

1 RESOLUTE COMMERCIAL SERVICES

Receiver

2 6750 East Camelback Road
3 Suite 103
4 Scottsdale, AZ 85251
(480) 947-3192 Office
(480) 946-3556 Fax

5
6 **IN THE CHANCERY COURT OF DAVIDSON COUNTY, TENNESSEE**
7 **FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE**

8
9 STATE OF TENNESSEE,
10 *ex rel.* JONATHAN SKRMETTI,
Attorney General and Reporter,

11 Plaintiff,

12 vs.

13 DR. JAIME M. VASQUEZ, M.D.,
14 THE CENTER FOR REPRODUCTIVE
15 HEALTH, P.C., THE CENTER FOR
16 ASSISTED REPRODUCTIVE
17 TECHNOLOGIES, LLC, FERTILITY
LABORATORIES OF NASHVILLE, INC.
and AMERICAN EMBRYO ADOPTION
AGENCY,

18 Defendants.
19

Case No. 24-0520-IV

RECEIVER'S INTERIM REPORT #3

**Receiver’s Inventory and Initial Report
State of Tennessee vs. The Center for Reproductive Health**

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- Exhibit A.....Notice to Patients as of June 21, 2024, and July 15, 2024
- Exhibit B.....The Center for Reproductive Health Receivership Estate Cash Flow
Budget to Actual for the period April 26, 2024 through June 30, 2024
- Exhibit C.....The Center for Reproductive Health Receivership Estate Sources & Uses
Report through June 30, 2024
- Exhibit D.....Receiver's & Receiver's Counsel's Invoice for the period June 1, 2024,
through June 30, 2024

I. Introduction

Resolute Commercial Services ("Receiver") hereby submits this Receiver's Interim Report #3.

On May 28, 2024, without the consent of the Receiver, Dr. Vasquez caused petitions seeking bankruptcy relief to be filed for each of The Center for Reproductive Health, P.C. ("CRH"), the Center for Assisted Reproductive Technologies, LLC ("CART"), Fertility Laboratories of Nashville LLC ("FLN") and American Embryo Adoption Agency, LLC ("AEAA") (collectively, CRH, CART, FLN, and AEAA are the "Receivership Defendants" and together with Dr. Vasquez, the "Defendants") (the "Receivership Defendants") in the United States Bankruptcy Court for the Middle District of Tennessee Nashville Division ("Bankruptcy Court"). The Receivership Defendants then filed a Notice of Removal to the United States District Court for the Middle District of Tennessee ("District Court"), which removed these proceedings (temporarily) to federal court. As a result, the Receiver continued to maintain necessary operations pending resolution of these procedural litigation tactics. Ultimately, per agreement of the parties, the Bankruptcy Court dismissed the bankruptcy cases filed by the Receivership Defendants on June 5, 2024, and the District Court also remanded these proceedings to this Court. On June 24, 2024, an Agreed Temporary Injunction ("Temporary Injunction") was entered by this Court extending the Receivership.

The Receiver's Inventory and Initial Report filed May 21, 2024, outlined the Receiver's activities from April 26, 2024 through May 10, 2024. On June 17, 2024, the Receiver filed Receiver's Interim Report #2 which covered activity from May 11, 2024, through May 31, 2024. This report covers activity from June 1, 2024, through June 30, 2024.

II. Receivership Activity

a. Property

The Receiver continues to work with local vendors and other physician groups in the area to ascertain the commercial value of the assets on site at 2410 Patterson St, unit 401, Nashville, TN 37203. The site contains a large collection of medical equipment which have been cross-referenced with all leases and loans to determine which assets are available for sale. The Receiver is negotiating with a secured lender and the landlord of the facility regarding the division of sale proceeds to release the lien and any security interests encumbering the assets. In addition to the medical equipment on site, the Receiver identified 13 desktop computers, 5 laptops, and a small number of other smaller electronic devices such as routers and tablets. These items are believed to have little commercial value, though they are being maintained by the Receiver as they contain relevant records and information.

b. Genetic Material On-Site

i. Storage, Maintenance, and Transfer

The Receiver continues to monitor and maintain the five cryogenic storage tanks (“dewars”) onsite with the assistance of an embryologist. The dewars have active alarm monitoring in place for temperature and humidity and alerts are sent to the Receiver and the embryologist in the event that any values ever reach beyond acceptable ranges. In addition, the Receiver has secured a local vendor to provide liquid nitrogen and is receiving liquid nitrogen deliveries weekly. The embryologist with whom the Receiver is working performs site visits multiple

State of Tennessee vs. The Center for Reproductive Health

times each week to verify the liquid nitrogen levels in the dewars and adds liquid nitrogen as necessary to preserve the genetic material in the dewars.

