



GEORGE JEPSEN
ATTORNEY GENERAL

STATE OF CONNECTICUT

OFFICE OF THE ATTORNEY GENERAL

DEPARTMENT OF PUBLIC HEALTH



DR. JEWEL MULLEN
COMMISSIONER

November 12, 2015

VIA U.S. and ELECTRONIC MAIL

Jonathan Spees
Senior VP, Mergers and Acquisitions
Prospect Medical Holdings, Inc.
10780 Santa Monica Blvd., Suite 400
Los Angeles, CA 90025

Dennis P. McConville
Senior VP and Chief Strategy Officer
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

Re: Eastern Connecticut Health Network, Inc. Proposed Asset Purchase by Prospect Medical Holdings, Inc.; OHCA Docket Number: 15-32016-486 and Attorney General Docket Number: 15-486-01

Dear Mr. Spees and Mr. McConville:

On October 13, 2015, the Application of Eastern Connecticut Health Network, Inc. ("ECHN"), including Manchester Memorial Hospital ("MMH") and Rockville General Hospital ("RGH"), and Prospect Medical Holdings, Inc. ("PMH") was filed with the Office of Health Care Access, Department of Public Health ("OHCA/DPH") and Office of the Attorney General ("OAG") for the transfer of substantially all of the assets of ECHN and its related affiliates to PMH or one or more of its affiliates.

On October 30, 2015, the OAG and OHCA/DPH determined that there were deficiencies in the Application that required clarification and/or additional production, and accordingly, send a list of additional questions to the Applicants. Conn. Gen. Stat. § 19a-486a(d).

Since October 30, 2015, our offices have heard reports that PMH may be up for sale. Initially, this information was reported on The Deal Pipeline's website on November 4, 2015 ("Prospect Medical Retains Morgan Stanley for a Sale"). We also saw a similar report on the

LBO Wire on November 5, 2015 (“Leonard Green Plans Sale of Prospect Medical Holdings”). Most recently, we saw a November 10, 2015, article in the Waterbury Republican that states that PMH is not for sale, but rather, is eyeing possible investors (“Prospect Sale ‘Inaccurate’ - Firm still Aims to Buy Waterbury Hospital”).

Because PMH is the purchaser in the hospital conversion transaction presented to our offices for review, we have some additional questions for the Applicants.

1. Please confirm or deny the reports identified above and specifically explain the basis for the report.
2. Please describe Leonard Green & Partners and its present ownership stake and control of PMH.
3. If PMH is contemplating a sale, whether for a controlling or non-controlling interest in PMH, please explain the motivation and rationale for the sale.
4. If PMH is contemplating a sale, whether for a controlling or non-controlling interest in PMH, please explain the planned timeline for the sale.
5. If PMH is contemplating a sale, whether for a controlling or non-controlling interest in PMH, please explain the anticipated key terms and conditions of the sale.
6. If PMH is contemplating a sale, whether for a controlling or non-controlling interest in PMH, please explain how a sale would affect the planned acquisition of ECHN.
7. If PMH is contemplating a sale, whether for a controlling or non-controlling interest in PMH, please explain how the sale would affect the future operations of ECHN.

Please mail one (1) complete hard copy and one (1) complete electronic copy of the requested materials for approval to each of the following addresses:

Office of the Attorney General
55 Elm Street, P.O. Box 120
Hartford, Connecticut 06141-0120
Attn: Gary W. Hawes, AAG

Office of Health Care Access, Dept. of Public Health
410 Capitol Avenue
Hartford, Connecticut 06134
Attn: Steven W. Lazarus

Should you have any questions regarding these requests or any other issues relating to the Commissioner's and Attorney General's review, please do not hesitate to contact either Steven W. Lazarus at the Department of Public Health (860-418-7012; Steven.Lazarus@ct.gov) or Assistant Attorney General Gary W. Hawes at the Office of the Attorney General (860-808-5020; gary.hawes@ct.gov).

Very truly yours,



Gary W. Hawes
Assistant Attorney General
Office of the Attorney General

Very truly yours,



Kimberly Martone
Director of Operations
Office of Health Care Access

cc: Steven Lazarus (via electronic mail)
Counsel of Record