock options, and any other relationship.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks information not relevant to the present litigation. Subject to these objections, Defendant states:

See attached documents.

27. Copies of any and all Medicare and Medicaid Forms, which pertain to Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks information not relevant to the present litigation. Subject to these objections, Defendant states:

Upon information and belief, Defendant is not in possession of any such documents.

28. Copies of all letters, memorandum, e-mails, telephone messages, computer messages, or other documents in your possession that have been sent to any third party in this

case.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, Defendant is not in possession of any such documents.

29. Copies of all letters, memorandum, e-mails, telephone messages, computer messages, or other documents in your possession that have been received from any third party in this case.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

30. All advertisements, brochures, or other documentation containing representations made available to the public, consumers, or potential patients regarding Hartsville Medical Group from January 1, 2009 to present. With regard to each item produced, produce all documents referencing the way in which the advertising piece in question has been published or distributed, including the name and date of publication and method of distribution. This request includes, but is not limited to, all media, radio, and/or television advertisements or sponsored programs; brochures; yellow page advertisements; newspaper advertisements; statements of care; statements of philosophy; statements of policies or care objectives; billboard advertisements; magazine advertisements; flyers; marketing materials;

statements, representations and/or claims about Hartsville Medical Group, or any other documentation created to promote Hartsville Medical Group.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks information not relevant to the present litigation. Subject to these objections, Defendant states:

Because Greg McCants received his vaccinations at Defendant's office as a result of a prior relationship with Darlington County, this information is not relevant to the present case.

31. All policies, procedures, manuals, protocols, written standards, standing orders, algorithms, guidelines, rules or regulations at Hartsville Medical Group governing the practice of medicine by any member or agent of the practice, which were in place during 2010, and all modifications or revisions thereto.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, and seeks information not relevant to the present litigation. Subject to these objections, Defendant states:

Defendant has produced the Table of Contents for its protocols and will provide Plaintiff with relevant protocols upon request by Plaintiff.

32. Please produce any and all incident and/or accident reports that in any way relate to Greg McCants.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, no such documents exist.

33. Please produce copies of all reports of any inspections of the Defendant's facility conducted by any governmental agency for the period of January 1, 2009 to present to the present.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

34. All documentation from or sent to the South Carolina Department of Health and Environmental Control or any other local, state, or federal government agency which set forth investigations, evidence, findings, conclusions, violations, deficiencies, penalties, actions, and/or recommended sanctions or actions regarding the facility from January 1, 2009 to present to the present to include any plans of correction or other written or electronic documents.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

Upon information and belief, no such documents exist.

35. Please produce all personnel files, in-service files, employment records, human resource records, or other documents relating to each and every physician, nurse, nursing assistant, nurse's aid, CNA, or other assistant who provided care to Plaintiff while at your facility.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

36. Produce the Defendant's document retention policy.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

37. A privilege log for all documents which you contend are entitled to some type of privilege or protection. If any document is withheld under a claim of privilege, please identify each such document and the privilege claimed. If any document requested is no longer in your possession or subject to your custody or control, please state whether it is missing or lost, destroyed, transferred to others or otherwise disposed of. For each document no longer in your custody or control, please describe it fully, and give the name and address of any individual currently possessing it or else any individual familiar with its contents.

RESPONSE: None to date.

38. Any and all documents utilized in answering, or referred to, or used to answer Plaintiff's Interrogatories to Defendant Hartsville Medical Group.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure. Subject to these objections, Defendant states:

See attached documents.

39. All Defendant Hartsville Medical Group's corporate tax returns, state, federal, for each of the past three (3) years, with the 2013 tax return to be produced prior to trial as soon as the return is available.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

40. A statement of Hartsville Medical Group's annual net profit for each of the past three (3) fiscal years.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

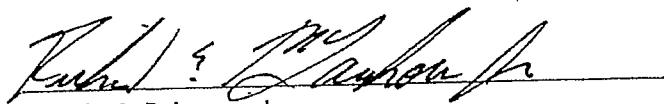
41. A schedule showing the current fair market value of total assets, liabilities and net worth of Hartsville Medical Group,

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

42. A statement showing Hartsville Medical Group's CEO's gross compensation for each of the past three (3) years.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, vague and ambiguous, seeks information not relevant to the present litigation, and seeks documents prepared in anticipation of litigation and may constitute work product under Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

SWEENEY, WINGATE & BARROW, P.A.



Martin S. Driggers, Jr.

Richard E. McLawhorn, Jr.

115 Cargill Way, Suite B

Hartsville, South Carolina 29550

(803) 865-0390

**ATTORNEYS FOR DEFENDANT HARTSVILLE
MEDICAL GROUP, LLC**

Hartsville, South Carolina

May 30, 2014

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

v.

Melvin B. Nickles, MD and Hartsville
Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

Case No.: 12-CP-16-0872

CERTIFICATE OF SERVICE

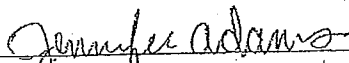
I, the undersigned, Jennifer O. Adams, Legal Assistant to Martin S. Driggers, Jr. and Richard E. McLawhorn, Jr. of Sweeny, Wingate & Barrow, P.A., do hereby certify that the document hereinbelow specified has this day been served upon opposing counsel and all interested parties in this action by depositing same in the United States mail, postage prepaid, this 30 day of May, 2014, addressed as follows:

DOCUMENT: Defendant Hartsville Medical Group, LLC's Responses to First Requests for Production to Defendant Hartsville Medical Group, LLC

Defendant Hartsville Medical Group, LLC's Responses to First Interrogatories to Defendant Hartsville Medical Group, LLC

COPY TO: William J. Tuck, Esquire
William J. Tuck, P.A.
54 Public Square
Post Office Box 933
Darlington, SC 29540
Attorney for Plaintiff

John C. Bradley, Jr., Esquire
Moore, Taylor & Thomas, P.A.
Post Office Box 5709
West Columbia, South Carolina 29171
Attorney for Dr. Nickles


Jennifer O. Adams

STATE OF SOUTH CAROLINA
COUNTY OF DARLINGTON
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE
CASE NO: 2012CP1600872

Elizabeth McCants vs. Melvin B Nickles MD

CHECK ONE:

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRCPP; ☐ Rule 41(a), SCRCPP (Vol. Nonsuit); ☐ Rule 43(k), SCRCPP (Settled); ☐ Other: _____
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j) SCRCPP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other: _____
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other: _____

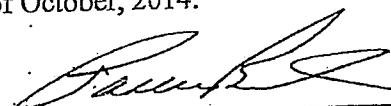
NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court:

Defendant's motion for protective order is resolved.

Dated at Darlington, South Carolina, this 27th day of October, 2014.

Court Reporter:


PRESIDING JUDGE - Paul M. Burch

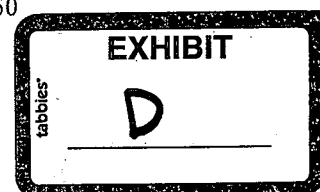
This judgment was entered on the 27th day of October, 2014, and a copy mailed first class this 27th day of October, 2014, to attorneys of record or to parties (when appearing pro se) as follows:

William J. Tuck PO Box 933 Darlington, SC 29540

Martin S. Driggers Jr. Pee Dee Regional Office 115
Cecil W. Ste. B Hartsville, SC 29550

TRUE CERTIFIED COPY
CLERK OF COURT/RMC
DARLINGTON COUNTY, S.C.

FILED
2014 OCT 28 PM 2:13
SCOTT B. SUGGS
CLERK OF COURT/R.O.D.
DARLINGTON COUNTY, S.C.



STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Melvin B. Nickles, M.D., and Hartsville
Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**PLAINTIFFS' THIRD REQUESTS
FOR PRODUCTION TO
DEFENDANT
HARTSVILLE MEDICAL GROUP,
LLC**

**TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY
MARTIN S. DRIGGERS, ESQUIRE:**

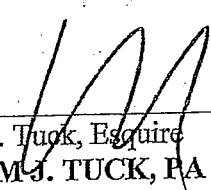
The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Requests for Production set forth below within thirty (30) days, in accordance with Rules 34 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

REQUEST FOR PRODUCTION

1. A copy of all job descriptions to include all job requirements, and all scope of practice guidelines for all healthcare professionals on the staff of Hartsville Medical Group, LLC in 2010.



2. A copy of all job descriptions including job requirements, and all scope of practice guidelines for radiology techs and certified medical assistants employed anywhere at Hartsville HMA, LLC (Carolina Pines Regional Medical Center, and its affiliated medical practices including Hartsville Medical Group, LLC) in 2010.



William J. Tuck, Esquire
WILLIAM J. TUCK, PA
54 Public Square
Post Office Box 933
Darlington, SC 29540
(843) 393-2201 (P)
(843) 393-2216 (F)
bill@attorneywilliamjtuck.com

Attorney for the Plaintiffs

July 31 2015
Darlington, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**PLAINTIFFS' SECOND
INTERROGATORIES TO
DEFENDANT
HARTSVILLE MEDICAL GROUP,
LLC**

2016 AUG 17 AM 11:55
CLERK OF COURT
DARLINGTON COUNTY, S.C.

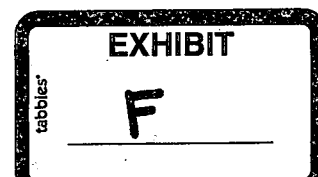
**TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY
MARTIN S. DRIGGERS, ESQUIRE:**

The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Interrogatories set forth below within thirty (30) days, in accordance with Rules 33 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

INTERROGATORIES

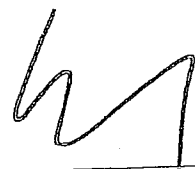
1. Please list the publication date, and effectiveness dates (e.g., effective 1/1/10 until present, effective 1/1/05 until 1/1/11, etc.) of each "The Medical Group" Job Description you have produced in this case (received by Plaintiff's counsel October 22, 2015).

2. Please state the name, last known address and phone number of the person(s)



holding the following positions at Defendant during 2010:

- a. Practice Administrator;
- b. Group Practice Manager;
- c. Ancillary Department Supervisor;
- d. Human Resources Coordinator;
- e. Industrial Medicine Coordinator;
- f. Medical Director.



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bill@attorneywilliamjtuck.com

October 23, 2015
Darlington, South Carolina

Attorney for the Plaintiffs

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**PLAINTIFFS' FIFTH REQUESTS
FOR PRODUCTION TO
DEFENDANT
HARTSVILLE MEDICAL GROUP,
LLC**

**TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY
MARTIN S. DRIGGERS, ESQUIRE:**

The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Requests for Production set forth below within thirty (30) days, in accordance with Rules 34 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

REQUEST FOR PRODUCTION

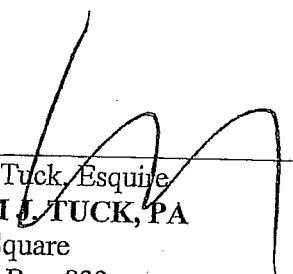
1. A copy of the following items mentioned in the job descriptions that were produced to me (received October 22, 2015):

- i. HMA Ethical program;

EXHIBIT

G

- ii. HMA Compliance Program;
 - iii. HMA Operations Manual;
 - iv. HMA Recordkeeping standards.
- 2. From 2010, policies and procedures required under 42 CFR §482.23(c)(2).¹
 - 3. From 2010, written definitions required under JCAHO requirement MM.06.01.01.²


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October 23, 2015
Darlington, South Carolina

Attorney for the Plaintiffs

¹ For Defendant and Hartsville HMA, LLC.

² For Defendant and Hartsville HMA, LLC.

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

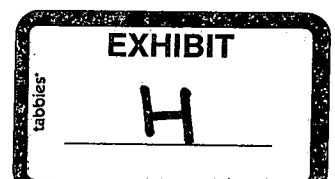
**PLAINTIFFS' THIRD
INTERROGATORIES TO
DEFENDANT
HARTSVILLE MEDICAL GROUP,
LLC**

**TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY
MARTIN S. DRIGGERS, ESQUIRE:**

The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Interrogatories set forth below within thirty (30) days, in accordance with Rules 33 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

INTERROGATORIES

1. Please list the last known address, telephone number, and employer for John Lampkin, the practice administrator for the Hartsville Medical Group, LLC in 2010.
2. Please identify by name and last known address, telephone number, and employer the



persons filling the following positions at Hartsville Medical Group, LLC¹ during the calendar year of 2010:

- A. Medical Director;
- B. Practice Administrator;
- C. Chief Quality Officer;
- D. Chief Nursing Officer;
- E. Compliance Officer; and
- F. Finance Director



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November 16, 2015
Darlington, South Carolina

Attorney for the Plaintiffs

¹ (C) through (F) may have been positions at Carolia Pines Regional Medical Center with authority over or information regarding Hartsville Medical Group, LLC and/or its employees.

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872.

**PLAINTIFFS' SIXTH REQUESTS
FOR PRODUCTION TO
DEFENDANT
HARTSVILLE MEDICAL GROUP,
LLC**

**TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY
MARTIN S. DRIGGERS, ESQUIRE:**

The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Requests for Production set forth below within thirty (30) days, in accordance with Rules 34 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

REQUEST FOR PRODUCTION

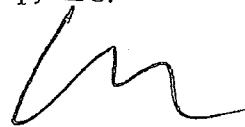
1. Please provide a complete copy of the HMA Compliance Manual, 3rd Edition, as referenced in the contract between Hartsville Medical Group, LLC and Melvin B. Nickles, Jr., MD, which was marked as Exhibit 4 to your 30(b)(6) Deposition.
2. Please provide the HMA Ethics Manual, HMA Operations Manual, and HMA Recordkeeping Standards as referenced throughout the Hartsville Medical Group, LLC

EXHIBIT

T

job descriptions that are marked as Exhibit #3 to your 30(b)(6) Deposition.

3. Please produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to your 30(b)(6) Deposition. This would include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC.



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November 19, 2015
Darlington, South Carolina

Attorney for the Plaintiffs

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**PLAINTIFFS' SEVENTH REQUESTS
FOR PRODUCTION TO
DEFENDANT
HARTSVILLE MEDICAL GROUP,
LLC**

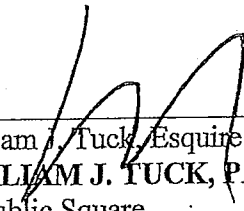
**TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY
MARTIN S. DRIGGERS, ESQUIRE:**

The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Requests for Production set forth below within thirty (30) days, in accordance with Rules 34 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

REQUEST FOR PRODUCTION

1. A copy of the Practice Administrator job description in use at the Hartsville Medical Group, LLC in 2010.
2. Please provide the standing order and clinical protocol for the administration of the Hepatitis B Vaccine that was in use at Carolina Pines Regional Medical Center during 2010.





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December 7, 2015
Darlington, South Carolina

Attorney for the Plaintiffs

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiff,

Versus

Hartsville Medical Group, LLC,

Defendant.

) IN THE COURT OF COMMON PLEAS

) THE FOURTH JUDICIAL CIRCUIT

) C/A No. 12-CP-16-0872

ORDER

This matter came before me on December 15, 2015 on numerous discovery motions in the above-captioned medical malpractice matter which is scheduled to go to trial during a two week term some time in 2016. At the call of the case the attorneys for the parties announced that they had come to an agreement regarding most, but not all, of the outstanding issues.

I.
THE AGREEMENT

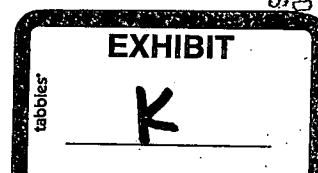
Counsel for the parties proceeded to put their agreement on the record, as follows:

1. As to Plaintiffs' Motion to Compel Defendant's Responses to Third Requests for

Production filed September 29, 2015, it was announced that the Defendant would provide to the Plaintiff within thirty (30) days a job description for practice administrator effective during 2010.

2. As to Defendant's Motion for Protective Order regarding the Deposition of Charlotte

Adams held on November 17, 2015 (a 30(b)(6) deposition), the parties agreed that page 68, line 20 through page 72, line 15 would be for the remainder of this litigation considered stricken, and would not be referred to at trial, or used as the basis for any opinion by any expert.



3. As to Plaintiffs' Second Interrogatories to Defendant dated October 23, 2015, answers to which are outstanding, Defendant will provide to Plaintiff a response to interrogatory number two (2), within thirty (30) days.
4. As to Plaintiffs' Fifth Requests for Production to Defendant, dated October 23, 2015, responses to which are outstanding, Defendant shall provide to Plaintiff documents responsive to number one (1), and shall attempt to provide documents responsive to numbers two (2) and three (3) as such documents are available, all within thirty (30) days. To the extent that this does not resolve all outstanding issues as to numbers two (2) and three (3), Plaintiff can make another motion.
5. As to Plaintiffs' Second Amended Motion to Compel Defendant's Responses to First Interrogatories and Request for Production, filed November 18, 2015, the parties agreed as follows:
 - a) Any issues regarding Interrogatory number thirteen (13) and Requests for Production number sixteen (16) and thirty-one (31) are resolved;
 - b) Defendant will provide to Plaintiff a complete and up to date answer to Interrogatory number ten (10) regarding ownership, control and financial interest in Hartsville Medical Group LLC, and any documents responsive to Requests for Production numbers one (1) and thirty-eight (38) relating thereto;
 - c) Defendant will provide to Plaintiff within thirty (30) days a complete and up to date answer to Interrogatory number five (5) regarding insurance potentially responsive to this claim, whether self insurance or not, as well as all documents requested by Request to Produce number twenty-one (21) regarding same (e. g., the actual insurance policy or policies);

- d) As to Request to Production number thirty-five (35), Defendant will go back and review whether or not Plaintiff was provided the entire personnel file for Angie Gainey and Stephanie Watford, and, if not, will provide any outstanding not previously produced items to Plaintiffs' counsel within thirty (30) days. Defendant will also, within thirty (30) days, review the personnel file of Melvin B. Nickles, Jr., MD., and will provide to Plaintiff any and all parts and portions of that personnel file that are not subject to the Medical Executive committee of the Carolina Pines Regional Medical Center Hospital. If this does not resolve any outstanding issue regarding Dr. Nickles' personnel file, the Plaintiff may make another Motion.
6. As to Plaintiffs' Motion to Compel Defendant's 30 (b)(6) Deposition filed October 21, 2015, the Deposition shall be reconvened so Plaintiff can examine a designee regarding topics eleven (11), thirteen (13) and eighteen (18) of the Amended Notice.

II.

THE CONTESTED ISSUES

Counsel then announced to the Court that they needed a ruling from the Court on the following discovery which Defendant has objected to providing:

1. Documents and information responsive to Plaintiffs' First Requests for Production seventeen (17) and thirty-nine (39) through forty-two (42), as well as First Interrogatories thirty-three (33) through thirty-six (36), all regarding Defendant's financials, and, in particular, Defendant's CEO's gross compensation for the past three years, Defendant's gross revenue for the past three years, Defendant's net profit for the past three years, and Defendant's

assets, liability and net worth, as well as Defendant's tax returns for the past five years; and

2. 30(b)(6) testimony regarding the information and documents sought in Response to the Requests referenced in subparagraph I.1. above (topic four (4) of the Amended 30(b)(6) Notice), and regarding the identity of any accountants for the Defendant (topic number sixteen (16) of the Amended 30 (b)(6) Notice).

Plaintiffs' counsel argued that Defendant's financial status and ability to pay is an element for consideration by the jury in connection with a charge on punitive damages, and that he believes there will be evidence before the jury in this case of gross negligence, recklessness, willfulness and wantonness warranting punitive damages. In particular, Plaintiffs' counsel argued that Mr. McCants alleges that he suffered a catastrophic injury as result of a reaction to a second injection of Hepatitis B vaccine that he was administered with no order, no standing order, no clinical protocol, no chart, no physical exam, no history, no informed consent, by Defendant's radiology tech who had admittedly received no training on Hepatitis B vaccines and who had never read the package insert, after he informed her that he had a severe reaction to the first injection of Hepatitis B vaccine. Plaintiffs' counsel stipulated that Plaintiffs would agree to a Protective Order whereby this information would be given to no one outside of his office but Plaintiffs' economist so that the economist can prepare an ability to pay punitive damages report for the jury's consideration.

Counsel for Defendant argued that other than the issue of punitive damages, this information was not relative to any other issue in the case, and that it might be unduly burdensome to collect this information as Defendant has been sold numerous times over the past number of years.

III.

DISCUSSION

In 1852 the United States Supreme Court noted that punitive damages have “always been left to the discretion of the jury, as the degree of punishment inflicted must depend on the peculiar circumstances of each case.” *Day v. Woodworth*, 54 U.S. 363, 371 (1852).

Before the United States Supreme Court decided in *Pacific Mutual Life Ins. Co. v. Haslip*, 499 U.S. 1 (1991), that a punitive damages award could violate a Defendant’s due process rights, necessitating a post-judgment due process analysis, the South Carolina Supreme Court had noted that “the wealth of the Defendant is a relevant factor [for the jury] in assessing punitive damages.” *Hicks v. Herring*, 246 S.C. 429, 437, 144 S.E. 2d 151, 154 (1965). Twenty-eight years before, the South Carolina Supreme Court held that “when under proper allegations a Plaintiff proves a willful, wanton, reckless or malicious violation of his rights, it is not only the right but the duty of the jury to award punitive damages.” *Sample v. Gulf Ref. Co.*, 183 S.C. 399, 410, 191 S.E. 209, 214 (1937). In *Magnolia North Property Owners Association, Inc. v. Heritage Communities, Inc.*, Slip Op. No. 4943 (S.C. Ct. App., decided February 15, 2012), the South Carolina Court of Appeals affirmed the propriety of the *Sample* Court’s holding, and approved a jury instruction that “if you should find that the Plaintiff is entitled to recover punitive damages in addition to actual damages, it would be your duty to include such damages in your verdict and award such an amount as you may deem reasonable and proper in light of the facts and circumstances.”

The reasonableness and propriety of a punitive damages verdict is subject to a post-judgment due process analysis pursuant to the South Carolina Supreme Court’s opinion in *Mitchell v. Fortis Ins. Co.*, 385 S.C. 570, 686 S.E. 2d 176 (2009). One factor in the

determination of reasonableness of the amount of a punitive damages award that may be considered by the Court is the Defendant's ability to pay. *Fortis* at 385 S.C. 588.

In order for a jury to discharge its duty to render a punitive damages verdict in an appropriate case, and to do it reasonably and properly, the jury must be able to consider the factors that bear upon the reasonableness and propriety of the award, to include evidence of the Defendant's ability to pay. See e.g., *Kinard v. Crosby*, 315 S.C. 237, 433 S.E. 2d 835, 839 (1993) (cited for such proposition in *Orangeburg Sausage Co. v. Cincinnati Ins. Co.*, 316 S.C. 331, 344, 450 S.E. 2d 66, 74 (Ct. App. 1994)).

In *Orangeburg Sausage Co. v. Cincinnati Ins. Co.*, 316 S.C. 331, 344, 450 S.E. 2d 66, 73-74 (Ct. App. 1994), the South Carolina Court of Appeals found no abuse of discretion in the admission of evidence of the per day earnings of a Defendant, and in *Bryant v. Waste Mgmt. Inc.*, 342 S.C. 159, 169-70, 536 S.C. 2d 380, 385-86 (Ct. App. 2000), the Court of Appeals found no abuse of discretion in admitting evidence of the per day operating revenue or per day net income of the Defendant. While in *Branham v. Ford Motor Co.*, 390 S.C. 203, 701 S. C. 2d 5 (S.C. 2010), the South Carolina Supreme Court explicitly approved the use of the Defendant's net worth as a proper guide for the jury in assessing the ability to pay factor, it did not overrule the aforesaid Court of Appeals' opinions in *Orangeburg Sausage Co.* or *Bryant*. Indeed, in *Cody P. v. Bank of America, N.A.*, Slip Op. No. 4875 (S.C. Ct. App., decided August 23, 2011), the Court of Appeals decided that evidence of weekly, daily, and hourly earnings was appropriate for the jury to consider in connection with discharging their duty to render a punitive damages award in a reasonable and proper manner.

Further, to the extent that many jurors do not have the education, knowledge or

experience sufficient to read financial statements, or to decipher tax returns, and to the extent that in order for them to determine a Defendant's ability to pay in connection with the discharge of their duty to render a punitive damages verdict in certain cases, it is reasonable for evidence of a Defendant's ability to pay, such as tax returns and financial statements, to be analyzed by an economist who can explain such financials to a jury so they can reasonably discharge their duty, as was done in *Orangeburg Sausage Co.* and its progeny. Financial information being given directly to the jury without explanation, and without first being disclosed to Plaintiffs' counsel, has the potential to be problematic, and inefficient. See e.g., *Austin v. Stokes-Craven Holding Corp.*, 387 S.C. 22, 691 S.C. 2d 135 (2010). See also SOUTH CAROLINA DAMAGES, Vol. I, edited by Terry E. Richardson, Jr. and Daniel S. Haltiwanger, 2004, at Pt. III, 23 (authored by the Honorable G. Ross Anderson, Jr.).

IV.

CONCLUSION

Therefore, this Court finds that the challenged Interrogatories and Requests for Production are reasonably calculated to lead to the discovery of admissible evidence, and the requested financial information and documents shall be produced by counsel for Defendant and counsel for Plaintiffs within thirty (30) days of the date of this Order. However, such documents and information shall not be publicly disclosed to anyone other than the parties, their counsel, their counsel's employees and staff, and any expert economist retained by Plaintiffs to analyze said documents and information and to explain the same to the jury at trial, until such time as it may be necessary to publish it to the jury.

AND IT IS SO ORDERED.

January 21st
December 21, 2016

Paul M. Burch
Honorable Paul M. Burch
Fourth Judicial Circuit

FILED
2016 FEB - 2 AM 11:55
SCOTT B. SUGGS
CLERK OF COURT/R.O.D.
DARLINGTON COUNTY, S.C.

RECEIVED

DEC 30 2016

SC Court of Appeals

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

vs.

Hartsville Medical Group, LLC,

Defendant.

) IN THE COURT OF COMMON PLEAS
)
) FOURTH JUDICIAL CIRCUIT

) C/A No. 12-CP-16-0872
)
)

ORDER

2016 AUG 17 AM 11:59
CLERK OF COURT/RMC
DARLINGTON COUNTY, S.C.

I.
INTRODUCTION

This is a serious matter. It has come before the Court on June 21, 2016 on Plaintiffs' Motion to Compel and for Sanctions filed March 10, 2016 (hereinafter, Motion for Sanctions) and their Motion to Compel filed March 24, 2016 (hereinafter, Motion to Compel) (collectively, "the motions"). In connection with the motions, Plaintiffs contend that the Defendant has willfully disobeyed the discovery Orders of this Court and engaged in conduct that violates South Carolina's discovery rules. After considering the arguments and submissions of Counsel, the Clerk's file in this matter, and the law, I agree and find that sanctions are appropriate.

TRUE CERTIFIED COPY,
J. B. Suggs
CLERK OF COURT/RMC
DARLINGTON COUNTY, SC

II.
THE LAWSUIT

This is medical malpractice case involving a catastrophic injury to Plaintiff Greg McCants, including but not limited to the partial physical loss, deformation, scarring and disability of his penis, as well as other parts of his integumentary (skin) system. Amended Complaint, ¶¶ 13-17, 21. Mr. McCants has not been able to have sexual relations with his wife.

2016 AUG 17 AM 11:04
CLERK OF COURT/RMC
DARLINGTON COUNTY, S.C.

FILED

EXHIBIT

L

Plaintiff Elizabeth McCants, since before the incident which occurred in August of 2010. Amended Complaint, ¶21.

Plaintiffs have alleged that this is a case of gross negligence on the part of the Defendant who had a radiology tech administering vaccinations (a medication or drug) to members of the public, including Mr. McCants, without adequate training or supervision. Amended Complaint, ¶¶20-21. The Plaintiffs allege that a vaccination for Hepatitis B improperly administered by the radiology tech to Mr. McCants without his informed consent, and *after* he informed her of a reaction to a prior Hepatitis B vaccination, caused his catastrophic injuries. Amended Complaint, ¶¶7-21.

III. PROCEDURAL/DISCOVERY HISTORY

This case has been pending in this Court since 2012. The Notice of Intent to file Suit was filed April 27, 2012. Pre-suit mediation was held August 13, 2012, and ended with the parties at an impasse. The Summons and Complaint were initially filed on October 9, 2012. This matter was stayed by consent by my Order of January 30, 2013. The stay was lifted and the complaint amended by consent by my Order of March 17, 2014.

Plaintiff began serving Interrogatories and Requests for Production on Defendant Hartsville Medical Group, LLC (HMG) on April 1, 2014. Motion to Compel filed July 31, 2015, ¶1.

On March 10, 2015 I signed an Amended Consent Scheduling Order with a mediation deadline of September 18, 2015 and a trial not before date of February 15, 2016.

On July 31, 2015 Plaintiffs' filed a Motion to Compel Responses to Plaintiffs' First Interrogatories and Requests for Production that had been served April 1, 2014.

Mediation was had in this matter on September 15, 2015, and ended with the parties at an impasse. Proof of ADR. The Defendant did not appear at the mediation. Proof of ADR.

On September 29, 2015 Plaintiffs filed a Motion to Compel seeking responses from Defendant to Plaintiffs' Third Requests for Production alleging that they needed the responses so they could: (a) get Defendant's 30(b)(6) deposition in a timely manner; (b) have their experts finalize their opinions before their trial depositions; and (c) get ready for trial. Motion to Compel filed September 29, 2015 at 2-3.

On October 9, 2015 Plaintiffs' filed an Amended Motion to Compel Responses to Plaintiffs' First Interrogatories and Requests for Production that had been served April 1, 2014 (amending the July 31, 2015 motion to add additional deficiencies).

On October 9, 2015 Plaintiffs filed a Motion to Compel Defendant's Expert Barry Weissglass's Subpoena Response.¹

On October 9, 2015 Plaintiffs filed a Motion to Compel Defendant's 30(b)(6) deposition. On October 21, 2015, before the October 9, 2015 Motion to Compel Defendant's 30(b)(6) deposition could be heard, and before a firm date was given, defense counsel served on Plaintiffs' objections to the 30(b)(6) necessitating an amendment to the initial motion on October 21, 2015.²

¹ In this motion, at 3, Plaintiffs contended that:

14. That the undersigned must re-take Barry Weissglass's deposition on October 16, 2015 in Charleston because, among other things, Dr. Weissglass did not have the subpoenaed documents with him on July 28, 2015, and the undersigned now is afraid that he will have to travel to Charleston a *third time* to depose him because Dr. Weissglass *still has not produced the documents* that have been subpoenaed from him *twice*.
15. That in order to finalize his opinions for trial, Plaintiff's expert, Dr. Herold, who is scheduled to be deposed for trial in Tampa, FL on December 18, 2015, and has been paid, needs the deposition transcript of Barry Weissglass, M.D. *with* the subpoenaed documents.
16. That the undersigned has discussed this with opposing counsel and has asked if the subpoena needs to be sent directly to Barry Weissglass, MD, which was answered in the negative.

² In this motion, at 2, Plaintiffs state that:

10. That Plaintiff's family medicine expert, Arthur Herold, has been paid many thousands of dollars to give his trial deposition in Tampa, FL on December 18, 2015, within the time allotted for *de bene esse* depositions in the scheduling order.

On October 28, 2015, at the request of Plaintiffs' counsel, there was status conference in this matter with me regarding outstanding discovery, related motions to compel and a trial date. During that status conference, which was held in chambers, I ordered that counsel for Defendant provide to Plaintiffs the requested insurance information/documents and the requested ownership and control information/documents³, and that counsel otherwise try to resolve any outstanding discovery disputes (hereinafter, the verbal Order). It was decided that the motion to compel regarding Defendants' financial information and documents would have to be heard in the normal course along with any other motion that was not resolved.

-
11. In order to finalize his opinions for trial Dr. Herold needs the deposition transcript of the Defendant.
 12. That Defendant today served the objections attached hereto as Exhibit "A" to the 30(b)(6) notice.
 13. That Plaintiffs are informed and believed that they are entitled to take the Defendant's deposition on everything noticed before December 8, 2015.

³ The pertinent Interrogatories and Requests for Production are identified in the Amended Motion to Compel Responses to Plaintiffs' First Interrogatories and Requests for Production filed October 9, 2016, at ¶¶3(d)-(c), and are as follows:

First Interrogatories

5. Identify all insurance companies which provide any type of liability insurance coverage to you, including but not limited to first party liability policies, self-insured retention policies, and/or policies of excess and/or umbrella coverage, and set forth the numbers of policies involved, the policy period dates, and the amounts of liability insurance coverage provided and available for coverage of insurance in this matter in these policies, including any deductibles.
10. Set forth in detail the business structure of Hartsville Medical Group. This would include the identity of any corporation, hospital or healthcare system, which has a financial interest, controlling interest or ownership interest of the medical entity, including the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant. Additionally, please note whether the entity is a wholly owned subsidiary or partially owned subsidiary of another entity.

First Requests for Production

1. All writings and recordings in the possession, custody or control of this Defendant or this Defendant's attorney, or other person or entity, listed in, referred to, or used in the preparation of this Defendants answers or responses to Plaintiff's First Set of Interrogatories to Defendant Hartsville Medical Group.
21. A copy of the declaration sheet and complete policy of liability insurance of Hartsville Medical Group. This would include any primary policy of insurance, any self insured retention coverage and any excess or umbrella coverage and all endorsements or attachments thereto, including copies of any letters or assessment of additional premiums or monies for a period of five years prior to the date of this request. Additionally, this would include all insurance agreements and/or policies, in their entirety, which afford protection to this Defendant for acts and omissions set forth by Plaintiffs in the above entitled and numbered case including, but not limited to, primary, umbrella and excess policies which may obligate any respective insurance company to satisfy part of all the judgment which may be rendered in an action against this Defendant arising out of the acts or omissions of any such member or employee of any Defendant.
38. Any and all documents utilized in answering, or referred to, or used to answer Plaintiff's Interrogatories to Defendant Hartsville Medical Group.

On November 17, 2015 Defendant identified as a 30(b)(6) designee to speak on its behalf the head of Human Resources for Carolina Pines Regional Medical Center who testified that she had responsibilities regarding the staffing of the practice. Memorandum in Support of Motion for Sanctions, Ex. "B" (Dep. Charlotte Adams, 10:18-24, 12:18-23, 16:25-17:12, and Ex. 1).

On December 15, 2015 there was a hearing before me on Plaintiffs' outstanding motions to compel. At the call of the case the lawyers for the parties announced to the Court an agreement on some, but not all, of the outstanding issues and asked the Court to rule on the balance. The agreement and the Court's rulings on the contested issues were memorialized in an Order signed by me on January 21, 2016, and filed with the Clerk on February 2, 2016 (hereinafter, "my written Order").

My written Order required certain information and documents to be produced by Defendant to Plaintiff's counsel within thirty (30) days of the date of the Order (by March 4, 2016)(hereinafter, the Ordered information and documents).

On March 8, 2016, counsel for the Defendants mailed Plaintiffs' counsel a letter producing some of the Ordered information and documents, and explaining why Defendant did not produce some of the Ordered information and documents (hereinafter, "the letter", which is attached to the Motion for Sanctions).

On March 10, 2016 Plaintiffs' counsel filed the Motion for Sanctions (and later a memorandum in support thereof), identifying deficiencies in Defendant's compliance with my written Order as of that date, as follows:

1. As to ¶1.1 of the Order, the Order requires the Defendant to produce the job description for Practice Administrator, and the letter states that it is enclosed, but it was not. The job description for Group Practice Manager was enclosed, and had already been produced.

2. As to ¶I.4 of the Order, which provides:

As to Plaintiffs' Fifth Requests for Production to Defendant⁴, dated October 23, 2015, responses to which are outstanding, Defendant shall provide to Plaintiff documents responsive to number one (1), and shall attempt to provide documents responsive to numbers two (2) and three (3) as such documents are available, all within thirty (30) days. To the extent that this does not resolve all outstanding issues as to numbers two (2) and three (3), Plaintiff can make another motion. (emphasis added).

Defendant stated in the letter:

Regarding the policies and procedures required under 42CFR Section 482.23 from 2010, Defendant is not JCAHO accredited, therefore has nothing in response.

Regarding the written definition required under JCAHO requirement MM.06.01.01, Defendant is not JCAHO accredited, therefore has nothing in response.

3. As to ¶I.5(b) of the Order, which provides:

Defendant will provide to Plaintiff a complete and up to date answer to Interrogatory number ten (10) regarding ownership, control and financial interest in Hartsville Medical Group LLC, and any documents responsive to Requests for Production numbers one (1) and thirty-eight (38) relating thereto (emphasis added).

Defendant responded in the letter:

⁴ Plaintiffs' Fifth Requests for Production requested:

1. A copy of the following items mentioned in the job descriptions that were produced to me (received October 22, 2015):
 - i. HMA Ethical program;
 - ii. HMA Compliance Program;
 - iii. HMA Operations Manual;
 - iv. HMA Recordkeeping standards.
2. From 2010, policies and procedures required under 42 CFR §482.23(c)(2) (for Defendant and Hartsville HMA, LLC).
3. From 2010, written definitions required under JCAHO requirement MM.06.01.01 (for Defendant and Hartsville HMA, LLC).

We are diligently searching for this information. Ownership of the Hartsville Medical Group has changed several times during the timeframe in question. Therefore the location of this information has been very difficult to determine. These efforts will continue and response updated as soon as possible.

4. As to ¶I.5(c) of the Order, which provides:

Defendant will provide to Plaintiff within thirty (30) days a complete and up to date answer to Interrogatory number five (5) regarding insurance potentially responsive to this claim, whether self insurance or not, as well as all documents requested by Request to Produce number twenty-one (21) regarding same (e. g., the actual insurance policy or policies).

Defendant responded in the letter:

We are diligently searching for this information. Ownership of the Hartsville Medical Group has changed several times during the timeframe in question. Therefore the location of this information has been very difficult to determine. These efforts will continue and response updated as soon as possible.

Upon information and belief, Hartsville Medical Group is self-insured for the first \$10 million on malpractice claims. Zurich Insurance provides insurance coverage for the next \$25 million above that \$10 million.

5. As to Section IV. of the Order (regarding the information/documents sought at ¶¶II.1 and II. 2 of the Order), which provides:

this Court finds that the challenged Interrogatories and Requests for Production are reasonably calculated to lead to the discovery of admissible evidence, and the requested financial information and documents shall be produced by counsel for the Defendant to counsel for Plaintiffs within thirty (30) days of the date of this Order. (emphasis added)

The information and documents sought at ¶¶II.1 and II. 2 of the Order that were to be produced by the Defendant within 30 days are:

1. Documents and information responsive to Plaintiffs' First Requests for Production seventeen (17) and thirty-

nine (39) through forty-two (42), as well as First Interrogatories thirty-three (33) through thirty-six (36), all regarding Defendant's financials, and, in particular, Defendant's CEO's gross compensation for the past three years, Defendant's gross revenue for the past three years, Defendant's net profit for the past three years, and Defendant assets, liability and net worth, as well as Defendant's tax returns for the past five years; and

2. 30(b)(6) testimony regarding the information and documents sought in Response to the Requests referenced in subparagraph L1. above (topic four (4) of the Amended 30(b)(6) Notice), and regarding the identity of any accountants for the Defendant (topic number sixteen (16) of the Amended 30 (b)(6) Notice)

Defendant wrote in the letter:

We are diligently searching for this information. Ownership of the Hartsville Medical Group has changed several times during the timeframe in question. Therefore the location of this information has been very difficult to determine. These efforts will continue and response updated as soon as possible.

On March 15, 2016 Court Administration set this matter for a two week trial with me as the trial Judge for November 7, 2016 to November 18, 2016.

On April 9, 2016, defense counsel produced to Plaintiffs' counsel some pages printed off of a book-keeping program. Memorandum in Support of Motion for Sanctions at 5. Plaintiffs' accountant has indicated that for the purposes of preparing an ability to pay punitive damages report they are worthless without the annual accountant's statements with notes and explanations. Id. I specifically found in my written Order that Plaintiffs were entitled to Defendant's financial information so their economist could prepare such a report for the jury, and Ordered that it be produced by March 4, 2016.

This matter came for the Court during the usual course for a hearing on May 25, 2016. On that day, before the hearing, counsel for the Defendant sent Plaintiffs' counsel a letter outlining the insurance policies applicable to Plaintiffs' claims. Id. This was required to be

produced by my verbal Order and written Order, and was produced over seven months after my verbal Order and almost three months late under the written Order; it was produced over two years after it was initially requested as part of a standard interrogatory. At the hearing, counsel for Defendant asked that Judge Roger Henderson defer ruling to me as I was familiar with this case, it is my Order that is alleged to have been violated, and I am the trial Judge. Judge Henderson granted the request.

That day, May 25, 2016, Plaintiffs' counsel sent counsel for Defendant a letter listing the ten (10) items still outstanding (the first eight (8) still due under my verbal and/or written Order and the other two (2) due under the Sixth and Seventh Requests for Production to which Plaintiffs have never received a response and which are the subject of the Motion to Compel) (hereinafter, the list letter⁵). Id. at 6, Ex. E.

⁵ The list letter stated as follows:

Just so there is no mistake in this matter, I have compiled a list of what I believe to be outstanding. It is below. Please note that I believe that items 1-8 were required to have been produced to the Plaintiff by the Defendant under Judge Burch's order filed February 2, 2016, and items 9 and 10 are items that are currently outstanding in the Sixth and Seventh Request for Production to which I have never received an answer.

1. the job description for Practice Administrator from 2010;
2. the policies and procedures required under 42CFR Section 482.23 from 2010 (from the practice or the hospital);
3. the written definition required under JCAHO requirement MM.06.01.01 from 2010 (from the practice or the hospital);
4. a complete and up to date answer to Interrogatory number ten (10) regarding ownership, control and financial interest in Hartsville Medical Group LLC, and any documents responsive to Requests for Production numbers one (1) and thirty-eight (38) relating thereto (emphasis added);
5. all documents requested by Request for Production No. 21 (e.g., the actual policy or policies insurance potentially responsive to this claim);
6. Defendant's CEO's gross compensation for the past three years;
7. Defendant's tax returns for the past five years;
8. the identity of any accountants for the Defendant;
9. Please provide the standing order and clinical protocol for the administration of the Hepatitis B Vaccine that was in use at Carolina Pines Regional Medical Center during 2010 (7th RTP).
10. Please produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to your 30(b)(6) Deposition. This would include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC (6th RTP).

On June 16, 2016, counsel for Defendant delivered Plaintiffs' counsel a letter: listing the gross pay of the CEO of Carolina Pines Regional Medical center for 2012 through 2014; enclosing unsigned, undated, apparently incomplete, "for review only" (written on one of them) U.S. Corporation Income Tax Return Form 1120s for Hartsville Medical Group, LLC⁶; enclosing two copies of a Health Management Associates, Inc. Corporate Compliance Manual and Code of Conduct, Third edition (2007); and enclosing an Amended and Restated Limited Liability Company Agreement of Hartsville Medical Group, LLC dated January 27, 2014⁷. Id at 6. To the extent these were required to be produced by my written Order, they were produced over three months late.

The morning of this hearing defense counsel provided Plaintiffs' counsel with the job description for Practice Administrator. To the extent this was required to be produced by my written Order, it was produced over three months late.

As to the outstanding items on the list letter on the date of hearing, June 21, 2016 (hereinafter, the date of the hearing), Plaintiffs had not received a response to Item Nos.: 2; 3; 4 to the extent it requires a complete and up to date answer to Interrogatory No. 10 and related documents under Requests for Production No. 1 and No. 38; 5; 7 to the extent it requires the actual returns that were filed by or for the Defendant for the past five (5) years; 8; 9; and 10.

This includes, as of the date of the hearing:

⁶ Plaintiffs contend that to the extent these convey no more information than the pages of the bookkeeping program produced by defendant on April 9, 2016, Plaintiffs' accountant has indicated that for the purposes of preparing an ability to pay punitive damages report they are worthless without the annual accountant's statements with notes and explanations. Id. at 6.

⁷ Plaintiffs contend this does not provide the information requested in Interrogatory No. 10, does not identify "the identity of any ... hospital or healthcare system, which has a financial interest, controlling interest or ownership interest of the medical entity, including the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant," and argued at the hearing that it actually more thoroughly convolutes the issue of who actually has a financial, ownership or control interest in the Defendant as it identifies a Delaware limited partnership as the sole member, and another LLC as the limited partnership's general partner. Id. at 6.

- No response of any sort to the Sixth and Seventh Requests for Production (Item Nos. 9 and 10 in the list letter)
- No complete and up to date answer to Interrogatory No. 10 (or *any* attempted updated answer) with associated documents under Requests for Production Nos. 1 and 38 (ordered verbally on October 28, 2015 and in my written Order filed February 2, 2016) (Item No. 4 on the list letter).
- No copies of any responsive insurance policies (ordered verbally on October 28, 2015 and in my written Order filed February 2, 2016) (Item No. 5 on the list letter).
- No identity of any accountant for Defendant (ordered in my written Order filed February 2, 2016) (Item No. 8 on the list letter).
- No 2010 policies and procedures required under 42 CFR §482.23(c)(2) (for Defendant and Hartsville, HMA, LLC) and written definitions required under JCAHO requirement MM.06.01.01 (for Defendant and Hartsville, HMA, LLC) (ordered in my written Order filed February 2, 2016) (Item Nos. 2 and 3 on the list letter).
- No copies of tax returns actually filed for the Defendant (ordered in my written Order filed February 2, 2016) (Item No. 7 on the list letter).

