

1 RESOLUTE COMMERCIAL SERVICES

Receiver

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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 #4

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State of Tennessee vs. The Center for Reproductive Health

I. Introduction

Resolute Commercial Services ("Receiver") hereby submits this Receiver's Interim Report #4 in accordance with the Temporary Restraining Order entered in the above referenced matter on April 26, 2024 (the "TRO"). On May 28, 2024, the Receivership Defendant filed for bankruptcy with the United States Bankruptcy Court for the Middle District of Tennessee Nashville Division. The Receivership Defendant filed a Notice of Removal to the United States District Court which removed the TRO to the United States District Court. As a result, the Receiver maintained only the activities which were necessary until the United States District Court granted relief from stay and issued an order dismissing the bankruptcy on June 5, 2024. On June 7, 2024, an Agreed Order was entered by this Court extending the TRO through June 25, 2024, at which time the Receiver resumed normal activities. On June 24, 2024, an Agreed Temporary Injunction ("Temporary Injunction") was entered by this Court extending the Receivership until modified or dissolved on motion or until a permanent injunction is granted or denied.

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. On July 29, 2024, the Receiver filed Receiver's Interim Report #3 which covered activity from June 1, 2024, through June 30, 2024. This report covers Receiver's operational activity from July 1, 2024, through August 23, 2024 and Receiver's accounting activity from July 1, 2024 through July 31, 2024.

Dr. Jaime Vasquez ("Dr. Vasquez"), The Center for Reproductive Health, P.C. ("CRH"), the Center for Assisted Reproductive Technologies, LLC ("CART"), Fertility Laboratories of

State of Tennessee vs. The Center for Reproductive Health

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”) have operated as a fertility clinic in Nashville, Tennessee since 1995 until early April 2024.

II. Receivership Activity

a. Property

The site at 2410 Patterson St, unit 401, Nashville, TN 37203 contains a large collection of medical and electronic equipment. As noted in previous reports, the Receiver obtained multiple bids from parties interested in purchasing the assets and identified a preferred buyer. The Receiver negotiated an asset purchase agreement with the buyer and submitted a Motion and Order to approve the sale to this Court. On August 21, 2024, the Order was approved, and the buyer began moving the assets out of the CRH facility on August 22nd. The proceeds of the sale were utilized to pay off a secured lender with a UCC lien on the assets and the remaining funds were deposited into the Receivership estate. All data contained on the electronic equipment was imaged and wiped for record preservation and the equipment was transferred to the buyer. The Receiver anticipates all CRH assets will be removed from the facility by October 2024.

b. Genetic Material On-Site

i. Storage, Maintenance, and Transfer

The Receiver continued to monitor and maintain the five cryogenic storage tanks (“dewars”) while they were stored at the CRH facility with the assistance of an embryologist. To facilitate a transfer of the genetic materials out of the Receivership Defendant’s facility, the Receiver finalized negotiations on an

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agreement with a preferred fertility clinic and filed a formalized plan with the Court. On August 14, 2024, this Court entered the Order approving the Cryopreservation Services Agreement between the Receiver, Tennessee Fertility Institute ("TFI"), and the Tennessee Attorney General's Office ("TNAGO"). The agreement outlines the plan for the transfer to TFI, inventory, transfer to patients selected provider, and storage of genetic materials.

On August 21, 2024, the transfer of all genetic material to TFI was completed by a third-party transportation service provider specializing in handling and shipping cryogenic tanks. Upon receipt of the tanks, TFI began a full audit of the dewar inventory and is anticipated to complete the audit by September 11, 2024. As outlined in Receiver's Interim Report #2, the Receivership Defendants utilized three tracking systems to record the genetic material stored in the dewars. The systems were not properly maintained and did not reconcile. Therefore, an audit at TFI is critical to ensure patients receive the correct specimens and corresponding records.

