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**COUNSEL FOR THE DEBTORS**

**UNITED STATES BANKRUPTCY COURT  
 FOR THE NORTHERN DISTRICT OF TEXAS  
 FORT WORTH DIVISION**

<b>IN RE:</b>	§	<b>CHAPTER 11</b>
	§	
<b>FOUNDATION HEALTHCARE, INC.,</b>	§	<b>CASE NO. 17-42571-rfn-11</b>
	§	<b>Lead Case</b>
<b>DEBTOR.</b>	§	
	§	<b>Complex Case</b>
-----	§	<b>Jointly Administered</b>
	§	
<b>IN RE:</b>	§	<b>CHAPTER 11</b>
	§	
<b>UNIVERSITY GENERAL HOSPITAL, LLC,</b>	§	<b>CASE NO. 17-42570</b>
	§	
<b>DEBTOR.</b>	§	<b>Complex Case</b>
	§	<b>Jointly Administered</b>
-----	§	<b>Under Lead Case</b>

**NOTES REGARDING AMENDED SCHEDULES OF ASSETS AND  
 LIABILITIES AND AMENDED STATEMENT OF FINANCIAL AFFAIRS**

On June 21, 2017 (the “Petition Date”), Foundation HealthCare, Inc., and University General Hospital, LLC each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the “Bankruptcy Court”). The Debtors have requested, and the Bankruptcy Court has so ordered, that their cases be jointly administered under Case No. 17-42571.

Since that date, with the assistance of its Bankruptcy Court approved advisors, the Debtors determined certain changes should be made to the original Schedules of Assets and Liabilities and the Statement of Financial Affairs, and prepared the annexed Amended Schedules

of Assets and Liabilities (the “Schedules”) and the Amended Statement of Financial Affairs (the “SOFAs” and together with the Schedules, the “Schedules and SOFAs”) pursuant to section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure. The Schedules and SOFAs are unaudited and do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”), and they are not intended to be fully reconciled to the financial statements. The original Schedules and SOFAs were filed on July 6, 2017, at Docket Nos. 36 and 37 and Nos. 42 and 43, respectively.

Although the Debtors’ advisors and remaining officers, directors and contract employees have made every reasonable effort to ensure that the Schedules and SOFAs are accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to these Schedules and SOFAs, and inadvertent errors or omissions may have occurred. Subsequent receipt of information or an audit may result in material changes in financial data requiring amendment of the Schedules and SOFAs. These notes regarding each of the Debtor’s Schedules and SOFAs (the “Notes”) comprise an integral part of such Debtor’s Schedules and SOFAs and should be referenced in connection with any review of the Schedules and SOFAs. Nothing contained in the Schedules and SOFAs shall constitute a waiver of any rights or claims of the Debtor against any third party, or in or with respect to any aspect of these chapter 11 cases.

1. Amendments. The Debtors reserve the right to amend or supplement the Schedules and SOFAs as necessary or appropriate.

2. Asset Presentation. Most assets and liabilities of the Debtors are shown on the basis of the book value in the respective Debtor’s books and records, as of December 31, 2016, and not on the basis of current market values of such interest in property or liabilities; provided, however, that some adjustments have been made when the information was available subsequent thereto. In certain instances, where book value is known to be materially inaccurate, the Debtor listed some assets and liabilities as having an “unknown” value. The Debtors reserve their right to amend or adjust the value of each asset or liability set forth herein.

3. Liabilities. The Debtors sought to allocate liabilities between the prepetition and postpetition periods based on the information and research that was conducted in connection with the preparation of the Schedules and SOFAs. As additional information becomes available and further research is conducted, the allocation of liabilities between prepetition and postpetition periods may change. The Debtors also reserve the right to change the allocation of liability to the extent additional information becomes available.

4. Causes of Action. Despite reasonable efforts, the Debtors may not have identified or set forth all of its causes of action against third parties as assets in its Schedules and SOFAs. The Debtors reserve any and all of their rights with respect to any causes of action they each may have, and neither these Notes nor the Schedules and SOFAs shall be deemed a waiver of any such causes of action.