At the hearing, defense counsel stated that the Defendant could not find the identity of its accountant, could not find its insurance policies, could not find the CMS regulation and JCAHO policies and procedures required by federal law at Hartsville HMA, LLC, could not find copies of the tax returns that had actually been filed for the Defendant, did not have records relating to the purchase of the assets of the Defendant practice (Sixth Request for Production) and did not

have a clinical protocol for the administration of Hepatitis B vaccine at Carolina Pines Regional Medical Center (Seventh Requests for Production). Defense counsel argued that the Amended and Restated Limited Liability Company Agreement of Hartsville Medical Group, LLC dated January 27, 2014 produced June 16, 2016 should suffice as a complete and up to date Answer to First Interrogatory No. 10 and all relative documents under First Requests for Production No. 1 and No. 38. Defense counsel argued that ownership of the Hartsville Medical Group has changed several times during the timeframe in question and the location of this information has been very difficult to determine.

IV. FINDINGS OF FACT

1. Defendant violated this Court's Orders, and such violations were willful

This Defendant still has *never* provided Plaintiffs a complete and up to date answer to First Interrogatory No. 10, or indeed *any answer whatsoever* since being ordered to do so on two (2) separate occasions, and has *no explanation* for the failure. The claim in the letter that Defendant, a sophisticated medical practice, does not know and cannot figure out the identity of any hospital or healthcare system, which has a financial interest, controlling interest or ownership interest in it, including the business address of all offices which are owned, managed or used by it or any company having a financial interest in it, after being ordered by the Court to provide this information, *not once but twice*, is not credible. I find that the Defendant made a willful decision to disobey the Court's Orders so it would not have to provide this information to Plaintiffs.

The Defendant has also never produced to Plaintiffs its responsive insurance policies. I do not find it credible that a sophisticated medical practice can list policy numbers and amounts of responsive insurance in a letter but has been unable to either find or obtain copies of those

declarations pages and policies and to produce them after being ordered to do so by the Court, *not once but twice*. I find that the Defendant made a willful decision to disobey the Court's Orders so it would not have to provide this information to Plaintiffs.

Although it produced via letter a listing of insurance responsive to Plaintiff's claims on May 25, 2016, right before the hearing, I find that the Defendant made a willful decision to disobey the Court's Orders from the time this information was due until the date this matter first came on for a hearing, May 25, 2016, so it would not have to provide this insurance information to Plaintiffs. This is information required in response to the standard interrogatory at Rule 33(b)(4), SCRCF, and should have been produced to Plaintiffs *years* ago, without the Court having to repeatedly get involved.

Furthermore, although it produced (*almost eight months after being Ordered to*) an LLC agreement, without Defendant first providing a complete and up to date answer to First Interrogatory No. 10, Defendant cannot produce any and all documents utilized in answering, or referred to, or used to answer the question of the identity of any hospital or healthcare system, which has a financial interest, controlling interest or ownership interest in it, including the business address of all offices which are owned, managed or used by it. I find that the LLC agreement that was not provided until June 16, 2016 does not suffice as some type of answer to Interrogatory No. 10 or a response to Requests for Production Nos. 1 and 38.

Regarding the CMS and JCAHO policies and procedures, in the letter on March 8, 2016 this Defendant willfully refused to comply with the Order and to produce them when its defense counsel stated:

Regarding the policies and procedures required under 42CFR Section 482.23 from 2010, Defendant is not JCAHO accredited, therefore has nothing in response.

Regarding the written definition required under JCAHO requirement MM.06.01.01, Defendant is not JCAHO accredited, therefore has nothing in response.

This Court did not ask whether or not the Defendant was JCAHO accredited, it ordered:

Defendant ... shall attempt to provide documents responsive to numbers two (2) and three (3) as such documents are available, all within thirty (30) days

Numbers two (2) and three (3) of the Fifth Requests for Production request the policies and procedures and written definitions from Defendant *or* Hartsville HMA, LLC (also known as Carolina Pines Regional Medical Center). If Defendant identified the head of Human Resources for Carolina Pines Regional Medical Center (the affiliated hospital) as a 30(b)(6) designee, it could have gotten its policies and procedures and written definitions required under JCAHO and federal regulations. While Defendant may contend that *it* is not JCAHO accredited, it cannot argue that the affiliated hospital is not.

Furthermore, it was not until the hearing on June 21, 2016 that defense counsel stated that "they" do not have these requested documents, and while he may be referring only to Defendant, I do not find it credible that a hospital does not have these documents required by federal law available, although, *most importantly*, I do find that there is *no evidence* that *any* attempt was made by Defendant to obtain and produce these documents to Plaintiffs' counsel as required under my written Order. Rather, the only evidence is that Defendant stated in the letter that "Defendant is not JCAHO accredited, therefore has nothing in response." I find, based upon that language in the letter, that Defendant made a conscious decision to willfully disobey the Court's Order.

By the time I signed my written Order it was too late for the Defendant to argue that the Fifth Requests for Production are not reasonably calculated to lead to the discovery of admissible

evidence under Rule 26(b)(1), SCRCF, but even if it had not been too late, I find that these requests were reasonably calculated to lead to the discovery of admissible evidence as Plaintiffs' hospital administration and nursing expert testified on April 27, 2015 that the policies and procedures and written definition under the federal CMS regulation and JCAHO section are applicable in this case (are at least evidence of the standard of care) and the Defendant violated them. Memorandum in Support of Motion for Sanctions, Ex. "C" (Dep. Beverly Essick, 73:9-74:10, 85:23-86:6).

The Defendant has also never produced to Plaintiffs the identities of its accountants. Again, while at the hearing defense counsel argued that "they" do not know who their accountant is, I do not find it credible that a sophisticated medical practice cannot find and produce the identity of its own accountants after being ordered to do so by the Court. I find that the Defendant made a willful decision to disobey the Court's Orders so it would not have to provide this information to Plaintiffs.

Regarding the job description for Practice Administrator, while defense counsel produced it the morning of the June 21, 2016 hearing, evidencing the fact that it was clearly available and could be found, the Defendant was in violation of this Court's Order from March 4, 2016 until then.

Regarding the CEO's gross compensation for the past three (3) years, while defense counsel produced that via letter on June 16, 2016, evidencing the fact that it was clearly available and could be found, the Defendant was in violation of this Court's Order from March 4, 2016 until then. I find that the Defendant made a willful decision to disobey the Court's Orders so it would not have to provide this information to Plaintiffs from March 4, 2016 until June 16, 2016.

Regarding the tax returns, the claim in the letter that a sophisticated medical practice cannot find or obtain its own tax returns after being ordered by the Court to produce them is not credible. I also find that not only was the Defendant in violation of this Court's Order from March 4, 2016 until June 16, 2016 when it produced unsigned, undated, incomplete, "for review only" copies of tax return forms that do not even list the preparer or accountant, but I find that the Defendant continues to be violation of my written Order as I do not find it credible that it cannot obtain copies of the tax returns that were actually filed on its behalf. I find that the Defendant made a willful decision to disobey the Court's Orders so it would not have to provide any information to Plaintiffs from March 4, 2016 until June 16, 2016, and continue in willful disobedience as I find that if Defendant wanted to comply with my written Order it could obtain and produce actual copies of its filed tax returns.

2. Defendant's failure to make any effort to respond in any way to Plaintiff's Sixth and Seventh Requests for Production for seven and eight months, respectively, is willful

Defendant was served with Plaintiffs' Sixth and Seventh Requests for Production on November 18, 2015 and December 7, 2015, respectively. Plaintiffs' filed a Motion to Compel responses thereto on March 24, 2016. As of the date of the hearing, even though the motion to compel had been pending for three (3) months, and even though Plaintiffs' counsel had sent the letter list as a reminder, Plaintiffs had received no response to either – *absolutely nothing*.

At the hearing defense counsel gave Defendant's first response to the Sixth Request for Production when he argued that "they" do not have *any* responsive records regarding the purchase of the medical practice of Melvin Nickles, Jr., MD (which is now the Defendant). I do not find this credible. At the hearing defense counsel also gave Defendant's first response to the Seventh Request for Production when he argued that "they" do not have a clinical protocol for the administration of the Hepatitis B vaccine. Regardless of whether or not I find that credible,

Plaintiffs' were entitled to a written answer to their Request, and their counsel should not have had to file a motion to compel and attend two hearings to get a verbal answer to the Sixth or Seventh Requests for Production.

3. Defendant has engaged in a pattern and practice of obstruction in discovery designed to prejudice Plaintiffs

From its failure to provide its insurance information until the day of a hearing on a Motion for Sanctions for its failure to comply with a Court Order, to its failure – to this very day – to identify what hospital or healthcare systems have an ownership, financial or controlling interest in it, to its failing to facilitate its experts' complying with subpoenas *duces tecum*, to its failure to give dates for its 30(b)(6) deposition whilst simultaneously filing objections, to its failure – to this very day – to identify its accountants or to produce its insurance policies, to its failure to give any response whatsoever to discovery requests, this Defendant has engaged in a willful pattern of obstruction and delay that has violated not only this Court's Orders, but also the spirit and letter of the South Carolina Rules of Civil Procedure.

Taken one at a time, the Court may accept that this or that may be an isolated incident, but taken all together the only possible conclusion that this is a willful pattern and practice of obstruction directed at prejudicing the Plaintiffs ability to prosecute their claims.

This pattern and practice of obstruction has necessitated otherwise needless hours, indeed probably days, spent filing motions and briefs (six or more motions to compel), preparing for and attending a status conference and three hearings by Plaintiffs' counsel, travelling to Charleston twice to get an expert's deposition, etc. These issues have needlessly distracted Plaintiffs' counsel from otherwise being able to prosecute the case for his clients, and the delays have prejudiced Plaintiffs in being able to prepare for trial.

As another example of obstruction and delay, Plaintiffs' liability expert in Florida gave a trial deposition without the benefit of the withheld information and documents, and Plaintiffs assert that to go back to Florida to retake the expert's trial deposition to get a fully informed opinion for trial would cost in excess of \$10,000.00. Memorandum in Support of Motion for Sanctions at 15.

Yet another example of obstruction and delay is Plaintiffs' economist wasting time looking at pages of a book-keeping program produced by Defendant on April 9, 2016 only to discover that they are worthless to prepare an ability to pay punitive damages report that I ordered the jury was entitled to be shown at trial. Memorandum in Support of Motion for Sanctions at 5.

As another example, but for this Order, Plaintiffs' counsel would have to take the Defendant's 30(b)(6) deposition for the third time to question it about the outstanding financial information and documents. Memorandum in Support of Motion for Sanctions at 15.

4. Defendant's willful conduct has prejudiced Plaintiffs

The Plaintiffs are and will be prejudiced by Defendant's obstruction in preparing for trial, in trying their case and in collecting upon a judgment.

In particular, keeping in mind that Defendant identified as a 30(b)(6) designee the head of Human Resources for Carolina Pines Regional Medical Center, without the identity of any hospital or healthcare system which has a financial interest, controlling interest or ownership interest in Defendant, including the business address of all offices which are owned, managed or used by it or any company having a financial interest in it, Plaintiff's will be prejudiced, and challenged, factually at trial, in connection with the following claims and issues:

- a) whether or not the Carolina Pines Regional Medical Center and the Defendant practice should be considered one entity for purposes of the application of federal CMS regulations and JCAHO standards;
- b) the relationship between the Defendant and a controlling hospital or healthcare system (e.g., Carolina Pines Regional Medical Center) relative to negligent supervision of the Defendant's employees;
- c) the relationship between the Defendant and a controlling hospital or healthcare system (e.g., Carolina Pines Regional Medical Center) relative to negligent administration and staffing of the Defendant practice;
- d) the relationship between the Defendant and a controlling hospital or healthcare system (e.g., Carolina Pines Regional Medical Center) relative to negligent training and supervision of Defendant's employees;
- e) collection of a judgment (e.g., to the extent that Defendant practice has no assets and may be an alter ego of another entity who will be liable for a judgment, or part of a judgment such as one for punitive damages that is not covered by insurance);

As well, keeping in mind that Plaintiff's expert said that these requirements were applicable to this case, and that Defendant was in violation of these requirements, without the 2010 policies and procedures required under 42 CFR §482.23(c)(2) (for Defendant and Hartsville HMA), and the written definitions required under JCAHO requirement MM.06.01.01 (for Defendant and Hartsville HMA, LLC)⁸, Plaintiff has already been prejudiced, and will be prejudiced and challenged, factually, at trial in connection with the following claims and issues:

⁸ The pertinent portions of these sections that Plaintiff's expert Beverly Essick determined applied in this case, and were violated, are as follows from her list marked as Exhibit 2 to her deposition which is located at Exhibit "C" to Plaintiffs' Memorandum in Support of Motion for Sanctions:

- a) Whether or not the Defendant and/or Hartsville HMA, LLC had and complied with its own medical staff policies and procedures, and its own written federal and state law (including licensure) requirements for the administration of drugs and biologicals, as required under 42 CFR §482.23(c)(2), in this case;
- b) Whether or not Defendant's and/or Hartsville HMA, LLC's policies and procedures required under 42 CFR §482.23(c)(2) identified licensed personnel and the types of medication they are permitted to administer, in accordance with state laws, as required, and whether or not it followed them in this case;
- c) Whether or not Defendant's and/or Hartsville HMA, LLC's policies and procedures required under 42 CFR §482.23(c)(2) identified education and training for all personnel administering drugs and biologicals, as required, and whether or not it followed them in this case;

42 CFR §482.23(c)(2) Personnel authorized to administer medication. Requires that all drugs and biologicals are administered by, or under the supervision of nursing or other personnel, in accordance with Federal or State law and approved medical staff policies and procedures. State law requirements include licensure requirements. Policies and procedures must identify categories of licensed personnel and the types of medications they are permitted to administer, in accordance with state laws. The policies and procedures must also address education and training for all personnel administering drugs and biologicals. Medication administration education and training is typically included in hospital orientation or other continuing education for nursing staff and other authorized healthcare personnel....

MM.06.01.01 The hospital safely administers medications

#1 The hospital defines, in writing, licensed independent practitioners and the clinical staff disciplines that are authorized to administer medication, with or without supervision, in accordance with law and regulation. (See also MM.06.01.03, EP 1)

#2 Only authorized licensed independent practitioners and clinical staff administer medications.

Note: This does not prohibit self-administration of medications by patients, when indicated. (See also MM.06.01.03, EP 1)

#6 Before administration, the individual administering the medication does the following: Verifies that no contraindications exist.

#8 Before administration, the individual administering the medication does the following: Discusses any unresolved concerns about the medication with the patient's licensed independent practitioner, prescriber (if different from the licensed independent practitioner), and/or staff involved with the patient's care, treatment, or services.

#9 Before administering a new medication, the patient or family is informed about any potential clinically significant adverse drug reactions or other concerns regarding administration of a new medications. (See also MM.06.01.03, EPs 3-6; PC.02.03.01, EP 10)

- d) Whether or not the Defendant and/or Hartsville HMA, LLC had and complied with its own written definition of licensed independent practitioners and the clinical staff disciplines that are authorized to administer medications, with or without supervision, in accordance with law and regulation, as required under JCAHO requirement MM.06.01.01 in this case;
- e) Whether or not Defendant violated its own policies and procedures;
- f) Whether or not there is evidence of a violation of a regulation or standard that is evidence of gross negligence;
- g) Plaintiff's physician liability expert's testimony at trial relative to the lack of and/or failure to follow these policies, procedures and definitions as he has already been deposed for trial;
- h) Plaintiff's use of Defendant's 30(b)(6) deposition testimony at trial relative to the lack of and/or failure to follow these policies, procedures and definitions, as it has already been taken twice;
- i) Plaintiff's use of defense physician liability expert's transcript at trial relative to the lack of and/or failure to follow these policies, procedures and definitions as it has already been taken twice.

As well, without the insurance policies, Plaintiff will be challenged at trial in how to frame the issues and arguments so a verdict falls within the coverage provided, and therefore also may be prejudiced in collecting a judgment (e.g., Plaintiffs would like to know whether the policies cover punitive damages); as well, to the extent that the named insured is an entity other than the named Defendant, that may be evidence of alter ego.

In addition, without complete filed tax returns and annual accountant's statements with notes and explanations, Plaintiffs will be prejudiced at trial as their economist will be unable to prepare an ability to pay punitive damages report and will therefore be prejudiced in obtaining a punitive damages verdict at trial.

Also, without the information requested in the Sixth request for Production,⁹ Plaintiffs will be prejudiced at trial in proving whether or not the Defendant exercised due care in connection with its purchase, and subsequent administration and staffing of Melvin Nickles' medical practice, to include ensuring that it had a clinical protocol for the administration of Hepatitis "B." There will also be a lack of liability expert testimony at trial relative to this issue and these documents, whether Defendant has them or not as either is probative on issues of liability.

In addition, without the information requested in the Seventh Request for Production,¹⁰ Plaintiffs will be prejudiced at trial in proving whether or not the Defendant exercised due care in connection with its administration of Hepatitis "B" to Plaintiff. There will also be a lack of liability expert testimony at trial relative to this issue and these documents, whether Defendant has them or not as either is probative on issues of liability.

Furthermore, as mentioned in section IV. 3. above, Plaintiffs have been prejudiced in other particulars as well.

As well, Defendant's delay and willful failure has also prejudiced Plaintiffs insofar as the practice has been sold twice since the incident complained of (at least once since April 1, 2014

⁹ Sixth Requests for Production No. 3: Please produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to your 30(b)(6) Deposition. This would include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC.

¹⁰ Seventh Request for Production No. 2: Please provide the standing order and clinical protocol for the administration of the Hepatitis B Vaccine that was in use at Carolina Pines Regional Medical Center during 2010.

when Plaintiff's propounded their first discovery requests that Defendant now says it can't answer because it's been sold), and the previously named physician Defendant has died and cannot testify live at trial.

V.
LEGAL STANDARD FOR SANCTIONS

Generally, discovery sanctions are imposed to penalize those whose conduct may be deemed to warrant such a sanction, and to deter those who might be tempted to such conduct in the absence of such a deterrent. Rule 37(b)(2)(C), SCRPC. *Creighton v. Coligny Plaza Ltd. Partnership*, 334 S.C. 96, 512 S.E.2d 510 (Ct. App. 1998). The imposition of sanctions is left to the sound discretion of the trial judge. *Halverson v. Yawn*, 328 S.C. 6189, 493 S.E.2d 883 (Ct. App. 1997); *Barnette v. Adams Bros. Logging*, 355 S.C. 588, 593, 586 S.E.2d 572, 575 (2003).

Pursuant to Rule 37 of the *South Carolina Rules of Civil Procedure*, when a party fails to obey an order to provide or permit discovery, the court may "make such orders in regard to the failure as are just." See also *In re Anonymous Member of South Carolina Bar*, 346 S.C. 177, 194, 552 S.E.2d 10, 18(2001) (noting that 'judges must use their authority to make sure that abusive deposition tactics and other forms of discovery abuse do not succeed in their ultimate goal; achieving success through abuse of the discovery rules rather than by the rule of law.'). More specifically, "[i]f a party fails to obey an order to provide or permit discovery, the trial court may impose sanctions such as striking pleadings, dismissing the action, or rendering a default judgment." *Id.*

Rule 37(b)(2) of the *South Carolina Rules of Civil Procedure* (SCRPC) states that:

"... [i]f...a party...fails to obey an Order to provide or permit discovery, including an Order made under subdivision (a) of this rule [(e.g., Judge Burch's Order)] the court in which the action is pending may make such orders in regard to failure as are just, and among others the following: (A) an order that the matters

regarding which the order was made or any other designated facts shall be taken to be established for the purposes of the action in accordance with the claim of the party obtaining the order; (B) an order refusing to allow the disobedient party to support or oppose designated claims or defenses, or prohibiting him from introducing designated matters into evidence; (C) an order striking out pleadings or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the action or proceeding or any part thereof, or rendering a judgment by default against the disobedient party.”

Under Rule 37(b)(2)(C), SCRCP, when a party fails to comply with a discovery order, the trial court has the discretion to impose a sanction it deems just, including an order dismissing the action (or striking an answer). *Barnette v. Adams Bros. Logging, Inc.*, 355 S.C. 588, 593, 586 S.E.2d 572, 575 (2003).

Rule 37(d), SCRCP, also makes sanctions under Rule 37(b)(2)(C), SCRCP, available to the Court in cases of a failure to serve a written response to a request under Rule 34, SCRCP:

“(d)...[i]f a party...fails...(3)to serve a written response to a request for inspection submitted under Rule 34 [e.g., Plaintiffs’ Sixth and Seventh Requests for Production] ... the court in which the action is pending on motion may make such orders in regard to the failure as are just, and among others it may take any action authorized under paragraphs (A), (B) and (C) of subdivision (b)(2) of this rule.”¹¹

Absent a clear abuse of discretion, the trial court’s imposition of discovery sanctions will not be reversed on appeal, and the party appealing from the order of sanction carries the burden of proving an abuse of discretion occurred. *McNair v. Fairfield County*, 379 S.C. 462, 465-466, 665 S.E.2d 830, 832(Ct. App. 2008); *Halverson v. Yawn*, 328 S.C. 6189, 493 S.E.2d 883 (Ct. App. 1997)

¹¹ There is an exception under the Rule if the party has moved for a protective order, which Defendant never did in this case as to the relative discovery requests.

In determining the appropriateness of a sanction, the court should consider such factors as the precise nature of the discovery and the discovery posture of the case, willfulness, and degree of prejudice. *Griffin Grading & Clearing, Inc. v. Tire Serv. Equip. Mfg. Co.*, 334 S.C. 193, 199, 511 S.E.2d 716, 719 (Ct. App. 1999).

Severe sanctions, such as the dismissal of an action (or the striking of an answer), should only be imposed in cases involving bad faith, willful disobedience, or gross indifference to the opposing party's rights. See *Orlando v. Boyd*, 320 S.C. 509, 511, 466 S.E.2d 353, 355 (1996); *Baughman v. Am. Tel. & Tel. Co.*, 306 S.C. 101, 108-09, 410 S.E.2d 537, 541-42 (1991); *Griffin Grading & Clearing, Inc. v. Tire Serv. Equip. Mfg. Co.*, 334 S.C. 193, 198-99, 511 S.E.2d 716, 719 (Ct. App. 1999).

A defendant's answer has been stricken as a sanction when it fails to meaningfully comply with all or part of a discovery Order. *Griffin Grading & Clearing, Inc. v. Tire Serv. Equip. Mfg. Co.*, 334 S.C. 193, 199, 511 S.E.2d 716, 719 (Ct. App. 1999). Dismissal of an action as a sanction has been based upon a Plaintiff's persistent refusal to comply with Court orders (including oral) regarding the release of her records. *Barnette v. Adams Bros. Logging, Inc.*, 355 S.C. 588, 586 S.E.2d 572 (2003).

VI. CONCLUSIONS OF LAW

Discovery abuse has taken place in this case. The abuse was purposeful, willful, and in an effort to delay, obstruct or mislead the Plaintiffs and this Court. The Defendant has persistently and willfully failed to comply with this Court's orders.

Defendant's emphasis on its current efforts to locate or produce documents over two years after they were requested, and many months after it was Ordered to do so, is misplaced. The Defendant's duty is to comply with the discovery requests at the time they are served, and

then to comply with the Court's Order in a timely matter. It would be both imprudent and ineffectual for this Court to now trust a litigant who has deliberately withheld discoverable information, documents, and evidence. Further, the record before me suggests that any attempt to locate and produce such documents at such a late date was not a crisis of conscience or willingness to be thorough in discovery – the Defendant was merely caught withholding discoverable information, documents, and evidence, both before and after this Court issued an Order requiring it to produce that information and those documents to Plaintiffs.

This Court has made factual findings that the Defendant violated discovery Orders in this case willfully, intentionally, and with the gross indifference to the rights of Plaintiffs. The Court also finds that this Defendant willfully ignored and failed to serve any kind of a written response to Plaintiffs Sixth and Seventh Requests for Production, even months after a Motion to Compel was filed.

Moreover, the Court has considered factors for awarding Sanctions, and each weighs in favor the Plaintiffs.

1. Nature of Discovery

First, the discovery requests were straightforward, and requested basic information, documents, and evidence relevant to this particular case, and to medical malpractice cases in general.

Specifically, the request for insurance information – that was entirely ignored for over two years until the morning of a hearing on Plaintiffs' Motion for Sanctions for Defendant's failure to abide by my Order – was a basic request memorialized as a standard interrogatory in Rule 33(b)(4), SCRCP. Furthermore, a simple request for hospitals or healthcare systems with a financial, ownership or controlling interest in the Defendant, is a basic, standard request in

medical malpractice cases, as is the request for the medical practice's relevant insurance policies and for policies, procedures and protocols required by the standard of care or otherwise required under the law.

This Defendant is a sophisticated medical practice that has been sued numerous times, and it, as well as its representatives, know that these are basic requests for information, documents, and evidence that are to be responded to within the usual course of any medical malpractice litigation. However, this Defendant failed to complete the simplest of tasks in searching its own records, for *years*, for such items as its own insurance information, insurance policies, evidence of hospitals or healthcare systems with a financial, ownership or controlling interest in it, tax returns and accountants' identities. Yet, Defendant now wants to come into the Court and argue that because of its unjustifiable and wrongful delay, during which it has been sold, it cannot now locate those things. I find this argument ironic rather than persuasive. Furthermore, I do not find it credible that the Defendant was unable to locate or obtain these items for *years*, or even for a few weeks or months so as to comply with the Court's Order.

As well, this pattern of obstruction was not limited to just the aforementioned, but to willful refusals to attempt to locate and to produce policies, procedures and protocols that Plaintiffs' expert testified are applicable to this case and that were violated, willful refusals to serve written responses to discovery requests, defense expert's failure or refusal to comply with subpoenas and even to failures or refusals to timely cooperate in providing deposition dates for a 30(b)(6) deposition. The Court finds that the nature of discovery weighs in the favor of sanctions.

2. Discovery Posture of the Case

Next, the Court has carefully considered the posture of the case. This case has been pending for over four years. Plaintiff Greg McCants was catastrophically injured almost six (6) years ago. There has been obstruction during the discovery process that has hampered Plaintiffs' counsel in prosecuting this case, and that has caused great inconvenience, time lost, and frustration. This Court has met with the parties about this matter at a status conference on October 28, 2015, during which it Ordered the Defendant to produce some basic information (that has still not been entirely produced), had a hearing on this matter on December, 15, 2016, convened another hearing on May 25, 2016, and then had this hearing on June 21, 2016. The Plaintiff has had to file at least six (6) motions to compel, and *even sent a reminder letter to defense counsel outlining the outstanding items before the June 21, 2016 hearing.* The Defendant had years to comply with many of the discovery requests, and almost eight (8) months before the most recent hearing to comply with the verbal Order (which was reiterated in my written Order), but Defendant has still not complied. Furthermore, the initial scheduling order had a trial date of February 15, 2016, and but for the inability to find an appropriate two week term in which to try this case, the Defendant very well may have withheld this information and these documents from Plaintiffs up until the time of trial. It is only because the Plaintiffs were unable to obtain a two week trial period until November 2016 that the Court is even able to address these matters.

Indeed, even at this late juncture, over four months after the initial trial not before date, Plaintiffs still await information and documents necessary to re-depose the Defendant for the third time, necessary for their physician liability expert to give a fully informed opinion at trial (which would require him to be re-deposed for trial), and necessary for their economist to do an ability to pay punitive damages report for the jury at trial.

3. Willfulness

Third, as addressed in §IV above, Defendant's failures to abide by my written Order, as well as my verbal order of October 28, 2015, were willful; its pattern and practice of obstruction in discovery in this case was willful, and its failure to give any response at all, much less serve any type of written response, to Plaintiff's Sixth and Seventh Requests for Production was willful. Furthermore, in connection with these failures and refusals, Defendant was willfully disobedient and grossly indifferent to the Plaintiffs' rights. Finally, given the fact that Defendant failed to answer a standard interrogatory with its insurance information for over two (2) years, and for almost four months after the Court Ordered it to, and waited until right before a hearing on a Motion for Sanctions, the Court can come no conclusion other than Defendant acted in bad faith. This is further evidenced by the fact that as of the date of this hearing, it still has not even attempted to give an updated and complete answer to Interrogatory No. 10, still has never given a written answer to the Sixth and Seventh Requests for Production, and still has never produced its insurance policies. Indeed, this Defendant has thumbed its nose at this Court and has been willfully disobedient to its Orders.

4. Degree of Prejudice

Fourth, this Court has determined that Defendants discovery abuse was designed to, and has prejudiced the ability of Plaintiffs to receive a fair trial both in terms of their ability to prove liability and punitive damages.

Plaintiffs have already taken the trial deposition of their physician liability expert, the 30(b)(6) deposition of the Defendant, and the deposition of the defense experts, without the benefit of the requested policies and procedures and written definition under the federal CMS regulation and JCAHO section, without the benefit of the documents relating to the purchase of

Melvin Nickles medical practice by Defendant, and without any clinical protocol for the administration of Hepatitis B that may have been at Hartsville HMA, LLC (Carolina Pines Regional Medical Center) in 2010, and these documents are not available for trial. Indeed, Defendant has never denied in writing that these documents exist or existed but just refused to produce the policies and procedures and written definition under the federal CMS regulation and JCAHO section despite being required to under the Order (see the letter), and just ignored Plaintiffs' Sixth and Seventh Requests for Production.

After such willful disobedience and bad faith, the Defendant's attorney cannot now come into Court at the second scheduled hearing on a Motion for Sanctions and get any type of credit for asserting that it does not have these documents. Even if that was a creditable argument, Plaintiff was still entitled to that very information when due, in writing, as that failure itself, admitted in writing, could have been followed up by Plaintiff at a 30(b)(6) deposition or otherwise, and such failure may be evidence of either gross negligence (a failure to have policies, procedures protocols and definitions required by the standard of care or federal law, or a failure to have done any due diligence before purchasing a medical practice), or spoliation. The Defendant, who is a sophisticated medical practice that has been sued many times, knows this, and the Court finds it persuasive that this willful disobedience by Defendant in connection with these matters was to gain an upper hand in this litigation at the prejudice of Plaintiffs.

Plaintiffs would be prejudiced without the admissions of Defendant at trial, without the fully informed opinion of their liability experts at trial, without a full 30(b)(6) deposition of the Defendant to use in their case-in-chief, and without a full transcript of the defense liability expert to be able to use at trial during cross examination.

Furthermore, Defendant does not contend that it cannot give a complete and up to date answer to Interrogatory No. 10, but has simply refused. Without that information, Plaintiff will be prejudiced relative to proof of liability at trial as it cannot be determined if Carolina Pines Regional Medical Center and the Defendant practice should be considered one entity for purposes of the application of federal and JCAHO standards, and the relationship between the two cannot be defined for purposes of negligent supervision, training, staffing and administration claims (as Defendant identified a human resources employee of Carolina Pines Regional Medical Center as its 30(b)(6) designee, etc.). This information is also material to Plaintiffs' ability to collect on a judgment for which there is no insurance coverage under an alter ego theory.

Furthermore, Plaintiffs' economist will be unable to prepare an ability to pay punitive damages report without the filed tax returns, ownership, financial and controlling interest information, as well as the identity of the accountants so any accountant's statements, including notes and explanations, can be obtained. This will prejudice Plaintiffs ability to obtain a punitive damages verdict at trial.

In addition, Plaintiff has been, or may be prejudiced in its ability to tailor its trial presentation to available coverage, and to collect a verdict in this matter due to Defendants failures to produce the requested insurance policies.

I also address in detail the specific ways that Plaintiffs will be prejudiced in section IV.4.

VII. CONCLUSION

Considering that all of the relevant discretionary factors weigh strongly in favor of sanctions, the Court is ever mindful that any sanction imposed should be tailored. Since the pattern and practice of obstruction in discovery in this case has been so pervasive, so willful and has touched virtually every aspect of the case, and because of all of the reasons this Court has

determined that it has and will prejudice Plaintiffs before, at, and after trial in this matter, the Court finds that the necessities of this situation require the most extreme sanction that is needed both to remedy the prejudice to Plaintiffs in this case, and to deter this Defendant or anyone else from perpetrating such willful and repeated obstruction in the future.

Presently, the harshest of sanctions is needed because the Defendant repeatedly intentionally disobeyed Court Orders, made incredible excuses that it was not able to locate and produce its own tax returns, accountants' identities, insurance policies, insurance information, and information about who owns it and controls it, and because the Defendant created needless delays and inconveniences for the Plaintiffs and its counsel and prejudiced Plaintiffs' rights to a full and fair trial, and to information necessary to collect a verdict after trial.

In summary, the Court finds that Defendant's violations of the Court's previous discovery Orders was intentional, willful and with gross indifference to the rights of Plaintiffs. The Court finds that the nature of the discovery requests, the discovery posture of the case, the willful disobedience of Defendant and the degree of prejudice to Plaintiffs call for an extreme sanction. The Court finds that any need to tailor the sanction does not prevent the sanction imposed, even though it forecloses decision on the merits of the case, as the sanction imposed is designed to deal directly, and specifically, with the Defendant's willful, repeated and pervasive disobedience of Court Orders and discovery abuse.

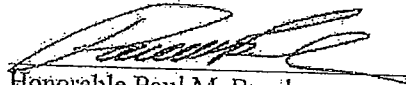
The Court Orders that the Defendant's Answer shall be and is hereby stricken.

At trial the jury shall be instructed to accept the allegations of Plaintiffs' Amended Complaint as true and to render a verdict for each Plaintiff against the Defendant in amounts it shall determine pursuant to the instructions of this Court and based upon the evidence of

damages presented by Plaintiffs at trial.

AND IT IS SO ORDERED!

August 1st, 2016


Honorable Paul M. Burch
Trial Judge, Fourth Judicial Circuit

TRUE CERTIFIED COPY,

Scott B. Suggs

CLERK OF COURT/RMG
DARLINGTON COUNTY, SC

2016 AUG -8 AM 10:04
SCOTT B. SUGGS
CLERK OF COURT/RMG
DARLINGTON COUNTY, S.C.

FILED

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Greg McCants and Lisa McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC,

Defendant.

) IN THE COURT OF COMMON PLEAS

) FOURTH JUDICIAL CIRCUIT

) C/A No. 2012-CP-16-0872

CERTIFICATE OF SERVICE

I, William J. Tuck, employee for the law office of William J. Tuck, P.A., attorney for the Plaintiffs in the above-captioned action, certify that I have this 8th day of August, 2016 served one (1) copy of an Order signed by Judge Burch on August 1, 2016 for service upon the below named by electronic mail and by depositing the same in the United States Mail, with sufficient postage affixed, and addressed as follows:

Martin Driggers Jr., Esquire
115 Cargill Way, Suite B
Hartsville, SC 29551
msd@swblaw.com

TRUE CERTIFIED COPY,
Scott B. Suggs
CLERK OF COURT/REC.
DARLINGTON COUNTY, SC

William J. Tuck

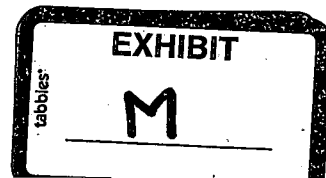
2016 AUG -8 AM 10:04
SCOTT B. SUGGS
CLERK OF COURT/REC.
DARLINGTON COUNTY, SC.

FILED

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF DARLINGTON	)	C/A No. 12-CP-16-0872
	)	
Elizabeth McCants and Greg McCants,	)	
	)	
Plaintiffs,	)	AFFIDAVIT OF TERRI YATES
	)	
Versus	)	
	)	
Hartsville Medical Group, LLC	)	
	)	
	)	
	)	
	)	
Defendants.	)	
	)	

2016 AUG 17 AM 11:59
 SCOTT E. SHARP
 CLERK OF COURT/PRO. D.
 DARLINGTON COUNTY, S.C.

1. My name is Terri Yates and I reside in Williamson County, Tennessee.
2. I am a Senior Claims Manager of Liability Claims for CHSPSC, LLC and have worked in that role since July 2008.
3. When Community Health Systems, Inc. ("CHS") purchased Health Management Associates ("HMA"), it also purchased Carolina Pines Regional Medical Center ("CPRMC") and affiliated practices, which included Hartsville Medical Group, LLC ("HMG").
3. The Federal Trade Commission ("FTC") required CHS to sell CPRMC and HMG to another entity.
4. CHS sold CPRMC and HMG to Capella Healthcare, Inc. on January 1, 2015.
5. Capella did not purchase any of the existing liabilities of CPRMC and HMG, including the present lawsuit.
6. CHS, therefore, is continuing to defend the present lawsuit even though it has no ownership interest in CPRMC or HMG.



7. Locating records that CHS purchased from HMA has been especially difficult as when CHS purchased CPRMC and HMG, it also purchased seventy-one (71) other hospitals at the same time, creating a large document influx.

8. Additionally, if HMA, CPRMC, and/or HMG failed to maintain certain documents prior to CHS's ownership, CHS would have no way to determine whether the records were lost or never existed.

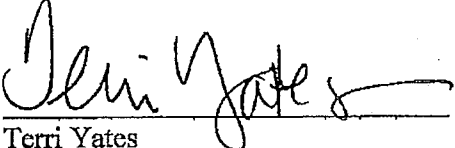
9. Also, because CHS has no current ownership interest in CPRMC or HMG, it cannot force either entity to produce documents that it has.

10. Based on the date the present lawsuit was reported to HMA, that entity's professional liability insurance policies in effect from October 1, 2011 to October 1, 2012 would be the insurance policies that are potentially responsive to this lawsuit. I do not have copies of the professional liability insurance policies issued to HMA or HMG during that time period and, after reasonable inquiry, have been unable to locate them. However, I have provided a list of these insurance policies to defense counsel for HMG.

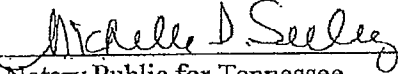
11. I previously contacted CHS' corporate tax department in order to locate other documents that were requested by plaintiffs' counsel and ordered to be produced by the Court. Their records showed that Carolinas JV Holdings, LP was the sole member of HMG.

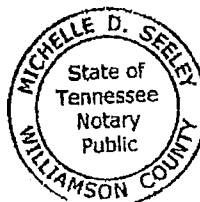
12. The CHS corporate tax department also confirmed that there were no separate income tax filings for Hartsville Medical Group, LLC for 2010 to 2015. Hartsville Medical Group operated as a disregarded single member LLC for federal income tax purposes. Thus its activity was reported to the IRS under its parent's FEIN (federal employer identification number). However, the CHS corporate tax department provided me with "pro forma" 1120's for HMG. I understand that these were provided to plaintiffs' counsel in this case by defense counsel for HMG.

FURTHER AFFIANT SAYETH NOT.


Terri Yates

SWORN TO and subscribed before me
This 16th day of August, 2016


Notary Public for Tennessee
My Commission Expires: 10-29-19



STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**AFFIDAVIT OF CHARLOTTE
ADAMS**

2016 AUG 17 AM 11:59
CLERK OF COURT/ROD.
DARLINGTON COUNTY, S.C.

1. I am Charlotte Adams and I live at 805 Tema Road, Hartsville, South Carolina 29550.

2. I have worked as the Human Resources Director at Carolina Pines Regional Medical Center for the last twenty-six (26) years in various capacities.

3. From 1996 to present, I have worked as the Director of Human Resources.

4. Upon information and belief, Health Management Associates owned Hartsville HMA, LLC, which is the entity that does business as Carolina Pines Regional Medical Center until January of 2014, when it was purchased by Community Health Systems ("CHS").

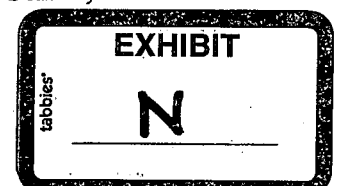
5. Shortly after CHS purchased Carolina Pines Regional Medical Center, the Federal Trade Commission blocked the sale, and a company was appointed to oversee the operations of Carolina Pines Regional Medical Center for approximately one year.

6. After the conclusion of the FTC oversight of the hospital, Carolina Pines Regional Medical Center was purchased by Capella Healthcare.

7. In May of 2016, Capella Healthcare merged with RegionalCare Hospital Partners, Inc. to become RCCH Healthcare Partners.

8. During the time period of 2013 to the present date, Carolina Pines Regional Medical Center has had its training, compliance, human resources, and a multitude of other systems change with each new owner.

9. During my time at Carolina Pines Regional Medical Center, I was never



responsible for creating or maintaining financial and ownership records and never had any access to them. As a result, I do not know what financial or ownership documents exist, how those documents were created, how they were maintained, or where and in what form they were stored.

10. In 2013 when Hartsville HMA was purchased by CHS, we had the following executive positions: Chief Executive Officer; Chief Financial Officer; Chief Nursing Officer; Chief Operations Officer; and Chief Quality Officer.

11. Since 2013, Carolina have had three Chief Financial Officers, Five Chief Nursing Officers, Four Chief Operations Officers, and Three Chief Quality Officers.

12. I first learned of the various requests for documents in early February, 2016 when I was contacted by counsel for HMG regarding the requested documents.

13. From early February 2016 until February 23, 2016, I performed various searches of Carolina Pines Regional Medical Center's computer systems and physical files for the requested documents.

14. On February 23, 2016, I exhausted all the options available to me to locate the documents. At that time, I had been able to locate approximately seven of the fourteen requested document topics. I also sent an email to Rodney Van Donkelaar, our current Chief Financial Officer, asking him to assist me with locating the documents I was unable to locate.

15. On February 24, 2016 at 2:47 p.m. Mr. Van Donkelaar sent an e-mail to Andrew Slusser with Carolina Pines Regional Center's new parent company, Capella Healthcare, for assistance with locating the outstanding requested documents. Mr. Slusser is the Executive Vice President and Chief Development Officer of Capella Healthcare.

16. Mr. Slusser forwarded Mr. Van Donkelaar's e-mail to Davis W. Turner, Vice President and Associate General Counsel for Capella Healthcare on February 23, 2016 at 3:54 p.m.

17. On March 11, 2016, Mr. Van Donkelaar sent our attorney an e-mail with the best information he could find locally responsive to the request.

18. The hospital Carolina Pines Regional Medical Center is JAHCO Accredited and maintains records required by 42 C.F.R. § 482.23. Hartsville Medical Group, LLC, however, is not and has never been JAHCO accredited. It further does not and never has maintain records under 42 C.F.R. § 482.23 as it is not a hospital under Federal Law, and it is not required to.

(Signature Page Following)

FURTHER AFFIANT SAYETH NOT.

Charlotte Adams
Charlotte Adams

SWORN TO and subscribed before me
This 10 day of August, 2016

Daniela M. Ogle
Notary Public for South Carolina
My Commission Expires: 3-19-2019

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Hartsville Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**AFFIDAVIT OF RODNEY VAN
DONKELAAR**

2016 AUG 17 AM 11:59
SCOTT E. STUBBS
CLERK OF COURT/RO.D.
DARLINGTON COUNTY, S.C.

1. I am Rodney Van Donkelaar and I live at 2628 Independence Street, Hartsville, South Carolina 29550.

2. I have worked as the Chief Financial Officer at Carolina Pines Regional Medical Center since June of 2015.

3. In my role as CFO, I am responsible for handling the finances for Carolina Pines Regional Medical Center.

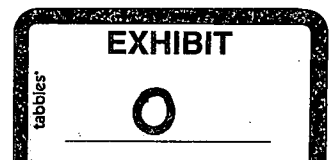
4. I came to Carolina Pines Regional Medical Center as an employee of Capella Healthcare, which, in May of 2016 completed a merger with RegionalCare Hospital Partners, Inc., and is now owned by RCCH Healthcare Partners.

5. For the for-profit healthcare systems I have worked for, it is common practice that each local healthcare system financial statements and operations are consolidated with the parent company for external financial reporting

6. For the for-profit healthcare systems I have worked for, each local healthcare system financial statements and operations are consolidated with the parent company, and there is one audit completed annually with record keeping at the corporate office.

7. For the for-profit healthcare systems I have worked for, each local healthcare system financial statements and operations are consolidated with the parent company, and there is one tax return completed annually with record keeping at the corporate office

8. For the for-profit healthcare systems I have worked for, the executive team compensation and benefit records are held within the parent company, but base compensation



has been provided in the past for bonus calculations. The compensation that was requested is from prior ownership. Review of records locally, this documentation could not confirm what the compensation for the Executive team was for those years. I do have 2015 and 2016 base compensation.

9. Carolina Pines Regional Medical Center does not have its own accounting team to produce local results. I am unaware of Carolina Pines Regional Medical Center or any of its associated affiliates like Hartsville Medical Group ever using an independent accountant.

10. I was first contacted about locating information regarding providing Carolina Pines Regional Medical Center's CEO compensation, net profit, assets, liability and net worth, as well as tax returns, tax filings, internal audits, and profit/loss statements via a telephone call with HMG's attorney in early February, 2016.

11. Charlotte Adams and I agreed that she would search for the documents and then contact me if there were any documents she could not locate.

12. On February 24, 2016, Charlotte Adams contacted me requesting assistance with the documents she was unable to locate.

13. After being contacted, I was contacted Andrew Slusser, Executive Vice President and Chief Development Officer for Capella Health in Nashville, Tennessee.

14. Mr. Slusser placed me in touch with Davis W. Turner, Vice President and Associate General Counsel for Capella Healthcare in Nashville, Tennessee.

15. After discussions with Mr. Turner regarding privileged legal issues, I began to search local files for anything relating to the documents requested.

16. I did not find any physical documents regarding documents relating to CEO compensation, net profit, assets, liability and net worth, as well as tax returns, tax filings, internal audits, and profit/loss appear. It is possible such documents were and are kept at CHS's corporate office, and, as a result, were not accessible by me. Additionally, I had no way of accessing any CHS documents as I was an employee of Capella Healthcare.

17. After several days of searching, I was able to locate some internal electronically stored documents that may have reflected some of the information that the Plaintiffs were requesting.