TFI will provide former CRH patients with a notification letter outlining next steps for their genetic materials that could include an official transfer to TFI or alternative clinic for long-term storage or to pursue treatment. Pursuant to the Cryopreservation Services Agreement, TFI will retain the genetic material for up to six months. During which time, TFI will undertake its commercially reasonable best efforts to advise patients of the disposition of their respective tissues and of next steps to have their tissues transferred to a facility of their choice for ongoing care or storage. After the initial audit is complete, the Receiver will obtain

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proposals for long-term storage and other disposition of the genetic material that have not been transferred at the end of the initial six-month period. See below in section "Resources" for additional information where patients can contact TFI. Throughout the audit process, the Receiver will continue to provide patients with updates related to the progress of the inventory through the Receiver's designated website.

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 buyer of the assets at CRH has not removed or handled this incubator and will wait to take possession of the machine until the genetic material contained within is addressed accordingly. 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 medical records related requests to the designated email address: CRH-Records@crhnashville.com. As of August 23, 2024, the Contractors have responded to 731 emails and 117 voicemails 32

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requests for records ("RFR") remitted by the Tennessee Department of Health.

All requests with signed releases have been fulfilled.

The Receiver has engaged in negotiations with multiple record custodian vendors to assume long-term management of the Receivership Defendant's Patient records. The selected record custodian will handle patient requests following their intake of the patient records and maintain the records and release of information to patients for a period of 10 years. The Receiver has selected a preferred record custodian vendor and is finalizing an agreement that will be submitted to this Court for approval. Details on the future transition of patient records are forthcoming in a subsequent Receiver's Report.

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.

The Receiver is directing all patients who believe they have cryogenic materials now stored and being inventoried at TFI to:

Tennessee Fertility Institute
2201 Murphy Avenue Suite 401, Nashville, TN 37203
Phone: 615-721-6250
Fax: 615-721-6251

For the period July through August 23, 2024, the Receiver posted four updates to the designated website. The Notice to Patients as of July 15, 2024, August 7, 2024, August 16, 2024, and August 23, 2024 is attached here as Exhibit "A". The Receiver will post notices to patients regarding status updates on the

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audit inventory process at TFI on a weekly basis until the audit is complete.

Thereafter, the Receiver will post the monthly Receiver's reports to the designated website. TFI will provide a Notice to Patients with genetic material in the dewars with additional information on 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 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. As of July 31, 2024, the Patient Summary had not been sent to patients due to non-payment by the Receivership Defendant.

On August 15, 2024, Receiver's Counsel filed Notice of Non-Compliance with the bankruptcy court regarding Defendant Vasquez non-payment to distribute the required notice to patients. On August 21, 2024, a hearing was held regarding the issue and it was ordered that Defendant Vasquez pay for the notice by September 3rd or would be sanctioned accordingly.

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d. Employees

i. Contractors

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

e. Insurance

The Receiver's Initial Report provided a summary of the various insurance policies identified upon the Receiver's appointment. The policies included a general liability, employee benefit liability, crime, property, and professional liability policy. The Receiver was added as an additional insured to the pre-receivership general liability policy which included employee benefit, crime, and property coverage. The Receiver maintained the pre-receivership policy through the policy expiration date of June 12, 2024. The Receiver obtained a general liability policy for the receivership estate for the policy period of June 12, 2024 through June 12, 2025.

The professional liability policy is a claims made medical professional liability policy in the name of Jamie M. Vasquez and does not include the Receivership Defendants as policy holders. The Receiver's Initial Report stated that the policy lapsed in September 2023. Upon further review, the Receiver discovered that the policy was renewed for the policy period September 1, 2023 through September 1, 2024. However, the policy was cancelled by the insurance carrier on April 11, 2024 due to non-payment of the monthly premium. In the policy termination letter, the carrier outlines that after the cancellation date there is no ability to obtain a tail on the policy.