5. Claim Description. Any failure to designate a claim on the Schedules or SOFAs as “disputed,” “contingent” or “unliquidated” does not constitute an admission by the respective Debtor that such claim is not “disputed,” “contingent” or “unliquidated.” The Debtors reserve the right to dispute, or to assert offsets or defenses to, any claim reflected on its Schedules and SOFAs as to amount, liability, priority, secured or unsecured status, or classification, or to otherwise designate any claim as “disputed,” “contingent” or “unliquidated” by filing and serving an appropriate amendment. The Debtors also reserve the right to amend their Schedules or SOFAs as necessary or appropriate.

6. Property and Equipment. The Debtors have not completed a physical inventory of any of their owned equipment, merchandise or other physical assets and any information set forth in the Schedules and SOFAs may be over or understated. Further, nothing in the Schedules or SOFAs (including, without limitation, the failure to list leased property or equipment as owned property or equipment) is or shall be construed as an admission as to the determination of legal status of any lease (including whether any lease is a true lease or financing arrangement), and the Debtors reserve all of their rights with respect to such issues. Notwithstanding the foregoing, an inventory of supplies for UGH was conducted in December 2016.

7. Insurance. The Debtors have, in the past, maintained a variety of insurance policies including property, general liability, and workers’ compensation policies and other employee- related policies. The Debtors’ interest in these types of policies is limited to the amount of the premiums that the Debtor has prepaid, if any, as of Petition Date. To the best of each Debtor’s knowledge, no such prepayments exist. The Debtors do reserve all rights to refunds of any overpayments of premiums paid on any insurance policies.

8. Insiders. In the circumstances where the Bankruptcy Schedules require information regarding insiders or officers and directors, included herein are the relevant Debtor’s (a) directors (or persons in similar positions) and (b) officers. The listing of a party as an insider is not intended to be nor should it be construed as a legal characterization of such party as an insider and does not act as an admission of any fact, claim, right or defense and all such rights, claims and defenses are hereby expressly reserved. Further, employees have been included in this disclosure for informational purposes only and should not be deemed to be “insiders” in terms of control of the Debtor, management responsibilities or functions, decision-making or corporate authority or as otherwise defined by applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

9. Schedule A/B—Real and Personal Property. As of the Petition Date, certain equipment and property was foreclosed upon, repossessed, or picked up by various parties. While the Debtors have attempted to identify each such situation, that analysis is made complicated by the fact that the UGH Debtor is no longer in possession of that leased premises. To the extent any Debtor learns of a piece of property that has been subject to a repossession or foreclosure impacting the listing in this schedule, such Debtor reserves the right to amend such Schedule and SOFA reflecting same.

10. Schedule D—Creditors Holding Secured Claims. Except as specifically stated herein, real property lessors, utility companies and other parties which may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D all parties that may believe their claims are secured through setoff rights, deposits posted by, or on behalf of, the Debtors, or inchoate statutory lien rights. While reasonable efforts have been made, determination of the date upon which each claim in Schedule D was incurred or arose would be unduly and cost prohibitive, and therefore, the Debtors may not list a date for each claim listed on Schedule D.

11. Schedule F—Creditors Holding Unsecured Nonpriority Claims. The liabilities identified in Schedule F are derived from the respective Debtor's books and records, which may or may not, in fact, be completely accurate, but they do represent a reasonable attempt by each Debtor to set forth its unsecured obligations. Accordingly, the actual amount of claims against each Debtor may vary from the represented liabilities. Parties in interest should not accept that the listed liabilities necessarily reflect the correct amount of any unsecured creditor's allowed claims or the correct amount of all unsecured claims. Similarly, parties in interest should not anticipate that recoveries in these cases will reflect the relationship of aggregate asset values and aggregate liabilities set forth in the Schedules and SOFAs. Parties in interest should consult their own professionals or advisors with respect to pursuing a claim. Although the Debtors and their professionals have generated financials the Debtors believe to be reasonable, actual liabilities (and assets) may deviate from the Schedules and SOFAs due to certain events that may occur throughout the duration of these chapter 11 cases.

12. Schedule H – Codebtors. It is possible that some of the Debtors affiliates, including one another in some instances, may be viewed by a particular creditor as being co-obligors on such debt. However, none of those affiliates are viewed by the Debtors as having any ability to pay those debts and many are owned in whole or in part by one of the Debtors, FHI. Finally, it would be unduly burdensome and of relatively little to no value to the Debtors' estates to attempt to delineate those co-obligors for each debt. Consequently, the Debtors have not listed those as co-debtors on Schedule H.

