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**RECEIVED**  
**May 03 2023**

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

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BURR.COM

May 3, 2023

**VIA EMAIL ONLY**

Ms. Emily T. Marsal  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
Montgomery Alabama 36104  
[shpda.online@shpda.alabama.gov](mailto:shpda.online@shpda.alabama.gov)

**Re: Notice of Change of Ownership  
Gadsden Health & Rehabilitation Center (Etowah)  
055-N0007  
Anticipated Effective Date: June 1, 2023**

Dear Ms. Marsal:

I respectfully submit this Notice of Change of Ownership pursuant to Section 410-1-7-.04 of the Rules and Regulations of the Alabama Certificate of Need Program (the "CON Rules") in anticipation of the proposed transaction described below. The Change of Ownership involves a change in the licensed operator of Gadsden Health & Rehabilitation Center, a 168-bed skilled nursing facility located at 1945 Davis Drive in Gadsden, Alabama (Etowah County) (the "Facility"). The following is a summary of the proposed transaction:

I. Scope of the Transaction

1. Gadsden Health Care Center, Inc. (“Gadsden Health Care Center”) owns the real estate comprising the Facility. US Health Care, LLC (“US Health Care”) currently leases the Facility from Gadsden Health Care Center. US Health Care is the lessee and licensed operator of the Facility.
2. US Health Care intends to enter into an Asset Purchase Agreement whereby it will sell all of its personal property, assets and related rights to operate the Facility to Cavalier Healthcare of Gadsden, LLC (“Cavalier”). As part of the asset purchase, Cavalier will assume the lease of the Facility and become the new lessee and licensed operator of the Facility, replacing US Health Care.
3. In connection with the asset purchase between US Health Care and Cavalier, Brien B. Hubbard, the sole owner of Cavalier, will also purchase all of the outstanding stock of Gadsden Health Care Center through a stock purchase transaction. Gadsden Health Care Center will remain the owner of the real estate comprising the Facility following the stock purchase transaction, and will lease the Facility to Cavalier.
4. It is contemplated that the transaction will close on or after June 1, 2023, or upon receipt of all governmental authorizations and certifications required for Cavalier to operate the Facility.

II. Financial Scope of the Project

Cavalier will lease the Facility from Gadsden Health Care Center under an operating lease with customary terms and conditions for this type of transaction. Cavalier will purchase the personal property and assets of US Health Care at a to-be-determined fair market value price.

Other than entering into the lease of the Facility and buying the personal property of US Health Care, the Change of Ownership transaction will not involve new construction, the purchase of any new equipment, or the incurrence of new operating costs. Current expenditures are not expected to increase as a result of this transaction.

III. Services to be Offered

1. The proposed transaction does not involve the offering of any new institutional health services. A 168-bed skilled nursing facility will continue to be operated at 1945 Davis Drive, Gadsden, Alabama following the transaction.
2. The proposed transaction will not result in the addition or reduction of beds.
3. The proposed transaction will not involve the conversion of beds.
4. Cavalier has not previously operated a skilled nursing facility in Alabama.
5. As set forth above, the proposed transaction involves the purchase of personal property and assets from the current operator, US Health Care, as necessary for continued, seamless operation of the Facility. The proposed change in licensed operator and lessee does not include the sale of stock. However, the stock

Ms. Emily T. Marsal  
May 3, 2023  
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ownership of Gadsden Health Care Center, the property owner, will be transferred as part of the transaction.

In accordance with the CON Rules, payment in the amount of \$2,500.00 for the Change of Ownership Filing fee is being submitted via the SHPDA Electronic Payment Portal. Enclosed please find an executed Notice of Change of Ownership form.

Based on the facts presented above, I respectfully request that you exercise your authority under § 410-1-7-.04 of the CON Rules and determine that neither a certificate of need, nor any further certificate of need regulatory review, is required for the consummation of the above-described proposed transaction.

Should you have any questions or need further information, please feel free to contact me at (205) 458-5429 or at [kfleming@burr.com](mailto:kfleming@burr.com).

Sincerely,



Kelli C. Fleming

KCF/caj  
Enclosure (CHOW Form)

cc: J.P. Sauer, Esq.  
Angie C. Smith, Esq.

## NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))

Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))

Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

### Part I: Facility Information

SHPDA ID Number: 055-N007  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: Gadsden Health and Rehab Center  
(ADPH Licensure Name)

Physical Address: 1945 Davis Drive  
Gadsden, AL 35904

County of Location: ETOWAH 

Number of Beds/ESRD Stations: 168

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. \_\_\_\_\_

**Part II: Current Authority** (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: Gadsden Health Care Center, Inc.

Mailing Address: 1945 Davis Drive

Gadsden, AL 35904

Operator (Entity Name): US Health Care, LLC

### Part III: Acquiring Entity Information

Name of Entity: Cavalier Healthcare of Gadsden, LLC (Operator)

Mailing Address: 136 Waterford Drive

Hattiesburg, Mississippi 39402

Operator (Entity Name): Cavalier Healthcare of Gadsden, LLC

Proposed Date of Transaction is on or after: 06/01/2023

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ See attached letter

Type of Beds: skilled nursing beds

Number of Beds/ESRD Stations: 168

**Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:**

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 0.00

Projected Total Cost: \$ 0.00

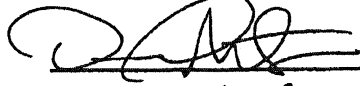
**On an Attached Sheet Please Address the Following:**

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

**Part V: Certification of Information**

**Current Authority Signature(s):**

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s):  David A. Lester

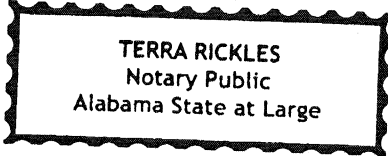
Operator(s): US Health Care, LLC

Title/Date: CEO



SWORN to and subscribed before me, this 3<sup>rd</sup> day of May, 2023.

(Seal)



Terra Rickles  
Notary Public

My Commission Expires: June 21, 2023

**Acquiring Authority Signature(s):**

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: \_\_\_\_\_

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Author: Alva M. Lambert  
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975  
History: New Rule