In order to facilitate a transfer of the genetic materials out of the Receivership Defendants' facility, the Receiver has continued negotiations with various fertility clinics, donation centers, and long-term storage vendors to review options for future storage, maintenance, and transfer to alternative providers. The Receiver will provide a formalized plan to the Court when negotiations are complete. The Receiver also will file the proposed agreement(s) with any providers with whom the Receiver proposes to contract for the transfer of genetic material with this Court for approval after negotiations are completed and a plan is agreed to by the necessary parties.

ii. Incubator Materials

The Receiver has maintained the incubator in the embryology lab which contains genetic materials in a consistent state and has ensured there is CO₂ onsite to continue operation of the incubator until a determination is made on the procedure for those specimens. The Receiver has communicated the status of these specimens with the TNAGO and the Receivership Defendant's counsel and is awaiting consensus on a plan for handling the specimens moving forward.

c. Patients

i. Medical Records

The Receiver has continued to provide patients with their medical records through a Contractor sourced from prior employees of the Receivership Defendant. The Receiver is directing all patient related requests, including

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requests for medical records, and inquiries to the designated email address: CRH-Records@crhnashville.com. As of July 12, 2024, the Contractors have responded to 556 emails and 100 voicemails for patient records and 32 requests for records ("RFR") remitted by the Tennessee Department of Health. All requests with signed releases have been fulfilled.

ii. Resources

The Receiver continues to direct inquiring parties to the designated website at: <https://case.stretto.com/ncrh>. The Receiver is directing all non-patient inquiries and requests to the designated email address: CRH@resolutecommercial.com.

In June, the Receiver posted two updates to the designated website. The Notice to Patients as of June 21, 2024 and July 15, 2024 are attached here as Exhibit "A". The Receiver will continue to post future notices to patients on the website and will endeavor to do so on a bi-monthly basis. After a plan of transfer is agreed to by the necessary parties and approved by the Court, the Receiver will remit a Notice to Patients with genetic material in the dewars with additional information related to next steps. This notice will be sent to the individual patients via first class mail and email.

On June 5, 2024, the United States District Court issued an order dismissing the bankruptcy filed by Dr. Vasquez. On June 20, 2024, the Expedited Agreed Order Resolving Motions to Appoint Chapter 11 Trustee or Dismiss Case ("Order Resolving Motions") was entered by the Honorable Judge Walker in the United States Bankruptcy Court. Per the Order Resolving Motions, Dr. Vasquez

State of Tennessee vs. The Center for Reproductive Health

was ordered to serve a summary of the bankruptcy proceedings (“Patient Summary”) to patients of the Receivership Defendants through the Receiver’s Noticing Provider and through the Receiver’s designated website. It was further ordered that Dr. Vasquez shall pay the cost in providing the Patient Summary within 60 days of presentment.

iii. Patient Communications

The Receiver remains committed to providing timely communications to patients and other stakeholders as new information becomes available. While the Receiver is making every effort to provide new information, the state of the operations and records maintained by the Receivership Defendant have presented challenges in understanding several important dimensions of the operation. Conflicts related to the dewar inventory reporting among various systems, the nature of the materials in the dewars, including ‘designer’ embryos, and the lack of records related to consent for storage and transfer of the materials, have all hindered progress related to transferring materials out of the facility. Uncertainty pertaining to the economic terms of any agreement to transfer the genetic materials, as well as funding for such agreement, also present difficulties, though the Receiver is optimistic in the near-term resolution of these issues in order to facilitate a transfer. As a result, the Receiver has focused efforts related to patient communication on providing patient records until a plan is in place to address the challenges related to the materials in cryogenic storage.

d. Employees

i. Contractors

State of Tennessee vs. The Center for Reproductive Health

The Receiver continues to employ one former employee as a contractor to assist with responding to patient requests, and one additional contractor to help with understanding the Receivership Defendants' systems, policies, and procedures.

e. Additional Activities

The Receiver continues to assist several government agencies to provide access to records and information pertinent to each department.

i. TNAGO

The Receiver is in continual communication with the TNAGO addressing questions and concerns.

ii. Department of Health ("DH")

The Receiver has been provided with formal medical records requests from patients of the Receivership Defendants from the DH and continues to work diligently with the retained Contractor to provide the requested files.

iii. Other Governmental Agencies

The Receiver continues to be available to provide documents, information, and support to other governmental agencies such as the Health Facility Commission, Drug Enforcement Agency, Department of the Army Criminal Investigation Division, and Nashville Metro Police Department.

The Receiver is still ascertaining other licenses and permits that may be held by the Receivership Defendants and appropriate notice and action plans with respect to each.

State of Tennessee vs. The Center for Reproductive Health

The Receiver will continue to cooperate with the various governmental agencies and other third parties as required under the direction of the Temporary Injunction.

Updates related to additional findings and requests will be outlined in the Receiver's future reports.

