



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

July 2, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Walker P. Badham  
Surgical Care Affiliates, LLC.  
3000 Riverchase Galleria, Suite 500  
Birmingham, Alabama 35244

Re: Surgical Care Affiliates, LLC

Dear Mr. Badham:

We are reviewing the change of ownership of Physicians' Surgical Center in Belleville, Illinois (E-011-14). As part of that review we noted the following language in the audited financial statement for Surgical Care Affiliates, Inc.

*"Surgical Care Affiliates, Inc., a Delaware corporation, was converted from a Delaware limited liability company, previously named ASC Acquisition LLC, to a Delaware corporation on October 30, 2013. Pursuant to the conversion, every 10.25 outstanding membership units of ASC Acquisition LLC were converted into one share of common stock of Surgical Care Affiliates, and options to purchase membership units of ASC Acquisition LLC were converted into options to purchase shares of common stock of Surgical Care Affiliates at a ratio of 10.25 membership units of ASC Acquisition LLC underlying such options to each one share of common stock of Surgical Care Affiliates underlying such converted options. In connection with the conversion, the exercise prices of such converted options were adjusted accordingly. Upon conversion, all outstanding restricted stock units of ASC Acquisition LLC were converted into one restricted share of Surgical Care Affiliates. All share and per share amounts have been adjusted to reflect these conversion amounts throughout these financial statements."*

From the language above it appears that a change of ownership has occurred without the approval of the Illinois Health Facilities and Services Review Board. If this is the case you could be subject to fines and penalties as outlined in the Health Facilities Planning Act. (20 ILCS 3960)

Please contact Mike Constantino or George Roate at 217.782.3516 or [mike.constantino@illinois.gov](mailto:mike.constantino@illinois.gov) or [george.roate@illinois.gov](mailto:george.roate@illinois.gov) by July 15<sup>th</sup> to discuss this matter.

Sincerely,

A handwritten signature in cursive script that reads "Courtney R. Avery".

Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board

cc: Kathy Olson, Chairman