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The Receiver obtained a Miscellaneous Errors and Omissions liability policy for policy holder Resolute Commercial Services. This policy insures the Receiver against claims made regarding the Receiver's actions taken in the role as Receiver for this matter. The policy does not cover any claims made against the Receivership Entities or against Defendant Vasquez. All policies that became effective during the receivership period are active and in good standing.

f. Additional Activities

The Receiver continues to assist several government agencies to provide access to records and information pertinent to each department, as well as providing comments and updates to various media in Nashville, TN.

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. Health Facilities Commission ("HFC")

The Receiver has received outreach from the HFC regarding the summary suspension status of CART's ambulatory surgery center license and associated certificate of need. The Receiver is considering the approaches discussed with the agency.

iv. Other Governmental Agencies

State of Tennessee vs. The Center for Reproductive Health

The Receiver continues to be available to provide documents, information, and support to other governmental agencies such as the 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.

v. **Media**

The Receiver has conducted media interviews with local reporters from Nashville, TN and continues to work with news media personnel to provide comments and updates as requested.

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 July 31, 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 July 31, 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 \$190,133 for the reporting period. The cash receipts include \$150,000 in funding from the Tennessee Attorney General's Office, \$23,841 of insurance payments received, \$15,864 from patient payments through Cooper Surgical for cryogenic storage, \$74 from returned checks and test payments, and \$354 from other miscellaneous sources.

Total outgoing cash disbursements totaled approximately \$131,840 for the reporting period related to software, contractors, insurance, professional services, Receiver's Fees, Receiver's Counsel Fees, and other operational expenses.

The Receiver continues to delay other necessary payments until funds are available and reports accrued expenses of \$826,398 through July 31, 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 \$100,034 and Receiver's Counsel fees in the amount of \$39,769 for the period July 1, 2024, to July 31, 2024, are attached hereto as Exhibit "D".

V. Conclusion

This Receiver's Interim Report #4 is intended to give the parties a description of the Receiver's activities and findings pertaining to the Receivership Defendants and corresponding

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Receiver's duties as outlined in the TRO and the Temporary Injunction for the period July 1, 2024, through August 23, 2024 and Receiver's accounting for the period July 1, 2024 through July 31, 2024. The Receiver will report updates on these actions in the forthcoming Receiver's Interim Report #5.

Dated: August 30, 2024

Respectfully Submitted,



/s/
Receiver Commercial Services
By: Jeremiah Foster
Its: Principal

DISTRIBUTION LIST

*Copies e-mailed this 30th day of
August 2024 to:*

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Counsel for Receiver

/s/ Jessie Sheehan

Receiver's Interim Report #4
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

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,

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(844) 713-1716

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

August 7, 2024

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

Dear Patient:

As of August 1, 2024, the Receiver has finalized an agreement between the Tennessee Attorney General's Office and Tennessee Fertility Institute ("TFI") for the transfer of all cryogenically-preserved genetic material currently stored at the Center for Reproductive Health ("CRH"), ongoing cryopreservation services, and administrative services related to transferring genetic material to patients' preferred providers. The Receiver has determined that continuation of the operations of the Receivership Entities is not feasible or practical given the limited financial resources, lack of operations and staff, and revocation of ambulatory surgical treatment center license. The Receiver has filed the proposed Cryopreservation Services Agreement with the Chancery Court of Davidson County, Tennessee for approval. Subject to Court approval, the anticipated transport date for cryogenically-preserved genetic material is August 21st, followed by a review and audit of the inventory to be completed by September 11th. If approved, the genetic material will be transported to TFI using a third-party transport service. Upon receipt, a full inventory will be conducted by TFI staff and correspondence sent to all patients with cryogenically-preserved genetic material with additional information on next steps.

This process does not create any obligation for patients to switch their care to TFI. Per the contract, TFI will not prioritize processing transfer requests of genetic material to its own facility over any other facility.

Until the transport date, the Receiver will continue 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.

