

Central California Foundation for Health
Notice to Attorney General Pursuant to CA Corp. Code Section 5920

Sect. 999.5(d)(2)(B)

The estimated market value of each health facility, facility that provides similar health care services or other asset to be sold or transferred by the applicant under the proposed agreement or transaction.

Given that the proposed transaction is a member substitution in which only nonprofit corporations that would commit to operate the Hospital as a charitable activity for the benefit of the community were considered as potential transferees, the value of the Applicant's assets was not a factor in the Applicant's decision making process, and therefore the Applicant did not engage in any analysis of such value in connection with the proposed transaction.

Nonetheless, we note that, from a balance sheet perspective, the Applicant held assets with a depreciated book value as of December 31, 2018 (unaudited) of approximately \$84 million, exclusive of approximately \$80 million in investment assets, cash and cash equivalents.

In addition, Adventist Health undertook an analysis of the Applicant's enterprise value in connection with its determination, in conjunction with anti-trust counsel, that a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 with the Federal Trade Commission was not required. Such decision was based, at least in part, on the determination, in consultation with anti-trust counsel, that the Applicant had an enterprise value, based on revenue multiples published by Irving Levin Associates, that failed to reach the threshold value for such filings, currently \$84.4 million.