III. Accounting/Banking

a. Cash Flow Budget to Actual

Attached hereto as Exhibit "B" is the Receiver's Cash Flow Budget to Actual for the period April 26, 2024 through June 30, 2024. The Receiver's Cash Flow Budget to Actual details the actual financial accounting for the Receivership during the period with comparisons to the estimates provided in the Receiver's 13-Week Cash Flow Budget provided in the Receiver's Interim Report #2. The Receiver will provide an updated budget to actual report in subsequent Interim Reports.

b. Cash Sources & Uses

Attached hereto as Exhibit "C" is the Receiver's Cash Sources & Uses Report for the April 30, 2024 through June 30, 2024 receivership reporting period. Exhibit C reflects consolidated financials from the pre-receivership bank accounts at Fifth Third Bank ("5/3") and the receivership bank account at Western Alliance Bank ("WAB").

The Receiver's Cash Sources & Uses reported total incoming cash receipts of \$33,024 for the reporting period. The cash receipts include \$22,711 of insurance payments received, \$10,238 from patient payments through Cooper Surgical for cryogenic storage, and \$75 from returned checks and test payments.

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State of Tennessee vs. The Center for Reproductive Health

Total outgoing cash disbursements totaled approximately \$18,550 for the reporting period related to software, contractors, insurance, and other operational expenses.

The Receiver continues to delay other necessary payments until funds are available and reports accrued expenses of \$778,170 through June 30, 2024, related to rent, utilities, Receiver's fees, Receiver's counsel fees, and other software and operating expenses.

IV. Receiver's Fees

In accordance with the Order, the Receiver's invoice for fees and expenses in the amount of \$140,055 and Receiver's Counsel fees in the amount of \$111,974 for the period June 1, 2024, to June 30, 2024, are attached hereto as Exhibit "D".

V. Conclusion

This Receiver's Interim Report #3 is intended to give the parties a description of the Receiver's activities and findings pertaining to the Receivership Defendants and corresponding Receiver's duties as outlined in the TRO and the Temporary Injunction for the period June 1, 2024, through June 30, 2024. The Receiver will continue to preserve the assets until such time as they are transferred off site or, in the case of the equipment, sold. The Receiver will report updates on these actions in the forthcoming Receiver's Interim Report #4.

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State of Tennessee vs. The Center for Reproductive Health

Dated: July 29, 2024

Respectfully Submitted,



/s/

Receiver Commercial Services
By: Jeremiah Foster
Its: Principal

DISTRIBUTION LIST

***Copies e-mailed this 29th day of
July 2024 to:***

Matthew D. Janssen
Sr. Assistant Attorney General/Managing Attorney
Public Protection Section
USB Tower, 20th Floor
315 Deaderick St.
Nashville, TN 37243
Email: Matthew.Janssen@ag.tn.gov, David.Mcdowell@ag.tn.gov
Kelley.Groover@ag.tn.gov, Kristine.Knowles@ag.tn.gov

Counsel for Plaintiff

Phillip Young
THOMPSON BURTON, PLLC
One Franklin Park
6100 Tower Circle, Suite 200
Franklin, TN 37067
E-mail: phillip@thompsonburton.com

Counsel for Defendant

Peter Riggs
SPENCER FANE LLP
1000 Walnut St, #1400
Kansas City, MO 64106
Email: priggs@spencerfane.com

Counsel for Receiver

/s/ Ashley Tayloe

Receiver's Interim Report #3
State of Tennessee vs. The Center for Reproductive Health

EXHIBIT A

RESOLUTE

problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

June 21, 2024

RE: **UPDATE – PART TWO IMPORTANT NOTICE REGARDING CLOSURE OF CENTER FOR REPRODUCTIVE HEALTH AND AFFILIATED BUSINESSES**

Dear Patient:

Many of you may already be aware that on or about May 28, 2024, CRH and its affiliated businesses were placed into Chapter 11 bankruptcies in the United States Bankruptcy Court for the Middle District of Tennessee (“Bankruptcy Court”) by their former principal Dr. Jaime M. Vasquez, M.D. The Receiver opposed the bankruptcy filings and sought their dismissal. Following extensive negotiations, the Receiver, counsel for CRH and its affiliates, the United States Trustee, and the Tennessee Attorney General, an agreement was reached to dismiss the bankruptcies and convert the Chancery Court’s previously entered temporary appointment order into a longer-term order called a temporary injunction. The bankruptcies were in fact dismissed on June 20, 2024. This agreed resolution, if also approved by the Chancery Court, will extend the duration of the Receivership, among other things, and provide enough time for the Receiver to complete the transition of services from CRH and its affiliates to another provider.

The Receiver continues to work with a healthcare provider to ensure that all embryos, eggs, and sperm samples are preserved and protected, and storage tanks are monitored and serviced regularly. The Receiver continues to receive and document requests for transfers of genetic material, which can be made by email at CRH-records@crhnashville.com with your full name, date of birth, and contact information for your preferred clinic/facility. These requests will be processed as quickly as possible **after** an inventory of the genetic materials is completed, and the Receiver has completed engagement of the medical professionals who will handle the transfer requests. The Court will also need to approve an agreement between the Receiver and the medical professionals. Various developments related to the engagement of medical professionals who will handle the inventory and transfer requests have created delays related to the potential transfer date. Therefore, the Receiver is working toward having genetic materials transferred to the new maintenance and long-term storage provider as soon as possible but targeting the end of July 2024.