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 August 3, 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, 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, June 21, 2024 and July 15, 2024. A copy of these notices can be accessed by scrolling to Key Documents. You can also access the Receiver's Initial Report, dated May 21, 2024, Receiver's Interim Report #2, dated June 17, 2024 and Receiver's Interim Report #3, dated July 29, 2024 at Key Documents. You may also request a copy of all above mentioned 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

RESOLUTE

problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

August 16, 2024

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

Dear Patient:

We understand that this has been a difficult time and we are pleased to inform you that after careful consideration of all of the options, the Receiver has determined that the best course for patients to get back on track with their care and to ensure the ongoing security of the genetic materials that are cryogenically stored at the Center for Reproductive Health (“CRH”), is to transfer all of the genetic materials in one bulk shipment to a fully-licensed, fully-staffed, local fertility clinic. The Tennessee Attorney General’s Office agreed this was the best course of action to serve the public interest and has participated with the Receiver in developing and negotiating the arrangement.

On August 15, 2024, the Chancery Court of Davidson County, Tennessee entered the Order Approving the agreement between the Tennessee Attorney General’s Office, the Receiver, and Tennessee Fertility Institute (“TFI”) for the transfer of all cryogenically-preserved genetic material currently stored at CRH, ongoing cryopreservation services, and administrative services related to transferring genetic material to patients’ preferred providers. The transport date for cryogenically-preserved genetic material is August 21st, followed by a review and audit of the inventory to be completed by September 11th. In accordance with the Order, the genetic material will be transported to TFI using a third-party transport service. Upon receipt, and after the inventory, correspondence will be sent to all patients with cryogenically-preserved genetic material with additional information on next steps.

This process does not create any obligation for patients to switch their care to TFI. Per the contract, TFI will not prioritize processing transfer requests of genetic material to its own facility over any other facility. Additionally, a bulk transfer is being arranged by TFI for patients desiring to transition their care to local provider, the Nashville Fertility Center.

Until the transport date to TFI, the Receiver will continue 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 so materials can be transferred as quickly as possible **after** the inventory of the genetic materials is completed.

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 August 9, 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. We expect to be transitioning the records and fulfillment of requests

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(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

to a professional records custodian in the coming weeks; we will provide more information once the arrangements and timelines are finalized.

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, updated notices were posted to the Receiver's designated website referenced above on June 5, 2024, June 21, 2024, July 15, 2024, and August 7, 2024. A copy of these notices can be accessed by scrolling to Key Documents. You can also access the Receiver's Initial Report, dated May 21, 2024, Receiver's Interim Report #2, dated June 17, 2024 and Receiver's Interim Report #3, dated July 29, 2024 at Key Documents. You may also request a copy of all above mentioned 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,



Jeremiah Foster

Receiver for CRH and Affiliated Entities

Important Updates and Clarifications for Patients of the Center for Reproductive Health (“CRH”) Regarding the Receiver’s Cryopreservation Services Agreement (“CSA”) with Tennessee Fertility Institute (“TFI”)

- For patients who are concerned that under the CSA, it will take 6 months to have their genetic material transferred to their chosen provider:
 - As soon as TFI receives patients’ genetic materials and performs the required audit and inventory of those materials (which is slated to take 3 weeks), TFI’s embryologists will start processing patients’ transfer requests.
 - The plan is to have all transfers completed within the first 6 months of the CSA, but many will be completed before then. Patients who have already submitted transfer requests should be able to arrange their transfer sooner, so long as they provide any outstanding information needed by TFI and the Receiver.

- For patients who don’t want to transfer their care to TFI:
 - Patients are under no obligation to become patients of TFI. (see ¶ 1.7 of the CSA)

- For patients who are concerned that TFI patients will be prioritized over other patients:
 - The CSA expressly provides that “[TFI] shall not...prioritize processing transfers of Tissues to [TFI] over patient requests to transfer Tissues to other providers.” (¶ 1.6 of the CSA)