18. I was unable, however, to locate any filed tax returns, tax returns, tax filings, and internal audits for HMG for the time it was owned by either Health Management Associates or CHS. Such documents are just not stored locally nor are they transferred with the sale of a local hospital.

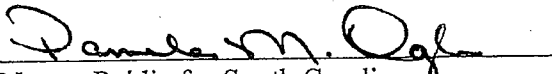
19. On March 11, 2016 I sent the attorney for Hartsville Medical Group, LLC an e-mail with the documents I had been able to locate. These were all of the documents that were

available to me regarding CEO compensation, net profit, assets, liability and net worth, as well as tax returns, tax filings, internal audits, and profit/loss for Carolina Pines Regional Medical Center for the period prior to its acquisition by CHS.

FURTHER AFFIANT SAYETH NOT.


Rodney Van Donkelaar

SWORN TO and subscribed before me
This 15 day of AUGUST, 2016


Notary Public for South Carolina
My Commission Expires: 3-19-2019

**PHYSICIAN EMPLOYMENT AGREEMENT
GROUP PRACTICE**

This Agreement ("Agreement") is made as of July 13, 2009, between Hartsville Medical Group, LLC, ("we" or "us") and Melvin Bond Nickles, Jr., M.D., ("you").

1. AGREEMENT OF EMPLOYMENT

You and we agree that you will become our employee and will practice at The Medical Group (the "Practice") and Carolina Pines Regional Medical Center (the "Hospital") under the terms and conditions of this Agreement.

2. TERM

This Agreement will start on the 8th day of September, 2009 ("Effective Date") and will remain in effect for a period of 36 months unless either you or we terminate this Agreement earlier, as permitted in Article 5.

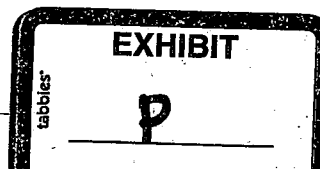
3. YOUR OBLIGATIONS

3.1 Professional Duties. You will:

- 3.1.1 render and prescribe reasonable, prudent, medically necessary and appropriate medical treatment to Practice patients, except when ethical or legal conflicts, legitimate confidentiality issues, or legitimate reasons dictated by sound professional practice prevent you from accepting a particular patient;
- 3.1.2 consult with other professionals when doing so is in the best interest of the patients;
- 3.1.3 promptly complete all medical records and maintain patient confidentiality;
- 3.1.4 when requested, participate in any of our or the Hospital's community outreach programs without additional compensation; and,
- 3.1.5 do all other things reasonably in your power to promote, develop, and extend the business of us, the Practice and the Hospital.

3.2 License to Practice Medicine. You will obtain and maintain an unlimited license to practice medicine in the state in which the Practice is located. You will also be duly registered to prescribe controlled substances, in accordance with all applicable federal and state laws and regulations, and will maintain the registration in good standing.

3.3 Exclusive Staff Privileges. Prior to the Effective Date, you will apply for and maintain thereafter active or provisional active medical staff membership with appropriate clinical privileges exclusively at hospitals with which we are affiliated. You won't have medical staff membership at any other hospital



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unless we agree in writing; provided, however, that you won't be required to refer any patient to any of our affiliated hospitals if (1) the patient or payer expresses a preference for a different hospital; or, (2) referral to one of our affiliated hospitals isn't in the patient's best medical interest.

- 3.4 **Your Assignment and Supervision.** You will be our employee during the term of this Agreement. You will report to and be under the supervision of the Medical Director of the Practice or another individual whom we designate.
- 3.5 **Full-Time Practice.** You will work full-time and be subject to the work schedule we establish. In order to ensure that the medical needs of patients are met, your work schedule will include, without limitation, office hours and weekend, night, and holiday on-call periods at the Practice and at the Hospital. We may change your work schedule from time to time. You shall participate in the Hospital on-call schedule as required by the Hospital Bylaws and Hospital Rules and Regulations. We may change Practice location upon thirty (30) days written notice to you; provided however, in no event shall we relocate you outside of our geographic service area.
- 3.6 **Performance.** You will perform the duties of your profession in accordance with acceptable medical practices. You won't practice medicine or perform any medical services outside the scope of this Agreement.
- 3.7 **Medical Records and Documentation.** You will properly and promptly complete all medical records and other records necessary (1) to meet the medical needs of the patient; and, (2) to bill and collect for your services. We will be the custodian and owner of all patient records and you won't remove the records from the Practice or the Hospital without our prior approval. The terms of this Section will apply even after this Agreement expires or is terminated.
- 3.8 **The Physician/Patient Relationship.** The employment relationship between you and us won't affect your physician-patient relationships. You will exercise independent professional judgment in the treatment and care of your patients, and will always have exclusive control over decisions requiring professional medical judgment.
- 3.9 **Employment Policies.** You will observe and comply with our policies and procedures, including those in our Employee Handbook. Our policies and procedures are subject to change at any time at our discretion. If there are any conflicts between this Agreement and our Employee Handbook, we will follow this Agreement.

- 3.10 Assignment of Fees. We will be responsible for the billing, collecting and accounting for professional fees for your services. We are also entitled to keep all of the professional fees that we collect. If necessary, you will sign forms that we might need to bill for or collect professional fees. The terms of this Section will apply even after this Agreement expires or is terminated.
- 3.11 Rates. We will determine your fee schedule.
- 3.12 Notice upon Occurrence of Certain Events. You will let us know immediately if anything happens that causes you to be in breach of this Agreement, or that may cause a future breach.

4. OUR OBLIGATIONS

- 4.1 Compensation. We will pay you the amount and in the manner described in Schedule 4.1. There will be more than one Schedule 4.1 attached to this Agreement if the method of calculating your compensation will change during the term of the Agreement. Each Schedule 4.1 will clearly describe the amount of compensation and the method by which it will be calculated, and each will also clearly state the period of time to which it applies.
- 4.2 Facilities and Personnel. We will furnish you with office space, supplies, equipment, and services that you need. You won't use our facilities for purposes other than treating Practice patients. We also will provide nursing, technical, clerical, and other support staff that we think is necessary for the Practice. But, the staff we provide will report to you and be under your direct supervision unless we designate someone else.
- 4.3 Professional Liability Protection. We will provide and maintain professional liability insurance on your behalf, but only for your actions as our employee. If we provide "claims-made" coverage, we will also provide "tail" coverage when your employment ends, but only for the medical services you provided as our employee. The policy limit of the insurance we provide will be at least as much as the limit required under the Hospital's medical staff bylaws. You acknowledge that due to the prohibitive cost of commercial malpractice insurance, we may provide your malpractice insurance and tail through self-funding, a captive insurer, a risk retention group, or some other vehicle. You will cooperate with us and our insurers in risk management activities and in the investigation and defense of claims. The terms of this Section will apply even after this Agreement expires or is terminated.
- 4.4 Continuing Medical Education. You are entitled to 5 days during each calendar year to participate in continuing medical education ("**Allowable CME Days**"). You will forfeit any Allowable CME Days that you earn but don't use in any calendar year. If this Agreement starts after the beginning, or is terminated or

expires before the end, of a calendar year, your Allowable CME Days will be pro-rated. You acknowledge that to the extent your compensation is dependent on professional receipts that you generate, you will not receive compensation for Allowable CME Days that you use.

Additionally, we will pay up to \$5,000 during each calendar year for your reasonable expenses and course registration fees for continuing medical education ("**Paid CME Expenses**"). Of course, the training must relate directly to your duties at either the Practice or the Hospital. You will forfeit any Paid CME Expenses that you earn but don't use in any calendar year, and you won't be entitled to compensation for unused Paid CME Expenses. If this Agreement starts after the beginning, or is terminated or expires before the end, of a calendar year, your Paid CME Expenses will be pro-rated.

4.5 **Employee Benefits.** You will be eligible to participate in our employee benefits program. But, you and we may agree in this Agreement to provide you with more or different employee benefits than we provide to other employees.

4.6 **Professional Memberships and Publications.** We will pay the following dues and fees: state licensure; D.E.A. registration; A.M.A. or A.O.A. dues; dues for one state and one local medical association and fees for your membership on one board recognized by the National Board of Medical Specialties. We will also provide a book and manual allowance of up to \$400 per calendar year.

4.7 **Vacation.** You are entitled to 20 vacation days during each calendar year ("**Allowable Vacation Days**"). If this Agreement starts after the beginning, or is terminated or expires before the end, of a calendar year, your Allowable Vacation Days will be pro-rated. You will give us as much advance notice as possible that you want to use Allowable Vacation Days. You acknowledge that we must approve in advance your proposed use of any Allowable Vacation Days, and you understand that we may not permit you to use Allowable Vacation Days at certain times if your absence may adversely affect the Practice. We won't unreasonably refuse to approve your use of Allowable Vacation Days. You acknowledge that to the extent your compensation is dependent on professional receipts or work relative value units that you generate, you will not receive compensation for Allowable Vacation Days that you use.

5. **TERMINATION**

5.1 **Termination for Cause.**

5.1.1 We may terminate this Agreement upon contemporaneous written notice to you if any of the following occurs:

5.1.1.1 Your conduct, in our sole discretion, has jeopardized any

person's health or safety, or your conduct, in our sole discretion, has jeopardized the safety or reputation of the Practice or the Hospital.

5.1.1.2 You resign or are suspended or removed from the medical staff of the Hospital, your medical license or DEA registration is suspended or revoked, or you are excluded from participation in any federal health care program.

5.1.1.3 You are convicted of any felony.

5.1.1.4 You won't comply with our Drug-Free Workplace policy, or there is a confirmed positive result after you submit to drug testing.

5.1.1.5 We can't get malpractice insurance for you at a price we think is reasonable.

5.1.2 Either you or we may terminate this Agreement if the other party commits a material breach, but only after the party who wants to terminate has given the other at least 30 days written notice, and the breaching party doesn't cure the breach within 30 days after receiving the notice. The notice will state which part(s) of this Agreement were breached and will also detail the event(s) that caused the breach.

5.2 Termination without Cause. Despite any conflicting provisions in this Agreement:

5.2.1 either you or we may terminate this Agreement without cause by providing at least 90 days ("Notice Period") prior written notice to the other party; and,

5.2.2 we may, at our sole discretion, terminate this Agreement immediately upon written notice, at any time, for reason or for no reason, no matter which party gave notice. However, if we do terminate this Agreement under this Subsection 5.2.2, we will pay you **Severance Pay** for the Notice Period, calculated as provided in Schedule 4.1.

5.3 Mail. After this Agreement expires or is terminated, we will sort and manage any mail addressed to the Practice (or any forwarding address). We will separate mail that we think belongs to you, and you may pick up this mail at your convenience. The terms of this Section will apply even after this Agreement expires or is terminated.

6. **OTHER TERMS AND CONDITIONS**

6.1 **Compliance.**

- 6.1.1 You have received and read a copy of the Health Management Associates, Inc., Corporate Compliance Manual and Code of Conduct, Third Edition ("Compliance Manual").
- 6.1.2 You accept and agree to comply with the requirements in the Compliance Manual.
- 6.1.3 You will immediately report any suspected violations of law or other questionable conduct involving the Hospital, the Practice, us or any employee to our or the Hospital's Compliance Officer and/or the HMA confidential helpline or post office box. The terms of this Subsection will apply even after this Agreement expires or is terminated.

6.2 **Confidentiality.** You and we agree that this Agreement is confidential. You won't disclose any information in this Agreement to anyone, except for your spouse, tax, legal, or accounting advisors, unless required by law. Moreover, unless otherwise permitted by law, neither you nor we will use or disclose certain confidential, proprietary, and nonpublic financial and other information concerning patients ("Protected Health Information") in violation of the requirements of 45 C.F.R. Sections 165.504 and 164.506(e)1, known as the Health Insurance Portability and Accountability Act of 1996, Privacy and Security Standards ("HIPAA"). The terms of this Section will apply even after this Agreement expires or is terminated.

6.3 **Compliance with Laws.** You and we each want this Agreement to comply with all applicable federal and state statutes and regulations, including, but not limited to, the Federal Anti-Kickback Law and the Federal Physician Self-Referral Law.

- 6.3.1 If (1) changes in state or federal government statutes or regulations or third-party reimbursement policies or their interpretation (collectively, the "Laws") cause any provision of this Agreement to be in violation of or inconsistent with any of the Laws (or that may change the way that you and we operate under this Agreement); or, (2) any federal or state governmental agency or court determines that any provision of this Agreement violates any of the Laws, you and we will try to renegotiate the applicable provision or provisions in order to comply with the Laws and to preserve the economic viability of this Agreement.

- 6.3.2 A party shall provide notice of its request to renegotiate under Subsection 6.3.1 to the other party. If you and we can't agree on appropriate revisions to this Agreement within 30 days, then either party may terminate this Agreement effective immediately upon the expiration of the 30 days.
- 6.3.3 You will promptly notify us of any regulatory or other investigation that may lead to a determination that any provision of this Agreement violates any of the Laws. The terms of this Subsection will apply even after this Agreement expires or is terminated.
- 6.4 **No Exclusion from Programs.** You represent that you have not been excluded from participating in any government-funded health care programs. You also represent that you are not, to the best of your knowledge, currently under investigation for any alleged misconduct and have not engaged in misconduct that could form the basis for future exclusion from government-funded health care programs.
- 6.5 **Patient Records and Accounts.** All patient records and all patient accounts shall remain our property at all times during and after your employment. You won't take any patient records from our premises unless we approve.
- 6.6 **Revenue Stream and Accounts Receivable.** All charges, revenue, cash receipts, payments by insurance companies, capitation payments and payments made by patients or institutions related to your services are our property.
- 6.7 **Covenant Not to Compete.** You won't practice your medical specialty or otherwise compete with the Practice's operations, directly or indirectly, within a radius of 30 miles of the Practice location(s) where you worked, for a period of 12 months after this Agreement expires or is terminated. You acknowledge that we possess a legitimate business interest to protect through an enforcement of this covenant not to compete. You acknowledge and agree that a breach of this Section will cause us irreparable damage, the exact monetary value of which will be difficult or impossible to ascertain, and the remedies at law for any such breach will be inadequate. So, you agree that if you breach this Section, we will be entitled to injunctive relief and any other available equitable relief. These remedies will be cumulative and non-exclusive, and in addition to any and all other remedies that may be available to us. You waive any security or bond requirement in connection with enforcement of this Section. However, this covenant not to compete shall not apply if we terminate this Agreement under Section 5.2.
- 6.8 **Assignment.** You acknowledge that your employment obligations are personal in nature so you won't assign or dispose of any of your rights or obligations

under this Agreement.

- 6.9 **Notices.** Any demand, request, or notice that either party desires or may be required to deliver to the other will be in writing and shall be deemed received when personally delivered, or when delivered by private courier service (such as Federal Express) or 3 days after being deposited in the United States mail, postage prepaid, in registered or certified form, return receipt requested, addressed, if to you, at the Practice, and if addressed to us, at the following addresses:

Chief Executive Officer at the Hospital

Lance Jones
Carolina Pines Regional Medical Center
1304 W. Bobo Newsom Hwy.
Hartsville, SC 29550

With a copy to: Physician Practice Management
5811 Pelican Bay Blvd., Suite 500
Naples, FL 34108-2710

With a copy to: Office of the General Counsel
5811 Pelican Bay Blvd., Suite 500
Naples, FL 34108-2710

or to any other address and person as either party may communicate to the other by written notice.

- 6.10 **Governing Law; Jurisdiction.** This Agreement shall be interpreted and construed exclusively according to, and governed by, the laws of the state in which the Practice is located, without regard to any laws that might otherwise require the application of the laws of another jurisdiction. The federal or state courts located in the state in which the Practice is located will have exclusive jurisdiction to hear any dispute under this Agreement. The terms of this Section will apply even after this Agreement expires or is terminated.
- 6.11 **No Third-Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of you and us. It is not the intention of the parties to confer third-party beneficiary rights upon any other person.
- 6.12 **No Implied Waiver or Verbal Modifications.** This Agreement may not be modified, amended, supplemented or waived except by written agreement, signed by you and us. No delay, omission or failure by either you or us to exercise any right, power or remedy to which either you or we may be entitled will impair any such right, power or remedy, nor shall such be construed as a release by a party of such right, power or remedy or as a waiver, unless it is in a written agreement, signed by you and us. A waiver by either you or us of

any right, power or remedy in any one instance shall not constitute a waiver of the same or any other right, power or remedy in any other instance.

- 6.13 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision.
- 6.14 Headings. The subject headings of the articles and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.
- 6.15 Entire Agreement. You acknowledge that this Agreement and any properly executed corrections, amendments and addenda (all of which are incorporated by reference herein), incorporate adequately, completely, and entirely this Agreement between the parties setting out all of the terms, compensation, inducements, and benefits offered to you by us, and there are no others beyond or in addition to those stated in this Agreement. Any promises, inducements, or benefits of any kind or nature made or alleged to have been made by any agent or employee of us or the Hospital to you or to any representative or agent of you and not specifically written in this Agreement, won't have any force and effect whatsoever, and you agree that you haven't relied upon such promises, inducements, or benefits in executing this Agreement.
- 6.16 Previous Employment Agreements. This Agreement terminates any prior employment agreements between the parties, including any amendments thereto; provided however, in the event your previous employment agreement was terminated by either party, for any reason prior to the Effective Date of this Agreement, this Agreement shall be null and void.
- 6.17 Attorney Fees. The prevailing party in any litigation arising under or in any way related to this Agreement will be entitled to recover from the other party his reasonable attorney's fees and court costs, including those related to appeals.
- 6.18 Approval. Even if you and we have negotiated and agreed on the terms of this Agreement, it isn't binding on either you or us until it is signed by you and us. You shouldn't make any commitments (such as closing or resigning from your current medical practice, or buying a house) until you have received a copy of this Agreement that has been signed by you and us.

By signing below, you and we each acknowledge that we have read and that we understand, accept and agree to the terms of this Agreement.

PHYSICIAN:

EMPLOYER:

Amr 8/4/09

[Signature]
President and Chief Executive Officer

Schedule 4.1 ♦ Compensation
RVU Base salary plus Production Compensation

1. **Application.** ☐ If this box is checked, this Schedule 4.1 will apply for the entire duration of this Agreement. If this box isn't checked, this Schedule 4.1 will apply only during the period of time starting on September 8, 2009 and ending on September 7, 2010 and a different Schedule 4.1 will describe how you will be compensated during other periods of your employment.
2. **Base Salary.** We will pay you based on an annualized amount of \$242,929 ("Base Salary"), payable in line with our normal payroll practices.
3. **Production Compensation.** You can earn additional compensation based on the calculation below ("Production Compensation"):
 - a. **Definitions:**
 - (1) **Month** means calendar month, **Quarter** means three consecutive months, **Year** means twelve consecutive months.
 - (2) **RVU** means relative value units. RVU's are non monetary units of measure that correlate to the value of health care services and the relative difference in resources consumed when providing different procedures and services. RVU's assign weights also known as units to procedures and services.
 - (3) **WRVU.** For purposes of paying you Production Compensation, we will be using the working component of the RVU also known as WRVU. The WRVU's is a standard method in analyzing resources and converting that unit into potential compensation paid to you.
 - (4) **Origin and maintenance of RVU's.** The RVU system was developed and is maintained by the Center for Medicare and Medicaid Services (CMS). It is updated by CMS annually to reflect new and updated codes for services provided. From time to time we may elect to update our billing system to reflect the most recent codes. However we will reconcile your generated RVU's Monthly to ensure all used codes have a unit value attached to them. If a code used does not have a value we will assign one based on a code of similar complexity. If Medicare makes revisions to RVU's for specific medical or surgical specialties or all specialties during the term of this Agreement, we reserve the right on the decision to reflect those revisions in your WRVU Production Compensation.
 - (5) **Use of physician extenders.** You will be given credit for WRVU's generated by physician extenders such as nurse practitioners and physician assistants personally supervised by you. In exchange for your supervision and in addition to any other compensation we

have promised herein, we will credit you 15% of the total WRVU's generated by the physician extender(s), whom you supervise.

- (6) Compensation Eligible RVU's means the amount of WRVU's generated through the professional services you provided during any calendar Quarter.
- (7) Conversion Factor means a dollar value which represents the fair market value ("FMV") of one physician WRVU for your specialty or of one physician extender WRVU. The Conversion Factor will be calculated using our "RVU Calculator" and will be set in advance of your start date.

b. Establishing the Methodology. The following method will be used to establish your Production Compensation:

- (1) Establishing the Baseline WRVU. The WRVU baseline will need to be established. This baseline is a correlation between Base Salary and the WRVU's that coincide with that level of compensation ("Baseline WRVU"). Example: If you were being paid \$150,000 base salary and that salary is at the 50th% of the latest published MGMA data for that specialty (hereinafter the "MGMA Median") then the baseline WRVU will be equal to the 50th% of that specialty as well, also as defined by the latest MGMA data available to us. The baseline will be established by entering the pertinent data into our "RVU Calculator". All data will be mutually agreed on by both you and us.
- (2) Private Pay (uninsured) WRVU's. Any WRVU's generated and booked under the private pay payer code will be discounted by 67%. Both you and we recognize there is added risk and greatly diminished likelihood of either party getting appropriate payment for these services. This in no way relieves your obligation in regards to Hospital ER call and EMTALA laws related to your provision of call.
- (3) Conversion Factor. After the actual generated WRVU's are appropriately reduced for uninsured services provided, the Conversion Factor will then be applied for each generated WRVU.

c. Calculation.

An example Production Compensation calculation is provided below. Your compensation would be calculated by taking your generated WRVU's less any deductions related to uninsured WRVU's then multiplied by the Conversion Factor.

WRVU's Generated (Quarterly)	1,950
<Less> Reduction of uninsured WRVU's by 67%	141 (210 total units x 67% = 141 WRVU's)
Total WRVU's available for Compensation	1,845
Base WRVU Conversion Factor (MGMA Median Production)	\$37.79 Rate attributable to first 1,150 WRVU's (Median 4,600 WRVU's divided by 4 quarters)
Compensation Earned First 1,150 WRVU's	\$43,453 (1,150 WRVU's x \$37.79)
Incremental WRVU Conversion factor (MGMA 75% Production)	\$39.33 Rate attributable to incremental WRVU's exceeding 1,150 but less than/equal to 1,402 WRVU's (75% MGMA 5,606 WRVU's divided by 4 quarters less 1,150 which is the MGMA Median WRVU)
Compensation Earned on the Incremental 252 WRVU's	\$ 9,911 (252 WRVU's x 39.33)
Incremental WVRU Conversion factor (MGMA 90% Production)	\$41.64 Rate attributable to Incremental WRVU's exceeding 1,402
Compensation Earned on the Incremental WRVU's above 1,402	\$18,447 (443 WRVU's x \$41.64)
Total Compensation Earned for all WRVU's	\$71,811
<Less> Actual Base Salary Paid	\$40,000 (Base Salary of \$160,000 divided by 4 Quarters)
Total Compensation due Physician	\$31,811

- See RVU Calculator attached for input data.
 - This example is based on family practice without OB data and MGMA 2008 Physician Compensation Report.
4. **Withholdings.** We will make whatever deductions, withholdings, and payments on your behalf that are either required by law or to which you and we agree.
 5. **Severance Pay.** If either party terminates this Agreement under Section 5.2.1, while this compensation schedule is in effect, we will pay you Base Salary plus 100% of the Production Compensation you actually earn during the Notice Period based on the Compensation Methodology determined through this Schedule. No other payments will be made unless they are in writing signed by both parties.

Schedule 4.1 ♦ Compensation
WRVU Production Compensation only

1. **Application.** ☐ If this box is checked, this Schedule 4.1 will apply for the entire duration of this Agreement. If this box isn't checked, this Schedule 4.1 will apply only during the period of time starting on September 8, 2010 and ending on September 30, 2012 and a different Schedule 4.1 will describe how you will be compensated during other periods of your employment.
2. **Production Compensation.** You will earn Compensation based on the calculation below:
 - a. **Definitions:**
 - (1) Month means calendar month, Quarter means three consecutive months, Year means twelve consecutive months.
 - (2) RVU means relative value units. RVU's are non monetary units of measure that correlate to the value of health care services and the relative difference in resources consumed when providing different procedures and services. RVU's assign weights also known as units to procedures and services.
 - (3) WRVU. For purposes of paying you Compensation, we will be using the working component of the RVU also known as WRVU. The WRVU's is a standard method in analyzing resources and converting that unit into potential compensation paid to you.
 - (4) Origin and maintenance of RVU's. The RVU system was developed and is maintained by the Center for Medicare and Medicaid Services (CMS). It is updated by CMS annually to reflect new and updated codes for services provided. From time to time we may elect to update our billing system to reflect the most recent codes. However we will reconcile your generated RVU's Monthly to ensure all used codes have a unit value attached to them. If a code used does not have a value we will assign one based on a code of similar complexity. However we will reconcile your generated RVU's Monthly to ensure all used codes have a unit value attached to them. If a code used does not have a value we will assign one based on a code of similar complexity. If Medicare makes revisions to RVU's for specific medical or surgical specialties or all specialties during the term of this Agreement, we reserve the right on the decision to reflect those revisions in your WRVU Production Compensation.
 - (5) Use of physician extenders. You will be given credit for WRVU's generated by physician extenders such as nurse practitioners and physician assistants personally supervised by you. In exchange for your supervision and in addition to any other compensation we

have promised herein, we will credit you 15% of the total WRVU's generated by the physician extender(s), whom you supervise.

(6) Compensation Eligible RVU's means the amount of WRVU's generated through the professional services you provided during any calendar Bi-Weekly.

(7) Conversion Factor means a dollar value which represents the fair market value ("FMV") of one physician WRVU for your specialty or of one physician extender WRVU. The Conversion Factor will be calculated using our "RVU Calculator" and will be set in advance of your start date.

b. Establishing the Methodology. The following method will be used to establish your Compensation.

(1) Baseline WRVU. The WRVU baseline will be zero.

(2) Private Pay (uninsured) WRVU's. Any WRVU's generated and booked under the private pay payer code will be discounted by 67%. Both you and we recognize there is added risk and greatly diminished likelihood of either party getting appropriate payment for these services. This in no way relieves your obligation in regards to Hospital ER call and EMTALA laws related to your provision of call.

(3) Conversion Factor. After the actual generated WRVU's are appropriately reduced for uninsured services provided, the Conversion Factor will then be applied for each generated WRVU.

c. Calculation

An example Compensation calculation is provided below. Your Compensation will be calculated by taking your generated WRVU's less any deductions related to uninsured WRVU's then multiplied by the Conversion Factor.

WRVU's Generated (Bi-weekly)	325
<Less> Reduction of uninsured WRVU's by 67%	23 (35 total units x 67% = 23 WRVU's)
Total WRVU's available for Compensation	302
Base WRVU Conversion Factor (Median MGMA Production)	\$37.79 Rate attributable to first 177 WRVU's (Median 4,600 WRVU's divided by 26 pay periods)
Compensation Due for the first 177 WRVU's	\$6,689 (177 WRVU's x \$37.79)

Incremental WRVU Conversion Factor (MGMA 75% Production)	\$39.33 Rate attributable to incremental WRVU's exceeding 177 but less than/equal to 216 WRVU's (75% MGMA is equal to 5,606 divided by 26 pay periods less 177 base WRVU's)
Compensation Due incremental 39 WRVU's	\$ 1,534 (39 WRVU's x 39.33)
Incremental WRVU Conversion Factor (MGMA 90% Production)	\$41.64 Rate attributable to all incremental WRVU's exceeding 216 WRVU's
Compensation Due all WRVU's exceeding 216	\$3,581 (86 WRVU's x \$41.64)
Total Compensation due for all WRVU's	\$11,804

- See RVU Calculator attached for input data.
 - This example is based on family practice without OB data and MGMA 2008 Physician Compensation Report.
3. Withholdings. We will make whatever deductions, withholdings, and payments on your behalf that are either required by law or to which you and we agree.
 4. Severance Pay. If either party terminates this Agreement under Section 5.2.1, while this Compensation Schedule is in effect, we will pay you 100% of the Compensation you actually earn during the Notice Period based on the Compensation Methodology determined through this Schedule. No other payments will be made unless they are in writing signed by both parties.

AMENDMENT TO PHYSICIAN EMPLOYMENT AGREEMENT

THIS AMENDMENT ("Amendment") is made as of July 9, 2009 between MELVIN B. NICKLES, M.D., ("you") and HARTSVILLE MEDICAL GROUP, LLC ("we" or "us").

1. **Agreement to Amend.** You and we signed a Physician Employment Agreement ("Agreement") in order to memorialize the terms of your employment with us. You and we have agreed to modify the Agreement as follows:
2. **Term.** The Effective Date, as defined in Section 2 of the Agreement, will start on the 8th day of September, 2009.
3. **Full Time Practice.** The last sentence of Section 3.5 of the Agreement shall be deleted in its entirety and replaced with the following: "Upon mutual agreement, we may change Practice location upon thirty (30) days written notice to you; provided however, in no event shall we relocate you outside of our geographic service area."
4. **Restrictive Covenant.** Section 6.7 of the Agreement is deleted in its entirety and replaced with the following:
 - a. **Covenant.** You acknowledge that our competitors would benefit greatly from your experience and expertise and reputation. Therefore, for a period of one (1) year(s) following the termination or expiration of your employment, you won't practice medicine as an employee of Carolinas Hospital System and/or McLeod Regional Medical Center (or their subsidiary) within a twenty (20) mile distance by road from Carolina Pines Regional Medical Center. You agree that this restrictive covenant will apply regardless of whether you were working under this Agreement or any written or verbal replacement or renewal of the Agreement at the time your employment with us ends. You also agree that this restrictive covenant in no way restricts your right to seek gainful employment, including practicing independently or in a group practice not associated with Carolinas Hospital System or McLeod Regional Medical Center. You also agree that this restrictive covenant in no way restricts your right to seek gainful employment, including practicing independently or in a group practice not employed by or a subsidiary of Carolinas Hospital System or McLeod Regional Medical Center. It is further agreed that nothing in this restrictive covenant shall be construed to require you to make referrals to us or to any hospital with which we are affiliated to the extent prohibited by the Stark regulations set forth in 42 C.F.R. 411.354(4) and 411.357(e) following the termination or expiration of your employment.
 - b. **Consideration.** You acknowledge and agree that compensation we will pay you under the Agreement is adequate consideration for this restrictive covenant.
 - c. **Enforcement.** You agree that if you breach the restrictive covenant, it is appropriate for the court to grant injunctive relief and damages to us. You agree that the court should provide us with the greatest protections possible through injunctive relief.
5. **Matters Subsequent to Expiration or Termination.** Upon termination or expiration of this Agreement, you may assume custody of any and all medical records created by you and

AMENDMENT TO PHYSICIAN EMPLOYMENT AGREEMENT

assumed by us at the start of your employment pursuant to that Medical Records Custody Agreement attached hereto as Exhibit 1.

6. Capitalized Terms. Capitalized terms in this Amendment will have the same meaning as they do in the Agreement.
7. Agreement to Be Bound. By signing below, you and we each acknowledge that we have read and that we understand and accept the terms of this Amendment, and that when this Amendment is fully signed and approved it will become part of the Agreement.

PHYSICIAN:

MBN 8/4/09

Melvin B. Nickles, M. D.

EMPLOYER:

[Signature]

President and Chief Executive Officer

AMENDMENT TO PHYSICIAN EMPLOYMENT AGREEMENT

Exhibit 1

Medical Records Custody Agreement

MEDICAL RECORDS CUSTODY AGREEMENT

(MRCA - 1 Use If HMA EMPLOYED PHYSICIAN LEAVING)

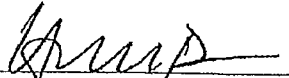
HARTSVILLE MEDICAL GROUP, LLC, ("Practice") and MELVIN B. NICKLES, M.D. formerly employed by the Practice ("Physician") acknowledge and agree that upon the as of this day of , 20 ("Effective Date"), the custody and physical possession of all patient records, including medical records of patients treated by Physician ("Medical Records"), while an employee of Practice at the clinic located at the following location: 206 SWIFT CREEK ROAD, HARTSVILLE, SC 29550 ("Clinic"), will be transferred to Physician.

As of the Effective Date, Physician will own and retain custody of the Medical Records and agrees to maintain such Medical Records in accordance with applicable standards and laws of the State the Medical Records are located or other such laws as may be applicable, including, but not limited to, the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations, or any successor legislation. As of the Effective Date, Physician will assume and discharge all of Practice's obligations with respect to the Medical Records that are imposed by applicable law, including, but not limited to obligations under HIPAA. Notwithstanding the foregoing, on and after the Effective Date, Practice shall have the right of access to all of the Medical Records, at reasonable times and upon reasonable notice to Physician, and a right to receive copies of same for clinical, legal, financial, and/or any other appropriate reasons as permitted by applicable law. Physician will maintain and preserve the custody of the Medical Records in accordance with all applicable medical record retention obligations; thereafter, Physician may destroy the Medical Records.

In the event that Physician desires to transfer custody of the Medical Records to any other person or entity as a result of an event including, but not limited to, the sale of Physician's medical practice, the transferee must first enter into a Medical Records Custody Agreement, in substantially the same form as this Agreement, to become effective as of the date of the transfer. The agreement must preserve the rights, benefits and protections set forth in this Agreement.

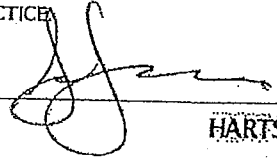
It is recognized that the agreement of Physician to maintain all patient Medical Records of all patients treated by you and any and all physicians of the Clinic (regardless of whether these physicians are still practicing in the area or if the patient is still being treated by the Clinic) is estimated to be of value to the HMA Practice. For this reason, the valuable consideration in this transaction is considered to be that of trade and responsibility. Physician agrees to maintain all subject Medical Records and, in return, HMA Practice agrees to transfer all rights reasonably afforded to Physician in such circumstances.

PHYSICIAN:



MELVIN B. NICKLES, M. D.

PRACTICE:



HARTSVILLE MEDICAL GROUP, LLC

AMENDMENT TO PHYSICIAN EMPLOYMENT AGREEMENT
(Use only with PHYSICIAN EMPLOYMENT AGREEMENT Group Practice - rev. July 2007)

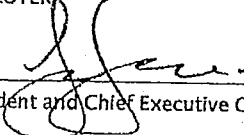
THIS AMENDMENT ("Amendment") is made as of August 6, 2009, between M. B. Nickles, MD ("you") and ,Hartsville Medical Group, LLC ("we" or "us").

1. Agreement to Amend. You and we signed a Physician Employment Agreement ("Agreement") in order to memorialize the terms of your employment with us. You and we have agreed to modify the Agreement as follows:
2. Term. The Effective Date, as defined in Section 2 of the Agreement, will start on the 6th day of September, 2009.
3. Capitalized Terms. Capitalized terms in this Amendment will have the same meaning as they do in the Agreement.
4. Agreement to Be Bound. By signing below, you and we each acknowledge that we have read and that we understand and accept the terms of this Amendment, and that when this Amendment is fully signed and approved it will become part of the Agreement.

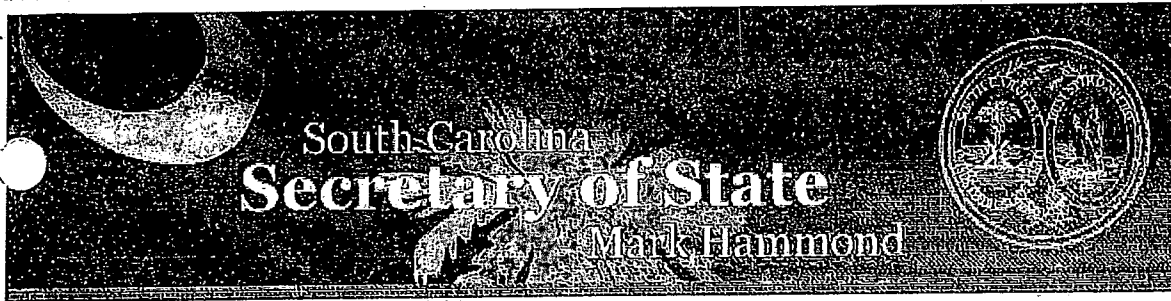
PHYSICIAN:



EMPLOYER:



President and Chief Executive Officer



HARTSVILLE, LLC

Note: This online database was last updated on 8/10/2016 3:08:18 AM.
See our Disclaimer.

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION	SOUTH CAROLINA
/ ORGANIZATION:	Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	CORPORATION SERVICE COMPANY
ADDRESS:	1703 LAUREL STREET
CITY:	COLUMBIA
STATE:	SC
ZIP:	29201
SECOND ADDRESS:	

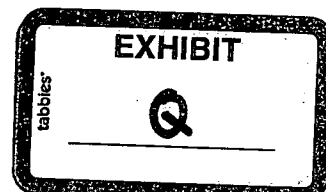
FILE DATE:	07/27/1995
EFFECTIVE DATE:	07/27/1995
DISSOLVED DATE:	//

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2016 AUG 17 AM 11:59
CLERK OF COURT/ROD
DARLINGTON COUNTY, S.C.

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Amendment	12/31/2014	AMENDMENT/CHANGED NAME FROM-HARTSVILLE HMA, LLC	
Agent	02/24/2014	CHANGED DESIGNATED/AGENT/ADDRESS FROM-C T CORPORATION SYSTEM	
Agent	05/22/2010	CH AGT ADDRESS	
Amendment	10/23/2009	AMD- MANAGER MANAGED	
Amendment	03/20/2008	CONVERTED FROM-HARTSVILLE HMA, INC.	
Incorporation	07/27/1995	INCORPORATION	Image

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8/10/2016

South Carolina Secretary of State: Search Business Filings

Physical Address: Edgar Brown Building - 1205 Pendleton Street Suite 525 Columbia, SC 29201

Mailing Address: SC Secretary of State's Office 1205 Pendleton Street Suite 525 Columbia, SC
29201



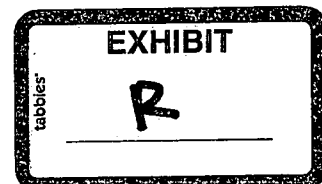
Hartsville LLC

HCO ID: 6606

1304 West Bobo Newsom Highway

Hartsville , SC, 29550

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SCOTT B. GREGG
CLERK OF COURT/R.O.
DARLINGTON COUNTY, S.C.



Activity as of:

6/3/2016

Quality Report**Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

2/12/2016

Quality Report**Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

1/27/2016**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

1/26/2016**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

1/22/2016**Quality Report****Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

1/21/2016**Quality Report****Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

1/17/2016**Quality Report****Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

5/8/2015

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

6/9/2015

Quality Report**Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

4/21/2012

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/4/2015

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

5/9/2015

Quality Report

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

4/21/2012

Last Full Survey Date

5/7/2015

Last On-Site Survey Date

5/7/2015

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/6/2013

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

4/7/2015

Quality Report**Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

4/21/2012

Last Full Survey Date

4/20/2012

Last On-Site Survey Date

4/20/2012

Accreditation Programs

Laboratory Accreditation Program

Accreditation Decision

Accredited

Effective Date

4/6/2013

Last Full Survey Date

4/3/2015

Last On-Site Survey Date

4/3/2015

5/27/2013**Quality Report****Accreditation Programs****Accreditation Decision**

Accredited

Effective Date

4/6/2013

Last Full Survey Date

4/5/2013

Last On-Site Survey Date

4/5/2013

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

4/21/2012

Last Full Survey Date

4/20/2012

Last On-Site Survey Date

4/20/2012

4/9/2013**Quality Report****Accreditation Programs****Accreditation Decision**

Accredited

Effective Date

4/23/2011

Last Full Survey Date

4/5/2013

Last On-Site Survey Date

4/5/2013

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

4/21/2012

Last Full Survey Date

4/20/2012

Last On-Site Survey Date

4/20/2012

10/23/2012**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

4/21/2012

Last Full Survey Date

4/20/2012

Last On-Site Survey Date

4/20/2012

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

4/23/2011

Last Full Survey Date

4/22/2011

Last On-Site Survey Date

4/22/2011

6/12/2012**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

4/20/2012

Last On-Site Survey Date

4/20/2012

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

4/23/2011

Last Full Survey Date

4/22/2011

Last On-Site Survey Date

4/22/2011

6/21/2011

Quality Report**Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

3/12/2009

Last On-Site Survey Date

3/12/2009

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

4/23/2011

Last Full Survey Date

4/22/2011

Last On-Site Survey Date

4/22/2011

4/26/2011**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

3/12/2009

Last On-Site Survey Date3/12/2009

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

7/17/2009

Last Full Survey Date

4/22/2011

Last On-Site Survey Date4/22/2011

1/12/2010**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

3/12/2009

Last On-Site Survey Date3/12/2009

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

7/17/2009

Last Full Survey Date

7/16/2009

Last On-Site Survey Date

7/16/2009

1/5/2010**Quality Report****Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

3/12/2009

Last On-Site Survey Date

9/18/2009

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

7/17/2009

Last Full Survey Date

7/16/2009

Last On-Site Survey Date

7/16/2009

9/25/2009**Quality Report**

Accreditation Programs

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

3/12/2009

Last On-Site Survey Date

3/12/2009

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

9/27/2007

Last Full Survey Date

7/16/2009

Last On-Site Survey Date

7/16/2009

6/2/2009

Quality Report**Accreditation Programs**

Hospital

Accreditation Decision

Accredited

Effective Date

3/13/2009

Last Full Survey Date

3/12/2009

Last On-Site Survey Date

3/12/2009

Accreditation Programs

Pathology and Clinical Laboratory

Accreditation Decision

Accredited

Effective Date

9/27/2007

Last Full Survey Date

9/26/2007

Last On-Site Survey Date

9/26/2007



The Joint Commission
Quality Check[®]



Organizations that have achieved
the Gold Seal of Approval

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hartsville

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State

- ☐ PA (1)
- ☐ SC (5)
- ☐ TN (5)

Accreditation
Program

- ☐ Ambulatory Care
(4)
- ☐ Critical Access
Hospital (2)
- ☐ Home Care (1)
- ☐ Hospital (4)
- ☐ Laboratory

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DARLINGTON COUNTY, S.C.

EXHIBIT

S

Accreditation
Program (5)

Service

- ☐ Behavioral Health (3)
- ☐ Cardiac Catheterization Lab (2)
- ☐ CT Scanner (3)
- ☐ Ear/Nose/Throat

Deemed Program

- ☐ Critical Access Hospital (2)
- ☐ Hospital (4)

Advanced
Certification

- ☐ Primary Stroke Center (1)

Certification

- ☐ Certified (1)

Add On
Certification

- ☐ Primary Care Medical Home (4)

Home > hartsville

Number of Results: 7

Page 1 of 1

Hartsville LLC

HCO ID: 6606

DBA: Carolina Pines Regional Medical Center

1304 West Bobo Newsom Highway

Hartsville, SC 29550

View Report

Accredited Programs

- Hospital
 - Laboratory
- Accreditation Program

Certification

- Joint Replacement - Hip
- Joint Replacement - Knee
- Spine Surgery

**Get
Directions**

Visit Website

Hide other care locations

The Wound Care Center at Carolina Pines Regional Medical Ctr
DBA: Carolina Pines Regional Medical Center
701 Medical Park Dr. Suite 101
Hartsville, SC, 29550

Get Directions

United Neighborhood Health Services, Inc.

HCO ID: 287121
DBA: Neighborhood Health
711 Main Street
Nashville, TN 37206

View Report

Accredited Programs

Ambulatory Care

**Get
Directions**

Visit Website

Hide other care locations

United Neighborhood Health Services
DBA: Neighborhood Health
100 Damascus Street
Hartsville, TN, 37074

Get Directions

United Neighborhood Health Services
DBA: Neighborhood Health
410 Hartsville Pike
Lebanon, TN, 37087

Get Directions

Providence Hospital LLC

HCO ID: 6589
2435 Forest Drive
Columbia, SC 29204

View Report

Accredited Programs

- Laboratory
Accreditation Program

**Get
Directions**

Visit Website

Hide other care locations

Providence Cardiology, LLC
904B South Fourth St.
Hartsville, SC, 29550

Get Directions

CareSouth Carolina, Inc.

HCO ID: 298492
201 South Fifth Street
Hartsville, SC 29551

[View Report](#)**Accredited Programs**

- Ambulatory Care

**Get
Directions**

Visit Website

Hide other care locations

CareSouth Carolina, Inc. Hartsville Center
1268 South Fourth Street
Hartsville, SC, 29550

Get Directions

Trousdale Medical Center

HCO ID: 403061
500 Church St.
Hartsville, TN 37074

[View Report](#)**Accredited Programs**

- Laboratory
Accreditation Program
- Critical Access Hospital

**Get
Directions**

[Visit Website](#)[Hide other care locations](#)

Trousdale Medical Center Outpatient Rehab
412 Andrews Ave
Hartsville, TN, 37074

[Get Directions](#)

Sumner Regional Medical Center, LLC

HCO ID: 7832

DBA: Sumner Regional Medical Center

555 Hartsville Pike

Gallatin, TN 37066

[View Report](#)

Top Performer on Key Quality Measures®

Accredited Programs

Hospital

Advanced Certification

- Primary Stroke Center

[Get](#)[Directions](#)[Visit Website](#)

Abington Memorial Hospital

HCO ID: 6013

1200 Old York Road

Abington, PA 19001

[View Report](#)

Top Performer on Key Quality Measures®

Accredited Programs

- Hospital
- Home Care

**Get
Directions**

Visit Website

Hide other care locations

Abington Plaza Medical Associate - satellite site
1380 Easton Road
Warrington, PA, 18976

Get Directions

Page 1 of 1

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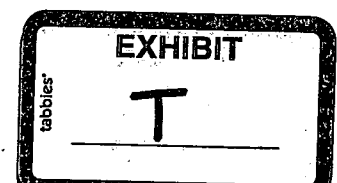
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2016 AUG 17 PM 12:00

SCOTT B. SWEENEY
CLERK OF COURT/D.D.
DARLINGTON COUNTY, S.C.