The Receiver is also continuing to work on fulfilling patients’ medical records requests. According to the Receiver’s records, all such emailed requests received through June 13, 2024 have been acknowledged and are being processed if the Receiver has all of the required information to process the request. The Receiver is aware of instances where patients have received records that may have been incomplete, contain inaccurate data, or contain other patient information. Please note, each instance of these reported issues is being investigated and addressed in accordance with proper policies and procedures. The Receiver has confirmed that these identified issues with patient records are a result of the former CRH records management system while the facility was

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(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

operational. The Receiver continues to implement alternative and updated procedures to process patient medical record requests to mitigate these issues as much as possible. These updated procedures may cause delays in receiving your requested medical records. We appreciate your patience while the Receiver's Records Team continues to work through your requests.

If you have not submitted a records request, or if you have submitted a request prior to the date above and your request has not been acknowledged or fulfilled after you have sent a signed release, please email your request to CRH-records@crhnashville.com with your full name, date of birth, contact information for the recipient of records, and details of what you are requesting. You will need to sign a medical authorization / release that will be provided upon receipt of your request.

If you are concerned that CRH may have violated your privacy rights, or you disagree with a decision that was made about access to your health information or in response to a request you made to amend or restrict the use or disclosure of your health information or to have us communicate with you by alternative means or at alternative locations, you may contact the Receiver's Interim Privacy Officer:

Center for Reproductive Health, P.C., et al., Receivership Estate
Interim Privacy Officer
c/o Resolute
6750 E. Camelback Road, Suite 103
Scottsdale, AZ 85254
Telephone: 844-713-1716 Email: CRH@resolutecommercial.com

You may also submit a written complaint to the Office of Civil Rights, U.S. Department of Health and Human Services, 200 Independence Ave., S.W., Room 509F, HHH Building, Washington, D.C. 20201. The Receiver supports your right to the privacy of your health information. There will be no retaliation for filing a complaint with either the Receiver's Interim Privacy Officer or the Office of Civil Rights.

A notice was provided on May 8, 2024 to individuals who have been identified as having records and/or genetic material in the custody of Dr. Jaime Vasquez, the Center for Reproductive Health ("CRH"), and/or one of its affiliated businesses in Nashville, Tennessee, that can be accessed through the Receiver's designated case website: <https://case.stretto.com/ncrh> and scrolling to Key Documents and clicking on the link for Notice to Patients Regarding Closure of Center for Reproductive Health and Affiliated Businesses, as of May 8, 2024.

Additionally, an updated notice was posted to the Receiver's designated website referenced above on June 5, 2024. A copy of this notice can be accessed by scrolling to Key Documents and clicking on the link for Updated Notice to Patients Regarding Center for Reproductive Health and Affiliated Businesses, as of June 5, 2024. You may also request a copy of the May 8, 2024 and June 5, 2024 Notices by emailing CRH@resolutecommercial.com.

We understand that this has been a distressing process, and we appreciate your patience as we continue to work to address patients' immediate needs.

RESOLUTE

problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremiah Foster', with a stylized flourish at the end.

Jeremiah Foster

Receiver for CRH and Affiliated Entities

RESOLUTE

problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

July 15, 2024

RE: **UPDATE – PART THREE IMPORTANT NOTICE REGARDING CLOSURE OF CENTER FOR REPRODUCTIVE HEALTH AND AFFILIATED BUSINESSES**

Dear Patient:

Many of you may already be aware that on or about May 28, 2024, CRH and its affiliated businesses were placed into Chapter 11 bankruptcies in the United States Bankruptcy Court for the Middle District of Tennessee (“Bankruptcy Court”) by their former principal Dr. Jaime M. Vasquez, M.D. The Receiver opposed the bankruptcy filings and sought their dismissal. Following extensive negotiations, the Receiver, counsel for CRH and its affiliates, the United States Trustee, and the Tennessee Attorney General, an agreement was reached to dismiss the bankruptcies and convert the Chancery Court’s previously entered temporary appointment order into a longer-term order called a temporary injunction. The bankruptcies were in fact dismissed on June 20, 2024. On June 24, 2024, the State Court entered an Agreed Temporary Injunction whereby the Receiver will continue managing the wind-down of CRH and its affiliates and complete the transition of services to another provider.