13. Statement of Financial Affairs 19(d) – Financial Statements. The Debtors have each undertaken reasonable efforts to identify all financial institutions, creditors and other parties to whom a financial statement was issued within two years immediately preceding the Petition Date. The Debtors reserve their rights to subsequently supplement or amend Statement 19d upon discovery of additional information.

14. Statement of Financial Affairs 4 and 30 – Payments within One Year to Insider. The information available at the time of filing has been included; however, information regarding stock options, redemptions, and potential loan reductions were unavailable and have not been included.

15. Specific Notes. These General Notes are in addition to the specific notes set forth in the individual Schedules and SOFAs. Disclosure of information in one Schedule, SOFA, exhibit, or continuation sheet even if incorrectly placed, shall be deemed to be disclosed in the correct Schedule, SOFA, exhibit or continuation sheet.

16. Totals. All totals that are included in the Schedules represent totals of the liquidated amounts for the individual schedule for which they are listed.

17. Unliquidated Claim Amounts. Claim amounts that could not be fairly quantified by the Debtors are scheduled as “unliquidated” or “unknown.”

18. General Reservation of Rights. The Debtors specifically reserve the right to amend, modify, supply, correct, change or alter any part of their Schedules and SOFAs as and to the extent necessary as they each deem appropriate.

**Fill in this information to identify the case:**Debtor name Foundation Healthcare, Inc.United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXASCase number (if known) 17-42571-mxm11
☒ Check if this is an amended filing
**Official Form 207****Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

04/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

**Part 1: Income****1. Gross revenue from business**
☐ None.

**Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year**
**From the beginning of the fiscal year to filing date:**  
 From 1/01/2017 to **Filing Date**
**Sources of revenue**  
 Check all that apply

☒ Operating a business  
☐ Other \_\_\_\_\_

**Gross revenue**  
 (before deductions and exclusions)
\$195,771.80
**For prior year:**  
 From 1/01/2016 to 12/31/2016
☒ Operating a business  
☐ Other \_\_\_\_\_
\$2,267,595.89
**For year before that:**  
 From 1/01/2015 to 12/31/2015
☒ Operating a business  
☐ Other \_\_\_\_\_
\$1,941,814.50**2. Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☐ None.
**Description of sources of revenue**
**Gross revenue from each source**  
 (before deductions and exclusions)

**From the beginning of the fiscal year to filing date:**  
 From 1/01/2017 to **Filing Date**
Furniture Sales\$10,000.00**Part 2: List Certain Transfers Made Before Filing for Bankruptcy****3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**☐ None.

Creditor's Name and Address	Dates	Total amount of value	Reasons for payment or transfer <i>Check all that apply</i>
3.1. See SOFA Exhibit 3.1 attached		\$2,708,376.36	<input checked="" type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input checked="" type="checkbox"/> Suppliers or vendors <input checked="" type="checkbox"/> Services <input type="checkbox"/> Other ____

**4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider**

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☒ None.

Insider's name and address Relationship to debtor	Dates	Total amount of value	Reasons for payment or transfer
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**5. Repossessions, foreclosures, and returns**

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☐ None

Creditor's name and address	Describe of the Property	Date	Value of property
Texas Capital Bank 2000 McKinney Avenue, Suite 700 Dallas, TX 75201	Foundation Surgical Hospital Holdings, LLC	06/01/2017	\$25,600,000.00
Texas Capital Bank 2000 McKinney Avenue, Suite 700 Dallas, TX 75201	University General Hospital, LLC Intercompany Note	06/01/2017	\$250,000.00
Texas Capital Bank 2000 McKinney Avenue, Suite 700 Dallas, TX 75201	Healthcrest Note	06/01/2017	\$1,650,000.00
Texas Capital Bank 2000 McKinney Avenue, Suite 700 Dallas, TX 75201	Foundation Bariatric Hospital of San Antonio Intercompany Note	06/01/2017	\$2,300,000.00

**6. Setoffs**

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☒ None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
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**Part 3: Legal Actions or Assignments****7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**☐ None.