- For patients who do not want their genetic material moved to long-term storage:
 - The goal is for all patients to have their genetic material transferred to their chosen provider by the end of the six-month term. Genetic material will only be sent to long-term storage if it remains unclaimed by patients. (see ¶ 1.9 of the CSA)
 - TFI will, at minimum, mail a letter and send an email to each patient who has tissues stored at CRH to determine what the patient wishes to do with their genetic material. (see ¶ 1.4 of the CSA)

- Why does there need to be an audit of patients’ genetic materials? Can’t you just pull my genetic material out of storage at CRH and transfer it directly to my chosen provider without TFI auditing all patients materials at its premises?
 - The Receiver has determined that an audit is necessary to ensure that all genetic material is matched with, and safely and ethically transferred to, the correct patients.
 - As stated in the Receiver’s Interim Report #2 (filed with the Court):
 - “After further analyses of the Receivership Defendants’ records related to the dewar inventory, the Receiver confirmed that records are inconsistent and incomplete. The Receiver interviewed three former staff members and confirmed that records were not always properly maintained or reconciled between the three tracking systems: the Artisan EMR, the “Cryo Log”

- The Receiver considered multiple potential fertility clinic partners before determining that TFI was a good fit.
- TFI will effectuate all patients' transfer requests.

- Why weren't patients consulted about the bulk transfer to TFI?
 - There are an estimated 650 patients of CRH. Consulting with each one could add months, if not years, to the process.
 - In addition, patients do not all agree on what should be done. Some approve of the CSA while others do not. Attempting to get all patients to agree on one plan would stall all transfers indefinitely.
 - One of patients' biggest concerns is how much time it has taken for them to get access to their genetic materials. The CSA is the best, most efficient way for patients to quickly and safely get their genetic material moved to new providers.

- How much will it cost to transfer my genetic material?
 - The State is covering the costs of the bulk transfer to TFI and other associated costs.
 - Transfers to Nashville Fertility Center will also be covered.
 - If a patient wants to transfer their genetic material to a different facility, that cost will be determined by third-party couriers.

RESOLUTE

problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

August 23, 2024

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

Dear Patient:

We understand that this has been a difficult time and we are pleased to inform you that after careful consideration of all of the options, the Receiver has determined that the best course for patients to get back on track with their care and to ensure the ongoing security of the genetic materials that are cryogenically stored at the Center for Reproductive Health (“CRH”), was to transfer all of the genetic materials in one bulk shipment to local fertility clinic Tennessee Fertility Institutes (“TFI”). The Tennessee Attorney General’s Office agreed this was the best course of action to serve the public interest and has participated with the Receiver in developing and negotiating the arrangement.

On August 21, 2024, the transport for cryogenically-preserved genetic material from CRH to TFI was successfully completed using a third-party transport service. In accordance with the Order, TFI has begun auditing the inventory and anticipates the inventory process to be completed by September 11th. As of 12:00 PM CT on Friday, August 23, 2024, 38 patient specimens were inventoried. This represents approximately 12% of the inventory in the first dewar. After the inventory, correspondence will be sent from TFI to all patients with cryogenically-preserved genetic material with additional information on next steps.

This process does not create any obligation for patients to switch their care to TFI. Per the contract, TFI will not prioritize processing transfer requests of genetic material to its own facility over any other facility. Additionally, a bulk transfer is being arranged by TFI for patients desiring to transition their care to local provider, the Nashville Fertility Center.

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 so materials can be transferred as quickly as possible **after** the inventory of the genetic materials is completed.

The Receiver is continuing to work on fulfilling patients’ medical records requests. According to the Receiver’s records, all such emailed requests received through August 20, 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. We expect to be transitioning the records and fulfillment of requests to a professional records custodian in the coming weeks; we will provide more information once the arrangements and timelines are finalized.

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.

(844) 713-1716

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.