The Receiver continues to work with a healthcare provider to ensure that all embryos, eggs, and sperm samples are preserved and protected, and storage tanks are monitored and serviced regularly. The Receiver continues to receive and document requests for transfers of genetic material, which can be made by email at CRH-records@crhnashville.com with your full name, date of birth, and contact information for your preferred clinic/facility. These requests will be processed as quickly as possible **after** an inventory of the genetic materials is completed, and the Receiver has completed engagement of the medical professionals who will handle the transfer requests. The Court will also need to approve an agreement between the Receiver and the medical professionals. The Receiver is nearing finalization of the agreement that will allow for the inventory audit that will enable patients to transition their genetic materials to new providers, in coordination with the Tennessee Attorney General’s Office. Therefore, the Receiver is tentatively targeting transfer of the genetic materials to the new maintenance and potential long-term storage provider by August.

The Receiver is also continuing to work on fulfilling patients’ medical records requests. According to the Receiver’s records, all such emailed requests received through July 10, 2024 have been acknowledged and are being processed if the Receiver has all of the required information to process the request. We appreciate your patience while the Receiver’s Records Team continues to work through your requests.

If you have not submitted a records request, or if you have submitted a request prior to the date above and your request has not been acknowledged or fulfilled after you have sent a signed release, please email your request to CRH-records@crhnashville.com with your full name, date of birth,

RESOLUTE

problems solved.

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6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

contact information for the recipient of records, and details of what you are requesting. You will need to sign a medical authorization / release that will be provided upon receipt of your request.

If you are concerned that CRH may have violated your privacy rights, or you disagree with a decision that was made about access to your health information or in response to a request you made to amend or restrict the use or disclosure of your health information or to have us communicate with you by alternative means or at alternative locations, you may contact the Receiver's Interim Privacy Officer:

Center for Reproductive Health, P.C., et al., Receivership Estate
Interim Privacy Officer
c/o Resolute
6750 E. Camelback Road, Suite 103
Scottsdale, AZ 85254
Telephone: 844-713-1716 Email: CRH@resolutecommercial.com

You may also submit a written complaint to the Office of Civil Rights, U.S. Department of Health and Human Services, 200 Independence Ave., S.W., Room 509F, HHH Building, Washington, D.C. 20201. The Receiver supports your right to the privacy of your health information. There will be no retaliation for filing a complaint with either the Receiver's Interim Privacy Officer or the Office of Civil Rights.

A notice was provided on May 8, 2024 to individuals who have been identified as having records and/or genetic material in the custody of Dr. Jaime Vasquez, the Center for Reproductive Health ("CRH"), and/or one of its affiliated businesses in Nashville, Tennessee, that can be accessed through the Receiver's designated case website: <https://case.stretto.com/ncrh> and scrolling to Key Documents and clicking on the link for Notice to Patients Regarding Closure of Center for Reproductive Health and Affiliated Businesses, as of May 8, 2024.

Additionally, updated notices were posted to the Receiver's designated website referenced above on June 5, 2024 and June 21, 2024. A copy of these notices can be accessed by scrolling to Key Documents. You may also request a copy of the May 8, 2024, June 5, 2024, and June 21, 2024 Notices by emailing CRH@resolutecommercial.com.

We understand that this has been a distressing process, and we appreciate your patience as we continue to work to address patients' immediate needs.

Sincerely,



Jeremiah Foster

Receiver for CRH and Affiliated Entities

Receiver's Interim Report #3
State of Tennessee vs. The Center for Reproductive Health

EXHIBIT B

Center for Reproductive Health
 Receivership Estate
 13 Week Cash Flow Budget to Actual
 Weeks 1 - 9

