

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 #2

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- Exhibit E.....Receiver's & Receiver's Counsel's Invoice for the period May 1, 2024,
through May 31, 2024

I. Introduction

Resolute Commercial Services ("Receiver") hereby submits this Receiver's Interim Report #2 in accordance with the Temporary Restraining Order entered in the above referenced matter on April 26, 2024 (the "TRO"). On June 7, 2024, an Agreed Order was entered by this Court extending the TRO through June 25, 2024. The Receiver has reviewed and approved the form of a Temporary Injunction which the Receiver understands the parties have agreed to file with the Court. The Receiver's Inventory and Initial Report outlined the Receiver's activities from April 26, 2024 through May 10, 2024. This report covers activity from May 11, 2024, through May 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 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 Receiver performed a physical inventory of all medical and electronic equipment on site at 2410 Patterson St, unit 401, Nashville, TN 37203, to facilitate the sale of all equipment having commercial value. The site contains a large collection of medical equipment which will be cross-referenced with all leases and loans to determine which assets are available for sale free and clear of other interests. The Receiver has contacted known lessors to coordinate the return of all leased items. In addition to the

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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 both in these proceedings and with regard to patients of the Receivership Defendants.

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 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 to review options for future storage, maintenance, and transfer to alternative providers. Additionally, the Receiver has researched and met with two clinics, as well as two donation centers and two long-term storage vendors, as potential options for transfer and storage of the genetic materials. Each has raised concerns regarding the record keeping practices of Receivership

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Defendants and the specific types of genetic material stored by the Receivership Defendants. Specifically, some of facilities may not be able to accept certain types of genetic material, which must be addressed prior to any transfer of the genetic material. The Receiver will continue to engage with the various clinics and facilities and 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. Inventory

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" Google Sheet ("Cryo Log"), and physical paper records maintained in the lab.

As a result, the Receiver performed a random sample audit of the records in two systems, Artisan EMR and the "Cryo Log", to better understand the level of inaccuracies in the data. A random sample of 73 records was reviewed, which represents 10% of the records in the Embryo tab of the "Cryo Log". The Receiver compared the data for location and quantity of specimens stored in the "Cryo Log" with the same information in the Artisan EMR system. The analysis determined that 52% of records (38 of 73) contained at least one error related to

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location or quantity information. Of these, 82% (31) reported different quantities between the two systems, 42% (16) had differing location information in the two systems, 11% (4) existed in only one of the two systems and had no records at all in the other, and 5% (2) had matching patient information, but were missing location system in one of the systems so they could not be verified. As a result, the Receiver, as well as former staff and an outside embryologist, have confirmed that a physical inventory and audit is required to produce more accurate records of the contents of the dewars. Whether that required audit is performed under the Receiver's supervision with the dewars in their current location, or whether the required audit would be performed under the supervision of a contracting party agreeing to the transfer of the genetic material is under review and yet to be determined.

Based on the "Cryo Log", the Receiver believes there are 1,386 embryos, 705 oocyte straws, and 1,241 sperm vials in cryogenic storage. Of the 1,386 embryos, the Receiver believes 153 were created for adoption purposes and are currently not associated with any patient. Given the discrepancies between the various reporting systems, these counts cannot be confirmed until a physical inventory is performed.

iii. Incubator Materials

While inspecting the facility, the Receiver identified genetic material in one of the incubators in the embryology lab. The Receiver has not opened the incubator or handled these genetic materials in any way. These items are maintained in a warm state through the operating incubator. The Receiver has

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maintained the incubatory 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 Contractors sourced from prior employees of the Receivership Defendant. The Receiver is directing all patient related requests, including requests for medical records, and inquiries to the designated email address: CRH-Records@crhnashville.com. As of June 7, 2024, the Contractors have responded to 508 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.

Throughout the course of providing medical records, there were two incidents in which patient records were sent to the wrong patient. As a result, the Receiver filed both complaints to the U.S. Department of Health and Human Services Office for Civil Rights and performed a thorough review of the Contractors' procedure for sending medical records. The Contractors were utilizing the prior procedures in place before the appointment of the Receiver, however, the Receiver identified certain risks associated with this process and as a result implemented a new procedure with the Contractors utilizing the Artisan

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EMR Patient Portal. This new procedure greatly reduces the risk of human errors, however, not all patients have access to the Artisan EMR Patient Portal.