Glossary of Terms

Accreditation Decisions

- **Accredited** is awarded to a health care organization that is in compliance with all standards at the time of the onsite survey or has successfully addressed requirements for improvement in an Evidence of Standards Compliance within 45 or 60 days following the posting of the Accreditation Summary Findings Report and does not meet any other rules for other accreditation decisions.
- **Accreditation with Follow-up Survey** is awarded when a health care organization is not in compliance with specific standards that require a follow-up survey within 30 days to six months. The organization also must successfully address the identified problem area(s) in an ESC submission.
- **Contingent Accreditation** results when an organization has successfully abated an Immediate Threat to Life (ITL) situation through direct observation or other method, fails to successfully address all requirements of the Accreditation with Follow-up Survey decision, and/or shows some evidence of engaging in possible fraud or abuse. In most cases, a follow-up survey in 30 days will be required to show resolution of the issues that led to the decision.
- **Preliminary Denial of Accreditation** results when there is justification to deny accreditation to a health care organization due to one or more of the following: an immediate threat to health or safety for patients or the public; submission of falsified documents or misrepresented information, lack of a required license or similar issue at the time of survey, failure to resolve the requirements of a Contingent Accreditation status; patients having been placed at risk for serious adverse outcomes due to significant or pervasive patterns/trends/repeat findings, or significant noncompliance with Joint Commission standards. This decision is subject to review and appeal before the determination to deny accreditation.
- **Denial of Accreditation** results when a health care organization has been denied accreditation. All review and appeal opportunities have been exhausted.
- **Preliminary Accreditation** results when the health care organization demonstrates compliance with selected standards in the surveys conducted under the Early Survey Policy.

Accreditation Programs

Joint Commission accreditation program descriptions:

- **Ambulatory Care**: Ambulatory care providers, including outpatient surgery facilities, rehabilitation centers, infusion centers, group practices and others.
- **Behavioral Health Care**: Behavioral health care organizations, including those that provide mental health, chemical dependency, child welfare, foster care, and mental retardation/developmental disabilities services for clients of various ages in various organized service settings.
- **Critical Access Hospital**: Hospitals with a patient census of less than 25 and that are located more than 35 miles from a hospital or another critical access hospital, or are certified by the state as being a necessary provider of health care services to residents in the area.
- **Home Care Providers**: Home care organizations, including those that provide home health services, personal care and support services, home infusion (intravenous or IV Therapy) and other pharmacy services, durable medical equipment services and hospice services.
- **Hospital**: General medical/surgical, psychiatric, long term care acute, rehabilitation and surgical specialty, children's

- **Nursing Care Center:** Skilled Nursing Facilities, nursing homes, and hospital based beds licensed as long term care, including subacute care and transitional care units.
- **Office-Based Surgery Facilities:** Small organizations or practices composed of four or fewer doctors performing surgical procedures.
- **Pathology and Clinical Laboratory:** Hospital-based main laboratories or testing facilities, free-standing laboratories, embryology laboratories, reference laboratories, blood banks and donor centers.

Certification Decisions

- **Certification** is awarded after a review to a health care program or service that is in compliance with all standards, uses clinical practice guidelines (applicable to Disease-Specific Care Certification programs only), and meets performance measurement requirements and certification participation requirements at the time of the on-site review, or, if it has not been placed in Conditional or Preliminary Denial of Certification status, has successfully addressed all requirements for improvement in an Evidence of Standards Compliance (ESC) within 45 days following the review. If the program or service does not meet these requirements for certification, it will receive one of the following decisions.
- **Denial of Certification** results when the organization chooses not to appeal or the appeal of a Preliminary Denial of Certification decision is rejected; or a health care program or service does not permit the performance of any review by The Joint Commission; or the program or service fails to do one or more of the following: 1) Meet requirements for the timely submission of data and information to The Joint Commission within 91 days of the due date(s). * 2) Resolve a Conditional Certification status prior to withdrawing from the certification process. 3) Submit payment for review fees or annual fees.

Complementary Agreements

Accrediting organizations that establish complementary agreements with the Joint Commission must also demonstrate comparability with the basic threshold criteria, however, they will not be required to maintain comparability with Joint Commission standards and survey process applicable to the unit, department or service of an organization subject to review. In most cases, the standards and survey process of these partners are more focused on the technical and clinical aspects of the department or service within a health care organization and are not applicable to the entire organization.

Composite Measure

A measure that combines the results of all process measures with a set into a single rating.

Confidence Interval

A range of values containing the true value of the parameter being estimated with a certain degree of confidence. The 95% and 99% confidence intervals which have .95 and .99 probabilities of containing the parameter respectively are most commonly used.

Decision Effective Date

The date of the accreditation or certification decision awarded to an organization.

Last Full Survey Date

The Last Full Survey Date represents the end date of the on-site survey that began the listed program's current accreditation cycle.

Last On-Site Survey Date

The Last On-Site Survey Date represents the end date of the most recent on-site survey.

National Patient Safety Goals

The National Patient Safety Goals are a series of specified actions that accredited organizations are expected to take in order to prevent medical errors.

National Quality Forum

National Quality Forum is a private, not-for-profit membership organization created to develop and implement a national strategy for healthcare quality measurement and reporting. The mission of the NQF is to improve American healthcare through endorsement of consensus-based national standards for measurement and public reporting of healthcare performance data that provide meaningful information about whether care is safe, timely, beneficial, patient-centered, equitable and efficient. Visit NQF online at www.qualityforum.org.

National Quality Improvement Goals

The National Quality Improvement Goals are standardized performance measures that can be applied across accredited health care organizations. These goals are only currently available for accredited hospitals. These goals will be reported for other accreditation programs as they become available.

Measure Information**Heart Attack Care**

This category of evidence based measures assesses the overall quality of care provided to Heart Attack (AMI) patients.

- **Fibrinolytic therapy received within 30 minutes of hospital arrival.**

Heart attack patients who receive a medicine that breaks up blood clots (fibrinolytic therapy) within 30 minutes of hospital arrival. This measure reports how quickly heart attack patients were given a medication that breaks up blood clots (fibrinolytic therapy). Breaking up blood clots increases blood flow to the heart. If blood flow is returned to the heart muscle quickly during a heart attack, the risk of death is decreased. The medicine that breaks up clots in the arteries and allows the return of normal blood flow is called fibrinolytic therapy and is used in certain types of heart attacks. It is important that this medicine be given quickly after a heart attack is diagnosed.

Children's Asthma Care

This category of evidenced based measures assesses the use of indicated treatment for children's asthma in hospitalized children age 2 through 17 years.

- **Home Management Plan of Care (HMPC) Document Given to Patient/Caregiver**

This measure reports the number of pediatric asthma patients and/or their caregivers who were given a written Home Management Plan of Care document (HMPC). The HMPC addresses all of the following: 1.) Arrangements for follow-up care; 2.) How to avoid those things that cause an asthma attack; 3.) What to do if asthma symptoms worsen after discharge; 4.) How and when to use controller medications; 5.) How and when to use reliever medications.

Stroke Care

This category of evidence based measures assesses the overall quality of care provided to Stroke (STK) patients.

- **Anticoagulation Therapy for Atrial Fibrillation/Flutter**

Ischemic stroke patients with atrial fibrillation/flutter who receive a prescription for an anticoagulant medication when being discharged from the hospital. This measure reports how often an anticoagulant medication was prescribed to ischemic stroke patients with atrial fibrillation/flutter when they are leaving a hospital. Atrial fibrillation is a heart rhythm disturbance that can allow blood clots to form within the upper chambers of the heart. If these blood clots break off and get into the bloodstream, a stroke can result. Anticoagulant medications or "blood thinners" help to prevent blood clots from forming.

- **Antithrombotic Therapy By End of Hospital Day 2**

Ischemic stroke patients receiving an antithrombotic medication by the end of hospital day 2. This measure reports what percent of ischemic stroke patients receive an antithrombotic medication, such as aspirin, the day of or day after hospital arrival. Antithrombotic medications are beneficial because they reduce the tendency of blood to clot in blood vessels of the brain and improve survival rates.

- **Assessed for Rehabilitation**

Stroke patients who have had their need for rehabilitation services assessed by a member of the rehabilitation team during their hospitalization. This measure reports what percent of stroke patients have a rehabilitation assessment completed or receive rehabilitation services during their hospitalization. Rehabilitation is a treatment(s) designed to facilitate the process of recovery from stroke or other injury, illness, or disease to as normal a condition as possible.

- **Discharged on Antithrombotic Therapy**

Ischemic stroke patients who receive a prescription for an antithrombotic medication when discharged from the hospital. This measure reports how often an antithrombotic medication, such as aspirin, was prescribed to ischemic stroke patients when they are leaving a hospital. Antithrombotic medications are beneficial because they reduce the tendency of blood to clot in blood vessels of the brain and improve survival rates.

- **Discharged on Statin Medication**

Ischemic stroke patients who receive a prescription for a statin medication when discharged from the hospital. This measure reports how often a statin medication was prescribed to ischemic stroke patients when they are leaving a hospital. Statin medications reduce the level of cholesterol circulating in the blood.

- **Stroke Education**

Stroke patients who receive specific educational material about their condition. This measure reports what percent of stroke patients are given written instructions or educational material about their condition and care when they leave the hospital. Patient education about medicines, follow-up care after discharge, risk factors for stroke, warning signs to watch for, and activation of the emergency medical system if these signs occur is important in order to prevent another stroke.

- **Thrombolytic Therapy**

Acute ischemic stroke patients who receive a medicine that breaks up blood clots

(thrombolytic therapy) within 180 minutes of stroke symptom onset. This measure reports how quickly ischemic stroke patients were given a medication that breaks up blood clots (thrombolytic therapy). Breaking up blood clots increases blood flow to the brain. If blood flow is returned to the brain quickly during a stroke, the risk of brain damage and loss of physical function is decreased. The medicine that breaks up clots in the arteries and allows the return of normal blood flow is called thrombolytic therapy or "t-PA". It is important that this medicine be given quickly after an ischemic stroke is diagnosed.

- **Venous Thromboembolism (VTE) Prophylaxis**

Stroke patients who receive treatment for the prevention of blood clots on the day of or day after hospital admission. Note: Treatment may be medication or mechanical devices for exercising the legs. This measure reports what percent of stroke patients receive treatment for the prevention of blood clots. Stroke patients are at increased risk of developing blood clots. The incidence of blood clots is lowest when patients are treated to prevent them.

Perinatal Care

This category of evidenced based measures assesses the care of mothers and newborns.

- **Antenatal Steroids**

This measure reports the overall number of mothers who were at risk of preterm delivery at 24-32 weeks gestation receiving antenatal steroids prior to delivering preterm newborns. Antenatal steroids are steroids given before birth.

- **Elective Delivery**

This measure reports the overall number of mothers who had elective vaginal deliveries or elective cesarean sections at equal to and greater than 37 weeks gestation to less than 39 weeks gestation. An elective delivery is the delivery of a newborn(s) when the mother was not in active labor or presented with spontaneous ruptured membranes prior to medical induction and/or cesarean section.

- **Exclusive Breast Milk Feeding**

This measure reports the overall number of newborns who are exclusively breast milk fed during the newborns entire hospitalization. Exclusive breast milk feeding is when a newborn receives only breast milk and no other liquids or solids except for drops or syrups consisting of vitamins, minerals, or medicines.

- **Exclusive Breast Milk Feeding Considering Mothers Choice**

This measure reports the overall number of newborns who are exclusively breast milk fed during the newborns entire hospitalization not including those newborns whose mothers chose to not exclusively feed breast milk at the time of birth of the newborn.

Emergency Department

This category of evidence based measures assesses the time patients remain in the hospital Emergency Department prior to inpatient admission.

- **Admit Decision Time to ED Departure Time for Admitted Patients**

The amount of time (in minutes) it takes from the time the physician decides to admit a patient

into the hospital from the Emergency Department until the patient actually leaves the ED to go to the inpatient unit.

- **Median Time from ED Arrival to ED Departure for Admitted ED Patients**

The amount of time (in minutes) from the time the patient arrives in the Emergency Department until the patient is admitted as an inpatient into the hospital.

Venous Thromboembolism (VTE)

This category of evidence-based measures assesses the overall quality of care related to prevention and treatment of blood clots.

- **Intensive Care Unit (ICU) VTE Prophylaxis**

Medical and surgical patients who were admitted or transferred to the ICU who received treatment to prevent VTE or a reason why they did not need preventive care was documented. This measure reports the percent of patients who received treatment to prevent blood clots or had documentation regarding preventive care at ICU admission or transfer.

- **VTE Discharge Instructions**

Patients with blood clots who were discharged to home, home with home health, home hospice or discharged/transferred to court/law enforcement on a blood thinning medication with written information. This measure reports the percent of patients who went home on warfarin who received instructions about compliance issues, dietary advice, follow-up monitoring and information about the potential for adverse drug reactions/interactions.

- **VTE Patients with Anticoagulation Overlap Therapy**

Patients with blood clots who received two medications for treatment. This measure reports the percent of patients who received an overlap of medication for a specific timeframe, or who went home on both medications.

- **VTE Prophylaxis**

Medical and surgical patients who were admitted to the hospital who received treatment to prevent blood clots or a reason why they did not need preventive care was documented. This measure reports the percent of patients who received treatment to prevent blood clots or had documentation regarding preventive care at hospital admission.

Immunization

This evidence-based prevention measure set assesses immunization activity for pneumonia and influenza.

- **Influenza Immunization**

This prevention measure addresses acute care hospitalized inpatients age 6 months and older who were screened for seasonal influenza immunization status and were vaccinated prior to discharge if indicated.

Tobacco Treatment

This category of evidence based measures assesses the overall quality of care provided for tobacco use

- **Tobacco Use Screening**

The number of patients who were asked about tobacco use within the first three days of admission to the hospital.

- **Tobacco Use Treatment**

The number of patients who use tobacco who actually received counseling or medications to help them stop using tobacco.

- **Tobacco Use Treatment at Discharge**

The number of patients who use tobacco who accepted counseling and/or medications to help them stop using tobacco after they leave the hospital.

- **Tobacco Use Treatment Provided or Offered**

The number of patients who use tobacco who were offered or received counseling or medications to help them stop using tobacco. This measure also includes patients who were offered the counseling and/or medications but refused them.

- **Tobacco Use Treatment Provided or Offered at Discharge**

The number of patients who use tobacco who were offered or accepted counseling or medications to help them stop using tobacco after they leave the hospital. This measure also includes patients who were offered the counseling and/or medications but refused them.

Substance Use

This category of evidence based measures assesses the overall quality of care provided for Substance Abuse

- **Alcohol Use Screening**

The number of patients who were asked about unhealthy use of alcohol within the first three days of admission to the hospital.

- **Alcohol Use Brief Intervention**

The number of patients who were identified as using alcohol in an unhealthy way who actually had a conversation with a healthcare professional about how drinking can harm their health and ways to stop unhealthy drinking.

- **Alcohol Use Brief Intervention Provided or Offered**

The number of patients who were identified as using alcohol in an unhealthy way who were offered or had a conversation with a healthcare professional about how drinking can harm their health and ways to stop unhealthy drinking. This measure also includes patients who were offered this conversation but refused the conversation.

- **Alcohol and Other Drug Use Disorder Treatment at Discharge**

The number of patients who were identified as having a serious problem with drinking alcohol or using drugs who either accepted a prescription to help them stop drinking or using drugs or accepted treatment for their serious problem with drinking alcohol or using drugs after they leave the hospital.

- **Alcohol and Other Drug Use Treatment Provided or Offered at Discharge**

The number of patients who were identified as having a serious problem with drinking alcohol or using drugs who were either offered or accepted a prescription to help them stop drinking or using drugs or were offered or accepted treatment for their serious problem with drinking alcohol or using drugs after they leave the hospital. This measure also includes patients who refused both a prescription to help them stop drinking or using drugs and treatment for their serious problem with drinking alcohol or using drugs.

Hospital-Based Inpatient Psychiatric Services: This category of evidenced based measures assesses the overall quality of care given to psychiatric patients.

- **Hours of Physical Restraint Use Overall Rate**

This measure reports the total hours patients were kept in physical restraints for every 1,000 hours of patient care. Physical restraint is any manual method or physical or mechanical device, material, or equipment that immobilizes or reduces the ability of a patient to move his or her arms, legs, body or head freely when it is used as a restriction to manage a patient's behavior or restrict the patient's freedom of movement and is not a standard treatment for the patient's medical or psychiatric condition.

- **Hours of Physical Restraint Use Children Age 1 - 12**

This is a ratio measure. This measure reports the number of hours patients age 1 through 12 years were kept in physical restraints for every 1,000 hours of patient care. Physical restraint is any manual method or physical or mechanical device, material, or equipment that immobilizes or reduces the ability of a patient to move his or her arms, legs, body or head freely when it is used as a restriction to manage a patient's behavior or restrict the patient's freedom of movement and is not a standard treatment for the patient's medical or psychiatric condition.

- **Hours of Physical Restraint Use Adolescents Age 13 - 17**

This is a ratio measure. This measure reports the number of hours patients age 13 through 17 years were kept in physical restraints for every 1,000 hours of patient care. Physical restraint is any manual method or physical or mechanical device, material, or equipment that immobilizes or reduces the ability of a patient to move his or her arms, legs, body or head freely when it is used as a restriction to manage a patient's behavior or restrict the patient's freedom of movement and is not a standard treatment for the patient's medical or psychiatric condition.

- **Hours of Physical Restraint Use Adults Age 18 - 64**

This is a ratio measure. This measure reports the number of hours patients age 18 through 64 years were kept in physical restraints for every 1,000 hours of patient care. Physical restraint is any manual method or physical or mechanical device, material, or equipment that immobilizes or reduces the ability of a patient to move his or her arms, legs, body or head freely when it is used as a restriction to manage a patient's behavior or restrict the patient's freedom of movement and is not a standard treatment for the patient's medical or psychiatric condition.

- **Hours of Physical Restraint Use Older Adults Age 65 and Older**

This is a ratio measure. This measure reports the number of hours patients age 65 and older were kept in physical restraints for every 1,000 hours of patient care. Physical restraint is any manual method or physical or mechanical device, material, or equipment

that immobilizes or reduces the ability of a patient to move his or her arms, legs, body or head freely when it is used as a restriction to manage a patient's behavior or restrict the patient's freedom of movement and is not a standard treatment for the patient's medical or psychiatric condition.

Hours of Seclusion Use Overall Rate

This measure reports the total hours patients were kept in physical restraints for every 1,000 hours of patient care. Physical restraint is any manual method or physical or mechanical device, material, or equipment that immobilizes or reduces the ability of a patient to move his or her arms, legs, body or head freely when it is used as a restriction to manage a patient's behavior or restrict the patient's freedom of movement and is not a standard treatment for the patient's medical or psychiatric condition.

- **Hours of Seclusion Use Children Age 1 - 12**

This is a ratio measure. This measure reports the number of hours patients age 1 through 12 years were kept in seclusion for every 1,000 hours of patient care.

Seclusion is the involuntary confinement of a patient alone in a room or an area where the patient is physically prevented from leaving.

- **Hours of Seclusion Use Adolescents Age 13 - 17**

This is a ratio measure. This measure reports the number of hours patients age 13 through 17 years were kept in seclusion for every 1,000 hours of patient care.

Seclusion is the involuntary confinement of a patient alone in a room or an area where the patient is physically prevented from leaving.

- **Hours of Seclusion Use Adults Age 18 - 64**

This is a ratio measure. This measure reports the number of hours patients age 18 through 64 years were kept in seclusion for every 1,000 hours of patient care.

Seclusion is the involuntary confinement of a patient alone in a room or an area where the patient is physically prevented from leaving.

- **Hours of Seclusion Use Older Adults Age 65 and Older**

This is a ratio measure. This measure reports the number of hours patients age 65 and older were kept in seclusion for every 1,000 hours of patient care. Seclusion is the involuntary confinement of a patient alone in a room or an area

Multiple Antipsychotic Medications at Discharge with Appropriate Justification Overall Rate

This measure reports the number of patients discharged on two or more antipsychotic medications for which there was an appropriate justification. Antipsychotic medications are a group of drugs used to treat psychosis. Psychosis is a mental illness that markedly interferes with a person's capacity to meet life's everyday demands. Appropriate justifications include previous attempts to control psychosis with one antipsychotic medication, a plan to reduce the number of antipsychotic medications to one antipsychotic medication or the addition of an antipsychotic medication when the patient is also being treated with Clozapine.

- **Multiple Antipsychotic Medications at Discharge with Appropriate Justification Children Age 1 - 12**

This is a ratio measure. This measure reports the number of patients age 1 through 12

years discharged on two or more antipsychotic medications for which there was an appropriate justification. Antipsychotic medications are a group of drugs used to treat psychosis. Psychosis is a mental illness that markedly interferes with a person's capacity to meet life's everyday demands. Appropriate justifications include previous attempts to control psychosis with one antipsychotic medication, a plan to reduce the number of antipsychotic medications to one antipsychotic medication or the addition of an antipsychotic medication when the patient is also being treated with Clozapine.

- **Multiple Antipsychotic Medications at Discharge with Appropriate Justification Adolescents Age 13 - 17**

This is a ratio measure. This measure reports the number of patients age 13 through 17 years discharged on two or more antipsychotic medications for which there was an appropriate justification. Antipsychotic medications are a group of drugs used to treat psychosis. Psychosis is a mental illness that markedly interferes with a person's capacity to meet life's everyday demands. Appropriate justifications include previous attempts to control psychosis with one antipsychotic medication, a plan to reduce the number of antipsychotic medications to one antipsychotic medication or the addition of an antipsychotic medication when the patient is also being treated with Clozapine.

- **Multiple Antipsychotic Medications at Discharge with Appropriate Justification Adults Age 18 - 64**

This is a ratio measure. This measure reports the number of patients age 18 through 64 years discharged on two or more antipsychotic medications for which there was an appropriate justification. Antipsychotic medications are a group of drugs used to treat psychosis. Psychosis is a mental illness that markedly interferes with a person's capacity to meet life's everyday demands. Appropriate justifications include previous attempts to control psychosis with one antipsychotic medication, a plan to reduce the number of antipsychotic medications to one antipsychotic medication or the addition of an antipsychotic medication when the patient is also being treated with Clozapine.

- **Multiple Antipsychotic Medications at Discharge with Appropriate Justification Older Adults Age 65 and Older**

This is a ratio measure. This measure reports the number of patients age 65 and older discharged on two or more antipsychotic medications for which there was an appropriate justification. Antipsychotic medications are a group of drugs used to treat psychosis. Psychosis is a mental illness that markedly interferes with a person's capacity to meet life's everyday demands. Appropriate justifications include previous attempts to control psychosis with one antipsychotic medication, a plan to reduce the number of antipsychotic medications to one antipsychotic medication or the addition of an antipsychotic medication when the patient is also being treated with Clozapine.

Assessment of violence risk, substance use disorder, trauma and patient strengths completed - Children (1-12 years)

This measure reports the number of children age (1-12 years) screened for violence risk to self and others, substance and alcohol use, psychological trauma history and patient strengths. Screening for violence risk to self-determines if patients are likely to harm themselves. Screening for violence risk to others determines if patients are likely to harm others. Screening for substance and alcohol use determines if patients need help for their use. Screening for psychological trauma history determines if patients have experienced

terrible events in their lives which have left them fearful or anxious and unable to handle their feelings. Screening for patient strengths identifies positive things such as family support, a steady job, housing, etc. which are used to help the patient recover.

Assessment of violence risk, substance use disorder, trauma and patient strengths completed - Adolescent (13-17 years)

This measure reports the number of adolescent age (13-17 years) screened for violence risk to self and others, substance and alcohol use, psychological trauma history and patient strengths. Screening for violence risk to self-determines if patients are likely to harm themselves. Screening for violence risk to others determines if patients are likely to harm others. Screening for substance and alcohol use determines if patients need help for their use. Screening for psychological trauma history determines if patients have experienced terrible events in their lives which have left them fearful or anxious and unable to handle their feelings. Screening for patient strengths identifies positive things such as family support, a steady job, housing, etc. which are used to help the patient recover.

Assessment of violence risk, substance use disorder, trauma and patient strengths completed - Adult (18-64 years)

This measure reports the number of adults age (18-64 years) screened for violence risk to self and others, substance and alcohol use, psychological trauma history and patient strengths. Screening for violence risk to self-determines if patients are likely to harm themselves. Screening for violence risk to others determines if patients are likely to harm others. Screening for substance and alcohol use determines if patients need help for their use. Screening for psychological trauma history determines if patients have experienced terrible events in their lives which have left them fearful or anxious and unable to handle their feelings. Screening for patient strengths identifies positive things such as family support, a steady job, housing, etc. which are used to help the patient recover.

Assessment of violence risk, substance use disorder, trauma and patient strengths completed - Older Adult (>= 65 years)

This measure reports the number of older adult (>= 65 years) screened for violence risk to self and others, substance and alcohol use, psychological trauma history and patient strengths. Screening for violence risk to self-determines if patients are likely to harm themselves. Screening for violence risk to others determines if patients are likely to harm others. Screening for substance and alcohol use determines if patients need help for their use. Screening for psychological trauma history determines if patients have experienced terrible events in their lives which have left them fearful or anxious and unable to handle their feelings. Screening for patient strengths identifies positive things such as family support, a steady job, housing, etc. which are used to help the patient recover.

Post Discharge Continuing Care Plan Created Children Age 1 – 12

This measure reports the number of patients age 1 through 12 years discharged with a continuing care plan created. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's

continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Created Adolescents Age 13 – 17

This measure reports the number of patients age 13 through 17 years discharged with a continuing care plan created. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Created Adults Age 18 – 64

This measure reports the number of patients age 18 through 64 years discharged with a continuing care plan created. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Created Older Adults Age 65 and Older

This measure reports the number of patients age 65 and older discharged with a continuing care plan created. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Transmitted Children Age 1 – 12

This measure reports the number of patients age 1 through 12 years discharged with a continuing care plan provided to the next provider of care within 5 days of the patient's discharge. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Transmitted Adolescents Age 13 – 17

This measure reports the number of patients age 13 through 17 years discharged with a continuing care plan provided to the next provider of care within 5 days of the patient's discharge. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Transmitted Adults Age 18 – 64

This measure reports the number of patients age 18 through 64 years discharged with a continuing care plan provided to the next provider of care within 5 days of the patient's discharge. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

Post Discharge Continuing Care Plan Transmitted Older Adults Age 65 and Older

This measure reports the number of patients age 65 and older discharged with a continuing care plan provided to the next provider of care within 5 days of the patient's discharge. A continuing care plan is information for the next provider of care which contains the reason the patient was hospitalized, the patient's diagnosis at the time of discharge from the hospital, the list of all medications the patient was prescribed at the time of discharge from the hospital and the recommendations for the patient's continued care at the time of discharge from the hospital. The next provider of care is the medical professional or facility who will be responsible for managing the patient's medications and treatment after discharge from the hospital.

National Quality Improvement Goals Footnotes

1. The measure or measure set is not reported.

In 2004, hospitals provide measure results for two of the four approved measure sets. If the measure set displayed has not been selected by the hospital for reporting, this footnote will be provided. Some hospitals may not provide a specific procedure reported by a measure. If the hospital does not provide the procedure, the measure information is not collected and this footnote will be provided.

2. The measure set does not have an overall result.

The Joint Commission collects information on several different types of measures. Process measures are reported as percentages and reflect how often the type of care was done. Process measure results are totaled for a measure set to determine the measure set result. Some measure sets such as Pregnancy Care do not contain process measures. For measure sets without process measures no overall measure set result is calculated.

3. **The number is not enough for comparison purposes.**

The Joint Commission has established minimum amount of patients for comparative results to be calculated. A minimum number of patients are used to establish that the measure result is representative of the type of care a patient can expect at the hospital.

4. **The measure meets the Privacy Disclosure Threshold rule.**

The Privacy Disclosure Threshold rule is used to limit the possibility of disclosing identifying information about patients. If the eligible number of patients is less than 3, the measure results are suppressed.

5. **The organization scored above 90% but was below most other organizations.**

The results of some measures are very high. For example, all hospitals are very good at providing aspirin at arrival for heart attack patients. Very high overall scores for a measure can result in a hospital having a "minus" for the measure even though its measure result is above 90%.

6. **The measure results are not statistically valid.**

The Joint Commission reviews the National Quality Improvement Goal measure results provided by the accredited hospitals. If the results are potentially in error due to the range of values submitted, the measure results are not used.

7. **The results are based on a sample of patients.**

Hospitals with a very large number of patients do not have to submit information on every patient treated. The hospital can submit a sample of the patients as the sample accurately represents the result for that measure. When a hospital submits a sample to represent its performance this footnote is provided.

8. **The number of months with measure data are below the reporting requirement.**

Hospitals must have nine months of data in order for an organizations data to be displayed.

9. **The measure results are temporarily suppressed pending resubmission of updated data.**

The measure results are being suppressed temporarily pending resubmission of updated measure values that will be reflected in the next quarterly posting of the National Quality Improvement Goals.

Primary Care Medical Home

A model of organizing primary care that encompasses being patient-centered, comprehensive care, coordinated care, superb access to care and a systems-based approach to quality and safety.

Scoring for the National Quality Improvement Goals

Each National Quality Improvement Goal contains certain measures that organizations must do meet the goal. For example, one measure for Heart Attack Care is giving patients an aspirin at arrival.

- **Nationwide Top 10% Scored at Least**

The number of times, as a percentage, the top 10% of all Joint Commission accredited hospitals in the nation followed the recommended treatment/procedure during the time period being reported.

- **Nationwide Average Rate**

The average rate for all healthcare organizations in the nation that provide results for a measure. The average rate is calculated by dividing the total number of patients who had the recommended care provided for a measure by the total number of patients who met the inclusion and exclusion criteria for that measure in the nation for the timeframe being reported.

- **Statewide Top 10% Scored at Least**

The number of times, as a percentage, the top 10% of all Joint Commission accredited hospitals in the state followed the recommended treatment/procedure during the time period being reported.

- **Statewide Average Rate**

The average rate for all healthcare organizations in the state that provide results for a measure. The average rate is calculated by dividing the total number of patients who had the recommended care provided for a measure by the total number of patients who met the inclusion and exclusion criteria for that measure in the state for the timeframe being reported.

- **Nationwide Top 10% Scored at Most**

For continuous variable timing measures, this represents the median time where the lower 10% of all Joint Commission accredited hospitals in the nation scored for the recommended treatment/procedure during the time period being reported.

- **Nationwide Weighted Median**

For continuous variable timing measures, this represents the average median time weighted by the number of patients who had the recommended care provided to them who met the inclusion and exclusion criteria of all Joint Commission accredited hospitals in the nation during the time period reported.

- **Statewide Top 10% Scored at Most**

For continuous variable timing measures, this represents the median time where the lower 10% of all Joint Commission accredited hospitals in the state scored for the recommended treatment/procedure during the time period being reported.

- **Statewide Weighted Median**

For continuous variable timing measures, this represents the average median time weighted by the number of patients who had the recommended care provided to them who met the inclusion and exclusion criteria of the measure of all Joint Commission accredited hospitals in the state during the time period reported.

Special Quality Awards

Special quality awards recognize achievement by a health care organization that goes above and beyond accreditation. Merit badges must be national in scope, and relate to the delivery of high quality health care, and be awarded by an organization that is an established and credible advocate for improvements in health care.

- **Metabolic and Bariatric Surgery Accreditation:**

A program that accredits inpatient and outpatient bariatric surgery centers in the United States and Canada that have undergone an independent, voluntary, and rigorous peer evaluation in accordance with nationally recognized bariatric surgical standards. The Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) recognizes facilities that implement defined standards of care, document their outcomes, and participate in regular reviews to evaluate their bariatric surgical programs.

- **American College of Surgeons National Surgical Quality Improvement Program (ACS NSQIP):**

The ACS NSQIP is a nationally validated, risk-adjusted, outcomes-based program to measure and improve the quality of surgical care. Hospitals participating in this program are involved in the following key components relating to improving the quality of surgical care:

1. Data Collection

2. Data Monitoring and Validation
3. Report Generation
4. Data Analysis
5. Focus on Systems
6. Feedback

• **American Health Care Association (AHCA)/ National Center for Assisted Living (NCAL) Quality Award:**

Recognizes AHCA/NCAL member organizations which demonstrate their commitment to continuous quality improvement. This award is based on the core values and criteria of the Malcolm Baldrige National Quality Award (MBNQA). The Quality Award Program has three progressive step levels. Facilities must achieve an award at each level to progress to the next level:

- **Bronze** – Commitment to Quality (formerly Step I) Applicants begin their quality journey by developing an organizational profile including vision and mission statement, an awareness of their environment and customers' expectations, and a demonstration of their ability to improve a process.
- **Silver** – Achievement in Quality (formerly Step II) Applicants demonstrate a level of achievement in their quality journey through good performance outcomes that have evolved from how they embrace the core values and concepts of visionary leadership, focus on the future, resident-focused excellence, management by innovation, and focus on results and creating value.
- **Gold** – Excellence in Quality (formerly Step III) Applicants must show superior performance over time that is based on their systematic approaches to leadership; strategic planning, focus on customers, measurement, analysis and knowledge management, workforce focus, process management and results. Gold applicants address the complete Baldrige Criteria for Performance Excellence in Health Care. Only those facilities that won Silver (Step II) awards in previous years may apply.

• **ASMBS Bariatric Surgery Centers of Excellence®**

The American Society for Metabolic and Bariatric Surgery (ASMBS) Bariatric Surgery Centers of Excellence® (BSCOE) program, endorsed by the Centers for Medicare and Medicaid Services (CMS) and other health insurers, is a rigorous evaluation process to identify facilities and surgeons that have a comprehensive program and meet established program requirements for providing safe bariatric surgical care. Applicants undergo a site inspection which not only documents process, i.e., equipment, supplies, training of surgeons and staff and the availability of consultant services — but emphasizes results. To learn more visit <http://www.surgicalreview.org/>.

• **Cheers Award:**

Is presented by The Institute for Safe Medication Practices (ISMP) to recognize individuals, health care organizations, regulatory agencies, professional organizations, researchers, pharmaceutical and other health care related businesses that have set a superlative standard of excellence in the prevention of medication errors during the award year.

• **Urgent Care Association of America Certification:**

The Certified Urgent Care program was created in 2009 to answer the question: What defines an urgent care center? Urgent Care facilities with the CUC designation have:

1. **Mark of Distinction** to educate your community and stakeholders and eliminate

confusion with other kinds of providers

2. **A Tool for Negotiation** to provide a national benchmark for discussing higher fee schedules
3. **An Edge in Marketing** to clearly and effectively describe your level of services

- **Franklin Award of Distinction:**

Honors a case management system that demonstrates excellence in building collaboration among the various professional and technical staff in the hospital to focus on case management and performance measurement results having a positive effect on patient care.

- **Get With The Guidelines**

The American Heart Association and the American Stroke Association are voluntary organizations whose mission is to reduce disability and death from cardiovascular diseases and stroke. The Get With The Guidelines program consists of the following modules:

1. Stroke signifies that a hospital's data shows at least 85% adherence in the 7 core Get With The Guidelines Stroke measures
 - o Silver Performance Achievement Award – this criteria has been sustained for 12 consecutive months
 - o Gold Performance Achievement Award – this criteria has been sustained for 24 or more consecutive months.
 - o Silver Plus Performance Achievement Award –current silver award and additional 75 percent compliance with module specific quality
 - o Gold Plus Performance Achievement Award –current gold award and additional 75 percent compliance with module specific quality
2. Heart Failure signifies that a hospital's data shows at least 85% adherence in the 5 core Get With The Guidelines Heart Failure measures
 - o Silver Performance Achievement Award – this criteria has been sustained for 12 consecutive months
 - o Gold Performance Achievement Award – this criteria has been sustained for 24 or more consecutive months.
 - o Silver Plus Performance Achievement Award –current silver award and additional 75 percent compliance with module specific quality
 - o Gold Plus Performance Achievement Award –current gold award and additional 75 percent compliance with module specific quality
3. Resuscitation signifies that a hospital's data shows at least 85% adherence in the 5 core Get With The Guidelines Heart Failure measures
 - o Silver Performance Achievement Award – this criteria has been sustained for 12 consecutive months
 - o Gold Performance Achievement Award – this criteria has been sustained for 24 or more consecutive months
 - o Silver Plus Performance Achievement Award – current silver award and additional 75 percent compliance with module specific quality

- o Gold Plus Performance Achievement Award – current gold award and additional 75 percent compliance with module specific quality

The Get with the Guidelines program denotes levels of performance over time. The designation is represented by the first year the designation was achieved and the performance level attained. This designation is in effect until the organization performance level changes.

- **John M. Eisenberg Award for Patient Safety and Quality:**

Recognizes major achievements of individuals and organizations in improving patient safety and quality. Organization awards are presented in the categories of system innovation (local and national) or research.

- **The Magnet Award:**

The highest level of recognition the American Nurses Credentialing Center (ANCC) accords to organized nursing services. The award recognizes health care organizations exhibiting excellence in nursing services to patients, the existence of an environment that supports professional nursing practice and growth and development of nursing staff. Magnet institutions act as "magnets" by attracting and retaining outstanding nurses and creating a work environment that recognizes and rewards professional nursing.

- **Malcolm Baldrige National Quality Award:**

Established by Congress to promote quality awareness, to recognize quality and business achievements of U.S. organizations, and to publicize the award winners' successful performance strategies. Awards are given in manufacturing, service, small business, education, and health care. This award is presented annually by the President of the U.S.

- **Mental Health Risk Retention Group, Inc., (MHRRG) Negley Awards for Excellence in Risk Management:**

Established in 1990, by Negley Associates, Inc., underwriting managers for the Mental Health Risk Retention Group. They recognize outstanding achievements in risk management by community mental health centers and offer the opportunity to expand services otherwise not available. In addition, winners share their risk management strategies with the mental health community. There are three awards:

- President's Award
- Chairman's Award
- Board of Director's Award

- **National Council for Community Behavioral Healthcare and Association of Behavioral Healthcare Management (NCCBH) Awards of Excellence Program:**

The NCCBH is the nation's oldest and largest trade association for providers of mental health, substance abuse and developmental disability services are recognizes outstanding achievement by organizations within the field.

- **Nursing Homes/Long Term Care Management Magazine OPTIMA Award:**

Recognizes innovative and outcome-oriented teamwork that improves the care and quality of life of the residents in long-term care facilities.

- **Patient-Centered Designation Program:**

The Planetree Patient-Centered Designation Program recognizes hospitals that have embraced and implemented patient-centered care in a comprehensive manner, improving both clinical and patient satisfaction outcomes. Based on the core elements of a personalized, humanized and demystified approach to healthcare, 54 specific criteria must be met in order to demonstrate that a site has

implemented that dimension of patient-centered culture. The program is designed to celebrate achievement, as well as to provide a concrete and measurable framework for comprehensive implementation of patient-centered care. In this spirit, the criteria a healthcare organization must meet focus on both process and outcomes. The criteria reflect the experiences of hospitals that have been engaged in an ongoing, focused effort to cultivate a culture of patient-centered care over the period of several years.

The 54 Planetree Patient-Centered Designation Program criteria are categorized within the following areas:

1. Structures and Functions Necessary for Implementation, Development, and Maintenance of Patient-Centered Concepts and Practices
2. Human Interactions
3. Patient Education and Access to Information
4. Family Involvement
5. Nutrition Program
6. Healing Environment: Architecture and Interior Design
7. Arts Program
8. Spirituality and Diversity
9. Integrative Therapies
10. Healthy Communities
11. Measurement

Compliance with the designation criteria is verified through an assessment process that includes a written self-assessment, focus groups with patients, leadership and staff, and a review of outcomes measures. The Planetree Patient-Centered Designation Program was created by Planetree, a not-for-profit organization founded by a patient, which has been working with healthcare providers for more than 30 years to personalize, humanize and demystify healthcare for patients.

• **UHMS Clinical Hyperbaric Facility –**

- **Level 1:** Level I Hyperbaric Program: a hyperbaric program that offers a full scope of service for the hyperbaric patient. They are typically hospital-based facilities that cover all recognized indications, including emergency life or limb threatening and are available for treatment of the emergent patient 24/7. (This would be comparable to a Level I trauma center.)
- **Level 2:** Level II Hyperbaric Program: a hyperbaric program that provides a reduced scope of service for the hyperbaric patient (does not treat emergency patients) in the hospital setting and is not available 24/7. Generally, these are programs that typically provide high quality care to chronic outpatients patient Monday - Friday and are not equipped or staffed for emergency indications
- **Level 3:** Level III Hyperbaric Program: a hyperbaric program that provides appropriate hyperbaric therapy in the nonaffiliated setting (non hospital).

Top Performer on Key Quality Measures®

The Joint Commission's **Top Performer on Key Quality Measures®** recognizes accredited hospitals and critical access hospitals that attain and sustain excellence in accountability measure performance. Recognition in the program is based on an aggregation of accountability measure data reported to The Joint Commission during the previous calendar year. This recognition will occur in the fall of each year and will coincide with the publication of The Joint Commission's "Improving America's Hospitals" annual report. Each year, the percentage of top performing hospitals will vary. (Most Joint Commission accredited hospitals are

required to report performance measure data to The Joint Commission while many critical access hospitals voluntarily report these data.)

Universal Protocol For Preventing Wrong Site, Wrong Procedure, Wrong Person Surgery™

Wrong site, wrong procedure, wrong person surgery can be prevented. This universal protocol is intended to achieve that goal. It is based on the consensus of experts from the relevant clinical specialties and professional disciplines and is endorsed by more than 40 professional medical associations and organizations. For more information see [Facts about Universal Protocol](#).

1 been convicted of a crime other than a minor traffic
 2 violation?
 3 A No.
 4 Q Okay. Have you been married before, or is this your
 5 only marriage?
 6 A Only marriage.
 7 Q Are you currently employed by Hartsville Medical
 8 Group?
 9 A The name has changed.
 10 Q Okay. What's the name now?
 11 A M. B. Nickles, Jr., P.A.
 12 Q When did it change?
 13 A January of 2012.
 14 Q Okay. I'll ask you about that in a minute. Prior to
 15 January of 2012, you worked for Hartsville Medical
 16 Group?
 17 A Yes.
 18 Q For how long?
 19 A I think we were with them for about thirteen years.
 20 Q Okay. When you say, "we," are you talking about you
 21 and Dr. Nickles?
 22 A Yes.
 23 Q Why did Dr. Nickles split from the Hartsville Medical
 24 Group?
 25 A I think one thing was his age, and we mostly do

1 industrial medicine and the hospital doesn't do a lot
 2 of industrial medicine, and it's kind of hard for
 3 them to understand that line of work.
 4 Q The hospital owns Hartsville Medical Group?
 5 A Yes.
 6 Q Okay. Did -- whose idea was it to have a parting of
 7 the ways? Was it Dr. Nickles or the Hartsville
 8 Medical Group?
 9 A I think it was mutual.
 10 Q When you said you don't think the hospital
 11 understands Dr. Nickles's line of work, industrial
 12 medicine, what did you mean by that?
 13 A We go out into industries and we do workman's comp,
 14 and Carolina Pines likes patients, lots of patients.
 15 Q So Dr. Nickles actively recruits worker's comp
 16 clients? Is that what you're saying?
 17 A We work for companies and if they have workman's
 18 comp, then we take care of them.
 19 Q All right. You work for their worker's comp carrier,
 20 is what you're saying, and the hospital wants
 21 patients?
 22 MR. DRIGGERS: Object to the form. You can
 23 answer it.
 24 A Say that again for me.
 25 Q You're saying that Dr. Nickles works for the worker's

1 comp carriers for the various industries, whereas the
 2 hospital works for patients? Is that what you're
 3 saying?
 4 A The hospital also does workman's comp in the ER. We
 5 do patients also.
 6 Q What percentage of Dr. Nickles's practice is worker's
 7 comp as opposed to walk-in patients with private
 8 third party payers?
 9 A That's hard to answer because it's not all workman's
 10 comp. We do pre-employment physicals, but as far as
 11 industrial, it's probably ninety percent.
 12 Q Okay. And when you say, "industrial," you're talking
 13 about worker's comp and --
 14 A Pre-employment physicals, random drug screens, breath
 15 alcohols.
 16 Q Okay. How old is Dr. Nickles?
 17 A He's 79.
 18 Q Has Dr. Nickles had any kind of health problems that
 19 you know of?
 20 A Not currently that I'm aware of.
 21 Q How about in the past?
 22 A He has had cancer.
 23 Q Has he had any substance abuse problems that you know
 24 of?
 25 A No.

1 Q Has he ever been in any treatment or anything like
 2 that?
 3 A No.
 4 Q Has Dr. Nickles's practice changed since he split
 5 from the Hartsville Medical Group?
 6 A No.
 7 Q Has Dr. Nickles's physical location, his office
 8 location, stayed the same since he split from the
 9 Hartsville Medical Group in January of 2012?
 10 A Yes.
 11 Q Has the personnel in the office changed?
 12 A No.
 13 Q Who is the personnel in that office right now?
 14 A Dr. Nickles, Carol Bryant, Stephanie Watford, Rachel
 15 Hoffman and myself. We had a doctor that was sharing
 16 the other half of our building and his staff, but
 17 we're not together.
 18 Q What doctor is that?
 19 A Dr. Evans.
 20 Q What kind of medicine does he practice?
 21 A Family practice.
 22 Q Do you know if Dr. Nickles has ever been sued
 23 personally before?
 24 A Yes.
 25 Q What do you remember about that?