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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 #4
State of Tennessee vs. The Center for Reproductive Health

EXHIBIT B

EXHIBIT B

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

		Week 1 4/26/2024 5/5/2024			Week 2 5/6/2024 5/12/2024			Week 3 5/13/2024 5/19/2024			Week 4 5/20/2024 5/26/2024			Week 5 5/27/2024 6/2/2024		
		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
	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
	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
	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
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
	Employee Benefits/Insurance	-	-	-	-	5,747	(5,747)	-	-	-	-	-	-	-	-	-
	Embryologist [4]	-	-	-	-	-	-	-	-	-	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
Facility Exp.	Rent [5]	-	-	-	-	-	-	25,545	-	25,545	-	-	-	-	-	-
	Utilities [6]	-	-	-	-	-	-	1,800	-	1,800	-	-	-	-	222	(222)
	Supplies [7]	-	-	-	-	-	-	-	-	-	222	-	222	54	-	54
		Total Facility Expenses	-	-	-	-	-	-	27,345	-	27,345	222	-	222	54	222
	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
General & Admin Exp.	Computer Software [8]	-	-	-	-	-	-	2,073	-	2,073	-	-	-	2,868	-	2,868
	Dewar Alarm System [9]	-	-	-	358	-	358	-	-	-	-	-	-	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
	Professional Fees - Legal	37,150	-	37,150	30,800	-	30,800	15,750	-	15,750	15,750	-	15,750	32,860	-	32,860
	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
	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
	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)
	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)
	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)

EXHIBIT B

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

		Week 6			Week 7			Week 8			Week 9			Week 10		
		6/3/2024			6/10/2024			6/17/2024			6/24/2024			7/1/2024		
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenue	Accounts Receivable Collections [1]	23,377	-	23,377	15,586	251	15,335	15,586	20	15,566	871	-	871	4,384	-	4,384
	Other Income Interest/rebates/returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TNAGO Funding [2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cryo Storage [3]	1,800	5,441	(3,641)	2,400	-	2,400	-	-	-	-	-	-	5,626	(5,626)	
	Total Revenue	25,177	5,441	19,735	17,986	251	17,735	15,586	20	15,566	871	-	871	4,384	5,626	(1,242)
	Gross Profit	25,177	5,441	19,735	17,986	251	17,735	15,586	20	15,566	871	-	871	4,384	5,626	(1,242)
Labor Exp.	Payroll/Contractors [4]	1,470	3,659	(2,189)	1,470	-	1,470	1,470	-	1,470	-	-	-	-	-	-
	Employee Benefits/Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Embryologist [4]	200	-	200	200	-	200	200	-	200	-	-	-	-	-	-
	Total Labor Expenses	1,670	3,659	(1,989)	1,670	-	1,670	1,670	-	1,670	-	-	-	-	-	-
Facility Exp.	Rent [5]	-	-	-	-	-	-	25,545	-	25,545	-	-	-	-	-	-
	Utilities [6]	-	-	-	1,800	-	1,800	-	-	-	-	-	-	-	-	-
	Supplies [7]	54	-	54	54	-	54	54	-	54	-	-	-	-	-	-
	Total Facility Expenses	54	-	54	1,854	-	1,854	25,599	-	25,599	-	-	-	-	-	-
	Operating Profit	23,453	1,782	21,670	14,462	251	14,212	(11,683)	20	(11,703)	871	-	871	4,384	5,626	(1,242)
General & Admin Exp.	Computer Software [8]	-	514	(514)	1,300	-	1,300	-	-	-	2,095	-	2,095	-	-	-
	Dewar Alarm System [9]	-	43	(43)	-	-	-	-	-	-	-	-	-	-	43	(43)
	Insurance [10]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees - IT [11]	-	-	-	443	-	443	-	-	-	-	-	-	-	-	-
	Professional Fees - Resolute	32,850	-	32,850	24,400	-	24,400	27,400	-	27,400	24,400	-	24,400	16,795	-	16,795
	Professional Fees - Legal	55,120	-	55,120	12,040	-	12,040	6,020	-	6,020	6,020	-	6,020	6,020	-	6,020
	Other G&A Expenses [12]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Administrative Expenses	87,970	557	87,413	38,183	25	38,158	33,420	248	33,172	32,515	178	32,337	22,815	43	22,772
	Total Expenses	89,694	4,215	85,479	41,707	25	41,682	60,689	248	60,441	32,515	178	32,337	22,815	43	22,772
	Beginning Cash Balance	(407,681)	20,408	(428,088)	(472,198)	21,634	(493,831)	(495,918)	21,859	(517,778)	(541,022)	21,631	(562,653)	(572,666)	21,453	(594,119)
	Net Income	(64,517)	1,226	(65,743)	(23,721)	226	(23,946)	(45,103)	(228)	(44,875)	(31,644)	(178)	(31,466)	(18,431)	5,583	(24,014)
	Ending Cash Balance	(472,198)	21,634	(493,831)	(495,918)	21,859	(517,778)	(541,022)	21,631	(562,653)	(572,666)	21,453	(594,119)	(591,097)	27,036	(618,134)