		Week beginning		Week 1			Week 2			Week 3			Week 4			Week 5			Week 6		
		Week ending		4/26/2024			5/6/2024			5/13/2024			5/20/2024			5/27/2024			6/3/2024		
		5/5/2024		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenue	Accounts Receivable Collections [1]	-	1,090	(1,090)	-	255	(255)	8,662	2,750	5,912	8,662	4,148	4,513	23,377	14,196	9,180	23,377	-	-	23,377	
	Other Income Interest/rebates/returns	-	74	(74)	-	-	-	-	-	-	-	1	(1)	-	-	-	-	-	-	-	
	TNAGO Funding [2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cryo Storage [3]	-	-	-	1,800	4,797	(2,997)	2,400	-	2,400	3,000	-	3,000	9,100	-	9,100	1,800	5,441	(3,641)		
	Total Revenue	-	1,164	(1,164)	1,800	5,052	(3,252)	11,062	2,750	8,312	11,662	4,149	7,512	32,477	14,196	18,280	25,177	5,441	19,735		
	Gross Profit	-	1,164	(1,164)	1,800	5,052	(3,252)	11,062	2,750	8,312	11,662	4,149	7,512	32,477	14,196	18,280	25,177	5,441	19,735		
Labor Exp.	Payroll/Contractors [4]	480	-	480	2,699	-	2,699	2,120	-	2,120	2,073	3,598	(1,525)	1,586	990	596	1,470	3,659	(2,189)		
	Employee Benefits/Insurance	-	-	-	-	5,747	(5,747)	-	-	-	-	-	-	-	-	-	-	-	-		
	Embryologist [4]	-	-	-	-	-	-	-	-	-	200	-	200	200	-	200	200	-	200		
	Total Labor Expenses	480	-	480	2,699	5,747	(3,048)	2,120	-	2,120	2,273	3,598	(1,325)	1,786	990	796	1,670	3,659	(1,989)		
Facility Exp.	Rent [5]	-	-	-	-	-	-	25,545	-	25,545	-	-	-	-	-	-	-	-	-		
	Utilities [6]	-	-	-	-	-	-	1,800	-	1,800	-	-	-	-	-	-	-	-	-		
	Supplies [7]	-	-	-	-	-	-	-	-	-	222	-	222	54	222	(168)	54	-	54		
	Total Facility Expenses	-	-	-	-	-	-	27,345	-	27,345	222	-	222	54	222	(168)	54	-	54		
	Operating Profit	(480)	1,164	(1,644)	(899)	(695)	(204)	(18,403)	2,750	(21,154)	9,167	551	8,616	30,637	12,985	17,652	23,453	1,782	21,670		
General & Admin Exp.	Bank Fees	-	-	-	-	189	(189)	-	-	-	-	-	-	-	380	(380)	-	-	-		
	Computer Software [8]	-	-	-	-	-	-	2,073	-	2,073	-	-	-	2,868	-	2,868	-	514	(514)		
	Dewar Alarm System [9]	-	-	-	358	-	358	-	-	-	-	-	-	43	-	43	-	43	(43)		
	Insurance [10]	606	-	606	-	-	-	-	-	-	-	606	(606)	-	-	-	-	-	-		
	Professional Fees - IT [11]	-	-	-	-	-	-	443	-	443	20,000	-	20,000	-	2,150	(2,150)	-	-	-		
	Professional Fees - Resolute	70,395	-	70,395	62,945	-	62,945	53,355	-	53,355	46,660	-	46,660	42,175	-	42,175	32,850	-	32,850		
	Professional Fees - Legal	37,150	-	37,150	30,800	-	30,800	15,750	-	15,750	15,750	-	15,750	32,860	-	32,860	55,120	-	55,120		
	Other G&A Expenses [12]	-	-	-	-	-	-	-	-	-	449	-	449	-	-	-	-	-	-		
	Total Administrative Expenses	108,151	-	108,151	94,103	189	93,914	71,621	-	71,621	82,859	606	82,253	77,946	2,530	75,416	87,970	557	87,413		
	Potential Exp.	New Provider Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
E-Discovery		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Long term Record Storage		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Additional insurance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Potential Expenses [13]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Total Expenses	108,631	-	108,631	96,802	5,936	90,866	101,086	-	101,086	85,354	4,204	81,150	79,786	3,742	76,044	89,694	4,215	85,479		
	Beginning Cash Balance	6,979	6,979	0	(101,652)	8,143	(109,795)	(196,655)	7,258	(203,913)	(286,679)	10,009	(296,688)	(360,371)	9,954	(370,325)	(407,681)	20,408	(428,088)		
	Net Income	(108,631)	1,164	(109,796)	(95,002)	(885)	(94,118)	(90,024)	2,750	(92,775)	(73,692)	(55)	(73,637)	(47,309)	10,454	(57,764)	(64,517)	1,226	(65,743)		
	Ending Cash Balance	(101,652)	8,143	(109,795)	(196,655)	7,258	(203,913)	(286,679)	10,009	(296,688)	(360,371)	9,954	(370,325)	(407,681)	20,408	(428,088)	(472,198)	21,634	(493,831)		

Center for Reproductive Health
 Receivership Estate
 13 Week Cash Flow Budget to Actual
 Weeks 1 - 9