In the event a patient is unable to access the Artisan EMR Patient Portal, Contractors have been instructed to utilize the prior process of providing records via a secure file store link. A review by the Receiver has determined that greater than 70% of patients have been able to access their records via the Artisan EMR Patient Portal which has greatly reduced the risk of a future error in providing records.

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 posted an update, Notice to Patients as of June 5, 2024, attached here as Exhibit "A", to the website and will continue to post future notices to patients on the website 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.

iii. Patient Communications

The Receiver remains committed to providing timely communications to patients and other stakeholders as new information becomes available. While the

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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 remains an impediment to immediate progress, 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

The Receiver continues to employ three former employees as contractors to assist with responding to patient requests and understanding the Receivership Defendants' systems, policies, and procedures.

ii. Terminations

The Receiver became aware through the Receivership Defendants' Counsel that a full termination of employees was not completed after the April 4, 2024, letter to staff. The Receiver identified various termination correspondence

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sent by Ms. Elena Vasquez to certain employees of the Receivership Defendants during the month of April. However, the correspondence does not appear to utilize the proper State of Tennessee Termination Notice form. The Receiver verified the termination of all Receivership Defendant employees except two in the payroll system. Per the TRO, the Receiver has worked with various employee benefit providers to cancel the former employee health insurance accounts. The Receiver has also completed an additional notification to terminated employees in an abundance of caution.

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 coordinated with the TNAGO to allow TNAGO staff access to the facility located at 2410 Patterson St, Unit 401, Nashville, TN 37203 to review personnel, company, and patient records. In addition, the Receiver collected additional personnel records, which the Receiver provided to the TNAGO, as well as system logs of user activity in the Artisan EMR which the Receiver is prepared to provide to the TNAGO on request. The Receiver is in continual communication with the TNAGO addressing questions and concerns.

ii. Department of Health ("DH")

The Receiver met with representatives from the DH to review records and information pertaining to the staff and operations of the Receivership Defendants. The Receiver has been provided with formal medical records requests from

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patients of the Receivership Defendants from the DH and continues to work diligently with the retained Contractors 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, and Nashville Metro Police Department. The Receiver was informed that the Clinical Laboratory Improvement Amendments Waiver (CLIA) was revoked for CART by the Tennessee Health Facilities Commission.

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.

The Receiver will continue to cooperate with the various governmental agencies and other third parties as required under the direction of the TRO. Updates related to additional findings and requests will be outlined in the Receiver's future reports.

III. Accounting/Banking

The Receivership Defendants utilized a third party for accounting services for the maintenance of the Receivership Defendants' operational accounting records. The Receiver was provided access to the QuickBooks accounting software and obtained additional financial and tax documents from the third-party accountant. The Receiver has established cash receipts and disbursements reports in a separate QuickBooks file for the receivership estate accounting.

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a. 13-Week Cash Flow Budget

Attached hereto as Exhibit "B" is the Receiver's Cash Flow Budget to Actual for the period April 26, 2024 through June 2, 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 initial 13-Week Cash Flow Budget provided in the Receiver's Initial Report. The Receiver will provide an updated budget to actual report in subsequent Interim Reports.

Attached hereto as Exhibit "C" is the Receiver's 13-Week Cash Flow Budget for the receivership estate. Exhibit C details expected revenue and expenses on a weekly basis for the period April 26, 2024, through September 15, 2024.

Please note, this budget will change as estimates related to costs for the provider receiving the dewars, long-term physical and electronic record storage, and additional insurance premiums are being assessed.

b. Cash Sources & Uses

Attached hereto as Exhibit "D" is the Receiver's Cash Sources & Uses Report for the April 26, 2024 through May 31, 2024 receivership reporting period. Exhibit D 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 \$27,312 for the reporting period. The cash receipts include \$22,440 of insurance payments received, \$4,797 from patient payments through Cooper Surgical for cryogenic storage.

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Total outgoing cash disbursements totaled approximately \$13,883 for the reporting period related to software, professional fees, employee benefit premiums, and other operational expenses.