EXHIBIT

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1 correct?

2 A Say that again.

3 Q Sure. The requirements of the Joint Commission would
4 certainly be evidence of what the standard of care is
5 in relation to the delivery of healthcare to patients
6 in a safe manner. Is that right?

7 A Yes, but only in The Medical Gr -- I mean, only in
8 the hospital facility. We are not Joint Commission
9 accredited at the practice.

10 Q Well, Rachel Hoffman was trained at the hospital,
11 correct?

12 A Correct, as a radiology tech. Not as anything to do
13 with a physician's practice.

14 Q Okay. Did she answer to the people at the hospital?

15 A When she worked in the hospital.

16 Q Okay. Let's keep looking at this. The contract term
17 is thirty-six months, correct?

18 A Do you see that on there?

19 Q Right here.

20 A Yes.

21 Q And the start date of this contract would have been
22 in September of 2009, right?

23 A Yes.

24 Q All right. So it would have been in effect for all
25 of 2010?

2016 AUG 17 PM 12:00
SCOTT E. SLOCUM
CLERK OF COURT / S.O.D.
DARLINGTON COUNTY, S.C.

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1 members of the public without an order from the
2 physician?

3 MR. DRIGGERS: Same objection but answer if you
4 can.

5 A Do I think it's okay?

6 Q Uh-huh.

7 A But you're looking at one job description. She wore
8 multi-hats.

9 Q Okay. Do you think it's ever okay, ma'am, for any
10 unlicensed provider of healthcare to administer
11 medications to a member of the public without an
12 order from a physician?

13 A It -- there should have been some standing order,
14 protocol.

15 Q Okay. All right.

16 A Occupational med is a little bit different.

17 Q Okay. All right. Indeed, this says that even with
18 the flu vaccine and the pneumococcal polysaccharide
19 vaccines, there has got to be a physician approved
20 policy after an assessment of contraindications,
21 correct?

22 A Yes, that does.

23 Q Okay. All right. Now, to the extent that CMS
24 participation -- CMS conditions of participation
25 apply to hospital personnel, and you are the human

1 Q The hospital defined staff qualifications. It says,
2 "The hospital defines staff qualifications specific
3 to their job responsibilities."

4 A Uh-huh.

5 Q All right. Is that also the group practice managers?

6 A No, they are not Joint Commission accredited.

7 Q Okay. Well, who's responsibility is it at the
8 hospital to see that staff qualifications are defined
9 specific to their job responsibilities?

10 A The director over those job responsibilities.

11 Q Okay. And to the extent that it's necessary purely
12 for patient safety, --

13 A Uh-huh.

14 Q -- it would be the group practice manager's job under
15 the practice administrator to make sure that staff
16 qualifications are defined specific to the job
17 responsibilities of the people on the -- on the group
18 practice staff?

19 MR. DRIGGERS: I just want to do something real
20 quick. I just want to make an objection to this
21 entire line of questioning. We're being asked a
22 series of questions on CMS section 482, which applies
23 to hospitals, which is not -- has nothing to do with
24 the facts of this case, but you can answer.

25 Q Okay. Let me ask you this, ma'am. I've looked

1 through all the job descriptions I've been given, and
2 I haven't been given all of the ones that you brought
3 to the deposition here today, and it appears as if
4 most of the job descriptions for the Hartsville
5 Medical Group have explicit requirements that make
6 the employees' behavior subject to the HMA compliance
7 manual, HMA record keeping requirements, HMA ethics
8 requirements, and HMA operations manual. So to the
9 extent that those same HMA requirements would have
10 been applicable to employees of the hospital, one
11 would imagine that those HMA requirements meet or
12 exceed the requirements of The Joint Commission.
13 Would you agree with that?

14 MR. DRIGGERS: Same objection.

15 A No, sir. They are two separate entities with two
16 separate tax IDs. We've always kept them completely
17 separate, because the hospital is Joint Commission
18 accredited, but the group is not. So they do have
19 their own bylaws and rules and guidelines and stuff
20 that they go by that don't pertain -- that are much
21 more rigid in the facility.

22 Q Okay. Well, Dr. Nickles' contract specifically lists
23 his locations of practice as the Hartsville Medical
24 Group, LLC and the hospital, and then it says he had
25 to sign off that he agreed to comply with the HMA

1 compliance manual, and it doesn't say there's a
2 compliance manual for the hospital and a different
3 one for the group practice, so the same HMA
4 compliance manual would apply in both places,
5 correct?

6 A No, sir, I -- they would have had their own compliant
7 criteria for The Medical Group versus the hospital.
8 Now, the hospital -- the reason why it crosses over
9 is when he comes to see patients in the hospital.
10 When he steps into the facility to see patients, his
11 practice is different.

12 Q All right. Let me ask you this now. Are you telling
13 me that HMA had two different compliance manuals, one
14 for the hospital and one for its group practices?

15 A I don't know their compliance, so I could not answer
16 that question. I know we had an overall compliance
17 program.

18 Q All right. Well, let's look --

19 A But not being the practice administrator, I couldn't
20 answer that.

21 Q All right. Well, I hate to belabor this, and we can
22 look back at it if we have to, but I think I recall
23 that Dr. Nickles' contract just specifically stated
24 that he agreed to comply with the requirements of the
25 HMA Compliance Manual, Third Edition, --

1 A Right.

2 Q -- and it didn't qualify and say, "when you're in the
3 hospital;" right?

4 A Correct.

5 Q Okay. So he was agreeing to comply with the
6 requirements in the compliance manual, third edition,
7 from --

8 A Uh-huh.

9 Q -- HMA --

10 A Uh-huh.

11 Q -- in both the group practice and its hospital,
12 correct?

13 A Correct.

14 MR. DRIGGERS: Object to the form. Answer if you
15 can.

16 Q Okay. Is that right?

17 A Correct, that's what his contract says.

18 Q Okay. All right. And the -- the competency training
19 that Rachel Hoffman received, she would have received
20 that over at the hospital?

21 A No, that was done in the office.

22 Q That was done in the office?

23 A Uh-huh.

24 Q At The Medical Group?

25 A Correct.

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1 patient the information necessary for them 2 to make an informed decision. 3 Q. Does the -- Does the policy create a 4 standard of care? 5 A. It can, if that's the policy of the 6 hospital. 7 Q. Did it create a standard of care in this 8 case? 9 A. I have not seen a policy. 10 Q. Okay. So to the extent that you're 11 offering opin -- well, let me strike 12 that. I'll ask it this way. 13 Are you going to be offering any 14 opinions about policy compliance in this 15 case? 16 A. In this case, I can -- I have not seen any 17 policies -- or I have not seen anything in 18 the depositions or in the documentation 19 that shows me there was any policy 20 telling -- 21 Q. Okay. 22 A. -- them what to do, which there should 23 have been based upon Joint Commission 24 standards, based upon CMS conditions of 25 participation, and based upon the	1 think it was an exhibit to one of the 2 depositions. 3 Q. Okay. And does this Exhibit 4 contain 4 what you would expect for how -- for 5 instructions on administering IM or 6 subcutaneous injections? 7 (EXHIBIT NO. 4 WAS MARKED.) 8 MR. TUCK: Martin -- 9 A. This is -- 10 MR. TUCK: Martin, is this 11 supposed to be the package insert -- 12 MR. DRIGGERS: Oh, no. I'm sorry. 13 That exhibit, I didn't know it was in 14 there. 15 A. This is information that one could utilize 16 when teaching a class or teaching folks 17 about how to give administration. 18 Q. Okay. And, again, I apologize. I've -- I 19 think I've asked this before, but from 20 your review of the testimony that you've 21 been provided in this case, does it appear 22 that the vaccination given to Mr. McCants 23 follow these protocols? 24 A. I haven't seen anything that would tell me 25 one way or the other. All I saw was that
Page 51	Page 53
1 statutes. 2 Q. Okay. Do you know if Dr. Nickles' 3 practice was licensed through JCAHO or 4 receive any accreditation through JCAHO? 5 A. Carolina Pines Hospital is -- was at that 6 time, yes, sir. 7 Q. Okay. How about the Hartsville Medical 8 Group? 9 A. I don't know. 10 Q. Okay. And so if there's not a policy, is 11 it safe to say that you can't offer any 12 opinions about compliance with that 13 policy? 14 A. I can offer opinion that there should have 15 been a policy or that the procedure that 16 was described by the staff should have 17 been appropriate -- 18 Q. Okay. 19 A. -- to -- to meet the standards. 20 Q. Okay. All right. Let me show you what 21 we've marked as Exhibit 4 to your 22 deposition. Have you seen that before? 23 A. Yes, sir. 24 Q. Okay. In what setting have you seen this? 25 A. It was one of the documents sent to me. I	1 she gave it in the right deltoid. 2 Q. Okay. 3 A. That's all I've seen. 4 Q. And that -- that's appropriate? 5 A. It would have been appropriate to give it 6 in the right deltoid. 7 Q. Okay. Do you think it was a good idea for 8 Mr. McCants going to work at -- at a 9 county prison or -- or jail to have a 10 hepatitis B vaccination? 11 A. It would make sense, yes, sir. 12 Q. Okay. 13 A. Again, my supposition is that she should 14 have never been taught this because she 15 should not have been giving it. That was 16 not part of her educational background. 17 Q. Okay. 18 A. So when I saw that form for the LPN in 19 2008 where she was teaching her how to do 20 this, that's not appropriate for somebody 21 in that position. 22 MR. DRIGGERS: I've got that 23 here. I'm going to grab it real quick. 24 THE COURT REPORTER: 5. 25 MR. DRIGGERS: 5, okay.



DEPOSITION OF RACHEL A. HOFFMAN TAKEN 2/27/2013

MINIDER by Kenson

1 recombinant -- "injection should not receive further
2 injections of Engerix-B." You don't disagree with
3 that, do you?
4 A Uh-uh.
5 Q Okay. So if somebody came in and told you that they
6 felt like they had a reaction to the first injection,
7 what should you do?
8 A I would ask them what kind of reaction they had and
9 talk to Dr. -- I mean, because it's normal for it to
10 be sore at the injection site or possibly get a
11 little bit of fever, but usually, that's it.
12 Q Okay. All right. So you would just talk to the
13 patient and ask them what kind of reaction they had,
14 and based upon what they told you, you would decide
15 whether or not it was appropriate to get Dr. Nickles
16 involved or not, and if you thought it was
17 appropriate to get Dr. Nickles involved, you would
18 get Dr. Nickles involved?
19 A Yes.
20 Q Okay. If you didn't think it was appropriate to get
21 Dr. Nickles involved, you would tell them "That's
22 normal," and --
23 A Yeah, like soreness and stuff, yes, that's all
24 normal.
25 Q Okay. All right. And just so I'm clear, you're not

- 17 -

1 a nurse, right?
2 A No.
3 Q You're not an RN, not an LPN?
4 A No.
5 Q Okay. Other than training as an x-ray tech, you have
6 no medical training?
7 MR. DRIGGERS: Object to the form.
8 Q Right?
9 A That's my only certificate that I have is x-ray.
10 Q Okay. You have never been to any kind of training on
11 Hepatitis B vaccinations?
12 MR. DRIGGERS: Object to the form.
13 A No.
14 Q Okay. You have never read the package insert for the
15 Hepatitis B vaccinations?
16 A Not the whole thing, no.
17 Q Okay. All right. You have never seen this form from
18 the county administrator before that's entitled
19 "Hepatitis B Vaccine Information"?
20 A Well, I've seen that, yeah.
21 Q Okay. Have you ever read it, or have you just seen
22 it?
23 A I've read -- when I was first at the office. It's
24 been a long time since I've gone back over it.
25 Q Okay. All right. And you've got some of those CDC

- 18 -

1 forms at the office?
2 A Yes.
3 Q All right. So at what point in -- at what point when
4 a patient comes in for a Hepatitis B injection are
5 you supposed to get them to sign the document -- this
6 document, the second page of Exhibit One?
7 A They sign it when they come in. Well, sometimes they
8 bring it already signed and filled out. Sometimes
9 they'll bring in a blank one and say, "I'm here to
10 get my Hepatitis shot," and so that's why I was the
11 witness on it, because he didn't have his filled out.
12 Q Do you know if Mr. McCants brought this in, or if he
13 came in with none, and you gave him a blank one?
14 A I'm not sure.
15 Q It could be either?
16 A It could be either, yes.
17 Q Okay. What hours do you work, generally?
18 A Monday through Friday, 8:00 to 5:00 and Friday 8:00
19 to 12:00.
20 Q All right. And when is the office open for people to
21 come in for Hepatitis B vaccinations?
22 A From 8:00 to 12:00 or so, and then 2:00 to 5:00.
23 Q Monday through Thursday?
24 A Yeah, and then Friday is 8:00 to 12:00.
25 Q And you only get the patient to sign this paper once?

- 19 -

1 That would be the first time that they come in?
2 A Yes.
3 Q What happens if you forget to get the -- you forget
4 -- what happens if you forget to have the patient
5 sign the paper?
6 A Which, this paper?
7 Q Yeah.
8 A Well, I wouldn't give it to them if they didn't have
9 it signed.
10 Q You wouldn't do what?
11 A I wouldn't give them an injection if it was not
12 signed.
13 Q Okay. Now, when they don't bring in their own paper,
14 but they just show up and say, "I'm here for a
15 Hepatitis vaccine," do you just give them the paper
16 and tell them, you know, "You need to sign this
17 before I can give you the injection"?
18 MR. DRIGGERS: Object to the form.
19 A Yeah, I have them -- I tell them to read over that,
20 because they should have already had their training
21 and stuff, and they have to mark these questions here
22 "yes" or "no," and then sign the -- do their
23 signature.
24 Q Do you know who marked --
25 A He would have marked those, because I didn't know if

- 20 -

1 Q What are your parents' names?
 2 A Robert and Pat James. I have a brother, Brian James.
 3 Q Okay.
 4 A I have several aunts.
 5 Q Is your brother married?
 6 A No.
 7 Q Does your brother work?
 8 A For himself.
 9 Q What does he do?
 10 A Yard -- like landscaping.
 11 Q Okay. How about your mom and your dad? Do they both
 12 still work?
 13 A My dad is retired from DuPont.
 14 Q Okay. DuPont in Florence?
 15 A Lugoff.
 16 Q Lugoff? Okay.
 17 A My mom works for HMA.
 18 Q Okay. Did you grow up in Lamar?
 19 A Yes.
 20 Q Okay. Think your dad is friends with Bud Windham?
 21 MR. DRIGGERS: There's a lot of Windhams.
 22 A Yeah, there's a lot of -- he probably is. I don't
 23 know.
 24 Q Okay. He's also a DuPont retiree. Your mother
 25 currently works for HMA?

1 A Yes, sir.
 2 Q In Hartsville?
 3 A Yes.
 4 Q What does she do?
 5 A Billing.
 6 Q Billing? Okay. All right, so mother, father,
 7 brother, and you said you have some aunts and some
 8 uncles?
 9 A Uh-huh.
 10 Q A lot of them or just a few of them?
 11 A Just a few.
 12 Q All right. What are their names?
 13 A Ethel Johnson, Paulette Jones, and Norma, N-o-r-m-a,
 14 James.
 15 Q Are any of them married?
 16 A Ethel is married to Larry Johnson. Paulette is
 17 married to Woody Jones, and Norma is not married.
 18 Q All right. Where do all of them work, if anywhere?
 19 A Ethel is contracted through HMA. I'm not sure of the
 20 name of the business. Paulette works at Talley
 21 Metals, and Norma is, at this time, unemployed.
 22 Q How about Larry and Woody?
 23 A Woody works for Dixie Cup, and Woody is -- I'm sorry,
 24 Larry is disabled.
 25 Q Okay. Do you and your husband go to church

1 somewhere?
 2 A Not at this time.
 3 Q What school does your child go to?
 4 A Hartsville High.
 5 Q All right. Have you ever been convicted of a crime
 6 other than a minor traffic violation?
 7 A No.
 8 Q Have you ever been sued or sued anybody before?
 9 A No.
 10 Q Have you looked at any documents before you came over
 11 here today?
 12 A Just the records that were sent to y'all.
 13 Q Okay. All right. Have you spoken to anybody about
 14 the case, other than your lawyer or anybody in the
 15 presence of your lawyer?
 16 A Rachel and Angie. We discussed the records, but that
 17 was it.
 18 Q What did y'all discuss about the records?
 19 A Just that we were all nervous about doing a
 20 deposition.
 21 Q Okay. Did y'all review the records together and ask
 22 one another questions, "What does this mean," or
 23 "What does that mean," or "Why did you write this,"
 24 and "Why did you write that?"
 25 A No.

1 Q Have y'all talked to Dr. Nickles about the case?
 2 A Other than when we've met with the lawyers, we've not
 3 really discussed it with him.
 4 Q All right. How long have you worked for Dr. Nickles?
 5 A I'm going to say at least seven years.
 6 Q All right. And what is your position there with Dr.
 7 Nickles for those seven years?
 8 A At this time, I am the office manager. I also do the
 9 front end billing.
 10 Q Office manager and billing?
 11 A Uh-huh.
 12 Q Okay. Do you have medical training?
 13 A I was certified to do drug screens and breath
 14 alcohols.
 15 Q Okay. BAT and urine collections?
 16 A Uh-huh.
 17 Q Did you go to the John Speckman school of urine
 18 collection, too?
 19 A He came to our office and trained us.
 20 Q On both of those?
 21 A Yes, sir.
 22 Q Do you do either of those, or do Rachel and Angie
 23 primarily do them?
 24 A I do very few. I do them, but I just do very few
 25 now. I used to be on call with them, but I'm not

1 A I remember him being out a week and going to it. I
 2 don't know what happened.
 3 Q What was it about?
 4 A A lady that had a calcium problem, I think.
 5 Q And what happened?
 6 A I do not know.
 7 Q Other than that one time, do you remember any others?
 8 A I don't.
 9 Q Have you ever been sued before?
 10 A I have not.
 11 Q Okay. Stephanie Watford, Rachel Hoffman and yourself
 12 were employed by Dr. Nickles in his office when it
 13 was doing business as Hartsville Medical Group in
 14 2010, right?
 15 A Yes.
 16 Q Okay. Was Carol Bryant there as well?
 17 A She was but she was never employed by HMA, or
 18 Carolina Pines.
 19 Q Okay. Whereas you, Ms. Hoffman and Ms. Watford were?
 20 A Yes.
 21 Q Who was Ms. Bryant employed by in 2010?
 22 A She was employed by Dr. Nickles. She does his
 23 secretarial work for Sonoco and personally.
 24 Q Okay. So one of Dr. Nickles's industrial clients is
 25 Sonoco?

1 A What are your relative positions in the practice,
 2 you, and Ms. Watford, and Ms. Hoffman? What do each
 3 of you do? What are your jobs? What are your
 4 titles?
 5 A I'm a certified medical assistant, and I go out to
 6 industries and work on the hall. Rachel is the x-ray
 7 tech. She also works on the hall, and Stephanie is
 8 the front office manager and secretary.
 9 Q Do any of you have any kind of medical training?
 10 You said Rachel Hoffman is an x-ray tech?
 11 A Yes.
 12 Q Does she have a certificate from Florence-Darlington
 13 Tech or something like that?
 14 A Yes. She's registered.
 15 Q A registered x-ray tech?
 16 A Yes.
 17 Q What about Stephanie Watford?
 18 A She is a secretary in the front office.
 19 Q So she doesn't have any medical training that you
 20 know of?
 21 MR. DRIGGERS: Object to the form.
 22 A She has had some. She is a certified urine
 23 collector, and she is a certified BAT.
 24 Q BAT?
 25 A Breath alcohol technician.

1 Q She's certified to take urine, take breathalysers and
 2 she's a secretary?
 3 A Yes.
 4 Q Ms. Hoffman is an x-ray tech, and you said you're a
 5 certified nursing assistant?
 6 A Yes.
 7 Q I'm not familiar with that. What kind of
 8 certification is that?
 9 A I took a national exam. The only thing I cannot do
 10 is give IV medications.
 11 Q What do you mean by the only thing you cannot do?
 12 A I can do EKGs, and I can give injections.
 13 Q You're saying that you can practice medicine with the
 14 exception of --
 15 A No. I can work on the hall as a medical assistant
 16 and assist the doctor and assist patients for
 17 whatever he has ordered. If he orders an injection,
 18 I can give it. If he orders them to have a pulmonary
 19 or an EKG, I can do that, but I cannot give IV
 20 medications or start IVs.
 21 Q Okay. How long have you been a certified medical
 22 assistant?
 23 A I think I got that in 1985.
 24 Q Okay. Do you have any other certifications,
 25 licensures, registrations or anything like that?

1 A I have a NOAC license for hearing. I have a
 2 pulmonary certification to do respirators. I'm a
 3 breath alcohol technician. I'm a certified urine
 4 collector.
 5 Q Okay. So Dr. Nickles doesn't have any nurses working
 6 with him in his practice?
 7 A We do not.
 8 Q All right. How far did you go -- I know you said you
 9 got your certified medical assistant certificate in
 10 1985. Other than that, what kind of education do you
 11 have? Did you graduate from high school?
 12 A I did.
 13 Q When was that?
 14 A 1975.
 15 Q Hartsville High?
 16 A Yes.
 17 Q Okay. Have you gone to college, be it a two-year or
 18 four-year college?
 19 A I went to Tech for the CNA course.
 20 Q How long does the CNA course take?
 21 A I think it was a year.
 22 Q And you got that certificate in 1985?
 23 A Yes.
 24 Q Is that something that you have to renew or refresh
 25 every so often, or have you had the same certificate

EXHIBIT

Z

8 to 16)

RECEIVED

DEC 30 2016

SC Court of Appeals

OMB No. 1545-0123

1120

Form
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2010 or tax year beginning _____, ending _____, 20
▶ See separate instructions.

2010

A Check if:

- 1a Consolidated return (attach Form 990) ☐
 1b (If/when consolidated return) ☐
 3 Personal holding co. (attach Sch. PH) ☐
 3 Personal service corp. (see instructions) ☐
 4 Schedule M-3 attached ☐

Print
or
type

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, and ZIP code

HARTSVILLE MEDICAL GROUP, LLC
5811 PELICAN BAY BLVD STE 500

NAPLES FL 34108

B Employer identification number

27-0172376

C Date incorporated

05 08 2009

D Total assets (see instructions)

\$ -7,112,184

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

1a	Gross receipts or sales	11,416,272	b	Less returns and allowances	0	c	Bal	1c	11,416,272
2	Cost of goods sold (Schedule A, line 8)							2	0
3	Gross profit. Subtract line 2 from line 1c							3	11,416,272
4	Dividends (Schedule C, line 19)							4	0
5	Interest							5	0
6	Gross rents							6	0
7	Gross royalties							7	0
8	Capital gain net income (attach Schedule D (Form 1120))							8	0
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)							9	0
10	Other income (see instructions - attach schedule)							10	2,023
11	Total income. Add lines 3 through 10							11	11,418,295
12	Compensation of officers (Schedule E, line 4)							12	0
13	Salaries and wages (less employment credits)							13	10,357,316
14	Repairs and maintenance							14	128,034
15	Bad debts							15	1,571,730
16	Rents							16	1,240,335
17	Taxes and licenses							17	548,554
18	Interest							18	0
19	Charitable contributions							19	0
20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)							20	182,610
21	Depletion							21	0
22	Advertising							22	19,499
23	Pension, profit-sharing, etc., plans							23	0
24	Employee benefit programs							24	948,396
25	Domestic production activities deduction (attach Form 8903)							25	0
26	Other deductions (attach schedule)							26	4,428,240
27	Total deductions. Add lines 12 through 26							27	19,422,714
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.							28	-8,004,419
29	Less: a Net operating loss deduction (see instructions)		29a	0					
	b Special deductions (Schedule C, line 20)		29b	0					
30	Taxable income. Subtract line 29c from line 28 (see instructions)						29c	0	
31	Total tax (Schedule J, line 10)						30	-8,004,419	
32a	2009 overpayment credited to 2010	32a	0				31	0	
b	2010 estimated tax payments	32b	0						
c	2010 refund applied for on Form 4466	32c	0						
e	Tax deposited with Form 7004								
f	Credits: (1) Form 2439 0 (2) Form 4136 0								
g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g	0						
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached						32h	0	
34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						33	0	
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						34	0	
36	Enter amount from line 35 you want: Credited to 2011 estimated tax						35	0	
	0 Refunded						36	0	

Sign
Here

Signature of officer MARLIN K. SHAW

Date

VP/ASST. TREASURER

Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ If PTIN

Firm's name

Firm's address

Firm's EIN

EXHIBIT

AA

Form 1120 (2010)

Page 5

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		-100,858		-8,923
2a Trade notes and accounts receivable	5,210,260		3,028,130	
b Less allowance for bad debts	(2,900,064)	2,310,196	(1,657,321)	1,370,809
3 Inventories		0		0
4 U.S. government obligations		0		0
5 Tax-exempt securities (see instructions)		0		0
6 Other current assets (attach schedule)		58,272		313,049
7 Loans to shareholders		0		0
8 Mortgage and real estate loans		0		0
9 Other investments (attach schedule)		0		21,000
10a Buildings and other depreciable assets	918,064		1,004,679	
b Less accumulated depreciation	(14,802)	903,262	(108,632)	896,047
11a Depletable assets	0		0	
b Less accumulated depletion	(0)	0	(0)	0
12 Land (net of any amortization)		0		0
13a Intangible assets (amortizable only)	22,077		25,010	
b Less accumulated amortization	(66)	22,011	(9,850)	15,160
14 Other assets (attach schedule)		40,576		-9,719,326
15 Total assets		3,233,459		-7,112,184
Liabilities and Shareholders' Equity				
16 Accounts payable		332,583		79,205
17 Mortgages, notes, bonds payable in less than 1 year		0		0
18 Other current liabilities (attach schedule)		337,564		1,106,715
19 Loans from shareholders		0		0
20 Mortgages, notes, bonds payable in 1 year or more		0		0
21 Other liabilities (attach schedule)		3,574,956		-1
22 Capital stock: a Preferred stock	0		0	
b Common stock	0	0	0	0
23 Additional paid-in capital		0		0
24 Retained earnings - Appropriated (attach schedule)		0		0
25 Retained earnings - Unappropriated		-1,011,644		-8,298,103
26 Adjustments to shareholders' equity (attach schedule)		0		0
27 Less cost of treasury stock		(0)		(0)
28 Total liabilities and shareholders' equity		3,233,459		-7,112,184

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books	-7,286,459	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books	0	Tax-exempt interest \$	0
3 Excess of capital losses over capital gains	0		0
4 Income subject to tax not recorded on books this year (itemize):	0		0
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation \$	0	a Depreciation \$	78,996
b Charitable contributions \$	0	b Charitable contributions \$	0
c Travel & entertainment \$	2,760	STATEMENT 14	827,352
STATEMENT 13	185,628		906,348
6 Add lines 1 through 5	-7,098,071	9 Add lines 7 and 8	906,348
		10 Income (page 1, line 28) - line 6 less line 9	-8,004,419

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-1,011,644	5 Distributions: a Cash	0
2 Net income (loss) per books	-7,286,459	b Stock	0
3 Other increases (itemize):		c Property	0
	0	6 Other decreases (itemize):	0
4 Add lines 1, 2, and 3	-8,298,103	7 Add lines 5 and 6	0
		8 Balance at end of year (line 4 less line 7)	-8,298,103

Form

4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

2010
Attachment
Sequence No. 67
Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number
27-0172376

YARTSVILLE MEDICAL GROUP, LLC

HOLDING CO.

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	0
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
		0	0
		0	0
		7	0
7	Listed property. Enter the amount from line 29	8	0
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	9	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	10	0
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	11	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	12	0
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	13	0
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	22,074
15	Property subject to section 168(f)(1) election	15	0
16	Other depreciation (including ACRS)	16	12,401

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A		17	143,212
17	MACRS deductions for assets placed in service in tax years beginning before 2010		
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		0	0.0			0
b 5-year property		22,074	0.0			4,415
c 7-year property		0	0.0			0
d 10-year property		0	0.0			0
e 15-year property		0	0.0			0
f 20-year property		0	0.0			0
g 25-year property		0	25 yrs.		S/L	0
h Residential rental property		0	27.5 yrs.	MM	S/L	0
i Nonresidential real property		36,570	39 yrs.	MM	S/L	508
		0	0.0	MM	S/L	0

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life		0	0.0		S/L	0
b 12-year		0	12 yrs.		S/L	0
c 40-year		0	40 yrs.	MM	S/L	0

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	0
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see Instr.	22	182,610
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	0

ERF

For Paperwork Reduction Act Notice, see separate instructions.

F0.00.02

US4562P1

Form 4562 (2010)

Form 4562 (2010)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
---	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

25 Special depreciation allowance for qualified, listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25 0

26 Property used more than 50% in a qualified business use:	0.00%	0	0	0.0	0	0	0
	0.00%	0	0	0.0	0	0	0
	0.00%	0	0	0.0	0	0	0

27 Property used 50% or less in a qualified business use:	0.00%	0	0	0.0	S/L	0	
	0.00%	0	0	0.0	S/L	0	
	0.00%	0	0	0.0	S/L	0	

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. 28 0

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. 29 0

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)	0	0	0	0	0	0
31 Total commuting miles driven during the year	0	0	0	0	0	0
32 Total other personal (noncommuting) miles driven	0	0	0	0	0	0
33 Total miles driven during the year. Add lines 30 through 32	0	0	0	0	0	0
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	---------------------------------	---------------------------	---------------------	--	-----------------------------------

42 Amortization of costs that begins during your 2010 tax year (see instructions): 0 723

43 Amortization of costs that began before your 2010 tax year 43 0 723

44 Total. Add amounts in column (f). See the instructions for where to report 44 0 723

404- Review Only

Form 1120 Department of the Treasury Internal Revenue Service		U.S. Corporation Income Tax Return For calendar year 2013 or tax year beginning _____, ending _____ Information about Form 1120 and its separate instructions is at www.irs.gov/form1120 .		OMB No. 1545-0123 2013	
A Check if: 1a Consolidated return (attach Form 851) ☐ b Life/nonlife consolidated return (attach Sch. PH) ☐ 2 Personal holding co. (attach Sch. PH) ☐ 3 Personal service corp. (see instructions) ☐ 4 Schedule M-3 attached ☐		TYPE OR PRINT Name Martsville Medical Group LLC Number, street, and room or suite no. If a P.O. box, see instructions. 5811 Pelican Bay Blvd Ste 500 City or town, state, or province, country and ZIP or foreign postal code Naples FL 34108		B Employer identification number 27-0172376 C Date incorporated 05/08/2009 D Total assets (see instructions) \$ 2,455,982	
		E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change			
Income 1a Gross receipts or sales b Returns and allowances c Balance. Subtract line 1b from line 1a 2 Cost of goods sold (attach Form 1125-A) 3 Gross profit. Subtract line 2 from line 1c 4 Dividends (Schedule C, line 19) 5 Interest 6 Gross rents 7 Gross royalties 8 Capital gain net income (attach Schedule D (Form 1120)) 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) 10 Other income (see instructions—attach statement) 11 Total income. Add lines 3 through 10.		1a 13,073,084 1b 1c 13,073,084 2 0 3 13,073,084 4 0 5 6 7 8 0 9 0 10 See Stmt 1 418,086 11 13,491,170 12 0 13 11,073,042 14 91,584 15 752,835 16 See Stmt 2 1,258,036 17 See Stmt 3 603,658 18 0 19 20 165,417 21 22 7,935 23 24 1,306,831 25 26 See Stmt 4 3,679,889 27 18,939,227 28 -5,448,057 29a 29b 0 29c 0 30 -5,448,057 31 NONE 32 0 33 34 NONE 35 NONE 36 NONE		12 Compensation of officers (see instructions—attach Form 1125-E) 13 Salaries and wages (less employment credits) 14 Repairs and maintenance 15 Bad debts 16 Rents 17 Taxes and licenses 18 Interest 19 Charitable contributions 20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) 21 Depletion 22 Advertising 23 Pension, profit-sharing, etc., plans 24 Employee benefit programs 25 Domestic production activities deduction (attach Form 8903) 26 Other deductions (attach statement) 27 Total deductions. Add lines 12 through 26. 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11. 29a Net operating loss deduction (see instructions) b Special deductions (Schedule C, line 20) c Add lines 29a and 29b	
Deductions (See instructions for limitations on deductions.) 30 Taxable income. Subtract line 29c from line 28 (see instructions) 31 Total tax (Schedule J, Part I, line 11) 32 Total payments and refundable credits (Schedule J, Part II, line 21) 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached 34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed 35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid 36 Enter amount from line 35 you want: Credited to 2014 estimated tax		NONE Refunded NONE Refunded NONE Refunded		30 -5,448,057 31 NONE 32 0 33 34 NONE 35 NONE 36 NONE	
Sign Here Signature of officer _____ Date _____ Title _____ Print/Type preparer's name _____ Preparer's signature _____ Date _____ Firm's name _____ Firm's EIN _____ Firm's address _____ Phone no. _____		Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No	

Hartsville Medical Group LLC
Form 1120 (2013)

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		-76,014		34,400
2a	Trade notes and accounts receivable	3,024,045		2,816,986	
b	Less allowance for bad debts	(1,750,684)	1,273,361	(1,786,556)	1,030,430
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see Instructions)		220,981		185,410
6	Other current assets (attach statement) See Stmt				
7	Loans to shareholders				
8	Mortgage and real estate loans		21,000		22,222
9	Other investments (attach statement) See Stmt 6	1,398,849		1,701,108	
10a	Buildings and other depreciable assets	(364,403)	1,034,446	(541,336)	1,159,772
b	Less accumulated depreciation				
11a	Depletable assets	()		()	
b	Less accumulated depletion				
12	Land (net of any amortization)	48,888		48,888	
13a	Intangible assets (amortizable only)	(33,029)	15,859	(41,314)	7,574
b	Less accumulated amortization		0		16,174
14	Other assets (attach statement) See Stmt 7		2,489,633		2,455,982
15	Total assets				64,339
Liabilities and Shareholders' Equity					
16	Accounts payable		67,429		
17	Mortgages, notes, bonds payable in less than 1 year		795,892		873,271
18	Other current liabilities (attach statement) See Stmt 8				
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		21,390,811		26,979,434
21	Other liabilities (attach statement) See Stmt 9				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital		0		0
24	Retained earnings—Appropriated (attach statement)		-19,764,499		-25,461,062
25	Retained earnings—Unappropriated		0		0
26	Adjustments to shareholders' equity (attach statement)		()		()
27	Less cost of treasury stock		2,489,633		2,455,982
28	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions.

1	Net income (loss) per books	-5,696,563	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):	0	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):			a Depreciation \$	165,417
a	Depreciation \$	176,929		b Charitable contributions \$	
b	Charitable contributions \$	2,737			
c	Travel and entertainment \$			See Stmt 11	-269,954
	See Stmt 10	-35,697	9	Add lines 7 and 8	-104,537
6	Add lines 1 through 5	-5,552,594	10	Income (page 1, line 28)—line 6 less line 9	-5,448,057

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-19,764,499	5	Distributions: a Cash	
2	Net income (loss) per books	-5,696,563		b Stock	
3	Other increases (itemize):			c Property	
		0	6	Other decreases (itemize):	0
			7	Add lines 5 and 6	0
4	Add lines 1, 2, and 3	-25,461,062	8	Balance at end of year (line 4 less line 7)	-25,461,062

SCHEDULE M-3
(Form 1120)

Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

► Attach to Form 1120 or 1120-G. ► Information about Schedule M-3 (Form 1120) and its
separate instructions is available at www.irs.gov/form1120.

OMB No. 1545-0123

2013

Name of corporation (common parent, if consolidated return)

Hartsville Medical Group LLC

Employer identification number

27-0172376

- Check applicable box(es): (1) ☐ Non-consolidated return (2) ☐ Consolidated return (Form 1120 only)
(3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
☐ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
☐ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
☐ No. Go to line 1c.
- c Did the corporation prepare a non-tax-basis income statement for that period?
☐ Yes. Complete lines 2a through 11 with respect to that income statement.
☐ No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a Enter the income statement period: Beginning _____ Ending _____
- b Has the corporation's income statement been restated for the income statement period on line 2a?
☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☐ No.
- c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☐ No.
- 3a Is any of the corporation's voting common stock publicly traded?
☐ Yes.
☐ No. If "No," go to line 4a.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____
- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____
- 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1
- b Indicate accounting standard used for line 4a (see instructions):
(1) ☐ GAAP (2) ☐ IFRS (3) ☐ Statutory (4) ☐ Tax-basis (5) ☐ Other (specify) _____
- 5a Net income from nonincludible foreign entities (attach statement) _____
- b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) _____
- 6a Net income from nonincludible U.S. entities (attach statement) _____
- b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) _____
- 7a Net income (loss) of other includible foreign disregarded entities (attach statement) _____
- b Net income (loss) of other includible U.S. disregarded entities (attach statement) _____
- c Net income (loss) of other includible entities (attach statement) _____
- 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement) _____
- 9 Adjustment to reconcile income statement period to tax year (attach statement) _____
- 10a Intercompany dividend adjustments to reconcile to line 11 (attach statement) _____
- b Other statutory accounting adjustments to reconcile to line 11 (attach statement) _____
- c Other adjustments to reconcile to amount on line 11 (attach statement) _____
- 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10.
Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.
- 12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4		
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Schedule M-3 (Form 1120) 2013

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group LLC

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/LPG groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Employer identification number

Name of subsidiary (if consolidated return)

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach statement)				
13 Interest income (attach Form 8916-A)				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)				
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement)	0	0	0	0
26 Total income (loss) items. Combine lines 1 through 25	-12,218,824	245,769	2,737	-11,970,318
27 Total expense/deduction items (from Part III, line 38)	6,522,261			6,522,261
28 Other items with no differences . . . See Stmt 12				
29a Mixed groups, see instructions. All others, combine lines 26 through 28	-5,696,563	245,769	2,737	-5,448,057
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	-5,696,563	245,769	2,737	-5,448,057

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2013

Schedule M-3 (Form 1120) 2013

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group LLC

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Employer identification number

Name of subsidiary (if consolidated return)

Part III. Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)				
9 Stock option expense				
10 Other equity-based compensation				
11 Meals and entertainment	5,474		-2,737	2,737
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing				
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property				
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs	8,287	-3,908		4,379
29 Reserved				
30 Depletion	176,929	-11,512		165,417
31 Depreciation	999,076	-246,241		752,835
32 Bad debt expense				
33 Corporate owned life insurance premiums				
34 Purchase versus lease (for purchasers and/or lessees)				
35 Research and development costs				
36 Section 118 exclusion (attach statement)				
37 Other expense/deduction items with differences (attach statement). See Stmt. 13.	11,029,058	15,892		11,044,950
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	12,218,824	-245,769	-2,737	11,970,318

Form **4562**Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on return**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions.

▶ Attach to your tax return.

OMB No. 1545-0172

2013Attachment
Sequence No. 179

Identifying number

27-0172376

Hartsville Medical Group LLC

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	0
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2014. Add lines 9 and 10, less line 12 ▶	13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	64,582
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	89,919
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		29,572	5.0	HY	200 DB	5,915
c 7-year property		35,010	7.0	HY	200 DB	5,001
d 10-year property						
e 15-year property						
f 20-year property			25 yrs.		S/L	
g 25-year property			27.5 yrs.	MM	S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	165,417
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Form 4562 (2013)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	----------------------------------	--	----------------------------	--	---------------------------	------------------------------	----------------------------------	------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25

26 Property used more than 50% in a qualified business use:

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L -			
		%			S/L -			
		%			S/L -			

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28 0

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29 0

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	------------------------------------	---------------------------	---------------------	--	-----------------------------------

42 Amortization of costs that begins during your 2013 tax year (see instructions):

43 Amortization of costs that began before your 2013 tax year 43 4,379

44 Total. Add amounts in column (f). See the instructions for where to report 44 4,379

Hartsville Medical Group LLC

Tax Year 2013

EIN: 27-0172376

5/29/2014 5:00:37 PM

Form 1120, Page 1, Line 10, Other income not included elsewhere

Statement: 1

Amount	
Description	
Other Income	418,086
Total	418,086

Form 1120, Page 1, Line 16, Rent expense

Statement: 2

Amount	
Description	
Personal Property Rent	1,258,036
Total	1,258,036

Form 1120, Page 1, Line 17, Taxes and licenses

Statement: 3

Amount	
Description	
Payroll Taxes	541,438
Property Taxes	62,220
Total	603,658

Form 1120, Page 1, Line 26, Other deductions not included elsewhere

Statement: 4

Amount	
Description	
Prepaid Expenses	(28,092)
Amortization - Tax	4,379
Automobile & Travel Expenses	62,241
Dues & Subscriptions	54,955
Education & Development	39,834
Insurance	248,228
Meals and Entertainment - 50%	2,737
MSO Billing Fee	123,182
Other Expenses	2,817
Outside Services	1,669,857
Telephone	98,520
Postage & Shipping	6,811
Professional Fees	282
Recruitment & Relocation Expense	6,168
Supplies	1,155,225
Service Charges	54,475
Transcription Service	53,746

Hartsville Medical Group LLC
Tax Year 2013

EIN: 27-0172376

5/29/2014 5:00:37 PM

124,524

3,679,889

Utilities

Total

Hartsville Medical Group LLC
Tax Year 2013

EIN: 27-0172376

5/29/2014 5:00:41 PM

Form 1120, Page 5, Schedule L, Line 6, Other current assets		Statement: 5
Description	Beginning Amount	Ending Amount
Prepaid Expenses	60,106	32,014
Supplies	160,875	132,090
Prepaid Rent	0	21,306
Total	220,981	185,410

Form 1120, Page 5, Schedule L, Line 9, Other investments		Statement: 6
Description	Beginning Amount	Ending Amount
Deposits	0	1,222
Investments in RRG	21,000	21,000
Total	21,000	22,222

Form 1120, Page 5, Schedule L, Line 14, Other assets		Statement: 7
Description	Beginning Amount	Ending Amount
Construction in Progress	0	16,174
Total	0	16,174

Form 1120, Page 5, Schedule L, Line 18, Other current liabilities		Statement: 8
Description	Beginning Amount	Ending Amount
Accrued Bonus	245,528	213,623
Accrued Vacation	117,684	103,474
Accrued Expenses	400,510	508,331
Accrued Liabilities	23,855	36,973
Payroll Taxes Payable	8,315	10,870
Total	795,892	873,271

Form 1120, Page 5, Schedule L, Line 21, Other liabilities		Statement: 9
Description	Beginning Amount	Ending Amount
Other liabilities	0	173

Hartsville Medical Group LLC
Tax Year 2013

EIN: 27-0172376

5/29/2014 5:00:41 PM

Due to HMA Affiliate

Total

21,390,811

21,390,811

26,979,261

26,979,434

Hartsville Medical Group LLC
Tax Year 2013

EIN: 27-0172376

5/29/2014 5:00:43 PM

Form 1120, Page 5, Schedule M-1, Line 5, Expense on books, not deductible on
return-Other

Statement: 10

Description	Amount
Amortization - Other	8,287
Bonus Accrual	(31,905)
Vacation Accrual	(12,079)
Total	(35,697)

Form 1120, Page 5, Schedule M-1, Line 8, Expense deducted on return, not on
books-Other

Statement: 11

Description	Amount
Amortization - Other	4,379
Bad Debts	(107,023)
Bad Debts - NAEM	(139,218)
Prepaid Expenses	(28,092)
Total	(269,954)

Hartsville Medical Group LLC

Tax Year 2013

EIN: 27-0172376

5/29/2014 5:00:46 PM

Form 1120, Schedule M-3, Page 2, Part II, Line 28, Other income (loss) and
exp/ded items with no differences

Statement: 12

Description	Amount per Income Statement	Temporary Difference	Permanent Difference	Amount per Tax Return
Utilities	(124,524)	0	0	(124,524)
Transcription Service	(53,746)	0	0	(53,746)
Service Charges	(54,475)	0	0	(54,475)
Supplies	(1,155,225)	0	0	(1,155,225)
Recruitment & Relocation Expense	(6,168)	0	0	(6,168)
Professional Fees	(282)	0	0	(282)
Postage & Shipping	(6,811)	0	0	(6,811)
Telephone	(98,520)	0	0	(98,520)
Outside Services	(1,669,857)	0	0	(1,669,857)
Other Expenses	(2,817)	0	0	(2,817)
MSO Billing Fee	(123,182)	0	0	(123,182)
Insurance	(248,228)	0	0	(248,228)
Education & Development	(39,834)	0	0	(39,834)
Dues & Subscriptions	(54,955)	0	0	(54,955)
Automobile & Travel Expenses	(62,241)	0	0	(62,241)
Property Taxes	(62,220)	0	0	(62,220)
Payroll Taxes	(541,438)	0	0	(541,438)
Personal Property Rent	(1,258,036)	0	0	(1,258,036)
Other Income	418,086	0	0	418,086
Repairs and maintenance	(91,584)	0	0	(91,584)
Gross receipts or sales	13,073,084	0	0	13,073,084
Advertising expense	(7,935)	0	0	(7,935)
Employee benefit programs	(1,306,831)	0	0	(1,306,831)
Total	6,522,261	0	0	6,522,261

Form 1120, Schedule M-3, Page 3, Part III, Line 37, Other expense/deduction
items with differences

Statement: 13

Description	Expense per Income Statement	Temporary Difference	Permanent Difference	Deduction per Tax Return
Prepaid Expenses	0	(28,092)	0	(28,092)
Salaries and wages	11,029,058	43,984	0	11,073,042
Total	11,029,058	15,892	0	11,044,950

Form 1120

U.S. Corporation Income Tax Return

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or tax year beginning _____, ending _____

2011

See separate instructions.