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

		Week 11			Week 12			Week 13			Total		
		7/8/2024			7/15/2024			7/22/2024			4/26/2024		
		7/14/2024			7/21/2024			7/28/2024			7/28/2024		
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenue	Accounts Receivable Collections	[1] 3,513	-	3,513	3,513	-	3,513	3,513	441	3,072	111,043	23,152	87,891
	Other Income Interest/rebates/returns	-	-	-	-	82	(82)	-	960	(960)	-	1,117	(1,117)
	TNAGO Funding	[2] -	-	-	-	-	-	-	150,000	(150,000)	-	150,000	(150,000)
	Cryo Storage	[3] -	-	-	-	-	-	-	-	-	20,500	15,864	4,636
Total Revenue		3,513	-	3,513	3,513	82	3,431	3,513	151,401	(147,888)	131,543	190,133	(58,591)
Gross Profit		3,513	-	3,513	3,513	82	3,431	3,513	151,401	(147,888)	131,543	190,133	(58,591)
Labor Exp.	Payroll/Contractors	[4] -	-	-	-	-	-	-	5,480	(5,480)	13,368	13,727	(359)
	Employee Benefits/Insurance	-	-	-	-	-	-	-	-	-	-	5,747	(5,747)
	Embryologist	[4] -	-	-	-	-	-	-	-	-	1,000	-	1,000
Total Labor Expenses		-	-	-	-	-	-	-	5,480	(5,480)	14,368	19,474	(5,106)
Facility Exp.	Rent	[5] -	-	-	-	-	-	-	-	-	51,091	-	51,091
	Utilities	[6] -	-	-	-	-	-	-	2,500	(2,500)	3,599	2,722	877
	Supplies	[7] -	-	-	-	-	-	-	67	(67)	438	67	371
	Total Facility Expenses		-	-	-	-	-	-	-	2,567	(2,567)	55,128	2,789
Operating Profit		3,513	-	3,513	3,513	82	3,431	3,513	143,354	(139,841)	62,047	167,871	(105,824)
General & Admin Exp.	Computer Software	[8] -	-	-	-	-	-	-	4,555	(4,555)	8,337	5,069	3,268
	Dewar Alarm System	[9] -	-	-	-	-	-	-	358	(358)	401	444	(43)
	Insurance	[10] -	-	-	-	-	-	-	10,064	(10,064)	606	10,671	(10,064)
	Professional Fees - IT	[11] 443	-	443	-	-	-	-	-	-	21,329	2,150	19,179
	Professional Fees - Resolute	16,795	-	16,795	19,795	-	19,795	14,615	59,163	(44,548)	452,580	59,163	393,417
	Professional Fees - Legal	6,020	-	6,020	6,020	-	6,020	6,020	25,615	(19,595)	235,590	25,615	209,975
	Other G&A Expenses	[12] -	-	-	-	-	-	-	5,017	(5,017)	449	5,017	(4,568)
	Total Administrative Expenses		23,258	25	23,233	25,815	-	25,815	20,635	105,176	(84,541)	719,292	109,578
Total Expenses		23,258	25	23,233	25,815	-	25,815	20,635	113,222	(92,587)	788,788	131,840	656,948
Beginning Cash Balance		(591,097)	27,036	(618,134)	(610,842)	27,011	(637,854)	(633,144)	27,094	(660,238)	6,979	6,979	0
Net Income		(19,745)	(25)	(19,720)	(22,302)	82	(22,384)	(17,122)	38,178	(55,300)	(657,245)	58,293	(715,538)
Ending Cash Balance		(610,842)	27,011	(637,854)	(633,144)	27,094	(660,238)	(650,266)	65,272	(715,538)	(650,266)	65,272	(715,538)