The Receiver continues to delay other necessary payments until funds are available and reports accrued expenses of \$446,093 through June 7, 2024, related to rent, utilities, Receiver's fees, Receiver's counsel fees, and other software and operating expenses.

c. Financial Assessments

i. Patient Escrow Balances

In reviewing the Receivership Defendants' systems and records, the Receiver discovered that the Receivership Defendants maintained escrow accounts for patients. The Receiver interviewed former staff, prior Receivership Defendants' billing vendors, and Artisan EMR staff, to determine the policies and procedures related to the accounting of patient escrow accounts under normal operations. As a result, the Receiver determined that patients would pre-pay for services which the Receivership Defendants would credit to the patient's escrow account in the EMR system. When services were rendered, the Receivership Defendants would then deduct the amount from the patient's escrow balance. After conducting an initial analysis of the outstanding patient escrow balances currently recorded in the Artisan EMR, the Receiver determined that the records indicate patient escrow balances total at least \$581,006 for patients added to the system January 1, 2022, or later.

The accuracy of the escrow balances as reported in the Artisan EMR system cannot be confirmed with certainty at this time. All parties interviewed reported

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that records were not well maintained prior to 2022 and that any escrow balance stated for patients prior to 2022 in the Artisan EMR is questionable. As a result, the Receiver has reported on balances created in 2022 or later and continues to work with prior staff to determine more accurate records for any prior periods. The Receiver has confirmed with prior staff and the third-party accountant for the Receivership Defendants that these escrow funds were deposited into the Receivership Defendants' operating account and used for operating expenses and not held in escrow for patients.

ii. **Medical Claims to Insurance Companies**

The Receiver continues to research and pursue A/R collections from medical claims billed to insurance companies for services rendered to patients prior to the Receivership Defendant ceasing operations. After reviewing the Receivership Defendants' systems and records, the Receiver has determined that A/R related to insurance claims was maintained in the Artisan EMR and total outstanding A/R was \$234,640.06 at the time the Receiver was appointed. Since the appointment, the Receiver has collected \$22,440.81.

<u>Accounts Receivable Summary</u>	
Total A/R as of 4/26/2024	\$ 234,640.06
Collections	(22,440.81)
Settlements	-
Total A/R as of 5/31/2024	<u>\$ 212,199.25</u>

As of May 31, 2024, \$71,161.06 of the balance was over 120 days old and \$86,189.31 was between 90 and 119 days old. The Receiver interviewed former staff and identified one payer, representing \$75,866.43 of the A/R balance, that

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has outstanding A/R since early 2023. The Receivership Defendants were experiencing increasing difficulty in collecting payments from the payer before ceasing operations. As a result, the Receiver anticipates it will be difficult to collect a large amount of the outstanding A/R balance particularly given the age of some of the outstanding A/R. The Receiver will update the Court on the status of the A/R collections in the next Interim Report.

IV. Receiver's Fees

In accordance with the Order, the Receiver's invoice for fees and expenses in the amount of \$218,206.46 and Receiver's Counsel fees in the amount of \$105,860.60 for the period May 1, 2024, to May 31, 2024, are attached hereto as Exhibit "E".

V. Conclusion

This Receiver's Interim Report #2 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 for the period May 11, 2024, through May 31, 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 #3.

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Dated: June 17, 2024

Respectfully Submitted,

/s/



Receiver Commercial Services
By: Jeremiah Foster
Its: Principal

DISTRIBUTION LIST

***Copies e-mailed this 17th day of
June 2024 to:***

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/s/ Ashley Tayloe

Receiver's Interim Report #2
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EXHIBIT A

RESOLUTE

problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

June 5, 2024

RE: **UPDATED IMPORTANT NOTICE REGARDING CLOSURE OF CENTER FOR REPRODUCTIVE HEALTH AND AFFILIATED BUSINESSES**

Dear Patient:

This is an update to the notice that 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 Receiver’s Notice Regarding Closure of Center for Reproductive Health and Affiliated Businesses as of May 8, 2024. You may also request a copy of the May 8, 2024 Notice by emailing CRH@resolutecommercial.com.

The Receiver continues to work with another healthcare provider to ensure that all embryos, eggs, and sperm samples are preserved and protected and storage tanks are monitored and serviced regularly. We understand that patients want their genetic material transferred as soon as possible, but there is a multi-step process the Receiver must follow to ensure the safe and accurate transfer of all genetic material. The first step is to validate the inventory of genetic materials in storage and the medical records associated with those materials. The records from CRH had inconsistencies so the inventory is necessary to ensure each patient receives the correct specimens. There are hundreds of specimens, so doing an inventory will take time. Any physical inventory process will maintain the cryogenic preservation of materials and will not test viability of any specimens.