- A** Check if:
- 1** ☐ Consolidated return (attach Form 990)
- b** ☐ Life/nonlife consolidated return
- 2** ☐ Personal holding co. (attach Sch. PH)
- 3** ☐ Personal service corp. (see instr.)
- 4** ☐ Schedule M-3 attached

TYPE OR PRINT	Name
	Hartsville Medical Group, LLC
	Number, street, and room or suite no. If a P.O. box, see instructions.
	5811 Palican Bay Blvd Ste 500
	City or town, state, and ZIP code
	Naples FL 34108

B Employer identification number

27-0172376

C Date incorporated

05/08/2009

D Total assets (see instructions)

\$ 2,435,664

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1 a	Merchant card and third-party payments. For 2011, enter -0-	1a	0
	b	Gross receipts or sales not reported on line 1a (see instructions)	1b	11,862,013
	c	Total. Add lines 1a and 1b	1c	11,862,013
	d	Returns and allowances plus any other adjustments (see instructions)	1d	
	e	Subtract line 1d from line 1c	1e	11,862,013
	2	Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A)	2	0
	3	Gross profit. Subtract line 2 from line 1e	3	11,862,013
	4	Dividends (Schedule C, line 19)	4	0
	5	Interest	5	
	6	Gross rents	6	6,572
	7	Gross royalties	7	
Deductions (See instructions for limitations on deductions.)	8	Capital gain net income (attach Schedule D (Form 1120))	8	0
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	0
	10	Other income (see instructions - attach schedule) See Stmt. 1	10	119,452
	11	Total income. Add lines 3 through 10	11	11,988,037
	12	Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E)	12	0
	13	Salaries and wages (less employment credits)	13	9,544,998
	14	Repairs and maintenance	14	105,335
	15	Bad debts	15	514,756
	16	Rents See Stmt. 2	16	1,386,179
	17	Taxes and licenses See Stmt. 3	17	502,756
	18	Interest	18	0
	19	Charitable contributions	19	
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	256,663
	21	Depletion	21	
	22	Advertising	22	24,913
	23	Pension, profit-sharing, etc., plans	23	
	24	Employee benefit programs	24	909,643
	25	Domestic production activities deduction (attach Form 8903)	25	
26	Other deductions (attach schedule) See Stmt. 4	26	4,219,999	
27	Total deductions. Add lines 12 through 26	27	17,465,242	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	-5,477,205	
Tax, Refundable Credits, and Payments	29 a	Net operating loss deduction (see instructions)	29a	
	b	Special deductions (Schedule C, line 20)	29b	0
	c	Add lines 29a and 29b	29c	0
	30	Taxable income. Subtract line 29c from line 28 (see instructions)	30	-5,477,205
31	Total tax (Schedule J, Part I, line 11)	31	NONE	
32	Total payments and refundable credits (Schedule J, Part II, line 21)	32	0	
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐	33		
34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	NONE	
35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	NONE	
36	Enter amount from line 35 you want: Credited to 2012 estimated tax ☐ NONE Refunded ☐	36	NONE	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instr.)? ☐ Yes ☐ No

Signature of officer

Date

Title

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Paid Preparer Use Only

Firm's name

Firm's EIN

Firm's address

Phone no.

For Paperwork Reduction Act Notice, see separate instructions.

JXB F 12/09/2011

Form 1120 (2011)

Form 1120 (2011)

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
Cash		-8,923		10,850
Trade notes and accounts receivable	3,028,130		2,482,435	
Less allowance for bad debts	(1,657,321)	1,370,809	(1,479,164)	1,003,271
Inventories				
U.S. government obligations				
Tax-exempt securities (see instructions)		313,049		351,204
Other current assets (attach schedule) See Stmt 5				
Loans to shareholders				
Mortgage and real estate loans		39,628		39,628
Other investments (attach schedule) See Stmt 6			1,185,704	
Buildings and other depreciable assets	1,004,679			
Less accumulated depreciation	(108,632)	896,047	(219,763)	965,941
Depletable assets				
Less accumulated depletion				
Land (net of any amortization)	25,010		37,368	
Intangible assets (amortizable only)	(9,850)	15,160	(19,973)	17,395
Less accumulated amortization		114,360		47,375
Other assets (attach schedule) See Stmt 7		2,740,130		2,435,664
Total assets				
Liabilities and Shareholders' Equity				
Accounts payable		79,205		64,877
Mortgages, notes, bonds payable in less than 1 year See Stmt 8		1,106,715		605,589
Other current liabilities (attach schedule)				
Loans from shareholders		0		0
Mortgages, notes, bonds payable in 1 yr or more		9,852,313		15,493,090
Other liabilities (attach schedule) See Stmt 9				
Capital stock: a Preferred stock				
b Common stock				
Additional paid-in capital		0		0
Retained earnings - Appropriated (attach schedule)		-8,298,103		-13,727,892
Retained earnings - Unappropriated		0		0
Adjustments to shareholders' equity (attach schedule)				
Less cost of treasury stock				
Total liabilities and shareholders' equity		2,740,130		2,435,664

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books	-5,429,789	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):	0		
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation \$ 111,130		a Depreciation \$ 256,663	
b Charitable contributions \$		b Charitable contributions \$	
c Travel and entertainment \$ 3,095			
See Stmt 10 31,208	145,433	See Stmt 11 -63,814	192,849
6 Add lines 1 through 5	-5,284,356	9 Add lines 7 and 8	192,849
		10 Income (page 1, line 28) - line 6 less line 9	-5,477,205

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

Balance at beginning of year	-8,298,103	5 Distributions: a Cash	
Net income (loss) per books	-5,429,789	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	0
	0	7 Add lines 5 and 6	0
4 Add lines 1, 2, and 3	-13,727,892	8 Balance at end of year (line 4 less line 7)	-13,727,892

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2011

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.

▶ See separate instructions.

of corporation (common parent, if consolidated return)

Employer identification number

Hartsville Medical Group, LLC

27-0172376

Check applicable box(es): (1) ☐ Non-consolidated return (2) ☐ Consolidated return (Form 1120 only)
(3) ☐ Mixed 1120/LPC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
☐ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
☐ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
☐ No. Go to line 1c.
- c Did the corporation prepare a non-tax-basis income statement for that period?
☐ Yes. Complete lines 2a through 11 with respect to that income statement.
☐ No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

- 2 a Enter the income statement period: Beginning _____ Ending _____
- b Has the corporation's income statement been restated for the income statement period on line 2a?
☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☐ No.
- c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☐ No.
- 3 a Is any of the corporation's voting common stock publicly traded?
☐ Yes.
☐ No. If "No," go to line 4a.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____
- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____

4 a	Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1.	4a	
b	Indicate accounting standard used for line 4a (see instructions): (1) ☐ GAAP (2) ☐ IFRS (3) ☐ Statutory (4) ☐ Tax-basis (5) ☐ Other (specify) _____		
5 a	Net income from nonincludible foreign entities (attach schedule)	5a	()
b	Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b	
6 a	Net income from nonincludible U.S. entities (attach schedule)	6a	()
b	Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b	
7 a	Net income (loss) of other includible foreign disregarded entities (attach schedule)	7a	
b	Net income (loss) of other includible U.S. disregarded entities (attach schedule).	7b	
c	Net income (loss) of other includible entities (attach schedule)	7c	
8	Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)	8	
9	Adjustment to reconcile income statement period to tax year (attach schedule)	9	
10 a	Intercompany dividend adjustments to reconcile to line 11 (attach schedule).	10a	
b	Other statutory accounting adjustments to reconcile to line 11 (attach schedule).	10b	
c	Other adjustments to reconcile to amount on line 11 (attach schedule).	10c	
11	Net income (loss) per income statement of includible corporations. Combine lines 4 through 10.	11	0

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4. ▶		
b Removed on Part I, line 5. ▶		
c Removed on Part I, line 6. ▶		
d Included on Part I, line 7. ▶		

Name of corporation (common parent, if consolidated return)

Employer identification number

Hartsville Medical Group, LLC

27-0172376

applicable box(es): (1) ☐ Consolidated group (2) ☒ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/LIPC group

If a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)		(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Section 78 gross-up				
5	Gross foreign distributions previously taxed				
6	Income (loss) from equity method U.S. corporations				
7	U.S. dividends not eliminated in tax consolidation				
8	Minority interest for includible corporations				
9	Income (loss) from U.S. partnerships				
10	Income (loss) from foreign partnerships				
11	Income (loss) from other pass-through entities				
12	Items relating to reportable transactions (attach details)				
13	Interest income (attach Form 8916-A)				
14	Total accrual to cash adjustment				
15	Hedging transactions				
16	Mark-to-market income (loss)				
17	Cost of goods sold (attach Form 8916-A)				
18	Sale versus lease (for sellers and/or lessors)				
19	Section 481(a) adjustments				
20	Unearned/deferred revenue				
21	Income recognition from long-term contracts				
22	Original issue discount and other imputed interest				
23 a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
24	Capital loss limitation and carryforward used				
25	Other income (loss) items with differences (attach schedule)	0	0	0	0
26	Total income (loss) items. Combine lines 1 through 25	-10,327,572	-50,511	3,095	-10,374,988
27	Total expense/deduction items (from Part III, line 38)	4,897,783			4,897,783
28	Other items with no differences See Stmt. 12				
29 a	Mixed groups, see instructions. All others, combine lines 26 through 28	-5,429,789	-50,511	3,095	-5,477,205
b	PC insurance subgroup reconciliation totals				
c	Life insurance subgroup reconciliation totals				
30	Reconciliation totals. Combine lines 29a through 29c	-5,429,789	-50,511	3,095	-5,477,205

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group, LLC

Check applicable box(es): (1) ☐ Consolidated group (2) ☒ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/LPC group

If a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Employer identification number

Name of subsidiary (if consolidated return)

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1. U.S. current income tax expense				
2. U.S. deferred income tax expense				
3. State and local current income tax expense				
4. State and local deferred income tax expense				
5. Foreign current income tax expense (other than foreign withholding taxes)				
6. Foreign deferred income tax expense				
7. Foreign withholding taxes				
8. Interest expense (attach Form 8916-A)				
9. Stock option expense				
10. Other equity-based compensation	6,189		-3,095	3,094
11. Meals and entertainment				
12. Fines and penalties				
13. Judgments, damages, awards, and similar costs				
14. Parachute payments				
15. Compensation with section 162(m) limitation				
16. Pension and profit-sharing				
17. Other post-retirement benefits				
Deferred compensation				
18. Charitable contribution of cash and tangible property				
19. Charitable contribution of intangible property				
20. Charitable contribution limitation/carryforward				
21. Domestic production activities deduction				
22. Current year acquisition or reorganization investment banking fees				
23. Current year acquisition or reorganization legal and accounting fees				
24. Current year acquisition/reorganization other costs				
25. Amortization/impairment of goodwill				
26. Amortization of acquisition, reorganization, and start-up costs	10,122	-8,860		1,262
27. Other amortization or impairment write-offs				
28. Section 198 environmental remediation costs				
29. Depletion	111,130	145,533		256,663
30. Depreciation	634,047	-119,291		514,756
31. Bad debt expense				
32. Corporate owned life insurance premiums				
33. Purchase versus lease (for purchasers and/or lessees)				
34. Research and development costs				
35. Section 118 exclusion (attach schedule)				
36. Other expense/deduction items with differences (attach schedule) See Stmt 13	9,566,084	33,129		9,599,213
37. Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	10,327,572	50,511	-3,095	10,374,988

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2011Department of the Treasury
Internal Revenue Service (99)
(s) shown on return

▶ See separate instructions. ▶ Attach to your tax return.

Business or activity to which this form relates

Attachment
Sequence No. **179**Identifying number
27-0172376

Hartsville Medical Group, LLC

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-.	5	500,000
If married filing separately, see instructions			

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
7	Listed property. Enter the amount from line 29	7		
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	0	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	0	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10		
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	0	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	0	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12.	13	0	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	153,276
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	7,359

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	95,300
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. ☐		

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property		40,108	39 yrs.	MM	S/L	728

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	256,663
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2011)

Form 4562 (2011)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/Investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
---	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25

26 Property used more than 50% in a qualified business use:

	%						
	%						
	%						

27 Property used 50% or less in a qualified business use:

	%			S/L-		
	%			S/L-		
	%			S/L-		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28 0

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29 0

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles) . . .						
31 Total commuting miles driven during the year . . .						
Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32.						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . .		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	---------------------------------	---------------------------	---------------------	--	-----------------------------------

Amortization of costs that begins during your 2011 tax year (see instructions):

43 Amortization of costs that began before your 2011 tax year	43	1,262
44 Total. Add amounts in column (f). See the instructions for where to report	44	1,262

Hartsville Medical Group, LLC

Tax Year 2011

EIN: 27-0172376

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Form 1120, Page 1, Line 10

Statement: 1

<u>Description</u>	<u>Amount</u>
Other Income	119,452
Total	119,452

Form 1120, Page 1, Line 16, Rent expense

Statement: 2

<u>Description</u>	<u>Amount</u>
Personal Property Rent	1,386,179
Total	1,386,179

Form 1120, Page 1, Line 17

Statement: 3

<u>Description</u>	<u>Amount</u>
Payroll Taxes	468,431
Property Taxes	33,985
Sales & Use Taxes	340
Total	502,756

Form 1120, Page 1, Line 26

Statement: 4

<u>Description</u>	<u>Amount</u>
Prepaid Expenses	54,215
Amortization - Tax	1,262
Automobile & Travel Expenses	48,088
Dues & Subscriptions	68,476
Education & Development	33,604
Insurance	276,250
Meals and Entertainment - 50%	3,094
MRI Charges	593,101
MSO Billing Fee	1
Other Expenses	660
Outside Services	1,520,313
Telephone	123,318
Postage & Shipping	10,954
Professional Fees	3
Recruitment & Relocation Expense	20,532
Supplies	1,187,673
Service Charges	55,926

Hartsville Medical Group, LLC
Tax Year 2011

EIN: 27-0172376

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Transcription Service
Utilities

118,762

103,767

Total

4,219,999

Hartsville Medical Group, LLC

Tax Year 2011

EIN: 27-0172376

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Form 1120, Schedule M-3, Page 2, Part II, Line 28, Other
income (loss) and exp/ded items with no differences

				Statement: 12
Description	Amount per Income Statement	Temporary Difference	Permanent Difference	Amount per Tax Return
Utilities	(103,767)	0	0	(103,767)
Transcription Service	(118,762)	0	0	(118,762)
Service Charges	(55,926)	0	0	(55,926)
Supplies	(1,187,673)	0	0	(1,187,673)
Recruitment & Relocation Expense	(20,532)	0	0	(20,532)
Professional Fees	(3)	0	0	(3)
Postage & Shipping	(10,954)	0	0	(10,954)
Telephone	(123,318)	0	0	(123,318)
Outside Services	(1,520,313)	0	0	(1,520,313)
Other Expenses	(660)	0	0	(660)
MSO Billing Fee	(1)	0	0	(1)
MRI Charges	(593,101)	0	0	(593,101)
Insurance	(276,250)	0	0	(276,250)
Education & Development	(33,604)	0	0	(33,604)
Dues & Subscriptions	(68,476)	0	0	(68,476)
Automobile & Travel Expenses	(48,088)	0	0	(48,088)
Sales & Use Taxes	(340)	0	0	(340)
Property Taxes	(33,985)	0	0	(33,985)
Payroll Taxes	(468,431)	0	0	(468,431)
Personal Property Rent	(1,386,179)	0	0	(1,386,179)
Other Income	119,452	0	0	119,452
Gross rents	6,572	0	0	6,572
Repairs and maintenance	(105,335)	0	0	(105,335)
Gross receipts or sales	11,862,013	0	0	11,862,013
Advertising expense	(24,913)	0	0	(24,913)
Employee benefit programs	(909,643)	0	0	(909,643)
Total	4,897,783	0	0	4,897,783

Form 1120, Schedule M-3, Page 3, Part III, Line 37

				Statement: 13
Description	Expense per Income Statement	Temporary Difference	Permanent Difference	Deduction per Tax Return
Prepaid Expenses	0	54,215	0	54,215
Salaries and wages	9,566,084	(21,086)	0	9,544,998
Total	9,566,084	33,129	0	9,599,213

1120

Form
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

OMB No. 1545-0123

2014

For calendar year 2014 or tax year beginning _____, ending _____, 20____
Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

A Check if:

- 1a Consolidated return (attach Form 851) ☐
- b Life/nonlife consolidated return ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (see instructions) ☐
- 4 Schedule M-3 attached ☐

TYPE
OR
PRINTName, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, or province, country and ZIP code or foreign postal codeHartsville Medical Group, LLC
4000 Meridian Blvd

Franklin TN 37067 Williamson

B Employer identification number

27-0172376

C Date incorporated

D Total assets (see instructions)

\$ 2,193,111

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1a	Gross receipts or sales	1a	11,850,198	
	1b	Returns and allowances	1b	0	
	1c	Balance. Subtract line 1b from line 1a	1c	11,850,198	
	2	Cost of goods sold (attach Form 1125-A)	2	0	
	3	Gross profit. Subtract line 2 from line 1c	3	11,850,198	
	4	Dividends (Schedule C, line 19)	4	0	
	5	Interest	5	0	
	6	Gross rents	6	0	
	7	Gross royalties	7	0	
	8	Capital gain net income (attach Schedule D (Form 1120))	8	0	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	0	
10	Other income (see instructions--attach statement) STATEMENT 1	10	301,916		
11	Total income. Add lines 3 through 10	11	12,152,114		
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (see instructions--attach Form 1125-E)	12	0	
	13	Salaries and wages (less employment credits)	13	10,070,488	
	14	Repairs and maintenance	14	43,712	
	15	Bad debts	15	887,631	
	16	Rents	16	1,087,507	
	17	Taxes and licenses STATEMENT 2	17	31,988	
	18	Interest	18	0	
	19	Charitable contributions	19	0	
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	78,874	
	21	Depletion	21	0	
	22	Advertising	22	7,769	
	23	Pension, profit-sharing, etc., plans	23	0	
	24	Employee benefit programs	24	1,827,326	
	25	Domestic production activities deduction (attach Form 8903)	25	0	
	26	Other deductions (attach statement) STATEMENT 3	26	2,713,799	
	27	Total deductions. Add lines 12 through 26	27	16,749,094	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	-4,596,980	
	CPA, accountant, or other preparer's signature and address	29a	Net operating loss deduction (see instructions)	29a	0
29b		Special deductions (Schedule C, line 20)	29b	0	
29c		Add lines 29a and 29b	29c	0	
30		Taxable income. Subtract line 29c from line 28 (see instructions)	30	-4,596,980	
31		Total tax (Schedule J, Part I, line 11)	31	0	
32		Total payments and refundable credits (Schedule J, Part II, line 21)	32	0	
33		Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐	33	0	
34		Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	0	
35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	0		
36	Enter amount from line 35 you want: Credited to 2015 estimated tax ☒ 0 Refunded ☐	36	0		

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Proforma

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ NoPaid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if PTIN self-employed

Firm's EIN

Firm's name

Phone no.

Firm's address

For Paperwork Reduction Act Notice, see separate instructions.

F4.00.01 US1120P1 Form 1120 (2014)

ERF

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0	70	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	80	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Total. Add lines 1 through 8. See instructions for limitation			0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	0		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	0		
15	Foreign dividend gross-up	0		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
17	Other dividends	0		0
18	Deduction for dividends paid on certain preferred stock of public utilities	0		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0		0
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			0

Form 1120 (2014)

Schedule K Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	☐	2	0
2	Income tax. Check if a qualified personal service corporation (see instructions)	☐	3	0
3	Alternative minimum tax (attach Form 4626)		4	0
4	Add lines 2 and 3			
5a	Foreign tax credit (attach Form 1118)	5a	0	
b	Credit from Form 8834 (see instructions)	5b	0	
c	General business credit (attach Form 3800)	5c	0	
d	Credit for prior year minimum tax (attach Form 8827)	5d	0	
e	Bond credits from Form 8912	5e	0	
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	0
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0	
b	Recapture of low-income housing credit (attach Form 8611)	9b	0	
c	Interest due under the look-back method--completed long-term contracts (attach Form 8697)	9c	0	
d	Interest due under the look-back method--income forecast method (attach Form 8866)	9d	0	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0	
f	Other (see instructions--attach statement)	9f	0	
10	Total. Add lines 9a through 9f		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	0

Part II - Payments and Refundable Credits

12	2013 overpayment credited to 2014	12	0
13	2014 estimated tax payments	13	0
14	2014 refund applied for on Form 4466	14	0
15	Combine lines 12, 13, and 14	15	0
16	Tax deposited with Form 7004	16	0
17	Withholding (see instructions)	17	0
18	Total payments. Add lines 15, 16, and 17	18	0
19	Refundable credits from:		
a	Form 2439	19a	0
b	Form 4136	19b	0
c	Form 8827, line 8c	19c	0
d	Other (attach statement--see instructions)	19d	0
20	Total credits. Add lines 19a through 19d	20	0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	0

Schedule K Other Information (see instructions)

	Yes	No
1	Check accounting method: a ☐ Cash b ☒ Accrual c ☐ Other (specify) _____	
2	See the instructions and enter the:	
a	Business activity code no. _____	
b	Business activity ☒ Healthcare	
c	Product or service ☒ Healthcare	
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? _____	
	If "Yes," enter name and EIN of the parent corporation ☒ 13-3893191 Community Health Systems, Inc. and Su	
4	At the end of the tax year:	
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)	X

Form 1120 (2014)

Schedule K Other Information continued (see instructions)

5 At the end of the tax year, did the corporation:

- a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
			0.000
			0.000
			0.000

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
			0.000
			0.000
			0.000

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned and (ii) Owner's country

(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year \$

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer)

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) \$

13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?

If "Yes," complete and attach Schedule UTP.

15a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099?

b If "Yes," did or will the corporation file all required Forms 1099?

16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?

18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?

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Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		0	735,836	1,528,980
2a	Trade notes and accounts receivable	0			
b	Less allowance for bad debts	(0)	0	(1,301,761)	-565,925
3	Inventories		0		0
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		245,693
6	Other current assets (attach statement)		0		0
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)	0		1,770,459	
10a	Buildings and other depreciable assets	(0)	0	(803,257)	967,202
b	Less accumulated depreciation	0		0	
11a	Depletable assets	(0)	0	(0)	0
b	Less accumulated depletion		0		0
12	Land (net of any amortization)	0		0	
13a	Intangible assets (amortizable only)	(0)	0	(0)	0
b	Less accumulated amortization		0		17,161
14	Other assets (attach statement)		0		2,193,111
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable		0		65,596
17	Mortgages, notes, bonds payable in less than 1 year		0		0
18	Other current liabilities (attach statement)		0		713,541
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		0		6,294,471
21	Other liabilities (attach statement)	0		0	
22	Capital stock: a Preferred stock	0	0	0	0
	b Common stock		0		0
23	Additional paid-in capital		0		0
24	Retained earnings - Appropriated (attach statement)		0		-4,880,497
25	Retained earnings - Unappropriated		0		0
26	Adjustments to shareholders' equity (attach statement)	(0)		(0)	(0)
27	Less cost of treasury stock		0		2,193,111
28	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3 (see instructions).

1	Net income (loss) per books	-4,873,304	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains				0
4	Income subject to tax not recorded on books this year (itemize):	0	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation \$	-119,677
a	Depreciation \$	0	b	Charitable contributions \$	0
b	Charitable contributions \$	0		STATEMENT 9	130,422
c	Travel & entertainment \$	4,308	9	Add lines 7 and 8	10,745
	STATEMENT 8	282,761			10,745
6	Add lines 1 through 5	-4,586,235	10	Income (page 1, line 28) - line 6 less line 9	-4,596,980

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	0	5	Distributions: a Cash	0
2	Net income (loss) per books	-4,873,304		b Stock	0
3	Other increases (itemize):			c Property	0
	STATEMENT 10	-7,193	6	Other decreases (itemize):	0
4	Add lines 1, 2, and 3	-4,880,497	7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	-4,880,497

Form 1120 (2014)

F4.00.03 · US1120P5

Schedule M-3 (Form 1120) 2014

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group, LLC

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	0
2 Gross foreign dividends not previously taxed	0	0	0	0
3 Subpart F, QEF, and similar income inclusions		0	0	0
4 Section 78 gross-up	0	0	0	
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	0
7 U.S. dividends not eliminated in tax consolidation	0	0	0	
8 Minority interest for includible corporations	0	0	0	0
9 Income (loss) from U.S. partnerships	0	0	0	0
10 Income (loss) from foreign partnerships	0	0	0	0
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	0	0	0	0
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	0	0	0	0
18 Sale versus lease (for sellers and/or lessors)		0	0	0
19 Section 481(a) adjustments	0	0	0	0
20 Unearned/deferred revenue	0	0	0	0
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	0	0	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		0	0	0
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		0	0	0
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		0	0	0
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used	0	0	0	0
25 Other income (loss) items with differences (attach statement)	0	0	0	0
26 Total income (loss) items. Combine lines 1 through 25	0	0	0	0
27 Total expense/deduction items (from Part III, line 38)	0			0
28 Other items with no differences				
29a Mixed groups, see instructions. All others, combine lines 26 through 28	0	0	0	0
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	0	0	0	0

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2014

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group, LLC

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Employer identification number

Name of subsidiary (if consolidated return)

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return- Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	0	0	0	
2 U.S. deferred income tax expense	0	0	0	0
3 State and local current income tax expense	0	0	0	
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	0
7 Foreign withholding taxes	0	0	0	0
8 Interest expense (see instructions)	0	0	0	0
9 Stock option expense	0	0	0	0
10 Other equity-based compensation	0	0	0	0
11 Meals and entertainment	0	0	0	0
12 Fines and penalties	0	0	0	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	0	0
16 Pension and profit-sharing	0	0	0	0
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	0	0	0	0
19 Charitable contribution of cash and tangible property	0	0	0	0
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction		0	0	0
23 Current year acquisition or reorganization investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	0	0	0
27 Amortization of acquisition, reorganization, and start-up costs	0	0	0	0
28 Other amortization or impairment write-offs				
29 Reserved	0	0	0	0
30 Depletion	0	0	0	0
31 Depreciation	0	0	0	0
32 Bad debt expense	0	0	0	0
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Other expense/deduction items with differences (attach statement)	0	0	0	0
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	0	0	0	0

Form

4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

2014Attachment
Sequence No. 179Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.
▶ Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.

Name(s) shown on return

Hartsville Medical Group, LLC

Business or activity to which this form relates

Healthcare

Identifying number

27-0172376

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	0
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
		0	0
		0	0
		0	0
7	Listed property. Enter the amount from line 29	7	0
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562	10	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	0
12	Section 179 expense deduction. Add lines 9 and 10; but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12 ▶	13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	10,231
15	Property subject to section 168(f)(1) election	15	0
16	Other depreciation (including ACRS)	16	4,260

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A		17	62,841
17	MACRS deductions for assets placed in service in tax years beginning before 2014		
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B - Assets Placed in Service During 2014 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		0	0.0			0
b 5-year property		7,708	0.0			1,542
c 7-year property		0	0.0			0
d 10-year property		0	0.0			0
e 15-year property		0	0.0			0
f 20-year property		0	0.0			0
g 25-year property		0	25 yrs.		S/L	0
h Residential rental property		0	27.5 yrs.	MM	S/L	0
i Nonresidential real property		0	39 yrs.	MM	S/L	0
		0	0.0	MM	S/L	0

Section C - Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System

20a Class life		0	0.0		S/L	0
b 12-year		0	12 yrs.		S/L	0
c 40-year		0	40 yrs.	MM	S/L	0

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	0
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	78,874
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	0

ERF For Paperwork Reduction Act Notice, see separate instructions.

F4.00.01

US4562P1

Form 4562 (2014)

Hartsville Medical Group, LLC

Form 4562 (2014)

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		24b If "Yes," is the evidence written?		24c If "Yes," is the evidence written?		24d If "Yes," is the evidence written?		24e If "Yes," is the evidence written?		24f If "Yes," is the evidence written?		24g If "Yes," is the evidence written?		24h If "Yes," is the evidence written?		24i Elected section 179 cost	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	(j) Elected section 179 cost	(k) Elected section 179 cost	(l) Elected section 179 cost	(m) Elected section 179 cost	(n) Elected section 179 cost	(o) Elected section 179 cost	(p) Elected section 179 cost	(q) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)																	
26 Property used more than 50% in a qualified business use:																	
		0.00%	0	0	0.0		0	0									
		0.00%	0	0	0.0		0	0									
		0.00%	0	0	0.0		0	0									
27 Property used 50% or less in a qualified business use:																	
		0.00%	0	0	0.0	S/L	0	0									
		0.00%	0	0	0.0	S/L	0	0									
		0.00%	0	0	0.0	S/L	0	0									
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.																	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.																	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)	0	0	0	0	0	0
31 Total commuting miles driven during the year	0	0	0	0	0	0
32 Total other personal (noncommuting) miles driven	0	0	0	0	0	0
33 Total miles driven during the year. Add lines 30 through 32	0	0	0	0	0	0
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2014 tax year (see instructions):					
		0			0
		0			0
43 Amortization of costs that began before your 2014 tax year					
				43	0
44 Total. Add amounts in column (f). See the instructions for where to report					
				44	0

Form

8916-ADepartment of the Treasury
Internal Revenue Service**Supplemental Attachment to Schedule M-3**

OMB No. 1545-0123

2014

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

▶ Information about Form 8916-A and its instructions is at www.irs.gov/form1120.

Name of common parent

Hartsville Medical Group, LLC

Employer identification number

27-0172376

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions	0	0	0	0
2 Amounts attributable to:				
a Stock option expense	0	0	0	0
b Other equity based compensation	0	0	0	0
c Meals and entertainment	0	0	0	0
d Parachute payments	0	0	0	0
e Compensation with section 162(m) limitation	0	0	0	0
f Pension and profit sharing	0	0	0	0
g Other post-retirement benefits	0	0	0	0
h Deferred compensation	0	0	0	0
i Reserved				
j Amortization	0	0	0	0
k Depletion	0	0	0	0
l Depreciation	0	0	0	0
m Corporate owned life insurance premiums	0	0	0	0
n Other section 263A costs	0	0	0	0
3 Inventory shrinkage accruals	0	0	0	0
4 Excess inventory and obsolescence reserves	0	0	0	0
5 Lower of cost or market write-downs	0	0	0	0
6 Other items with differences (attach statement)	0	0	0	0
7 Other items with no differences	0			0
8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions.	0	0	0	0

For Paperwork Reduction Act Notice, see instructions..

ERF

Form 8916-A (2014)

F4.00.01 US8916A1

Form 8916-A (2014)

Part II Interest Income					
	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income	0	0	0	
2	Interest income from hybrid securities	0	0	0	0
3	Sale/lease interest income	0	0	0	0
4a	Intercompany interest income - From outside tax affiliated group	0	0	0	0
4b	Intercompany interest income - From tax affiliated group	0	0	0	0
5	Other interest income	0	0	0	0
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	0	0	0	0

Part III Interest Expense					
	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities	0	0	0	0
2	Lease/purchase interest expense	0	0	0	0
3a	Intercompany interest expense - Paid to outside tax affiliated group	0	0	0	0
3b	Intercompany interest expense - Paid to tax affiliated group	0	0	0	0
4	Other interest expense	0	0	0	0
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	0	0	0	0

Form 8916-A (2014)

08-Jun-2016 10:15:00

2014 FEDERAL FORM 1120 TAX RETURN

Hartsville Medical Group, LLC
27-0172376
Year: 2014

FORM 1120, PAGE 1 SUPPORTING SCHEDULES

STATEMENT 1 - FORM 1120, PG 1, LN 10
OTHER INCOME

LINE 10: OTHER INCOME
MISCELLANEOUS OTHER INCOME 301,916

STATEMENT 2 - FORM 1120, PG 1, LN 17
TAXES

LINE 17: TAXES
PROPERTY TAXES 31,988

STATEMENT 3 - FORM 1120, PG 1, LN 26
OTHER DEDUCTIONS

LINE 26: OTHER DEDUCTIONS
UTILITIES 118,074
SUPPLIES EXPENSE 885,234
TELEPHONES 82,386
MEALS & ENTERTAINMENT 4,308
AUTO & TRAVEL 54,807
INSURANCE (1,668)
MALPRACTICE INSURANCE 221,011
MISCELLANEOUS DEDUCTIONS 31,932
DUES & SUBSCRIPTIONS 81,796
Purchased Services 1,195,402
MANAGEMENT FEE EXPENSE 56,421
POSTAGE 8,282
SEC 481A ADJUSTMENTS (69,390)
TRAINING, MEETINGS & SEMINARS 45,204
TOTAL 2,713,799

08-Jun-2016 10:15:02

2014 FEDERAL FORM 1120 TAX RETURN

Hartsville Medical Group, LLC

27-0172376

Year: 2014

FORM 1120, PAGE 5, SCH L - ENDING SUPPORTING SCH

STATEMENT 4 - FORM 1120, PG 5, SCH L, LN 6, END
OTHER CURRENT ASSETS - ENDING

LINE 6: OTHER CURRENT ASSETS - ENDING

OTHER PREPAID EXPENSES	35,649
SUPPLIES	132,090
OTHER CURRENT ASSETS	77,954
TOTAL	<u>245,693</u>

STATEMENT 5 - FORM 1120, PG 5, SCH L, LN 14, END
OTHER ASSETS - ENDING

LINE 14: OTHER ASSETS

CONSTRUCTION IN PROGRESS	15,939
DEPOSITS	1,222
TOTAL	<u>17,161</u>

STATEMENT 6 - FORM 1120, PG 5, SCH L, LN 18, END
OTHER CURRENT LIABILITIES - ENDING

LINE 18: OTHER CURRENT LIABILITIES

ACCRUED COMPENSATION	585,512
ACCR. VACATION, HOLIDAY, & SICK PAY	102,293
ACCRUED SALES & USE TAX	1
OTHER ACCRUED LIABILITIES	25,453
PROPERTY TAXES PAYABLE	282
TOTAL	<u>713,541</u>

STATEMENT 7 - FORM 1120, PG 5, SCH L, LN 21, END
OTHER LIABILITIES - ENDING

LINE 21: OTHER LIABILITIES

INTERCOMPANY PAYABLE	<u>6,294,471</u>
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08-Jun-2016 10:15:03

2014 FEDERAL FORM 1120 TAX RETURN

Hartsville Medical Group, LLC
27-0172376
Year: 2014

FORM 1120, PAGE 5, SCH M-1 SUPPORTING SCHEDULES

STATEMENT 8 - FORM 1120, SCH M-1, LN 5
OTHER EXPENSES RECORDED ON BOOKS NOT IN THIS RETURN

LINE 5: OTHER EXP RECORDED ON BOOKS NOT IN THIS RTN

OTHER EXP RECORDED ON BOOKS NOT IN THIS RTN	69,390
Section 448 NAEM Adjustment	31,242
Bad Debt Expense	(11,076)
Accrued Vacation Pay	196,004
Accrued Bonus	(2,799)
Workman's Compensation Accrual	282,761
TOTAL	282,761

TOTAL

STATEMENT 9 - FORM 1120, SCH M-1, LN 8
OTHER DEDUCTIONS IN THIS RETURN NOT ON BOOKS

LINE 8: OTHER DED IN THIS RETURN NOT ON BOOKS

Prepaid Supplies 481 Adjustment	132,090
Prepaid Expenses	(1,668)
TOTAL	130,422

08-Jun-2016 10:15:04

2014 FEDERAL FORM 1120 TAX RETURN

Hartsville Medical Group, LLC

27-0172376

Year: 2014

FORM 1120, PAGE 5, SCH M-2 SUPPORTING SCHEDULES

STATEMENT 10 - FORM 1120, SCH M-2, LN 3

OTHER INCREASES

LINE 3: OTHER INCREASES

TRANSFER AFFILIATE

(7,193)

Form 1120

Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2012 or tax year beginning _____, ending _____

OMB No. 1545-0123

2012

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

Check if: Consolidated return (attach Form 851) ☐ b Life/nonlife consolidated return ☐ 2 Personal holding co. (attach Sch. PH) ☐ 3 Personal service corp. (see instructions) ☐ 4 Schedule M-3 attached ☐	TYPE OR PRINT Name Hartsville Medical Group LLC Number, street, and room or suite no. If a P.O. box, see instructions. 5811 Pelican Bay Blvd Ste 500 City or town, state, and ZIP code Naples FL 34108	B Employer identification number 27-0172376 ✓ C Date incorporated 05/08/2009 ✓ D Total assets (see instructions) \$ 2,489,633 ✓
E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change		

Income	1a	Gross receipts or sales	12,255,328	1c	12,255,328 ✓
	1b	Returns and allowances		2	0
	c	Balance. Subtract line 1b from line 1a		3	12,255,328
	2	Cost of goods sold (attach Form 1125-A)		4	0
	3	Gross profit. Subtract line 2 from line 1c		5	
	4	Dividends (Schedule C, line 19)		6	1,145 ✓
	5	Interest		7	
	6	Gross rents		8	0
	7	Gross royalties		9	0
	8	Capital gain net income (attach Schedule D (Form 1120))		10	163,488 ✓
	Deductions (See instructions for limitations on deductions.)	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	See Stmt 1	11
10		Other income (see instructions—attach statement)		12	0
11		Total income. Add lines 3 through 10		13	10,367,726
12		Compensation of officers (see instructions—attach Form 1125-E)		14	100,300
13		Salaries and wages (less employment credits)		15	901,253
14		Repairs and maintenance		16	1,369,732
15		Bad debts	See Stmt 2	17	557,944
16		Rents	See Stmt 3	18	0
17		Taxes and licenses		19	
18		Interest		20	193,714 ✓
19		Charitable contributions		21	
20		Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		22	15,526
21		Depletion		23	
22		Advertising		24	968,292
23		Pension, profit-sharing, etc., plans		25	
24		Employee benefit programs		26	4,123,486
25		Domestic production activities deduction (attach Form 8903)	See Stmt 4	27	18,597,973
26		Other deductions (attach statement)		28	-6,178,012
Tax Refundable Credits, and Payments	27	Total deductions. Add lines 12 through 26		29a	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.		29b	0
	29a	Net operating loss deduction (see instructions)		29c	0
	b	Special deductions (Schedule C, line 20)		30	-6,178,012 ✓
	c	Add lines 29a and 29b		31	NONE
	30	Taxable income. Subtract line 29c from line 28 (see instructions)		32	0
	31	Total tax (Schedule J, Part I, line 11)		33	
	32	Total payments and refundable credits (Schedule J, Part II, line 21)		34	NONE
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐		35	NONE
	34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed		36	NONE

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

aid
Preparer
Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ If self-employed	PTIN
Firm's name	Firm's EIN	Phone no.		
Firm's address				

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		10,850		-76,014
2a	Trade notes and accounts receivable	2,482,435		3,024,045	
b	Less allowance for bad debts	(1,479,164)	1,003,271	(1,750,684)	1,273,361
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see Instructions)				220,981
6	Other current assets (attach statement) See Stmt 5		351,204		
7	Loans to shareholders				
8	Mortgage and real estate loans		39,628		21,000
9	Other investments (attach statement) See Stmt 6			1,398,849	
10a	Buildings and other depreciable assets	1,185,704			
b	Less accumulated depreciation	(219,763)	965,941	(364,403)	1,034,446
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)			48,888	
13a	Intangible assets (amortizable only)	37,368			15,859
b	Less accumulated amortization	(19,973)	17,395	(33,029)	0
14	Other assets (attach statement) See Stmt 7		47,375		2,489,633
15	Total assets		2,435,664		
Liabilities and Shareholders' Equity					
16	Accounts payable		64,877		67,429
17	Mortgages, notes, bonds payable in less than 1 year				795,892
18	Other current liabilities (attach statement) See Stmt 8		605,589		
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		15,493,090		21,390,811
21	Other liabilities (attach statement) See Stmt 9				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital		0		0
24	Retained earnings—Appropriated (attach statement)		0		-19,764,499
25	Retained earnings—Unappropriated		-13,727,892		0
26	Adjustments to shareholders' equity (attach statement)		0		
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		2,435,664		2,489,633

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books	-6,036,607	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2	Federal income tax per books				
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize): _____	0	8	Deductions on this return not charged against book income this year (itemize): a Depreciation . . . \$ 193,714 b Charitable contributions \$ _____	
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation \$ 144,640 b Charitable contributions . . . \$ _____ c Travel and entertainment . . . \$ 2,679				
	See Stmt 10 38,164	185,483	See Stmt 11 133,174		326,888
6	Add lines 1 through 5	-5,851,124	9	Add lines 7 and 8	326,888
			10	Income (page 1, line 28)—line 6 less line 9	-6,178,012

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-13,727,892	5	Distributions: a Cash	
2	Net income (loss) per books	-6,036,607		b Stock	
3	Other increases (itemize): _____			c Property	
			6	Other decreases (itemize): _____	0
		0	7	Add lines 5 and 6	0
4	Add lines 1, 2, and 3	-19,764,499	8	Balance at end of year (line 4 less line 7)	-19,764,499

SCHEDULE M-3
(Form 1120)

Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

▶ Attach to Form 1120 or 1120-C. ▶ Information about Schedule M-3 (Form 1120) and its separate instructions is available at www.irs.gov/form1120.

OMB No. 1545-0123

2012

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group LLC

- Check applicable box(es):
- (1) ☐ Non-consolidated return
- (2) ☐ Consolidated return (Form 1120 only)
- (3) ☐ Mixed 1120/LPC group
- (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
- ☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
- ☐ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
- ☐ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
- ☐ No. Go to line 1c.
- c Did the corporation prepare a non-tax-basis income statement for that period?
- ☐ Yes. Complete lines 2a through 11 with respect to that income statement.
- ☐ No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a Enter the income statement period: Beginning _____ Ending _____
- b Has the corporation's income statement been restated for the income statement period on line 2a?
- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
- ☐ No.
- c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
- ☐ No.
- 3a Is any of the corporation's voting common stock publicly traded?
- ☐ Yes.
- ☐ No. If "No," go to line 4a.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____
- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____

- 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1
- b Indicate accounting standard used for line 4a (see instructions):
- (1) ☐ GAAP (2) ☐ IFRS (3) ☐ Statutory (4) ☐ Tax-basis (5) ☐ Other (specify) _____
- 5a Net income from nonincludible foreign entities (attach statement)
- b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)
- 6a Net income from nonincludible U.S. entities (attach statement)
- b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)
- 7a Net income (loss) of other includible foreign disregarded entities (attach statement)
- b Net income (loss) of other includible U.S. disregarded entities (attach statement)
- c Net income (loss) of other includible entities (attach statement)
- 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)
- 9 Adjustment to reconcile income statement period to tax year (attach statement)
- 10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)
- b Other statutory accounting adjustments to reconcile to line 11 (attach statement)
- c Other adjustments to reconcile to amount on line 11 (attach statement)
- 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10.
- Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.
- 12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4		
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Schedule M-3 (Form 1120) 2012

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group LLC

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach statement)				
13 Interest income (attach Form 8916-A)				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)				
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement)				
26 Total income (loss) items. Combine lines 1 through 25	0	0	0	0
27 Total expense/deduction items (from Part III, line 38)	-11,171,403	-144,084	2,679	-11,312,808
28 Other items with no differences See Stmt. 12	5,134,796			5,134,796
29a Mixed groups, see instructions. All others, combine lines 26 through 28	-6,036,607	-144,084	2,679	-6,178,012
b PC Insurance subgroup reconciliation totals				
c Life Insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	-6,036,607	-144,084	2,679	-6,178,012

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2012

Schedule M-3 (Form 1120) 2012

Name of corporation (common parent, if consolidated return)

Employer identification number

27-0172376

Hartsville Medical Group LLCCheck applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Employer identification number

Part III. Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)				
9 Stock option expense				
10 Other equity-based compensation	5,357		-2,679	2,678 ✓
11 Meals and entertainment				
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing				
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property				
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs	13,056	-9,234		3,822 ✓
28 Other amortization or impairment write-offs				
29 Section 198 environmental remediation costs				
30 Depletion	144,640	49,074		193,714 ✓
31 Depreciation	615,516	285,737		901,253
32 Bad debt expense				
33 Corporate owned life insurance premiums				
34 Purchase versus lease (for purchasers and/or lessees)				
35 Research and development costs				
36 Section 118 exclusion (attach statement)				
37 Other expense/deduction items with differences (attach statement) See Stmt 13	10,392,834	-181,493		10,211,341
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	11,171,403	144,084	-2,679	11,312,808

Schedule M-3 (Form 1120) 2012

Form **4562**Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on return**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions.

▶ Attach to your tax return.

OMB No. 1545-0172

2012Attachment
Sequence No. **179**

Identifying number

27-0172376

Hartsville Medical Group LLC

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	0
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	107,593
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	5,519

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	59,562
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(e) Classification of property	(f) Month and year placed in service	(g) Basis for depreciation (business/investment use only—see instructions)	(h) Recovery period	(i) Convention	(j) Method	(k) Depreciation deduction
19a 3-year property						
b 5-year property		99,212	5.0	HY	200 DB	19,843
c 7-year property		8,380	7.0	HY	200 DB	1,197
d 10-year property						
e 15-year property						
f 20-year property			25 yrs.		S/L	
g 25-year property			27.5 yrs.	MM	S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year			12 yrs.	S/L	
c 40-year			40 yrs.	MM	S/L

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	193,714
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Hartsville Medical Group LLC

Page 2

Form 4562 (2012)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
---	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25

26 Property used more than 50% in a qualified business use:

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L -			
		%			S/L -			
		%			S/L -			

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28 0

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29 0

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions):					
VARIOUS		11,519		3	2,560
43 Amortization of costs that began before your 2012 tax year				43	1,262
44 Total. Add amounts in column (f). See the instructions for where to report				44	3,822

Form **4797**Department of the Treasury
Internal Revenue Service**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Information about Form 4797 and its separate instructions is at www.irs.gov/form4797.