		Week 7			Week 8			Week 9			Total		
		6/10/2024			6/17/2024			6/24/2024			4/26/2024		
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
	Week beginning												
	Week ending												
Revenue	Accounts Receivable Collections [1]	15,586	251	15,335	15,586	20	15,566	871	-	871	96,120	22,711	73,409
	Other Income Interest/rebates/returns	-	-	-	-	-	-	-	-	-	-	75	(75)
	TNAGO Funding [2]	-	-	-	-	-	-	-	-	-	-	-	-
	Cryo Storage [3]	2,400	-	2,400	-	-	-	-	-	-	20,500	10,238	10,262
	Total Revenue	17,986	251	17,735	15,586	20	15,566	871	-	871	116,620	33,024	83,596
	Gross Profit	17,986	251	17,735	15,586	20	15,566	871	-	871	116,620	33,024	83,596
Labor Exp.	Payroll/Contractors [4]	1,470	-	1,470	1,470	-	1,470	-	-	-	13,368	8,247	5,121
	Employee Benefits/Insurance	-	-	-	-	-	-	-	-	-	-	5,747	(5,747)
	Embryologist [4]	200	-	200	200	-	200	-	-	-	1,000	-	1,000
	Total Labor Expenses	1,670	-	1,670	1,670	-	1,670	-	-	-	14,368	13,994	374
Facility Exp.	Rent [5]	-	-	-	25,545	-	25,545	-	-	-	51,091	-	51,091
	Utilities [6]	1,800	-	1,800	-	-	-	-	-	-	3,599	-	3,599
	Supplies [7]	54	-	54	54	-	54	-	-	-	438	222	216
	Total Facility Expenses	1,854	-	1,854	25,599	-	25,599	-	-	-	55,128	222	54,906
	Operating Profit	14,462	251	14,212	(11,683)	20	(11,703)	871	-	871	47,124	18,808	28,315
General & Admin Exp.	Bank Fees	-	25	(25)	-	248	(248)	-	178	(178)	-	1,021	(1,021)
	Computer Software [8]	1,300	-	1,300	-	-	-	2,095	-	2,095	8,337	514	7,823
	Dewar Alarm System [9]	-	-	-	-	-	-	-	-	-	401	43	358
	Insurance [10]	-	-	-	-	-	-	-	-	-	606	606	-
	Professional Fees - IT [11]	443	-	443	-	-	-	-	-	-	20,886	2,150	18,736
	Professional Fees - Resolute	24,400	-	24,400	27,400	-	27,400	24,400	-	24,400	384,580	-	384,580
	Professional Fees - Legal	12,040	-	12,040	6,020	-	6,020	6,020	-	6,020	211,510	-	211,510
	Other G&A Expenses [12]	-	-	-	-	-	-	-	-	-	449	-	449
	Total Administrative Expenses	38,183	25	38,158	33,420	248	33,172	32,515	178	32,337	626,769	4,334	622,435
Potential Exp.	New Provider Costs	-	-	-	-	-	-	-	-	-	-	-	-
	E-Discovery	-	-	-	-	-	-	-	-	-	-	-	-
	Long term Record Storage	-	-	-	-	-	-	-	-	-	-	-	-
	Total Potential Expenses [13]	-	-	-	-	-	-	-	-	-	-	-	
	Total Expenses	41,707	25	41,682	60,689	248	60,441	32,515	178	32,337	696,265	18,550	677,715
	Beginning Cash Balance	(472,198)	21,634	(493,831)	(495,918)	21,859	(517,778)	(541,022)	21,631	(562,653)	6,979	6,979	0
	Net Income	(23,721)	226	(23,946)	(45,103)	(228)	(44,875)	(31,644)	(178)	(31,466)	(579,646)	14,474	(594,119)
	Ending Cash Balance	(495,918)	21,859	(517,778)	(541,022)	21,631	(562,653)	(572,666)	21,453	(594,119)	(572,666)	21,453	(594,119)

**Center for Reproductive Health
Receivership Estate
13 Week Cash Flow Budget to Actual
Weeks 1 - 9**

Notes:

- [1] Based on EMR reports, the total outstanding insurance accounts receivable is approximately \$235,000. The Receiver estimated A/R collections based on aging category and probability of collection. After the initial 13 week period, the Receiver estimates the insurance A/R balance will be approximately \$123,000. The Receiver believes a large portion of this balance will be uncollectible.
- [2] Per section XIV of the TRO, the State of Tennessee will pay up to \$150,000 in Receiver's and Receiver's Counsel's professional fees and expenses once approved by the Court in the event that the Receivership Estate does not have sufficient assets to satisfy the Receiver's professional fee expenses.
- [3] The Embryo Options system is currently billing existing patients for storage charges. Receiver does not have plans to discontinue this charge until dewars are no longer being stored at the CRH facility.
- [4] Receiver has retained the services of four contractors, that were former CRH employees, to assist in system access, record identification, transfer of medical records, and other services. Estimated Embryologist fees required to monitor and maintain the dewars until transfer to long-term storage provider. Based on former Embryologist rates, the service is estimated at \$40/hour for 5 hours/week until projected transfer in Week 7.
- [5] The Receiver anticipates payment of May and June rent for CRH facility to allow for the transfer of dewars, physical records, and to facilitate a sale of office/lab equipment.
- [6] Utilities include internet and phone service through June 2024.
- [7] Estimated expense for weekly liquid nitrogen delivery to maintain dewars until projected transfer in Week 7.
- [8] Computer Software includes various EMR systems, cloud-based server, and other subscriptions critical to the receivership objectives.
- [9] Charge for Unlimited Security, the alarm system monitoring the dewars through June 2024.
- [10] Insurance premium payment required to maintain existing general liability policy.
- [11] Estimated charge to Receiver's professional IT team to establish access to critical IT subscriptions and services, created and maintain Receiver's CRH website, provide phone services, and to secure and store all company records.
- [12] Payment to Medpro for Hazardous waste material pickup.
- [13] This budget does not include costs for the facility that will receive the dewars, E-discovery expenses, expenses associated with the long-term storage of physical and electronic patient medical record, or additional insurance premiums. The Receiver is still assessing the potential expenses associated with these services and will update this budget accordingly.