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** the inventory 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 working toward having genetic materials transferred to the new maintenance and long-term storage provider by the end of June 2024 if possible.

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 3, 2024 have been acknowledged and are being processed if the Receiver has all of the required information to process the request. 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

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problems solved.

(844) 713-1716

6750 E Camelback Road, Suite 103

Scottsdale, AZ 85251

requesting. You will need to sign a medical authorization / release that will be provided upon receipt of your request.

Be further advised that on or about May 28, 2024, CRH and its affiliated businesses were placed into Chapter 11 bankruptcies by their former principal Dr. Jaime M. Vasquez, M.D.. The Receiver has filed paperwork with the Bankruptcy Court for the Middle District of Tennessee ("Bankruptcy Court") contesting the bankruptcy filings. For the time being an agreement has been reached between the Receiver and CRH and its affiliates for the Receiver to remain in possession of their assets, including all genetic material, pending further order of the Bankruptcy Court.

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.

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

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EXHIBIT B

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

		Week beginning Week ending	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			Total 4/26/2024 6/2/2024		
			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	40,700	22,440	18,260
	Other Income Interest/rebates/returns		-	74	(74)	-	-	-	-	-	-	-	1	(1)	-	-	-	-	75	(75)
	TNAGO Funding Cryo Storage	[2] [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	57,000	27,312	29,689
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	57,000	27,312	29,689
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	8,958	4,588	4,370
	Employee Benefits/Insurance		-	-	-	-	5,747	(5,747)	-	-	-	-	-	-	-	-	-	-	5,747	(5,747)
	Embryologist	[4]	-	-	-	-	-	-	-	-	-	200	-	200	200	200	200	400	-	400
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	9,358	10,335	(977)
Facility Exp.	Rent	[5]	-	-	-	-	-	-	25,545	-	25,545	-	-	-	-	-	-	25,545	-	25,545
	Utilities	[6]	-	-	-	-	-	-	1,800	-	1,800	-	-	-	-	222	(222)	1,800	222	1,578
	Supplies	[7]	-	-	-	-	-	-	-	-	-	222	-	222	54	54	276	-	276	
Total Facility Expenses			-	-	-	-	-	-	27,345	-	27,345	222	-	222	54	222	(168)	27,621	222	27,399
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	20,021	16,755	3,266
General & Admin Exp.	Bank Fees		-	-	-	-	189	(189)	-	-	-	-	-	-	380	(380)	-	570	(570)	
	Computer Software	[8]	-	-	-	-	-	-	2,073	-	2,073	-	-	2,868	-	2,868	4,941	-	4,941	
	Dewar Alarm System	[9]	-	-	-	358	-	358	-	-	-	-	43	-	43	-	401	-	401	
	Insurance	[10]	606	-	606	-	-	-	-	-	-	-	606	(606)	-	-	606	606	-	
	Professional Fees - IT	[11]	-	-	-	-	-	-	443	-	443	20,000	-	20,000	2,150	(2,150)	20,443	2,150	18,293	
	Professional Fees - Resolute		70,395	-	70,395	62,945	-	62,945	53,355	-	53,355	46,660	-	46,660	42,175	-	42,175	275,530	-	275,530
	Professional Fees - Legal Other G&A Expenses	[12]	37,150	-	37,150	30,800	-	30,800	15,750	-	15,750	15,750	-	15,750	32,860	-	32,860	132,310	-	132,310
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	434,681	3,326	431,355
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	471,660	13,883	457,777
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	(428,089)
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)	(414,660)	13,429	(428,089)
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)	(407,681)	20,408	(428,088)

- Notes:
- 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.
 - 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.
 - 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. There are potential charges to patients after Week 7 if the dewars are still located at the facility.
 - 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.
 - 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.
 - Utilities include Internet and phone service through June 2024.
 - Estimated expense for weekly liquid nitrogen delivery to maintain dewars until projected transfer in Week 7.
 - Computer Software includes various EMR systems, cloud-based server, and other subscriptions critical to the receivership objectives.
 - Charge for Unlimited Security, the alarm system monitoring the dewars through June 2024.
 - Insurance premium payment required to maintain existing general liability policy.
 - 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.
 - Payment to Medpro for Hazardous waste material pickup and Mode One (\$19,500) for e-discovery and electronic data preservation.
 - 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 #2
State of Tennessee vs. The Center for Reproductive Health