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 was billing existing patients for storage charges until the dewars were no longer being stored at the CRH facility.
- [4] Receiver 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.
- [5] The Receiver anticipated 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.
- [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.
- [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 and Mode One (\$19,500) for e-discovery and electronic data preservation.
- [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 #4
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 - July 31, 2024		
Beginning Bank Balance as of 4/30/2024	[1]	\$ 6,979
Receipts		
Insurance Payments Received		\$ 23,841
Cooper Surgical - Cryo Storage		15,864
Returned check		74
Initial Funding from TNAGO		150,000
Google payment test deposits		354
Total Receipts		\$ 190,133
Disbursements		
Professional Fees IT	[2]	\$ 3,289
Professional Fees Receiver		58,863
Professional Fees Counsel		25,615
Insurance	[3]	10,671
Nitrogen Delivery		289
Technology/Production Software		1,875
United Healthcare - Employee Benefit Premiums	[4]	5,747
Unlimited Security-Alarms		444
Stretto		5,000
Fifth Third - Bank Fees	[5]	1,449
Medical Record storage		4,555
Contractors	[6]	13,727
Misc G&A		317
Total Disbursements		\$ 131,840
Net Income/Loss	[7]	\$ 58,293
Receivership Defendant bank balance as of 7/31/24		\$ 26,391
Receivership bank balance as of 7/31/24		38,881
Bank Balances as of 7/31/2024		\$ 65,272
Actual Accrued Expenses through July 31st		
Facility		
Healthpeak - Rent & Utilities	[8]	\$ 82,905
StorPlace of Med Center - Rent	[9]	687
Medpro - Other G&A	[10]	449
Magic Apple - Phone		1,139
Total Facility		\$ 85,180
G&A		
Resolute - Receiver Professional Fees through 7/31/2024		\$ 458,295
Spencer Fane - Receiver's Counsel Fees through 7/31/2024	[11]	257,604
Unlimited Security- Dewar Alarm System	[12]	43
Contractor Payroll- Jayme Bess 7/15/24-7/31/24	[13]	1,686
Stretto	[14]	20,097
Computer Software	[15]	1,985
Comcast - Internet Utility	[16]	685
Hartford Insurance		756
AL Compressed Gas - Supplies	[17]	67
Total G&A		\$ 741,218
Total Accrued Expenses through July 2024		\$ 826,398
Available Bank Balances After Actual Accrued Expenses as of 7/31/2024		\$ (761,126)

Center for Reproductive Health
Receiver's Cash Sources & Uses
For the Period: April 30, 2024 - July 31, 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, June and July 2024. Utilities include electric, water, and sewage.
- [9] Storage unit May 2024, June and July 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 \$105,860.60 for May services, \$111,974.47 for June services. and \$39,769.12 for July
- [12] July monthly service accrued amount of \$42.95
- [13] Hours accrued through 7/31/24 by Contractor.
- [14] Outstanding invoice 12199 for \$20,096.98 for May, June and July funds owed.
- [15] Artisan is the central electronic medical record service provider to the Receivership Defendants.
- [16] After past due payment on July 18, current outstanding balance for Comcast is \$684.72 which is for July services.
- [17] Receiver accepted delivery of Liquid Nitrogen and CO2 to be stored at facility for back up purposes.