OMB No. 1545-0184

2012Attachment
Sequence No. **27**

Name(s) shown on return

Hartaville Medical Group LLC

Identifying number

27-0172376

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2012 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3	Gain, if any, from Form 4684, line 39						
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37						
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824						
6	Gain, if any, from line 32, from other than casualty or theft.						
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:						0
	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
8	Nonrecaptured net section 1231 losses from prior years (see instructions)						
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)						

Part II Ordinary Gains and Losses (see instructions)

10	Ordinary gains and losses not included on lines 11 through 16 (Include property held 1 year or less):					
	VARIOUS	Various	Various		2,039	2,039
11	Loss, if any, from line 7					
12	Gain, if any, from line 7 or amount from line 8, if applicable					
13	Gain, if any, from line 31					
14	Net gain or (loss) from Form 4684, lines 31 and 38a					
15	Ordinary gain from installment sales from Form 6252, line 25 or 36					
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824					
17	Combine lines 10 through 16					0
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:					
	a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions				18a	
	b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14				18b	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2012)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

9 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 18A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21.	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f.	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	0
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	0

Hartsville Medical Group LLC
Tax Year 2012

EIN: 27-0172376

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Form 1120, Page 1, Line 10, Other income not included elsewhere Statement: 1

Description	Amount
Other Income	163,488
Total	163,488

Form 1120, Page 1, Line 16, Rent expense Statement: 2

Description	Amount
Personal Property Rent	1,369,732
Total	1,369,732

Form 1120, Page 1, Line 17, Taxes and licenses Statement: 3

Description	Amount
Payroll Taxes	516,211
Property Taxes	41,698
Sales & Use Taxes	35
Total	557,944

Form 1120, Page 1, Line 26, Other deductions not included elsewhere Statement: 4

Description	Amount
Prepaid Expenses	(156,385)
Amortization - Tax	3,822
Automobile & Travel Expenses	46,902
Dues & Subscriptions	63,118
Education & Development	33,327
Insurance	276,887
Meals and Entertainment - 50%	2,678
MRI Charges	612,766
Other Expenses	1,402
Outside Services	1,696,958
Telephone	110,515
Postage & Shipping	10,167
Professional Fees	1,340
Public Relations	875
Recruitment & Relocation Expense	16,630
Supplies	1,117,389

Hartsville Medical Group LLC

Tax Year 2012

EIN: 27-0172376

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Service Charges
Transcription Service
Utilities

Total

56,856

118,860

109,379

4,123,486

Hartsville Medical Group LLC

Tax Year 2012

BIN: 27-0172376

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Form 1120, Page 5, Schedule L, Line 6, Other current assets		Statement: 5
Description	Beginning Amount	Ending Amount
Prepaid Expenses	216,491	60,106
Supplies	134,713	160,875
Total	351,204	220,981

Form 1120, Page 5, Schedule L, Line 9, Other investments		Statement: 6
Description	Beginning Amount	Ending Amount
Deposits	18,628	0
Investments in RRG	21,000	21,000
Total	39,628	21,000

Form 1120, Page 5, Schedule L, Line 14, Other assets		Statement: 7
Description	Beginning Amount	Ending Amount
Construction in Progress	47,375	0
Total	47,375	0

Form 1120, Page 5, Schedule L, Line 18, Other current liabilities		Statement: 8
Description	Beginning Amount	Ending Amount
Accrued Bonus	238,042	245,528
Accrued Vacation	96,952	117,684
Accrued Expenses	234,353	400,510
Accrued Liabilities	30,121	23,855
Payroll Taxes Payable	6,121	8,315
Total	605,589	795,892

Form 1120, Page 5, Schedule L, Line 21, Other liabilities		Statement: 9
Description	Beginning Amount	Ending Amount
Due to HMA Affiliate	15,493,090	21,390,811

Hartsville Medical Group LLC

Tax Year 2012

EIN: 27-0172376

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Total

15,493,090

21,390,811

Hartsville Medical Group LLC

Tax Year 2012

EIN: 27-0172376

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Form 1120, Page 5, Schedule M-1, Line 5, Expense on books, not deductible on
return-Other

Statement: 10

Description	Amount
Amortization - Other	13,056 ✓
Bonus Accrual	7,486 ✓
Vacation Accrual	17,622 ✓
Total	38,164

Form 1120, Page 5, Schedule M-1, Line 8, Expense deducted on return, not on
books-Other

Statement: 11

Description	Amount
Amortization - Other	3,822 ✓
Bad Debts	(1,807)
Bad Debts - NAEM	287,544
Prepaid Expenses	(156,385) ✓
Total	133,174

Hartsville Medical Group LLC

Tax Year 2012

EIN: 27-0172376

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Form 1120, Schedule M-3, Page 2, Part II, Line 28, Other income (loss) and exp/ded items with no differences

Statement: 12

Description	Amount per Income Statement	Temporary Difference	Permanent Difference	Amount per Tax Return
		0	0	(109,379)
Utilities	(109,379)	0	0	(118,860)
Transcription Service	(118,860)	0	0	(56,856)
Service Charges	(56,856)	0	0	(1,117,389)
Supplies	(1,117,389)	0	0	(16,630)
Recruitment & Relocation Expense	(16,630)	0	0	(875)
Public Relations	(875)	0	0	(1,340)
Professional Fees	(1,340)	0	0	(10,167)
Postage & Shipping	(10,167)	0	0	(110,515)
Telephone	(110,515)	0	0	(1,696,958)
Outside Services	(1,696,958)	0	0	(1,402)
Other Expenses	(1,402)	0	0	(612,766)
MRI Charges	(612,766)	0	0	(276,887)
Insurance	(276,887)	0	0	(33,327)
Education & Development	(33,327)	0	0	(63,118)
Dues & Subscriptions	(63,118)	0	0	(46,902)
Automobile & Travel Expenses	(46,902)	0	0	(35)
Sales & Use Taxes	(35)	0	0	(41,698)
Property Taxes	(41,698)	0	0	(516,211)
Payroll Taxes	(516,211)	0	0	(1,369,732)
Personal Property Rent	(1,369,732)	0	0	163,488
Other Income	163,488	0	0	1,145
Gross rents	1,145	0	0	(100,300)
Repairs and maintenance	(100,300)	0	0	12,255,328
Gross receipts or sales	12,255,328	0	0	(15,526)
Advertising expense	(15,526)	0	0	(968,292)
Employee benefit programs	(968,292)	0	0	5,134,796
Total	5,134,796	0	0	

Form 1120, Schedule M-3, Page 3, Part III, Line 37, Other expense/deduction items with differences

Statement: 13

Description	Expense per Income Statement	Temporary Difference	Permanent Difference	Deduction per Tax Return
	0	(156,385)	0	(156,385)
Prepaid Expenses	0	(156,385)	0	10,367,726
Salaries and wages	10,392,834	(25,108)	0	10,211,341
Total	10,392,834	(181,493)	0	

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

vs.

Hartsville Medical Group, LLC,

Defendant.

IN THE COURT OF COMMON PLEAS

FOURTH JUDICIAL CIRCUIT

C/A No. 12-CP-16-0872

**MEMORANDUM IN OPPOSITION TO
MOTION TO RECONSIDER AND PRAYER
FOR ATTORNEY'S FEES**

TRUE CERTIFIED COPY,

CLERK OF COURT/RMC
SOUTH CAROLINA

Plaintiffs submit this memorandum in response to Defendant Hartsville Medical Group, LLC's (hereinafter, Defendant or HMG) Motion to Reconsider Pursuant to Rule 59(e), SCRPC (hereinafter, the motion). However, before Plaintiff replies to each ground alleged by HMG in the motion for altering or amending this Court's Order of August 1, 2016 (filed August 8, 2016)(hereinafter, the Order), Plaintiffs must discuss the law regarding said motion.

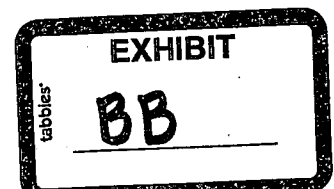
I.

LAW REGARDING RULE 59(e) MOTIONS TO RECONSIDER

A Rule 59(e) motion provides the Court with an opportunity to correct errors in a judgment. A Rule 59(e) motion must comply with the requirements of Rule 7(b)(1), SCRPC, stating the grounds of the motion with particularity, as well as the relief sought. One test for sufficiency is whether any party is prejudiced by the lack of particularity, or whether the Court can comprehend the basis for the motion and deal with it fairly. *Camp v. Camp*, 386 S.C. 571, 689 S.E.2d 634 (2010).

The motion to alter or amend cannot be used to raise an issue not previously before the Court. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992).

Our rules contemplate two basic situations in which a party should consider filing a Rule 59(e) motion. A party may wish to file such



a motion when she believes the court has misunderstood, failed to fully consider, or perhaps failed to rule on an argument or issue, and the party wishes for the court to reconsider or rule on it. A party *must* file such a motion when an issue or argument has been raised, but not ruled on, in order to preserve it for appellate review.

Elam v. SCDOT, 361 S.C. 9, 24, 602 S.E.2d 772, 780 (2004).

Under either situation, the motion to alter or amend cannot be used to raise an issues, arguments or evidence not previously before the Court. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992).

Moreover, the motion must specifically raise the issue on which a ruling is sought; arguing the matter is not sufficient. *Goddard v. Fairways Dev. General Partnership*, 310 S.C. 408, 426 S.E.2d 828 (Ct. App. 1993).

When a party receives an order that grants certain relief *not previously contemplated* or presented to the trial court, the relief may be challenged by a Rule 59(e) motion, although a perfunctory motion without legal argument or authority is insufficient to preserve the issue. *Watson v. Underwood*, 407 S.C. 443, 452, 756 S.E.2d 155, __ (Ct. App. 2014) (citing *In re Timmerman*, 331 S.C. 455, 460, 502 S.E.2d 920, 922 (Ct. App. 1998)); *Wogan v. Kunze*, 366 S.C. 583, 623 S.E.2d 107(Ct. App. 2005).

II. ARGUMENT

I. The Rule 59(e) motion is improper and should, in large part, be disregarded by the Court

- a. Many of the items raised in the Rule 59(e) motion were explicitly mentioned and/or ruled upon in the Order Striking Answer in an unambiguous manner, it is improper to re-hash them in this motion based upon *new* claims, affidavits and arguments only *now* submitted by defense counsel (*eight weeks* after the motions hearing), and to that extent, the Court should disregard the motion

In the Order, the Court made factual and legal findings regarding, specifically addressed – in painful detail, and explicitly ruled upon:

- HMG's failure to respond to the Sixth and Seventh Requests for Production (as the March 24, 2016 motion to compel those responses was before the Court on June 21, 2016)
- HMG's failure to answer Interrogatory No. 10 or to produce related documents (required by status conference Order of October 28, 2015 and the February 2, 2016 Order)
- HMG's failure to identify its accountants (which was required by the February 2, 2016 Order)
- HMG's refusal to produce the JCAHO and CMS required documents that it was ordered to produce under the February 2, 2016 Order
- HMG's failure to produce its tax returns documents that it was ordered to produce under the February 2, 2016 Order
- HMG's excuses for not complying with the October 28, 2015 Status Conference Order and February 2, 2016 Order
- The discovery posture of this case
- The failure of HMG to produce documents
- The discovery abuse of HMG relative to prejudice to Plaintiffs
- The propriety of the relief granted relative to the facts

The Court cannot and should not be forced to *re-decide* each and every issue it has already unambiguously and explicitly ruled upon when presented with *new* arguments and evidence for the first time on a Motion to Reconsider when there is no reason those arguments

could not have been raised at the hearing, as that is not the purpose of Rule 59(e), SCRCP, and gives Defendant more than "one bite at the apple." See, e.g., *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992); *Elam v. SCDOT*, 361 S.C. 9, 602 S.E.2d 772 (2004); *Watson v. Underwood*, 407 S.C. 443, 756 S.E.2d 155 (Ct. App. 2014). Further, as to all of these issues, HMG just wants to argue generally, but does not *specifically* identify the issues in its motion upon which it wants a ruling, or the specific relief sought. *Goddard v. Fairways Dev. General Partnership*, 310 S.C. 408, 426 S.E.2d 828 (Ct. App. 1993). Rule 7(b)(1), SCRCP.

If HMG wanted to submit a 39 page Memorandum in Opposition (with 249 pages of exhibits) to the Motion to Compel and For Sanctions (that had been filed on March 10, 2016) and the Motion to Compel (that had been filed on March 24, 2016), it had *months* to do so before those motions were decided by this Court on June 21, 2016. Rule 59(e) does not give HMG a "re-do" on all of the issues that the Court has unambiguously and explicitly ruled upon (*after* HMG had an opportunity to brief and argue them). Once again, HMG is untimely, prejudicing not only Plaintiffs and Plaintiffs counsel, but also the Court.

Not only does the impropriety of this motion increase the burden and strain on this Court, but, again, it prejudices Plaintiffs who are now faced with new affidavits, documents and arguments that they have *never* seen before and which they do not have an opportunity to squarely meet as the Court has already ruled.

To the extent this motion simply argues what was or could have been argued at the June 21, 2016 hearing, and attempts to utilize new arguments, evidence and documents that neither the Court nor Plaintiffs have ever seen, *after* the Court has explicitly and unambiguously ruled, and without ever having the opportunity to consider it, the Court should *completely* disregard it,

as it is not a *bona fide* Rule 59(e) motion that seeks specific rulings on issues that had been raised to the Court but not unambiguously decided.

b. The 59(e) motion improperly raises issues that were not before the Court on June 21, 2016, and to that extent should be disregarded by the Court

- 1. Issues regarding McCants v. Hartsville Medical Group, LLC, 2012-CP-16-0792 have never been before Judge Burch, and should be disregarded*

The discovery posture of *McCants v. Hartsville Medical Group, LLC, 2012-CP-16-0792*, a defamation and civil conspiracy case, was not before Judge Burch on June 21, 2016, or at any prior time since discovery issues in this case first came before him at the status conference of October 28, 2015. As a matter of fact, that case has not been mentioned at all, and is irrelevant to these issues. It is improper fodder for a 59(e) motion, and should be completely disregarded by the Court. The motion to alter or amend cannot be used to raise an issue not previously before the Court. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992).

- 2. Issues regarding the ability to pay of Health Management Associates and/or Community Health Systems during the punitive damages part of the trial has never been before Judge Burch, and should be disregarded*

Defendant's argument that Plaintiffs can use the ability to pay of Health Management Associates and/or Community Health Systems during the punitive damages part of the trial was not before Judge Burch on June 21, 2016, or at any prior time since discovery issues in this case first came before him at the status conference of October 28, 2015. As a matter of fact, it has not been mentioned at all, is improper fodder for a 59(e) motion, and should be completely disregarded by the Court. The motion to alter or amend cannot be used to raise an issue not previously before the Court. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992).

- 3. Issues regarding the specific and detailed sales history of HMG, as well as those raised by the numerous affidavits of corporate personnel and detailed allegations of efforts to comply with the Court's February 2,*

2016 Order, have never been before Judge Burch, and should be disregarded

The specific and detailed sales history of HMG, as well as the numerous affidavits of corporate personnel and detailed allegations of efforts to comply with the Court's February 2, 2016 Order, was not before Judge Burch on June 21, 2016, or at any prior time since discovery issues in this case first came before him at the status conference of October 28, 2015. As a matter of fact, those affidavits, the detailed sales history of HMG and the detailed explanations of those efforts *have never been seen before by the Court or Plaintiffs' counsel*, is improper fodder for a 59(e) motion, and should be completely disregarded by the Court. The motion to alter or amend cannot be used to raise an issue not previously before the Court. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992).

Again, there is no reason why HMG could not have submitted all of these materials on or before June 21, 2016, as it had ample time to do so – three (3) months after those motions that were being decided at that hearing were filed. The hearing on the Motion to Compel and for Sanctions, as well as the Motion to Compel, was even *postponed* approximately one month (from May 25, 2016 to June 21, 2016) at the request of defense counsel, and HMG could have gotten this material together then.

If HMG wanted to submit a 39 page Memorandum in Opposition, with 249 pages of affidavits and exhibits attached, to the Motion to Compel and For Sanctions (that had been filed on March 10, 2016) and the Motion to Compel (that had been filed on March 24, 2016), it had months to do so before those motions were decided by this Court on June 21, 2016. Rule 59(e) does not give HMG a “re-do” on all of the issues that the Court has unambiguously and explicitly ruled upon *after* HMG had an opportunity to argue them.

4. *Issues regarding HMG being a disregarded entity for tax purposes have never been before Judge Burch, and should be disregarded*

The affidavits submitted with the 59(e) motion and the arguments based thereon, including that HMG is a disregarded entity for purposes of taxation, were not before Judge Burch on June 21, 2016, or at any prior time since discovery issues in this case first came before him at the status conference of October 28, 2015. As a matter of fact, those affidavits, and the detailed explanations have never been seen before by the Court or Plaintiffs' counsel, is improper fodder for a 59(e) motion, and should be completely disregarded by the Court. The motion to alter or amend cannot be used to raise an issue not previously before the Court. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992).

See Section I.b.3 above.

- c. **The 59(e) motion fails to specifically raises issues on which a ruling is sought, and fails to request specific relief from the Court, other than to request that Plaintiff be granted relief in the form of forcing HMG to admit its ability to pay up to a certain amount requested by Plaintiffs, to strike HMG's defenses on the amount of damages claimed by Plaintiffs in the event of a verdict, and to award attorney's fees and costs to Plaintiffs' counsel**

HMG goes on for 39 pages making endless arguments on the merits of Plaintiffs' motions – although the Court has already decided the motions – but requests no specific rulings and no specific relief other than that set forth above. This is not a *bona fide* 59(e) motion where a party succinctly asks the Court to correct an ambiguity or to rule on a previously raised but unruled upon argument, requesting specific relief. *Arnold v. State*, 309 S.C. 157, 420 S.E.2d 834(1992); *Goddard v. Fairways Dev. General Partnership*, 310 S.C. 408, 426 S.E.2d 828 (Ct. App. 1993); *SSI Medical Servs., Inc. v. Cox*, 301 S.C. 493, 392 S.E.2d 789 (1990); *Vespazianni v. McAlister*, 307 S.C. 411, 415 S.E.2d 427 (Ct. App. 1992). Rule 7(b)(1), SCRCP. This as a memorandum in

opposition to a motion that should have been presented to the Court before it ruled, not now, and to that extent the motion should be disregarded.

Moreover, the motion must specifically raise the issue on which a ruling is sought; arguing the matter is not sufficient. *Goddard v. Fairways Dev. General Partnership*, 310 S.C. 408, 426 S.E.2d 828 (Ct. App. 1993).

- d. The relief granted in the Order – striking the Defendant’s Answer – was previously contemplated as it was specifically requested in the Motion to Compel and for Sanctions that had been filed and served on March 10, 2016, over three (3) months before the hearing, and Defendant therefore should have briefed that issue on or before the hearing**

To that extent, the Court should disregard the Motion to Reconsider as it contains new arguments and evidence that has never before been submitted to the Court, and there is no reason it could not have been submitted at or before the hearing on June 21, 2016 or during the *six weeks* between the hearing and the day the Judge signed the Order.

- II. There are numerous factual inaccuracies in the Motion to Reconsider, and to that extent it should be disregarded**

- a. Contrary to the representation in the Memorandum in Support of Motion to Reconsider, and as evidenced by the *first page* of the Order Striking Answer itself, there *was* a Motion to Compel heard on June 21, 2016 regarding HMG’s failure to give a written response to the Sixth and Seventh Requests for Production.**

The Motion to Compel Responses to the Sixth and Seventh Requests for Production was filed with this Court on March 24, 2016, and is addressed in the Court’s Order striking HMG’s Answer on the *first page*. So, *defense counsel is in error* when he says “without a Motion to Compel being heard on the Sixth and Seventh Requests for Production, HMG is faced with having its Answer struck.”

The Court specifically considered that failure in connection with its decision to strike the Answer, and gave it an entire section at page 16 of the Order.

As an aside, *defense counsel did not even serve written responses to the Sixth and Seventh Requests for Production until after the Order was signed by Judge Burch on August 1, 2016.*¹

To this extent of this inaccuracy, the Court should disregard the Motion to Reconsider.

- b. Contrary to the representation in the Memorandum in Support of Motion to Reconsider, the word “accountant” does indeed appear in the Order and it indeed requires “30(b)(6) testimony regarding the information and documents sought in response to the requests referenced in subparagraph I.1 above (topic four (4) of the Amended 30(b)(6) Notice) and regarding the identity of any accountants for the defendant (topic number sixteen (16) of the amended 30(b)(6) Notice)” within 30 days.**²

Defense counsel must not have looked at the Order very closely when he wrote “neither the words “accountant” or “account” appear anywhere in the Order.” To this extent of this inaccuracy, the Court should disregard the Motion to Reconsider.

- c. Contrary to the representation in the Memorandum in Support of Motion to Reconsider, Plaintiff’s expert testimony that JCAHO and CMS standards applied to HMG and are evidence of the standard of care was a part of the June 21, 2016 hearing³ at Exhibit “C” of Memorandum in Support of Motion to Compel and for Sanctions that was submitted to the Court.**

To the extent of this inaccuracy, the Court should disregard the Motion to Reconsider.

- d. Contrary to the representation in the Memorandum in Support of Motion to Reconsider, the Order issued out of the status conference of October 28, 2015 and the Order of February 2, 2016 *did* require a complete and up to date answer to Interrogatory No. 10 identifying any hospital or healthcare system which has a financial interest, controlling interest or ownership interest of the medical entity, including the business address of all offices which are owned, managed or used by this Defendant or any company having a**

¹ These are attached as Exhibit “A”.

² Quotation from page 4 of Order of February 2, 2016, and 30 day requirement at page 7 of that Order.

³ Leading to the Order.

financial interest in this Defendant⁴ (and Plaintiffs *still* have not received an answer).

To this extent of this inaccuracy, the Court should disregard the Motion to Reconsider.

- e. **Contrary to the representation in the Memorandum in Support of Motion to Reconsider that this Court's Order is inaccurate when it states that HMG has provided "no response of any sort to the ... Seventh Requests for Production," defense counsel never signed and served a written response to the Seventh Requests for Production until after this Court signed the Order!**

No written response is *no* response, and is, in and of itself, a basis to strike an answer.

Rule 37(d), SCRCP. To this extent of this inaccuracy the Court should disregard the Motion to Reconsider. See also Section II.f. below.

- f. **Contrary to the representation in the Memorandum in Support of Motion to Reconsider that HMG's delivery of the description of Practice Administrator on June 21, 2016 somehow fulfilled part of its obligations to provide documents responsive to the Seventh Request for Production, in the February 2, 2016 Order (at Section I. 1) HMG *had already been ordered* to produce that document to Plaintiff's counsel within 30 days (as it was generally requested in the Third Request for Production but never produced, so specifically re-requested in the Seventh Request for Production).**

So, far from somehow fulfilling its obligation, by the time the Practice Administrator job description was delivered on June 21, 2016, HMG was trying to purge itself of *contempt* that it had been in since March 4, 2016. To that extent, the Court should disregard the Motion to Reconsider.

- g. **Contrary to the representation in the Memorandum in Support of Motion to Reconsider that its delivery of some documents on June 16, 2016 somehow fulfilled part of its obligations to provide documents responsive to the Sixth Request for Production, in the February 2, 2016 Order (at Section I. 4) HMG *had already been ordered* to produce that document to Plaintiff's counsel within 30 days (as they were requested in the Fifth Request for Production but never produced, so specifically re-requested in the Sixth Request for Production for the time period at issue).**

⁴ Page 2 of the Order.

So, far from somehow fulfilling its obligation, by the time these documents were delivered on June 16, 2016, HMG was trying to purge itself of contempt that it had been in since March 4, 2016. To that extent, the Court should disregard the Motion to Reconsider.

- h. Contrary to the representation in the Memorandum in Support of Motion to Reconsider that the Sixth Request for Production at No. 3 requests documents HMG "purchased" that are mentioned in a contract, and that Plaintiff's counsel is being "disingenuous," the request actually asks that HMG "produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to your 30(b)(6) Deposition [to] include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC."**

Plaintiffs simply want the documents reflecting the due diligence performed by HMG before it purchased Melvin Nickles, Jr.'s medical practice; *these are documents that HMG's own 30(b)(6) designee testified probably exist.*

The HMG designee, Charlotte Adams, who is the Human Resources Director of the hospital⁵, during her 30(b)(6) deposition and on behalf of HMG testified as follows:

41

- 11 All right. Now, when Dr. Nickles' practice was
12 purchased by the hospital, do you know what kind of
13 due diligence HMA did -- or the Hartsville Medical
14 Group, LLC did before they purchased Dr. Nickles'
15 practice and employed him as a physician?
16 A Such as?
17 Q Such as auditing his practice, seeing whether or not
18 he had charts on all his patients, seeing whether or
19 not he had sufficient clinical staff to provide

⁵ Dep. Charlotte Adams, HMG 30(b)(6) designee:

- 10: 18 Q Okay. All right. And what is your position now --
19 right now?
20 A I'm the human resources director.
21 Q For what? For the hospital?
22 A For the hospital, uh-huh.
23 Q What was your position in 2010?
24 A Same thing.

20 legally the clinical services to his patients that
21 were being provided, whether or not his office was
22 otherwise in compliance with all regulatory and legal
23 requirements?

24 A I do not.

25 Q All right. Who would know that?

42

1 A Again, I was not on that side, so you will have to
2 ask the administration. **I'm sure they have some type**
3 **of file where they purchased and what due diligence**
4 **was done.**

In HMG's Answer to the Sixth Request for Production, *which was signed August 9, 2016, the day after the Order was filed*, there is a litany of objections to Request No. 3⁶ which requests the documents evidencing due diligence done in connection with the purchase of the subject practice (and which the HMG 30(b)(6) designee says should exist), and defense counsel's answer states that "the Contract referenced in Request No. 3 does not include the purchase of such documents." So, although the request makes no mention of, or request, "purchase of ... documents," Defendant says it does not possess purchased documents, and then argues in the motion that Plaintiff's counsel is being disingenuous? *Who is disingenuous?*

III. Even if the Court should consider the remainder of the arguments in the motions, although most of it should not be considered, they are not meritorious

a. The Sixth and Seventh Requests for Production were not duplicative, did request documents germane to liability issues, and the Court properly struck Defendant's answer for its failure to serve any written response to them

Contrary to Defendant's argument that the Sixth and Seventh Requests for Production are redundant, Plaintiffs only ever raised any specific issue in the Motion to Compel and for

⁶ **Sixth Requests for Production No. 3:** Please produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to your 30(b)(6) Deposition. This would include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC.

Sanctions and related memorandum about Request No. 3⁷ of the Sixth Requests for Production, and Request No. 2⁸ of the Seventh Requests for Production, neither of which request any type of duplicative information or documents.⁹ These are also the only ones specifically addressed in the Order that will prejudice Plaintiff's ability to prove liability at trial (Order at 22, 29-30).

Defense counsel argues that "without a finding that Carolina Pines is amalgamated with Carolina Pines and its corporate parent, the Plaintiffs might as well demand HMG produce documents in the possession of Coca-Cola or Microsoft." Neither Coca-Cola nor Microsoft sent the head of their Human Resources department to speak on behalf of HMG in litigation as its 30(b)(6) designee; Carolina Pines did. Neither Coca Cola nor Microsoft and HMG share the same CEO; Carolina Pines and HMG do/did.¹⁰ Neither Coca Cola nor Microsoft own HMG;

⁷ See footnote 7.

⁸ **Seventh Request for Production No. 2:** Please provide the standing order and clinical protocol for the administration of the Hepatitis B Vaccine that was in use at Carolina Pines Regional Medical Center during 2010.

⁹ Although defense counsel never signed or served a written response to either the Sixth or Seventh requests for Production until *after* the Court signed the Order (striking HMG's Answer), Plaintiffs were concerned only about – and mentioned in their Memorandum in Support of Motion to Compel and for Sanctions, at 14-15, only – No. 3 of the Sixth Request for Production and No. 2 of the Seventh Request for Production. These are the only requests discussed by the Court in its Order, at 22, 29-30, in relation to prejudicing Plaintiffs' ability to prove liability at trial. No. 1 of the Seventh Request for Production was not an issue as the document it asked for *had already been ordered* to be produced by the Court in its February 2, 2016 Order at section 1. 1 (as it had been the subject of a prior Motion to Compel filed September 29, 2015 regarding the Third Requests for Production which asked for all job descriptions; the specific job description for Practice Administrator had been requested in the Seventh Requests for Production at No. 1 prior to the February 2, 2016 Order being issued because it had not been produced the first time, despite a motion to compel being filed September 29, 2015). That job description was delivered on June 21, 2016, three and one-half months late. This was the same situation with Sixth Request for Production Nos. 1 and 2. At section 1.4 of the Order of February 2, 2016 HMG *had already been ordered* to produce the HMA Ethical program, Compliance Program and Recordkeeping Standards within 30 days (as it had been the subject of the Fifth Requests for Production, which had gone unanswered). The Compliance Program and Code of Conduct were delivered June 16, 2016, approximately three and one-half months late. In the meantime, before the February 2, 2016 Order, and without any response from HMG to the Fifth Requests for Production, Plaintiffs served the Sixth Requests for Production which requested the *specific* HMA compliance manual referenced at HMG's 30(b)(6) deposition (Sixth Requests for Production No. 1), and the HMA ethics manual, operations manual and recordkeeping standards (Sixth Requests for Production No. 2) *specifically* from 2010 when the incident occurred.

¹⁰ Dep. Rob Elder, M.D., 30(b)(6) designee for HMG:
20:14 Q All right. Now, Charlotte Adams was under the
15 impression that the medical director would answer to
16 the CEO of the group, which she confirmed in 2010 was

Carolina Pines did/does.¹¹ Neither did Coca Cola nor Microsoft gave HMG affidavits from its Chief Financial Officer and head of Human Resources to help salvage HMG's Answer after it was struck in litigation; Carolina Pines did.¹²

See also section III.c. below, where it is discussed that now we know (as a result of an affidavit from HMG's 30(b)(6) designee, Charlotte Adams) that HMG is willfully withholding documents that it was ordered to produce if available, as Ms. Adams admits in said affidavit that such documents are indeed available to her, HMG's agent in this case and the Head of Human resources for Carolina Pines. HMG is playing a cat and mouse game claiming that it can not get documents from its parent/alter ego, Carolina Pines, although it can designate its head of Human resources as its 30(b)(6) designee, get affidavits from her and the Carolina Pines CFO to help it avoid its Answer being struck, and can get Health Management Associates' job descriptions, contracts (Dr. Nickles') and manuals (Compliance Manual, etc.) from it to produce in this case (as admitted in HMG's brief). The evidence in this case shows that HMG's employees, and, in particular, *the employee* whose actions are at issue in this case, Rachel Hoffman, who gave the second Hepatitis "B" vaccination to Greg McCants, answered to people at the hospital (Carolina Pines).¹³

17 Lance Jones, who was also the CEO of the hospital.

18 Would that also be your understanding?

19 A Yes.

¹¹ See Memorandum in Support of this Motion at 18 and 24.

¹² See Exhibits N and O to Memorandum in Support of this Motion; affidavits of Charlotte Adams and Rodney Van Dokelaar.

¹³ HOFFMAN, RACHEL 7/30/14 VOL 1

1 009:14 - 009:23 009:14 Q Okay. Was there anybody within HMA -- well, let me
15 ask you this, was there a human resources department,
16 or a training department, or a compliance department
17 that y'all answered to while Dr. Nickles' practice
18 was part of The Medical Group?

Furthermore, in its responses to the Sixth and Seventh Requests for Production, it claims that it does not have the requested documents, but Charlotte Adams seemed to think that the due diligence documents responsive to Sixth Request for Production No. 3 existed, and those responsive to Request for Production No. 7 at No. 2 (which specifically requests the protocol required at *Carolina Pines*) are probably required by federal law, so one can only conclude that these documents exist at Carolina Pines and that HMG is simply refusing to produce them, as it is simply refusing to produce the JCAHO required documents it has been ordered to produce.

As a practical matter, no finding could be made of any amalgamation between Carolina Pines and HMG because HMG has obstructed discovery on the very issue of who owns, controls and has an interest in it, and has refused, to this very day, and despite being ordered to do so on multiple occasions, to answer a simple interrogatory (Interrogatory No. 10) that asks it for "the identity of any ... hospital or healthcare system, which has a financial interest, controlling interest or ownership interest of the medical entity, including the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant."

Rule 37(d), SCRCP, makes sanctions under Rule 37(b)(2)(C), SCRCP¹⁴, available to the Court in cases of a failure to serve a written response to a request under Rule 34, SCRCP, and it

19 A Yes.

20 Q Okay. Where was that?

21 A At the hospital.

22 Q At the hospital?

23 A Carolina Pines.

¹⁴ "(d)...[i]f a party...fails...(3)to serve a written response to a request for inspection submitted under Rule 34 [e.g., Plaintiffs' Sixth and Seventh Requests for Production] ... the court in which the action is pending on motion may make such orders in regard to the failure as are just, and among others it may take any action authorized under paragraphs (A), (B) and (C) of subdivision (b)(2) of this rule."¹⁴

is undisputed that Defendant did not serve written responses to the Sixth and Seventh Requests for Production for approximately nine (9) and eight (8) months, respectively after they were served, approximately five (5) months after a motion to compel was filed as to them, over thirty (30) days after this Court verbally ruled its answer would be stricken, and until days after this Court signed the Order Striking Answer.

- b. The Order issued out of the status conference of October 28, 2015 and the Order of February 2, 2016 *did* require a complete and up to date answer to Interrogatory No. 10, Plaintiffs *still* have not received an answer, and any argument that HMG is in compliance with the Court's Order is ridiculous.**

First Defendant argues that because the section of the Order of February 2, 2016 that requires this answer and related documents does not specifically say, right there, as to *that* section of the Order, that the response needs to be served within 30 days, HMG presumed it was being given a reasonable period of time to search its documents. Well, *it has been two and a half years since the interrogatory was served, ten (10) months since the October 28, 2015 status conference Order requiring a response and almost seven (7) months after the Order requiring a response, and Plaintiffs still have no such response. Reasonable?*

As a practical matter, the February 2, 2016 Order (at 2) required an updated answer to Interrogatory No. 10, which requested the identity of any hospital or healthcare system with a financial interest in HMG, along with the production of documents evidencing those financial interests (pursuant to Requests for Production 1 and 38), and in the final paragraph of the Order of February 2, 2016 (at 7) all financial documents and information were due to be produced with *30 days* of the Order.

Presumably, Defendant could have provided the answer to Interrogatory No. 10 if it wanted to, as it has provided to the Court in its Motion to Reconsider – in an attempt to get out

of having its Answer stricken – *a lot* of information on its ownership history that it has never given to Plaintiff.¹⁵

Further, HMG says in its brief that the *one* document it has produced, over four months after being ordered in writing to do so, “reflects the ownership of HMG by CHS,” but it *does not*. It *does not* identify – and HMG has never given an answer to Interrogatory No. 10 to identify – any hospital or healthcare system, which has a financial interest, controlling interest or ownership interest of the medical entity, including the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant. The one document HMG produced *does* identify some Delaware limited partnership as the sole member, and another LLC as the limited partnership’s general partner, but it *does not* identify Community Health Systems.¹⁶

The claim that the Defendant has complied with the Court’s Order, when it has *never* even bothered to give an updated, accurate response to Interrogatory 10 after being ordered to do so on multiple occasions, and has produced only one document that *does not* show its connection to a hospital or healthcare system which has a financial interest, controlling interest or ownership interest of the medical entity, and *does not* include the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant, is *incredible*.

To go further, HMG blames Plaintiffs for its predicament because Plaintiffs did not add HMG’s corporate parents as Defendants, when, meanwhile, it has *refused*, and *continues to refuse*, to answer the Interrogatory about who has a financial interest in it (ownership or

¹⁵ See pages 1-2 of Memorandum in Support of this motion.

¹⁶ or any other hospital or healthcare system, which has a financial interest, controlling interest or ownership interest of the medical entity, and does not include the business address of all offices which are owned, managed or used by this Defendant or any company having a financial interest in this Defendant.

otherwise) – *despite being ordered to do so on multiple occasions* – and, in just the Memorandum in Support of this motion, has identified *four* different entities that it believes Plaintiffs can, or may, be able to refer to at trial insofar as their ability to punitive damages!

- c. Plaintiff's expert testimony that JCAHO and CMS standards applied to HMG and are evidence of the standard of care was submitted to the Court¹⁷, and HMG's own 30(b)(6) designee, Rob Elder, MD, at his 30(b)(6) deposition agreed that compliance by HMG should meet or exceed JCAHO requirements, and most importantly, HMG's is in *continued willful contempt* for not producing these documents.¹⁸

¹⁷ Exhibit "C" of Memorandum in Support of Motion to Compel and for Sanctions that was submitted to the Court on June 21, 2016.

¹⁸ Dep. Rob Elder, M.D., 30(b)(6) designee for HMG:

17:7 Q All right. In 2010, did you have a contract with
8 HMA?

9 A Yes.

10 Q All right. Dr. Nickles' contract refers to his
11 agreement to abide by HMA's Compliance Manual, Third
12 Edition. Do you recall a similar clause in your own
13 contract?

14 A Yes.

15 Q All right. And now, in your contract, were your
16 places of employment listed as both The Medical Group
17 and the hospital?

18 A Yes.

19 Q All right. And in that compliance manual, what you
20 all agreed to abide by would have been the same
21 whether you were in the hospital or the practice,
22 correct?

23 A Correct.

24 MR. DRIGGERS: Object to the form.

25 Q All right. And in your own practice of medicine,
18

1 Doctor, it's no less important that your patients be
2 safe in your practice than it is important that they
3 be safe in the hospital, is it?

4 A Yes, it's all the same.

5 Q Okay. And the same thing, it's no less important
6 that your patients receive quality care in the
7 practice than it is that they receive quality care in
8 the hospital, is it?

9 A It should be the same.

10 Q All right. And in the same way the hospital should
11 not needlessly endanger any of its patients, your
12 practice, the Hartsville Medical Group, shouldn't
13 needlessly endanger its patients, correct?

14 MR. DRIGGERS: Object to the form. Answer if you
15 can.

16 A Yes.

Rob Elder, MD, speaking for HMG, admitted that at a minimum JCAHO requirements should be followed in HMG's practice. That sounds like the standard of care. Further, and keeping in mind that he was one of the 30(b)(6) designees for HMG in this case, his contract with HMG required him to work at both places – hospital and practice (as did Dr. Nickles', see Exhibit X to the Memorandum in Support of this motion, a portion of the 30(b)(6) deposition of Charlotte Adams). The other 30(b)(6) designee for HMG in this case, Charlotte Adams, was the head Human Resources for the hospital. On page 24 of its Memorandum in Support of this Motion, HMG agrees that its parent is the hospital (Hartsville HMA, LLC). Any claim that HMG did not have constructive possession of the requested JCAHO and CMS required materials is not credible, and any claim that it could not obtain and produce them when ordered to do so by the Court, is also not credible.¹⁹ HMG *chose* not to produce them despite being *ordered* to do so by the Court, and still *chooses* not to produce them.²⁰

This is so because, *incredibly*, in Charlotte Adams' affidavit, attached to HMG's memorandum in support of this motion at Exhibit N, Ms. Adams – who also was designated as,

17 Q All right. Have you read the HMA Compliance Manual,
18 Third Edition?

19 A No. Reviewed. I have not read the whole manual.

20 Q Okay. Do you know, or would you expect that the
21 requirements in HMA's Compliance Manual, Third
22 Edition would meet or exceed the requirements of the
23 Joint Commission on the Accreditation of Hospital
24 Organizations and/or the CMS Conditions of
25 Participation?

19

1 A Yes, it should.

¹⁹ Plaintiffs' Fifth Requests for Production requested:

1. From 2010, policies and procedures required under 42 CFR §482.23(c)(2) (for Defendant and Hartsville HMA, LLC).
2. From 2010, written definitions required under JCAHO requirement MM.06.01.01 (for Defendant and Hartsville HMA, LLC).

²⁰ Instead it stated: "Defendant is not JCAHO accredited, therefore has nothing in response."

and testified as the 30(b)(6) designee of HMG in this case – *admits* that Carolina Pines has in its possession – in her employer’s possession – the documents that this Court *ordered* be produced by HMG – the entity she was designated to speak on behalf of in this case, her principal – but is *refusing* to produce them because, she says, HMG is not JCAHO accredited! Ms. Adams specifically says at paragraph 18 of her affidavit, “the hospital Carolina Pines Regional Medical Center is JCAHO accredited and maintains records required by 42 C.F.R. §482.23.”

A 30(b)(6) designee is generally designated by an entity out of its “officers, directors or managing agents” who consent to “testify on its behalf.” Rule 30(b)(6), SCRCF. Clearly, Charlotte Adams is an *agent* of HMG in this case. She *admits* she has access to and possession of documents that this Court ordered be produced. HMG is, *and continues to be*, in *willful contempt* of this Court as it refuses to abide by its Orders. HMG has never said it cannot obtain or locate these documents so as to comply with the Court’s Order; it has only said “Defendant is not JCAHO accredited, therefore has nothing in response.”²¹ Now it admits its agent, who works for its parent, and is an agent for it in this case, has those documents, and it is simply *refusing* to produce them.

Rather, and despite the fact that this Court has ordered HMG to produce these documents, HMG’s lawyer goes on for many pages in its brief explaining how *he* does not believe these requirements apply to his client.²² Even if they do not strictly apply to the practice, they are still evidence of standard of care (which HMG’s own 30(b)(6) designee, Rob Elder, MD, apparently agrees with); and, most importantly, *this Court ordered HMG to produce the documents, regardless of what its lawyer thinks.*

²¹ See defense counsel’s letter of March 8, 2016.

²² Plaintiff’s qualified expert testified that they do apply.

Also very importantly, it was ordered, in the Order of February 2, 2016 at 2, in regard to the Fifth Requests for Production²³, that HMG “*shall attempt to provide documents responsive to numbers two(2) and three(3) as such documents are available, all within 30 days.*” The Fifth Requests for Production Nos. 2 and 3 requested these federally required documents from Defendant *and Hartsville HMA, LLC*.²⁴ The head of Human Resources for Hartsville HMA, LLC (Carolina Pines), who is *also* HMG’s 30(b)(6) designee and agent in this case, just gave an affidavit that these documents *are available. HMG is just refusing to produce them. This is willful contempt of Court.*

- d. If HMG is a “disregarded entity” for income tax return purposes, and never filed a return, and its activity is reported and returns are filed by some upstream parent under its tax ID, then Plaintiffs are entitled to the tax return of the “regarded parent entity”, and any failure to do so *further*s HMG’s obstruction of Plaintiffs’ quest for the identity of any hospital or healthcare system which has a financial interest, controlling interest or ownership interest in it

Defendant was ordered to produce its tax returns. If those are not filed by the Defendant, but for it by a parent under the parent’s tax ID, then Plaintiffs should have been made aware of that and given the actual tax returns filed. Instead, Defendant produced what it represented were Defendant’s tax returns. Now it admits they are not, and that, indeed, Defendant’s activity is reported under another entity’s tax ID. That explanation was not given until this Motion to Reconsider was filed, although Defendant knew Plaintiffs would not be able to utilize what it

²³ Attached hereto as Exhibit “B.”

²⁴ Fifth Requests for Production:

2. From 2010, policies and procedures required under 42 CFR §482.23(c)(2) (footnote No. 1: For Defendant and Hartsville HMA, LLC).
3. From 2010, written definitions required under JCAHO requirement MM.06.01.01. (footnote No. 2: For Defendant and Hartsville HMA, LLC).

produced, and there is no reason that Defendant could not have submitted a 39 page brief with 250 pages of exhibits at or before the hearing on June 21, 2016 and allowed Plaintiffs the opportunity to argue the issue at the motions hearing. Plaintiffs were entitled to the actual tax returns filed for Defendant, which is what was Ordered.

- e. **The outstanding discovery – and specifically the Sixth and Seventh Requests for Production at Nos. 3 and 2, respectively, and Fifth Request to Produce at 2 and 3 (JCAHO and CMS requirements), do not apply just to damages but specifically apply to liability**

Keeping in mind that the 30(b)(6) designee, Rob Elder, said that compliance in the practice setting should meet or exceed that required by JCAHO requirements, the practice should have the same types of policies, procedures and protocols to foster patient safety that JCAHO (and presumably CMS) requires of the hospital (even if JCAHO and/or CMS does not strictly apply to the practice)²⁵, and these documents relate to the liability of HMG at trial; specifically:

17 The pertinent portions of these sections that Plaintiff's expert Beverly Essick determined applied in this case, and were violated, are as follows from her list marked as Exhibit 2 to her deposition which is located at Exhibit "C" to Plaintiffs' Memorandum in Support of Motion for Sanctions:

42 CFR §482.23(c)(2) Personnel authorized to administer medication. Requires that all drugs and biologicals are administered by, or under the supervision of nursing or other personnel, in accordance with Federal or State law and approved medical staff policies and procedures. State law requirements include licensure requirements. Policies and procedures must identify categories of licensed personnel and the types of medications they are permitted to administer, in accordance with state laws. The policies and procedures must also address education and training for all personnel administering drugs and biologicals. Medication administration education and training is typically included in hospital orientation or other continuing education for nursing staff and other authorized healthcare personnel....

MM.06.01.01 The hospital safely administers medications

#1 The hospital defines, in writing, licensed independent practitioners and the clinical staff disciplines that are authorized to administer medication, with or without supervision, in accordance with law and regulation.

(See also MM.06.01.03, EP 1)

#2 Only authorized licensed independent practitioners and clinical staff administer medications.