Receiver's Interim Report #3
State of Tennessee vs. The Center for Reproductive Health

EXHIBIT C

Center for Reproductive Health Receiver's Cash Sources & Uses For the Period: April 30, 2024 - June 30, 2024		
Beginning Bank Balance as of 4/30/2024	[1]	\$ 6,979
Receipts		
Insurance Payments Received		\$ 22,711
Cooper Surgical - Cryo Storage		10,238
Returned check		74
Google payment test deposits		1
Total Receipts		\$ 33,024
Disbursements		
Professional Fees IT	[2]	\$ 2,150
Hartford Insurance	[3]	606
Nitrogen Delivery		222
Technology/Production Software		\$ 514
United Healthcare - Employee Benefit Premiums	[4]	5,747
Unlimited Security-Alarms		43
Fifth Third - Bank Fees	[5]	1,021
Contractors	[6]	8,247
Total Disbursements		\$ 18,550
Net Income/Loss	[7]	\$ 14,474
Receivership Defendant bank balance as of 6/30/24		\$ 20,968
Receivership bank balance as of 6/30/24		485
Bank Balances as of 6/30/2024		\$ 21,453
Actual Accrued Expenses through June 30th		
Facility		
Healthpeak - Rent & Utilities	[8]	\$ 55,270
StorPlace of Med Center - Rent	[9]	458
Medpro - Other G&A	[10]	449
Magic Apple - Phone		2,278
Total Facility		\$ 58,455
G&A		
Resolute - Receiver Professional Fees through 6/30/2024		\$ 402,491
Spencer Fane - Receiver's Counsel Fees through 6/30/24	[11]	270,043
Unlimited Security- Dewar Alarm System	[12]	358
Contractor Payroll- Jayme Bess 6/1/24-6/30/24	[13]	4,055
TN Secretary of State	[14]	17
Insurance Bond	[14]	300
Stretto	[15]	23,704
Computer Software	[16]	8,077
Comcast - Internet Utility	[17]	1,361
Intac Advisory Professional Liability Insurance		8,356
SimplifyIT - Professional Fees IT	[18]	886
AL Compressed Gas - Supplies	[19]	67
Total G&A		\$ 719,715
Total Accrued Expenses through June 30th		\$ 778,170
Available Bank Balances After Actual Accrued Expenses as of 6/30/2024		\$ (756,717)

Center for Reproductive Health
Receiver's Cash Sources & Uses
For the Period: April 30, 2024 - June 30, 2024

Notes:

- [1] Consolidated balance of Receivership Entities Defendant bank accounts as of 4/30/24.
- [2] Professional IT fees to Simplify IT for email and phone line set up.
- [3] Hartford insurance premium payment for general liability and property policies.
- [4] United Healthcare employee benefit premium for health benefits through 4/30/24.
- [5] Bank fees from Receivership Defendant's bank account at Fifth Third Bank.
- [6] Contractor invoices reflect services incurred from 4/29/24 - 5/31/2024
- [7] Total receipts less total disbursements.
- [8] Receivership Defendant's facility base rent and utilities pro-rated for the period 4/26/24 - 4/30/24 plus May and June 2024. Utilities include electric, water, and sewage.
- [9] Storage unit May 2024 and June 2024 base rent for two units. Contents of the storage units include patient medical records.
- [10] Medpro provides hazardous waste disposal services.
- [11] Receiver's Counsel invoices total \$25,615.11 for April and \$131,475.71 for May.
June charge of \$112,952.47 for Receiver's Counsel is their draft invoice amount.
- [12] Receiver issued payment from the Resolute Operating account to pay the following to Unlimited Security: \$315 to troubleshoot connection error and \$42.95 for May monthly service.
- [13] Contractor expenses of \$4,055 were paid from the Resolute Operating account .
- [14] \$17.39 was paid to the TN Secretary of State and \$300 for the insurance bond from the Resolute operating account.
- [15] Stretto retainer payment issued to initiate services for generating a designated phone line, website, and patient noticing (\$5,000). This payment was issued from the Resolute Operating account.
Estimated May and June 2024 fees for services related website, phone line, and patient noticing (\$18,704).
- [16] Artisan is the central electronic medical record service provider to the Receivership Defendants.
Engaged MD is utilized to execute and store all electric signed patient documents. EDC is Egg Donor Connect.
This platform contains all necessary records and information related to the donated oocyte and embryo specimens associated with Receivership Defendant AEAA.
- [17] In order to restore internet service, Resolute paid past due balance of \$1361 on July 18th.
After payment, current outstanding balance for Comcast is \$700.67 which is for July services.
- [18] Estimated May and June 2024 fees for services related to Receiver's office email account generation and phone line directory updates.