EXHIBIT C

Center for Reproductive Health
Receivership Estate
13-Week Cash Flow Budget
Weeks 1-20

		Week beginning		Week ending																				Total
		Week ending		Week ending																				Total
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	4/26/2024		
		4/26/2024	5/6/2024	5/13/2024	5/20/2024	5/27/2024	6/3/2024	6/10/2024	6/17/2024	6/24/2024	6/30/2024	7/7/2024	7/14/2024	7/21/2024	7/28/2024	8/4/2024	8/11/2024	8/18/2024	8/25/2024	9/1/2024	9/8/2024	9/15/2024	9/15/2024	
		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Revenue	Accounts Receivable Collections	(1) \$ -	\$ -	\$ 8,662	\$ 8,662	\$ 23,377	\$ 23,377	\$ 15,586	\$ 15,586	\$ 871	\$ 4,384	\$ 3,513	\$ 3,513	\$ 3,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,043	
	TMAGO Funding	(2) -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cryo Storage	(3) -	1,800	2,400	3,000	9,100	1,800	2,400	-	-	2,200	-	-	-	-	-	-	-	-	-	-	-	22,700	
	Total Revenue	\$ -	\$ 1,800	\$ 11,062	\$ 11,662	\$ 32,477	\$ 25,177	\$ 17,986	\$ 15,586	\$ 871	\$ 4,384	\$ 5,713	\$ 3,513	\$ 3,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,743	
Labor Exp.	Payroll/Contractors	(4) 480	2,699	2,120	2,073	1,586	1,470	1,470	1,470	1,470	1,163	1,470	1,470	881	881	599	342	201	-	-	-	-	21,845	
	Embryologist	(4) -	-	-	200	200	200	200	200	200	200	200	1,500	1,500	1,500	-	-	-	-	-	-	-	6,100	
	Total Labor Expenses	\$ 480	\$ 2,699	\$ 2,120	\$ 2,273	\$ 1,786	\$ 1,670	\$ 1,670	\$ 1,670	\$ 1,670	\$ 1,363	\$ 1,670	\$ 2,970	\$ 2,381	\$ 2,381	\$ 599	\$ 342	\$ 201	\$ -	\$ -	\$ -	\$ -	\$ 27,945	
Facility Exp.	Rent	(5) -	-	25,545	-	-	-	-	25,545	-	-	-	25,545	-	-	-	-	-	-	-	-	-	76,636	
	Utilities	(6) -	-	1,800	-	-	-	1,800	-	-	-	-	1,800	-	-	-	-	-	-	-	-	-	5,399	
	Supplies	(7) -	-	-	222	54	54	54	54	54	54	54	54	54	54	-	-	-	-	-	-	-	654	
	Total Facility Expenses	\$ -	\$ -	\$ 27,345	\$ 222	\$ 54	\$ 54	\$ 1,854	\$ 25,599	\$ 54	\$ 54	\$ 54	\$ 27,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,689	
	Operating Profit	\$ (480)	\$ (899)	\$ (18,403)	\$ 9,167	\$ 30,637	\$ 23,453	\$ 14,462	\$ (11,683)	\$ (853)	\$ 2,967	\$ 3,989	\$ (26,856)	\$ 1,132	\$ (2,381)	\$ (599)	\$ (342)	\$ (201)	\$ -	\$ -	\$ -	\$ -	\$ 23,109	
General & Admin Exp.	Computer Software	(8) -	-	2,073	-	2,868	-	1,300	-	2,095	-	-	1,300	1,865	230	-	1,300	-	1,865	230	1,300	-	16,428	
	Dewar Alarm System	(9) -	358	-	-	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	401	
	Insurance	(10) 606	-	-	-	-	606	-	-	-	606	-	-	-	606	-	-	-	-	-	-	-	2,425	
	Professional Fees - IT	(11) -	-	443	20,000	-	-	443	-	-	-	443	-	-	-	-	443	-	-	-	443	-	22,215	