Note: This does not prohibit self-administration of medications by patients, when indicated. (See also MM.06.01.03, EP 1)

#6 Before administration, the individual administering the medication does the following: Verifies that no contraindications exist.

#8 Before administration, the individual administering the medication does the following: Discusses any unresolved concerns about the medication with the patient's licensed independent practitioner, prescriber (if different from the licensed independent practitioner), and/or staff involved with the patient's care, treatment, or services.

- (a) Whether or not in this case HMG had and complied with its own medical staff policies and procedures, and its own written federal and state law (including licensure) requirements for the administration of drugs and biological;
- (b) Whether or not in this case Defendant's policies and procedures identified licensed personnel and the types of medication they are permitted to administer, in accordance with state laws, as required, and whether or not it followed them;
- (c) Whether or not in this case Defendant's policies and procedures identified education and training for all personnel administering drugs and biologicals, as required, and whether or not it followed them;
- a) Whether or not in this case the Defendant had and complied with its own written definition of licensed independent practitioners and the clinical staff disciplines that are authorized to administer medications, with or without supervision, in accordance with law and regulation;

As this is a case in which the liability issues include whether or not the person that administered the Hepatitis "B" vaccine that caused the injury was properly trained, qualified, credentialed and supervised to do so, and whether or not there was a proper protocol in place for her to follow, all of these issues are germane to liability, and the Plaintiffs will be prejudiced at trial without these documents that admittedly evidence the standard of care.

By the same token, without the information requested in the Sixth Request for Production,²⁶ (that Defendant probably has and can get by admission of its own 30(b)(6)

#9 Before administering a new medication, the patient or family is informed about any potential clinically significant adverse drug reactions or other concerns regarding administration of a new medications. (See also MM. 06.01.03, EPs 3-6; PC .02.03.01, EP 10)

²⁶ Sixth Requests for Production No. 3: Please produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to

designee Charlotte Adams), Plaintiffs will be prejudiced at trial in proving whether or not the Defendant exercised due care in connection with its purchase, and subsequent administration and staffing of Melvin Nickels' medical practice, to include ensuring that it had a clinical protocol for the administration of Hepatitis "B" vaccine and properly qualified, trained and supervised people to administer it.

Likewise, without the information requested in the Seventh Request for Production (that Defendant probably has and can get),²⁷ Plaintiffs will be prejudiced at trial in proving whether or not the Defendant exercised due care in connection with its administration of Hepatitis "B" vaccine to Plaintiff as a jury will not be able to look at the federally-required vaccine administration standing order and protocol that is at the hospital next door to determine whether or not it was followed at the practice in this case.

- f. **HMG says that a proper analysis of HMG's ability to pay can be performed by using public SEC filings for Health Management Associates, although it will not answer the interrogatory about who has an ownership and financial interest in HMG, and at trial will most certainly object if Plaintiffs' economist attempts to use these numbers, and elsewhere identifies other entities whose information can be used at trial**

HMG says on page 29 of its brief that Plaintiffs can use public ability to pay data on Health Management Associates at trial. Then on page 32 it says Plaintiff can use the ability to pay of the recently produced owner, which it says on page 15 is Community Health Systems, although the actual document says it's some Delaware limited partnership as the sole member, and another LLC as the limited partnership's general partner, not Community Health Systems.

your 30(b)(6) Deposition. This would include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC.

²⁷ **Seventh Request for Production No. 2:** Please provide the standing order and clinical protocol for the administration of the Hepatitis B Vaccine that was in use at Carolina Pines Regional Medical Center during 2010.

Then HMG argues that Plaintiff is not prejudiced by its failure to ever give an answer to Interrogatory No. 10 regarding the identity of any hospital or healthcare system, which has a financial interest, controlling interest or ownership interest of it. How can that be? And then HMG says, after years of these games, that "Plaintiffs alleged prejudice is only manufactured outrage at a minor issue in this case?" Really? HMG is in blatant contempt of Court. After being ordered on multiple occasions to answer Interrogatory No. 10, it has not, and *continues in contempt*.

- f. The medical malpractice case and civil conspiracy case involve different causes of action, different witnesses and different proof, and has nothing to do with this Order, nor will the Order striking the Answer in this case cause any prejudice in trying the civil conspiracy case**

This is a medical malpractice case in which Greg McCants and his wife are Plaintiffs. The civil conspiracy case is a case with causes of action for Greg McCants for defamation and civil conspiracy. In the civil conspiracy trial there will likely be no life care planner, economist, vocational expert, plastic surgeon, performance urology specialist, or any treating or expert physician or nursing testimony. The trial in that case will be relatively short (days). There are no more depositions to take in that case, and *no one will have to be re-deposed*. Discovery is and has been over in that case. It is a much less significant case than this one in which there is well over \$1,000,000 in pecuniary damages. At this juncture, the civil conspiracy case has nothing to do with this case, which is due to be tried in November, and striking the answer in this case will in no way prejudice or even effect at all the civil conspiracy case (which Judge Cooper ruled should be tried after this case is tried). If it turns out that there is a liability witness that Plaintiff needs in that case that was not called in this case because it was tried on damages only, Plaintiff can simply call that witness in the civil conspiracy case.

- g. The Striking of the Answer *does* remove the prejudice to Plaintiff caused by the persistent obstruction by Defendant, and its willful, repeated, and continued failure to produce documents relevant to liability such as those requested in the Fifth, Sixth and Seventh Request to Produce**

See Section III.e. above.

- h. HMG has been and continues to be in willful contempt of this Court's Orders, and the sanction levied by the Court is proportional and just**

HMG still has made no effort to comply with the Court's Order and to get its agent in this case, Charlotte Adams, who admittedly has them, to provide Plaintiffs with the JCAHO/CMS documents, or to otherwise get them to Plaintiffs, and has never produced the due diligence documents or the clinical protocol, despite the fact they probably exist and are available to it through its agent from its parent/alter ego. See Sections III.a and III.c above. HMG still has never produced its insurance policies. HMG still has *never* given an updated answer to Interrogatory No. 10 or the related documents. HMG is still thumbing its nose at this Court.

HMG is *improperly* filing a 39 page Memoranda with 249 pages of exhibits with this Court *after* the motions to which those documents relate have *already been decided*, further increasing the burden and strain on this Court. Not only does the impropriety of this motion increase the burden and strain on this Court, but it prejudices Plaintiffs who are now faced with new affidavits, documents and arguments that they have never seen before and which they do not have an opportunity to squarely meet as the Court has already ruled.

As discussed above, as part of that 288 total-page Motion to Reconsider, HMG got affidavits from both Charlotte Adams, the Head of Human Resources, and Rodney Van Donklaar, the CFO of Carolina Pines (exhibits N and O to the Motion and Memorandum in Support of Motion to Reconsider). In her affidavit at paragraph 18, Mrs. Adams, who was also designated as the 30(b)(6) designee of HMG, states "[t]he hospital Carolina Pines Regional

Medical Center is JCAHO accredited and *maintains records required by 42 C.F.R. §482.23.*"

Well, these are the records HMG was ordered to produce, and she is there agent and designee! If HMG was able to go to great lengths to get affidavits from, her, the Head of HR, and the CFO, of Carolina Pines in order to support its Motion to Reconsider, why couldn't it just ask them for a copy of those *records required by 42 C.F.R. §482.23 so as to comply with the Court's order?*

The Fifth Requests for Production specifically asked for those records, *whether maintained by HMG or Carolina Pines.* The Court **ordered** HMG to produce them. *HMG's agents (Charlotte Adams as she was designated as HMG's 30b6 designee to testify on its behalf) have the records, but HMG made a decision, and continues to make a decision, not to produce them and continues to argue that even though the Court ordered them to be produced, the Court is wrong and will not be obeyed.* That is the definition of contempt.

If HMG had made as much effort to answer discovery as it has in evading answering discovery and then compiling this improper motion and memorandum (288 pages), we would not be here.

Not only was this memorandum in support of this motion improper, but there were numerous inaccuracies in it. There *was* a Motion to Compel filed as to the Sixth and Seventh Requests for Production, and it was decided at the same time the Motion to Compel and for Sanctions was decided (this information is on the *first page* of the Order). Specifically, the Court struck HMG's Answer for willfully failing to answer those requests. The particular requests addressed in the Motion to Compel and for Sanctions and Order Striking Answer were *not* duplicative or redundant. It is only reasonable to believe that HMG had at least constructive possession of those documents requested by those Requests (as its designee testified the due diligence documents probably existed and the other is likely required by federal law), and could

have easily obtained them, from its agent(s), as well as those regarding the JCAHO and CMS requirements that it was *ordered* to produce, and that its agent *admits* she *has* available to her, as HMG is operated as an extension of Carolina Pines, with the same management, etc. However, HMG continues to play a cat and mouse game alleging that it does not have these documents or cannot get them from Carolina Pines although it identified as a 30(b)(6) designee to testify on its behalf the head of HR for Carolina Pines (the hospital), admits that it is owned by Carolina Pines (the hospital), and that those documents are available at the hospital and to its agent in this case. All of this *after* the Court ordered HMG to produce them. HMG continues in contempt.

HMG was ordered to give the identity of its accountant.

HMG says it was never ordered to produce tax returns "actually filed" but *admits* that it did not even produce copies of the tax returns that *were* filed for it (and is apparently refusing to produce them although it was ordered by the Court to do so).

HMG *still, to this day*, has never answered Interrogatory No. 10 regarding ownership information, and is still playing games about who actually owns it, identifying in its brief at least four different entities who it says Plaintiffs can produce an ability to pay report on at trial for punitive damages purposes.

If there are ramifications for the actions and inactions mentioned in the Order, it is not the fault of Plaintiffs.

IV. CONCLUSION

For all the foregoing reasons, Plaintiffs respectfully request that Defendant's Motion to Reconsider be denied. Plaintiffs further ask the Court for an award of attorney's fees for having to spend many hours reviewing and responding to this 288 page, and largely improper, Motion to Reconsider.

By: _____

William J. Tuck
William J. Tuck, PA
54 Public Square
Post Office Box 933
Darlington, SC 29540
Telephone: (843) 393-2201
Facsimile: (843) 393-2216

-and-

H. Thad White, Jr.
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Florence, South Carolina 29501
Telephone: (843) 665-8187
Facsimile: (843) 665-8305
chad@warrandwhite.com
ATTORNEYS FOR PLAINTIFFS

Darlington, South Carolina
August 22, 2016

TRUE CERTIFIED COPY,
[Signature]
CLERK OF COURT/RMC
DARLINGTON COUNTY, SC

2016 AUG 23 AM 9:44
CLERK OF COURT/RMC
DARLINGTON COUNTY, SC

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

vs.

Hartsville Medical Group, LLC,

Defendant.

) IN THE COURT OF COMMON PLEAS

) FOURTH JUDICIAL CIRCUIT

) C/A No. 12-CP-16-0872

) **MEMORANDUM IN OPPOSITION TO**
) **MOTION TO RECONSIDER AND PRAYER**
) **FOR ATTORNEY'S FEES**

I, **Heather D. Hatfield**, employee for the law office of William J. Tuck, P.A., attorney for the Plaintiffs in the above-captioned action, certify that I have this 23 day of August, 2016 served one (1) copy of the attached **MEMORANDUM IN OPPOSITION TO MOTION TO RECONSIDER AND PRAYER FOR ATTORNEY'S FEES** upon the below named, via electronic mail and US regular mail, addressed as follows:

Martin S. Driggers, Jr., Esquire
Swecny, Wingate & Barrow, P.A.
115 Cargill Way, Suite B
Hartsville, SC 29551
MSD@swblaw.com

ATTORNEY FOR DEFENDANT

Heather D. Hatfield
Heather D. Hatfield

2016 AUG 23 AM 9:44
CLERK OF COURT
JUDICIAL CIRCUIT 4
DARLINGTON COUNTY, S.C.

STATE OF SOUTH CAROLINA

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Plaintiffs,

Versus

Melvin B. Nickles, M.D., and Hartsville
Medical Group, LLC

Defendants.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

**DEFENDANT HARTSVILLE MEDICAL
GROUP, LLC'S RESPONSES TO
PLAINTIFFS' SIXTH REQUESTS FOR
PRODUCTION TO DEFENDANT
HARTSVILLE MEDICAL GROUP, LLC**

TO: PLAINTIFFS AND THEIR ATTORNEY WILLIAM TUCK, ESQUIRE:

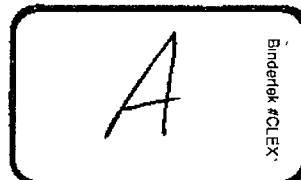
1. Please provide a complete copy of the HMA Compliance Manual, 3rd Edition, as referenced in the contract between Hartsville Medical Group, LLC and Melvin B. Nickles, Jr., MD, which was marked as Exhibit 4 to your 30(b)(6) Deposition.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, and requests information that Defendant may not have access to which Plaintiffs could receive by subpoena, and that it requests information not reasonably calculated to lead to admissible evidence. Subject to these objections, Defendant states:

Defendant has provided Plaintiff with the only Compliance Manual in its possession. Defendant is unaware of any other Compliance manuals.

2. Please provide the HMA Ethics Manual, HMA Operations Manual, and HMA Recordkeeping Standards as referenced throughout the Hartsville Medical Group, LLC job descriptions that are marked as Exhibit #3 to your 30(b)(6) Deposition.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, and requests information not reasonably calculated to lead to admissible



evidence. Subject to these objections, Defendant states:

See Defendant's Answers to Plaintiff's Fifth Requests for Production of Documents. Defendant has further provided these documents to Plaintiffs already. Defendant refers Plaintiffs to those documents as a response to this Request.

3. Please produce all documents relating to the purchase of the assets of Melvin Nickles, Jr., MD's medical practice as referred to in his contract with you that was marked as Exhibit #4 to your 30(b)(6) Deposition. This would include, but not be limited to, any and all records of due diligence regarding the adequacy of the clinical staff, clinical protocols, recordkeeping, and patient safety precautions in Dr. Nickles' practice prior to or at the time it was purchased by Hartsville Medical Group, LLC.

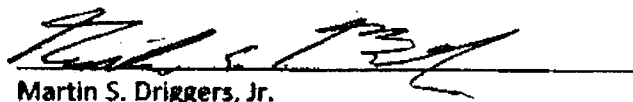
RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, and requests information not reasonably calculated to lead to admissible evidence. Subject to these objections, Defendant states:

Upon Information and belief, Defendant is not in possession of any such documents. Defendant performed a diligent search for such documents and cannot locate them. The Contract referenced in Request No. 3 does not include the purchase of any such documents, and, therefore, it is unlikely that Defendant was ever in possession of these documents. Defendant refers Plaintiffs to Dr. Nickles' Personal Representative to determine whether he or she is in possession of such documents.

(Signature Page Following)

Respectfully submitted,

SWEENEY, WINGATE & BARROW, P.A.



Martin S. Driggers, Jr.

Richard E. McLawhorn, Jr.

115 Cargill Way, Suite B

Hartsville, South Carolina 29550

(803) 865-0390

**ATTORNEYS FOR DEFENDANT HARTSVILLE
MEDICAL GROUP, LLC**

Hartsville, South Carolina
August 9, 2016

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Case No.: 12-CP-16-0872

Plaintiffs,

v.

CERTIFICATE OF SERVICE

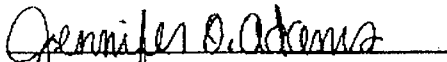
Melvin B. Nickles, MD and Hartsville
Medical Group, LLC

Defendants.

I, the undersigned, Jennifer O. Adams, Legal Assistant to Martin S. Driggers, Jr. and Richard E. McLawhorn, Jr. of Sweeny, Wingate & Barrow, P.A., do hereby certify that the document hereinbelow specified has this day been served upon opposing counsel and all interested parties in this action by depositing same in the United States mail, postage prepaid, this 9th day of AUGUST, 2016, addressed as follows:

DOCUMENT: Defendant Hartsville Medical Group, LLC's Responses to Plaintiffs' Sixth Requests for Production of Documents

COPY TO: William J. Tuck, Esquire
William J. Tuck, P.A.
54 Public Square
Post Office Box 933
Darlington, SC 29540
Attorney for Plaintiff


Jennifer O. Adams

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF DARLINGTON	)	C/A No. 12-CP-16-0872
	)	
Elizabeth McCants and Greg McCants,	)	
	)	
Plaintiffs,	)	
	)	DEFENDANT HARTSVILLE MEDICAL
Versus	)	GROUP, LLC'S RESPONSES TO
	)	PLAINTIFFS' SEVENTH REQUESTS FOR
Melvin B. Nickles, M.D., and Hartsville	)	PRODUCTION TO DEFENDANT
Medical Group, LLC	)	HARTSVILLE MEDICAL GROUP, LLC
	)	
	)	
	)	
Defendants.	)	
	)	

TO: PLAINTIFFS AND THEIR ATTORNEY WILLIAM TUCK, ESQUIRE:

1. A copy of the Practice Administrator job description in use at the Hartsville Medical Group, LLC in 2010.

RESPONSE: Defendant objects on the grounds that it is overly broad, unduly burdensome, and requests information not reasonably calculated to lead to admissible evidence. Subject to these objections, Defendant states:

These documents have been produced to Plaintiffs. Defendant will provide additional copies of these documents if Plaintiffs request.

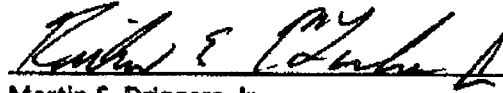
2. Please provide the standing order and clinical protocol for the administration of the Hepatitis B Vaccine that was in use at Carolina Pines Regional Medical Center during 2010.

RESPONSE: Defendant objects on the grounds that it requests information not reasonably calculated to lead to admissible evidence, is overly broad, vague, and unduly burdensome. Defendant further objects to providing these documents on the grounds that it requests information regarding a hospital when Hartsville Medical Group, LLC never held itself out to be a hospital, never operated as a hospital, and is not defined as a hospital under 42 U.S.C. § 1395x sec. 1861(e). Defendant, therefore, is not in possession of any such documents. Defendant further refers Plaintiffs to the depositions of Stephanie Watford,

Angie Gainey, Rachel Hoffman, Melvin B. Nickles, MD.

Respectfully submitted,

SWEENY, WINGATE & BARROW, P.A.



Martin S. Driggers, Jr.

Richard E. McLawhorn, Jr.

115 Cargill Way, Suite B

Hartsville, South Carolina 29550

(803) 865-0390

**ATTORNEYS FOR DEFENDANT HARTSVILLE
MEDICAL GROUP, LLC**

Hartsville, South Carolina

August 4, 2016

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF DARLINGTON

Elizabeth McCants and Greg McCants,

Case No.: 12-CP-16-0872

Plaintiffs,

v.

CERTIFICATE OF SERVICE

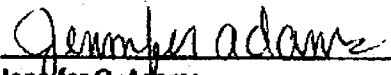
Melvin B. Nickles, MD and Hartsville
Medical Group, LLC

Defendants.

I, the undersigned, Jennifer O. Adams, Legal Assistant to Martin S. Driggers, Jr. and Richard E. McLawhorn, Jr. of Sweeny, Wingate & Barrow, P.A., do hereby certify that the document hereinbelow specified has this day been served upon opposing counsel and all interested parties in this action by depositing same in the United States mail, postage prepaid, this 4th day of August, 2016, addressed as follows:

DOCUMENT: Defendant Hartsville Medical Group, LLC's Responses to Plaintiffs' Seventh Requests for Production of Documents

COPY TO: William J. Tuck, Esquire
William J. Tuck, P.A.
54 Public Square
Post Office Box 933
Darlington, SC 29540
Attorney for Plaintiff


Jennifer O. Adams

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF DARLINGTON	)	C/A No. 12-CP-16-0872
Elizabeth McCants and Greg McCants,	)	
	)	
Plaintiffs,	)	
	)	
Versus	)	PLAINTIFFS' FIFTH REQUESTS
	)	FOR PRODUCTION TO
Hartsville Medical Group, LLC	)	DEFENDANT
	)	HARTSVILLE MEDICAL GROUP,
	)	LLC
	)	
	)	
Defendants.	)	

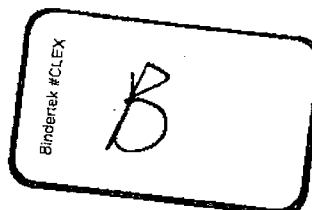
TO: DEFENDANT HARTSVILLE MEDICAL GROUP, LLC AND ITS ATTORNEY MARTIN S. DRIGGERS, ESQUIRE:

The Plaintiffs hereby require Defendant Hartsville Medical Group, LLC (hereinafter, Hartsville Medical Group) to answer the Requests for Production set forth below within thirty (30) days, in accordance with Rules 34 and 37 of the South Carolina Rules of Civil Procedure. Pursuant to Rule 26(e) of the South Carolina Rules of Civil Procedure these discovery requests shall be deemed to continue from the time of service until the trial of this action so that information sought, which comes to the knowledge of the parties, or its representatives or attorneys, after original responses have been submitted, shall be promptly transmitted to undersigned counsel.

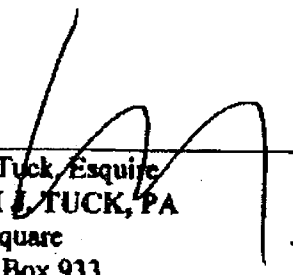
REQUEST FOR PRODUCTION

1. A copy of the following items mentioned in the job descriptions that were produced to me (received October 22, 2015):

- i. HMA Ethical program;



- ii. HMA Compliance Program;
 - iii. HMA Operations Manual;
 - iv. HMA Recordkeeping standards.
- 2. From 2010, policies and procedures required under 42 CFR §482.23(c)(2).¹
 - 3. From 2010, written definitions required under JCAHO requirement MM.06.01.01.²


William J. Tuck Esquire
WILLIAM J. TUCK, PA
54 Public Square
Post Office Box 933
Darlington, SC 29540
(843) 393-2201 (P)
(843) 393-2216 (F)
bill@attorneywilliamjtuck.com

October 23, 2015
Darlington, South Carolina

Attorney for the Plaintiffs

¹ For Defendant and Hartsville HMA, LLC.

² For Defendant and Hartsville HMA, LLC.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

Plaintiffs,

Versus

CERTIFICATE OF SERVICE

Defendants.

Martin S. Driggers, Esquire
Sweeny, Wingate & Barrow, P.A.
115 Cargill Way, Suite B
Hartsville, SC 29551
ATTORNEY FOR DEFENDANT

Courtnee M. Harrelson
Courtnee Morris Harrelson



SWEENY WINGATE & BARROW P.A.

March 16, 2016

Reply to: Pee Dee Office

Martin S. Driggers, Jr.
(843) 878-0390 x 7181
msd@swblaw.com

William J. Tuck, Esquire
William J. Tuck, P.A.
54 Public Square
Post Office Box 933
Darlington, SC 29540

RE: Elizabeth McCants and Greg McCants v. Nickles and Hartsville Medical Group
Civil Action No.: 12-CP-16-0872
Our File: 2935-8437

Dear Bill:

Enclosed please find the financial for Hartsville Medical Group. With kind regards, I remain

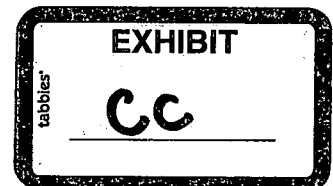
Yours truly,

SWEENY, WINGATE & BARROW, P.A.

Martin S. Driggers, Jr.

2016 AUG 17 PM 12:00
SCOTT B. SUGGS
CLERK OF COURT/ROD
DARLINGTON COUNTY, S.C.

MSD/joa
Enclosures



DECEMBER, 2013						YEAR-TO-DATE					
ACTUAL		BUDGET		LAST YR.		ACTUAL		BUDGET		LAST YR.	
\$\$\$	/ PD	\$\$\$	/ PD	\$\$\$	%	\$\$\$	/ PD	\$\$\$	/ PD	\$\$\$	%
#404 HARTSVL MG											
REVENUES											
GROSS REVENUE:											
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
2372803	0	2248625	0	1978241	0 20-	28681232	0	26267388	0	24336629	0 18-
2372803	0	2248625	0	1978241	0 20-	28681232	0	26267388	0	24336629	0 18-
1295675-	0	1117056-	0	959172-	0 35	15461429-	0	13049649-	0	11958481-	0 29
3820-	0	0	0	117551-	0 68-	122780-	0	0	0	122819-	0 0
1299495-	0	1117056-	0	970923-	0 34	15584210-	0	13049649-	0	12081300-	0 29
1073308	0	1131569	0	1007318	0 7	13097022	0	13217739	0	12255329	0 7
91	0	10472	0	2359	0 96	394138	0	125664	0	166633	0 139-
1073399	0	1142041	0	1009677	0 6-	13491160	0	13343403	0	12419962	0 9-
90263-	0	52253-	0	64356-	0 40-	999077-	0	600334-	0	615517-	0 62-
983136	0	1089788	0	945321	0 4-	12492083	0	12743069	0	11804446	0 6-
OPERATING EXPENSES:											
SALARIES											
915976	0	912618	0	935197	0 2	11029055-	0	10990984	0	10392831	0 6-
137061	0	154635	0	111799	0 23-	1848265	0	1855392	0	1484503	0 25-
115524	0	91402	0	57785	0 100-	1155227	0	1076087	0	1117389	0 3-
0	0	0	0	72-	0 100-	281	0	0	0	0	0 0
106716	0	97369	0	104885	0 2-	1246334	0	1155987	0	1215176	0 3-
103351	0	113157	0	106299	0 3	1258039	0	1357884	0	1369732	0 8
81740	0	75468	0	94394	0 14	865791	0	903808	0	890306	0 3
TOTAL OPER. EXPENSES											
1460369	0	1444649	0	1410287	0 4-	17402991	0	17340142	0	16469937	0 6-
477233-	0	354861-	0	464965-	0 3	4910908-	0	4597073-	0	4665491-	0 5
OPERATING PROFIT.....											
15625	0	6424	0	13488	0 16-	176932	0	77088	0	144640	0 22-
663	0	1358	0	745	0 11	8285	0	16296	0	13056	0 37
0	0	0	0	0	0 0	0	0	0	0	0	0 0
0	0	0	0	0	0 0	0	0	0	0	0	0 0
0	0	0	0	0	0 0	0	0	0	0	0	0 0
16288	0	7782	0	14233	0 14-	185217	0	93384	0	157696	0 17-
493521-	0	362643-	0	479199-	0 3	5096125-	0	4690457-	0	4823187-	0 6
51392	0	51392	0	55974	0 8	600451	0	600451	0	600642	0 0
0	0	0	0	0	0 0	0	0	0	0	0	0 0
51392	0	51392	0	55974	0 8	600451	0	600451	0	600642	0 0
TOTAL INTER-CO. CHRG											
1528050	0	1503823	0	1480494	0 3-	600451	0	600451	0	600642	0 0
TOTAL EXPENSES.....											
1528050	0	1503823	0	1480494	0 3-	18188660	0	18033977	0	17228275	0 6-
544913-	0	414035-	0	535173-	0 2	5696576-	0	5290908-	0	5423829-	0 5
0	0	0	0	0	0 0	0	0	0	0	0	0 0
0	0	0	0	0	0 0	0	0	0	0	0	0 0
1528050	0	1503823	0	1480494	0 3-	18188660	0	18033977	0	17228275	0 6-
544913-	0	414035-	0	535173-	0 2	5696576-	0	5290908-	0	5423829-	0 5
PROFIT/LOSS(-).....											
MANAGEMENT FEES											
INTERCOMPANY INTEREST											
TOTAL EXPENSES.....											
ADJ PRE-TAX PROFIT/LOSS(C											

FR645 01/10/13 TIME 19:54:38
FNO=F645

HEALTH MANAGEMENT ASSOCIATES, INC.
INCOME STATEMENT (SECONDARY)
DECEMBER, 2012

3RD RUN

DECEMBER, 2012						#404 HARTSVL MG	YEAR-TO-DATE					
ACTUAL		BUDGET		LAST YR.			ACTUAL		BUDGET		LAST YR.	
\$\$\$ / PD	\$\$\$ / PD	\$\$\$ / PD	\$\$\$ / PD	\$\$\$ / PD	%		\$\$\$ / PD	\$\$\$ / PD	\$\$\$ / PD	\$\$\$ / PD	\$\$\$ / PD	%
0	0	0	0	0	0	REVENUES	0	0	0	0	0	
0	0	0	0	0	0	GROSS REVENUE:	0	0	0	0	0	
1978241	0	2820931	0	1869093	0 6-	ROUTINE SERVICES	24336629	0	30126448	0	23444664	
1978241	0	2820931	0	1869093	0 6-	INPATIENT ANCILLARY SERV	0	0	0	0	0 4-	
959172-	0	1426149-	0	903809-	0 6-	OUTPATIENT ANCILLARY SER	0	0	0	0	0	
11751-	0	0	0	5653-	0108-	TOTAL GROSS REVENUE.....	24336629	0	30126448	0	23444664	
970923-	0	1426149-	0	909462-	0 7-	LESS: DEDUCT. FROM REVENUE	11958481-	0	15165207-	0	11259352-	
1007318	0	1394782	0	959631	0 5-	CONTRACTUAL ADJUSTMENTS	122819-	0	0	0	323296-	
2359	0	4566	0	4666	0 50	POLICY DISCOUNT	12081300-	0	15165207-	0	11582648-	
1009677	0	1399348	0	964297	0 5-	TOTAL DEDUCTIONS.....	12255329	0	14961241	0	11862016	
64356-	0	70840-	0	105781-	0 39-	NET OPERATING REVENUE	164633	0	54792	0	126023	
945321	0	1328508	0	858516	0 10-	OTHER REVENUE	12419962	0	15016033	0	11988039	
935197	0	1102756	0	847637	0 10-	PROV. BAD DEBT	615517-	0	718372-	0	634048-	
111799	0	177923	0	102485	0 9-	NET REV. AFTER BAD DEBT	11804446	0	14297661	0	11353990	
57785	0	102005	0	73377	0 21	OPERATING EXPENSES:	10392831	0	11751778	0	9566085	
72-	0	0	0	0	0 0	SALARIES	1484503	0	1808988	0	1378079	
104885	0	125287	0	100571	0 4-	EMPLOYEE BENEFITS	1117389	0	1093501	0	1187678	
106299	0	136410	0	111761	0 5	SUPPLIES	0	0	0	0	0 0	
94394	0	112660	0	77476	0 22-	PROFESSIONAL FEES	1215176	0	1297701	0	1094315	
1410287	0	1757041	0	1313306	0 7-	OUTSIDE SERVICES	1369732	0	1525740	0	1386178	
464965-	0	428533-	0	454790-	0 2	RENT	890306	0	1145277	0	912338	
13488	0	11445	0	10549	0 28-	OTHER OPERATING	16469937	0	18622985	0	15524673	
745	0	918	0	918	0 19	TOTAL OPER. EXPENSES	4665491-	0	4325324-	0	4170683-	
0	0	0	0	0	0 0	OPERATING PROFIT.....	144640	0	128336	0	111132	
0	0	0	0	0	0 0	FIXED EXPENSES:	13056	0	11016	0	10122	
0	0	0	0	0	0 0	DEPRECIATION	0	0	0	0	0 0	
0	0	0	0	0	0 0	AMORTIZATION	0	0	0	0	0 0	
0	0	0	0	0	0 0	(GAIN) LOSS OF SALE OF A	0	0	0	0	0 0	
0	0	0	0	0	0 0	INTEREST EXPENSE	0	0	0	0	0 0	
14233	0	12363	0	11467	0 24-	INTEREST AND OTHER INCOM	0	0	0	0	0 0	
479199-	0	440896-	0	466257-	0 3	TOTAL FIXED EXPENSES....	157696	0	139352	0	121254	
55974	0	55974	0	50024	0 12-	PRE-INTERCOMP (PROFIT/LO	4823187-	0	4464676-	0	4291937-	
0	0	0	0	0	0 0	INTERCOMPANY CHARGES:	600642	0	600642	0	544760	
55974	0	55974	0	50024	0 12-	CORPORATE ALLOCATION	0	0	0	0	0 0	
1480494	0	1825378	0	1374797	0 8-	NONCONTROLLING INTERESTS	600642	0	600642	0	544760	
535173-	0	496870-	0	516281-	0 4	TOTAL INTER-CO. CHRG	17228275	0	19362979	0	16190687	
0	0	0	0	0	0 0	TOTAL EXPENSES.....	5423829-	0	5065318-	0	4836697-	
0	0	0	0	0	0 0	PROFIT/LOSS(-).....	0	0	0	0	0 0	
1480494	0	1825378	0	1374797	0 8-	MANAGEMENT FEES	0	0	0	0	0 0	
535173-	0	496870-	0	516281-	0 4	INTERCOMPANY INTEREST	0	0	0	0	0 0	
						TOTAL EXPENSES.....	17228275	0	19362979	0	16190687	
						ADJ PRE-TAX PROFIT/LOSS(	5423829-	0	5065318-	0	4836697-	

FR645 1/22/15 TIME 13:53:45
FNO=F645

HEALTH MANAGEMENT ASSOCIATES, INC.
INCOME STATEMENT (SECONDARY)
DECEMBER, 2014

7TH RUN

DECEMBER, 2014						#404 HARTSVL MG	YEAR-TO-DATE					
ACTUAL		BUDGET		LAST YR.			ACTUAL		BUDGET		LAST YR.	
\$\$\$	/ PD	\$\$\$	/ PD	\$\$\$	/ PD		\$\$\$	/ PD	\$\$\$	/ PD	\$\$\$	/ PD
REVENUES						REVENUES						
GROSS REVENUE:						GROSS REVENUE:						
ROUTINE SERVICES						ROUTINE SERVICES						
INPATIENT ANCILLARY SERV						INPATIENT ANCILLARY SERV						
OUTPATIENT ANCILLARY SER						OUTPATIENT ANCILLARY SER						
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
2544616	0	2885475	0	2372803	0 7-	28894316	0	31234895	0	28681232	0 1-	
TOTAL GROSS REVENUE.....						TOTAL GROSS REVENUE.....						
2544616	0	2885475	0	2372803	0 7-	28894316	0	31234895	0	28681232	0 1-	
LESS: DEDUCT. FROM REVENUE						LESS: DEDUCT. FROM REVENUE						
CONTRACTUAL ADJUSTMENTS						CONTRACTUAL ADJUSTMENTS						
POLICY DISCOUNT						POLICY DISCOUNT						
1405348-	0	0	0	1295675-	0 8	16016900-	0	0	0	15461429-	0 4	
0	0	1583767-	0	3820-	0100-	4566-	0	17170657-	0	122780-	0 96-	
1405348-	0	1583767-	0	1299495-	0 8	16021466-	0	17170657-	0	15584210-	0 3	
TOTAL DEDUCTIONS.....						TOTAL DEDUCTIONS.....						
1139268	0	1301708	0	1073308	0 6	12872850	0	14064238	0	13097022	0 2-	
337	0	5000	0	91	0269-	331308	0	176762	0	394138	0 16	
NET OPERATING REVENUE						NET OPERATING REVENUE						
OTHER REVENUE						OTHER REVENUE						
1139605	0	1306708	0	1073399	0 6-	13204157	0	14241000	0	13491160	0 2	
455240-	0	90348-	0	90263-	0404	1106339-	0	1027000-	0	999077-	0 11	
NET REVENUE						NET REVENUE						
PROV. BAD DEBT						PROV. BAD DEBT						
684365	0	1216360	0	983136	0 30	12097819	0	13214000	0	12492083	0 3	
NET REV. AFTER BAD DEBT						NET REV. AFTER BAD DEBT						
OPERATING EXPENSES:						OPERATING EXPENSES:						
SALARIES						SALARIES						
826524	0	981977	0	915976	0 10	11237835	0	11562012	0	11029055	0 2-	
127065	0	171206	0	137061	0 7	2080422	0	1998971	0	1848265	0 13-	
112862	0	102276	0	115524	0 2	826639	0	1119000	0	1155227	0 29	
0	0	0	0	0	0 0	0	0	0	0	281	0100	
43975	0	112970	0	106716	0 59	1259518	0	1236003	0	1246334	0 1-	
97320	0	122127	0	103351	0 6	1190344	0	1399091	0	1258039	0 5	
62508	0	75579	0	81740	0 24	821263	0	826904	0	865791	0 5	
OTHER OPERATING						OTHER OPERATING						
TOTAL OPER. EXPENSES						TOTAL OPER. EXPENSES						
1270254	0	1566135	0	1460369-	0 13	17416021	0	18141981	0	17402991	0 0-	
585889-	0	349775-	0	477233-	0 23	5318202-	0	4927981-	0	4910908-	0 8	
OPERATING PROFIT.....						OPERATING PROFIT.....						
FIXED EXPENSES:						FIXED EXPENSES:						
DEPRECIATION						DEPRECIATION						
18696	0	19050	0	15625	0 20-	228768	0	213836	0	176932	0 29-	
538	0	0	0	663	0 19	7831	0	0	0	8285	0 6	
0	0	0	0	0	0 0	15112	0	0	0	0	0 0	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
19234	0	19050	0	16288	0 18-	251711	0	213836	0	185217	0 36-	
605123-	0	368825-	0	493521-	0 23	5569913-	0	5141817-	0	5096125-	0 9	
PRE-INTERCOMP (PROFIT/LO						PRE-INTERCOMP (PROFIT/LO						
INTERCOMPANY CHARGES:						INTERCOMPANY CHARGES:						
CORPORATE ALLOCATION						CORPORATE ALLOCATION						
0	0	58801	0	51392	0100	108217	0	636963	0	600451	0 82	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
0	0	58801	0	51392	0100	108217	0	636963	0	600451	0 82	
TOTAL INTER-CO. CHRG						TOTAL INTER-CO. CHRG						
1289487	0	1643986	0	1528050	0 16	17775948	0	18992780	0	18188660	0 2	
TOTAL EXPENSES.....						TOTAL EXPENSES.....						
605123-	0	427626-	0	544913-	0 11	5678130-	0	5778780-	0	5696576-	0 0	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
0	0	0	0	0	0 0	0	0	0	0	0	0 0	
1289487	0	1643986	0	1528050	0 16	17775948	0	18992780	0	18188660	0 2	
TOTAL EXPENSES.....						TOTAL EXPENSES.....						
605123-	0	427626-	0	544913-	0 11	5678130-	0	5778780-	0	5696576-	0 0	
ADJ PRE-TAX PROFIT/LOSS(						ADJ PRE-TAX PROFIT/LOSS(						

Financial Statements - Balance Sheet

Month			Year to Date			
Begin	Change	Ending	Begin	Change	Ending	
CURRENT ASSETS						
329,736	-158,354	171,382	Cash & Cash Equivalents	329,736	-158,354	171,382
			Marketable Securities			
PATIENT ACCOUNTS RECEIVABLES						
1,854,156	609,495	2,463,651	Patient Receivables	1,854,156	609,495	2,463,651
-526,989	-404,700	-931,689	Less Allow for Govt Receivables	-526,989	-404,700	-931,689
-906,192	-14,792	-920,984	Less Allow - Bad Debt	-906,192	-14,792	-920,984
420,975	190,003	610,978	Net Patient Receivables	420,975	190,003	610,978
FINAL SETTLEMENTS						
			Due to/from Govt Programs			
			Allowances Due Govt Programs			
			Net Final Settlements			
420,975	190,003	610,978	Net Accounts Receivables	420,975	190,003	610,978
70,568	0	70,568	Inventories	70,568	0	70,568
28,270	2,944	29,214	Prepaid Expenses	28,270	2,944	29,214
173,140	76,165	249,305	Other Receivables	173,140	76,165	249,305
1,020,689	110,758	1,131,447	Total Current Assets	1,020,689	110,758	1,131,447
PROPERTY, PLANT & EQUIPMENT						
			Land			
145,800	0	145,800	Bldgs & Improvements	145,800	0	145,800
678,535	-1	678,534	Equipment - Owned	678,535	-1	678,534
			Equipment - Capital Leases			
			Construction in Progress			
824,335	-1	824,334	Gross PP&E	824,335	-1	824,334
-171,797	-14,930	-186,727	Less Accumulated Depreciation	-171,797	-14,930	-186,727
652,538	-14,931	637,607	Net PP&E	652,538	-14,931	637,607
OTHER ASSETS						
			Investments			
			Notes Receivable			
			Intangible Assets - Net			
			Investments in Subsidiaries			
			Other Assets			
			Total Other Assets			
1,673,227	95,827	1,769,054	Grand Total Assets	1,673,227	95,827	1,769,054
CURRENT LIABILITIES						
137,524	-21,435	116,089	Accounts Payable	137,522	-21,433	116,089
728,171	-458,207	269,964	Accrued Salaries	728,171	-458,207	269,964
49,462	2,320	51,782	Accrued Expenses	49,462	2,320	51,782
			Accrued Interest			
			Distributions Payable			
			Curr Port - Long Term Debt			
			Other Current Liabilities			
-220,000	0	-220,000	Income Taxes Payable	-220,000	0	-220,000
695,157	-477,322	217,835	Total Current Liabilities	695,155	-477,320	217,835
LONG TERM DEBT						
5,954,951	974,048	6,928,999	Capitalized Leases	5,954,951	974,048	6,928,999
			Inter/intra Company Debt			
5,954,951	974,048	6,928,999	Other Long Term Debts	5,954,951	974,048	6,928,999
			Total Long Term Debts			
DEFERRED CREDITS AND OTHER LIAB						
			Professional Liab Risk			
			Deferred Incomes Taxes			
			Long-Term Obligations			
			Total Other Liabilities & Def			
EQUITY						
-44,455	0	-44,455	Common Stock - par value	-44,455	0	-44,455
			Capital in Excess of par value			
-4,932,426	-4,932,426	-4,932,426	Retained Earnings - current yr	-4,932,426	0	-4,932,426
-4,932,426	4,531,527	-400,899	Net Income Current Year	0	-400,899	-400,899
			Distributions			
			Other Equity			
-4,976,881	-400,899	-5,377,780	Total Equity	-4,976,879	-400,901	-5,377,780
1,673,227	95,827	1,769,054	Total Liabilities and Equity	1,673,227	95,827	1,769,054

CONFIDENTIAL - Contains proprietary information not intended for external distribution.

IN THE COURT OF COMMON PLEAS

C/A No. 12-CP-16-0872

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AFFIDAVIT OF TERRI YATES

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1. My name is Terri Yates and I reside in Williamson County, Tennessee.
2. I am a Senior Claims Manager of Liability Claims for CHSPSC, LLC and have worked in that role since July 2008.
3. When Community Health Systems, Inc. ("CHS") purchased Health Management Associates ("HMA"), it also purchased Carolina Pines Regional Medical Center ("CPRMC") and affiliated practices, which included Hartsville Medical Group, LLC ("HMG").
3. The Federal Trade Commission ("FTC") required CHS to sell CPRMC and HMG to another entity.
4. CHS sold CPRMC and HMG to Capella Healthcare, Inc. on January 1, 2015.
5. Capella did not purchase any of the existing liabilities of CPRMC and HMG, including the present lawsuit.
6. CHS, therefore, is continuing to defend the present lawsuit, even though it has no ownership interest in CPRMC or HMG.

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DARLINGTON COUNTY SC

7. Locating records that CHS purchased from HMA has been especially difficult as when CHS purchased CPRMC and HMG, it also purchased seventy-one (71) other hospitals at the same time, creating a large document influx.

8. Additionally, if HMA, CPRMC, and/or HMG failed to maintain certain documents prior to CHS's ownership, CHS would have no way to determine whether the records were lost or never existed.

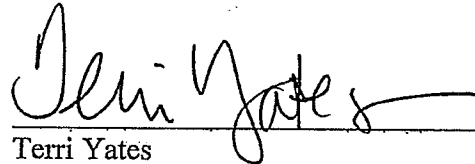
9. Also, because CHS has no current ownership interest in CPRMC or HMG, it cannot force either entity to produce documents that it has.

10. Based on the date the present lawsuit was reported to HMA, that entity's professional liability insurance policies in effect from October 1, 2011 to October 1, 2012 would be the insurance policies that are potentially responsive to this lawsuit. I do not have copies of the professional liability insurance policies issued to HMA or HMG during that time period and, after reasonable inquiry, have been unable to locate them. However, I have provided a list of these insurance policies to defense counsel for HMG.

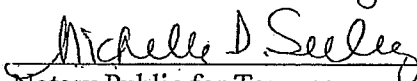
11. I previously contacted CHS' corporate tax department in order to locate other documents that were requested by plaintiffs' counsel and ordered to be produced by the Court. Their records showed that Carolinas JV Holdings, LP was the sole member of HMG.

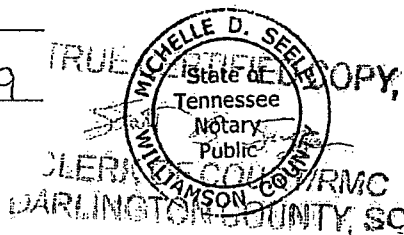
12. The CHS corporate tax department also confirmed that there were no separate income tax filings for Hartsville Medical Group, LLC for 2010 to 2015. Hartsville Medical Group operated as a disregarded single member LLC for federal income tax purposes. Thus its activity was reported to the IRS under its parent's FEIN (federal employer identification number). However, the CHS corporate tax department provided me with "pro forma" 1120's for HMG. I understand that these were provided to plaintiffs' counsel in this case by defense counsel for HMG.

FURTHER AFFIANT SAYETH NOT.


Terri Yates

SWORN TO and subscribed before me
This 16th day of August, 2016


Notary Public for Tennessee
My Commission Expires: 10-29-19



2016 AUG 22 AM 11:50
SCOTT D. SUGGS
CLERK OF COURT, R.O.D.
DARLINGTON COUNTY, S.C.