	Professional Fees - Resolute	-	70,395	62,945	53,355	46,660	42,175	32,850	24,400	27,400	24,400	16,795	16,795	19,795	14,615	8,125	8,125	4,335	4,335	4,335	4,335	4,335	490,505	
	Professional Fees - Legal	-	37,150	30,800	15,750	15,750	32,860	55,120	12,400	6,020	6,020	6,020	6,020	6,020	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	256,660	
	State and Local Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other G&A Expenses	(12) -	-	-	-	-	449	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	5,449	
	Total Administrative Expenses	\$ 108,151	\$ 94,103	\$ 71,621	\$ 82,859	\$ 77,946	\$ 88,576	\$ 38,183	\$ 33,420	\$ 32,515	\$ 23,421	\$ 23,258	\$ 27,115	\$ 27,500	\$ 11,972	\$ 11,578	\$ 8,645	\$ 7,345	\$ 9,210	\$ 8,018	\$ 8,645	\$ 794,083		
Potential Exp.	New Provider Costs	(13) -	-	-	-	-	-	-	-	12,000	-	-	-	12,000	-	-	-	-	12,000	-	-	-	24,000	
	Cryo Transfer Costs	(14) -	-	-	-	-	-	-	-	15,000	-	-	-	15,000	-	-	-	-	15,000	-	-	-	15,000	
	Patient Transfer Costs	(15) -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	
	E-Discovery	(16) -	-	-	-	-	-	-	-	-	-	-	-	19,650	-	-	-	-	-	-	-	-	19,650	
	Long-term Record Medical Storage	-	-	-	-	-	-	-	-	-	-	-	-	20,850	-	-	-	-	-	-	-	-	20,850	
	Additional insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Potential Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,500	\$ -	\$ -	\$ 10,000	\$ 22,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 22,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 99,500	
	Total Expenses	\$ 108,631	\$ 96,802	\$ 101,086	\$ 85,354	\$ 79,786	\$ 90,300	\$ 41,707	\$ 60,689	\$ 101,739	\$ 24,838	\$ 24,982	\$ 67,484	\$ 51,881	\$ 24,353	\$ 22,177	\$ 18,987	\$ 17,546	\$ 31,210	\$ 18,018	\$ 18,645	\$ 1,086,217		
	Beginning Cash Balance	\$ 6,979	\$ (101,652)	\$ (196,655)	\$ (286,679)	\$ (360,371)	\$ (407,681)	\$ (472,804)	\$ (496,525)	\$ (541,628)	\$ (574,997)	\$ (595,451)	\$ (614,720)	\$ (668,691)	\$ (695,059)	\$ (709,412)	\$ (721,589)	\$ (730,576)	\$ (738,122)	\$ (747,332)	\$ (755,350)	\$ (755,350)	\$ 6,979	
	Net Income	\$ (108,631)	\$ (95,002)	\$ (90,024)	\$ (73,692)	\$ (47,309)	\$ (65,123)	\$ (23,721)	\$ (45,103)	\$ (33,368)	\$ (20,454)	\$ (19,269)	\$ (53,971)	\$ (26,368)	\$ (14,353)	\$ (12,177)	\$ (8,987)	\$ (7,546)	\$ (9,210)	\$ (8,018)	\$ (8,645)	\$ (8,645)	\$ (770,974)	
	Ending Cash Balance	\$ (101,652)	\$ (196,655)	\$ (286,679)	\$ (360,371)	\$ (407,681)	\$ (472,804)	\$ (496,525)	\$ (541,628)	\$ (574,997)	\$ (595,451)	\$ (614,720)	\$ (668,691)	\$ (695,059)	\$ (709,412)	\$ (721,589)	\$ (730,576)	\$ (738,122)	\$ (747,332)	\$ (755,350)	\$ (763,995)	\$ (763,995)		

- Notes:
- 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.
 - 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.
 - 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. There are potential charges to patients after Week 12 if the dewars are still located at the facility.
 - 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 12. After week 12, the embryologist hours are estimated to be full time for 3 weeks in order to perform a physical inventory of the dewars.
 - The Receiver anticipates payment of May, June, and July rent for CRH facility to allow for the transfer of dewars, physical records, and to facilitate a sale of office/lab equipment.
 - Utilities include internet and phone service through July 2024.
 - Estimated expense for weekly liquid nitrogen delivery to maintain dewars until projected transfer in Week 12.
 - Computer Software includes various EMR systems, cloud-based server, and other subscriptions critical to the receivership objectives.
 - Charge for Unlimited Security, the alarm system monitoring the dewars through July 2024.
 - Insurance premium payment required to maintain existing general liability policy.
 - 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.
 - Payment to Medpro for Hazardous waste material pickup and \$5,000 associated with final costs for vacating the premises.
 - Fees paid to the new provider receiving the materials in cryo storage.
 - Transfer costs to move all of the dewars to a new provider.
 - Costs to transfer genetic material to a new provider of the patient's choosing to resume services.
 - Costs to archive and store digital assets from the Receivership Defendants

Receiver's Interim Report #2
State of Tennessee vs. The Center for Reproductive Health

EXHIBIT D

Center for Reproductive Health Receiver's Cash Sources & Uses For the Period: April 30, 2024 - June 7, 2024		
Beginning Bank Balance as of 4/30/2024	[1]	\$ 6,979
Receipts		
Insurance Payments Received		\$ 22,440
Cooper Surgical - Cryo Storage		4,797
Returned check		74
Google payment test deposits		1
Total Receipts		\$ 27,312
Disbursements		
Professional Fees IT	[2]	\$ 2,150
Hartford Insurance	[3]	606
Nitrogen Delivery		222
United Healthcare - Employee Benefit Premiums	[4]	5,747
Fifth Third - Bank Fees	[5]	570
Contractors	[6]	4,588
Total Disbursements		\$ 13,883
Net Income/Loss	[7]	\$ 13,429
Receivership Defendant bank balance as of 5/31/24		\$ 15,709
Receivership bank balance as of 5/31/24		4,699
Bank Balances as of 5/31/2024:	[8]	\$ 20,408
Disbursements: June 1st - June 7th		
Technology/Production Software	[9]	\$ 514
Unlimited Security- Dewar Alarm System		43
Contractors	[10]	3,659
Total Disbursements as of June 7th		\$ 4,215
Receivership Defendant bank balance as of 6/7/24		\$ 15,709
Receivership bank balance as of 6/7/24		483
Bank Balances as of 6/7/2024		\$ 16,193
Actual Accrued Expenses through June 7th		
Facility		
Healthpeak - Rent & Utilities	[11]	\$ 27,635
StorPlace of Med Center - Rent	[12]	229
Magic Apple - Phone Utility		1,139
Total Facility		\$ 29,003
G&A		
Resolute - Receiver Professional Fees through 4/30/2024		\$ 51,868
Resolute - Receiver Professional Fees 5/1/2024 - 5/31/2024		\$ 218,206
Resolute Reimbursements	[13]	10,358
Spencer Fane - Receiver's Counsel Fees through 4/30/2024		25,615
Spencer Fane - Receiver's Counsel Fees 5/1/24 - 5/31/2024		105,861
Artisan - Computer Software	[14]	4,455
Comcast - Internet Utility		661
AL Compressed Gas - Supplies	[15]	67
Total G&A		\$ 417,091
Total Accrued Expenses through June 7th		\$ 446,093
Available Bank Balances After Actual Accrued Expenses as of 6/7/2024		\$ (429,901)

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 - 5/18/24.
- [7] Total receipts less total disbursements.
- [8] = [1]+[7]
- [9] Google Suite is utilized as the Receivership Defendant's cloud based server and email provider.
- [10] Contractor invoices reflect services incurred from 5/19/24-6/2/24.
- [11] Receivership Defendant's facility base rent and utilities pro-rated for the period 4/26/24 - 4/30/24 plus May 2024. Utilities include electric, water, and sewage.
- [12] Storage unit May 2024 base rent for two units. Contents of the storage units include patient medical records.
- [13] The Receiver issued payment from the Resolute Operating Account to pay for these expenses. Stretto retainer payment issued to initiate services for generating a designated phone line, website, and patient noticing (\$5,000). Unlimited Security payment issued to change dewar alarm codes, troubleshoot connection error (\$315), and monthly service charge (\$42.95). Travel expenses.
- [14] Artisan is the central electronic medical record service provider to the Receivership Defendants.
- [15] Receiver accepted delivery of Liquid Nitrogen and CO2 to be stored at facility for back up purposes.