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1.	<b>Ninety Nine Healthcare Management LLC, et al. v Foundation Healthcare, Inc., et al. DC-17-00411</b>	<b>Breach of Contract</b>	<b>298th District Court, Dallas County, TX 600 Commerce Street Dallas, TX 75202</b>	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.2.	<b>Visual Image Media Consultants, Inc. dba VI Marketing and Branding v Foundation Surgical Hospital Management, LLC dba Foundation Healthcare, Inc. and dba Foundation Surgical Hospital of San Antonio CJ-2017-2905</b>	<b>Collection</b>	<b>District Court of Oklahoma County, OK 320 Robert S. Kerr Avenue 409 County Office Building Oklahoma City, OK 73102</b>	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.3.	<b>Hejdi Inc dba Allied Health Services v. University General Hospital LLC, et al. 2017-23970</b>	<b>Collection</b>	<b>Harris County District Court (151st) 201 Caroline, Suite 420 Houston, TX 77002</b>	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

**8. Assignments and receivership**

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None**Part 4: Certain Gifts and Charitable Contributions****9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000**☒ None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
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**Part 5: Certain Losses****10. All losses from fire, theft, or other casualty within 1 year before filing this case.**☒ None

Description of the property lost and how the loss occurred	Amount of payments received for the loss	Dates of loss	Value of property lost
	<p>If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received.</p> <p>List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).</p>		

**Part 6: Certain Payments or Transfers****11. Payments related to bankruptcy**

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

page 3



Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☐ None.

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.1.	<b>Lewis Brisbois Bisgaard &amp; Smith LLP</b> 2100 Ross Avenue, Suite 2000 Dallas, TX 75201		03/28/2017	\$34,700.00
	Email or website address <a href="http://www.lewisbrisbois.com">www.lewisbrisbois.com</a>			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.2.	<b>Husch Blackwell LLP</b> 2001 Ross Avenue, Suite 2000 Dallas, TX 75201		05/10/2017	\$62,500.00
	Email or website address <a href="http://www.huschblackwell.com">www.huschblackwell.com</a>			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management, LLC			
11.3.	<b>Ankura Consulting, LLC</b> 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		04/21/2017	\$27,140.04
	Email or website address <a href="http://www.ankuraconsulting.com">www.ankuraconsulting.com</a>			
	Who made the payment, if not debtor?			
11.4.	<b>Ankura Consulting, LLC</b> 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		04/27/2017	\$13,215.39
	Email or website address <a href="http://www.ankuraconsulting.com">www.ankuraconsulting.com</a>			
	Who made the payment, if not debtor?			

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.5.	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>04/13/2017</b>	<b>\$13,479.58</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor?			
11.6.	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>04/06/2017</b>	<b>\$13,472.08</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor?			
11.7.	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>05/10/2017</b>	<b>\$13,958.06</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor? <b>Foundation Surgical Hospital Management, LLC</b>			
11.8.	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>05/17/2017</b>	<b>\$12,500.00</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor? <b>Foundation Surgical Hospital Management, LLC</b>			

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.9.	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>05/24/2017</b>	<b>\$13,297.95</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor? <b>Foundation Surgical Hospital Management, LLC</b>			
11.10	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>05/24/2017</b>	<b>\$12,987.98</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor? <b>Foundation Surgical Hospital Management, LLC</b>			
11.11	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>06/02/2017</b>	<b>\$13,067.18</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor? <b>Foundation Surgical Hospital Management, LLC</b>			
11.12	<b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>		<b>06/16/2017</b>	<b>\$62,000.00</b>
	Email or website address <b>www.ankuraconsulting.com</b>			
	Who made the payment, if not debtor?			

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.13	<b>Husch Blackwell LLP 2001 Ross Avenue, Suite 2000 Dallas, TX 75201</b>		<b>06/16/2017</b>	<b>\$24,500.00</b>
	Email or website address <b>www.huschblackwell.com</b>			
	Who made the payment, if not debtor?			
11.14	<b>Donlin Recano 48 Wall Street New York, NY 10005</b>		<b>06/16/2017</b>	<b>\$15,000.00</b>
	Email or website address <b>www.donlinrecano.com</b>			
	Who made the payment, if not debtor?			
11.15	<b>Husch Blackwell LLP 2001 Ross Avenue, Suite 2000 Dallas, TX 75201</b>		<b>6/20/2017</b>	<b>\$3,500.00</b>
	Email or website address <b>www.huschblackwell.com</b>			
	Who made the payment, if not debtor?			

**12. Self-settled trusts of which the debtor is a beneficiary**

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.

Do not include transfers already listed on this statement.

☒ None.

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
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**13. Transfers not already listed on this statement**

List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☒ None.

Who received transfer? Address	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
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**Part 7: Previous Locations****14. Previous addresses**

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☐ Does not apply

Address	Dates of occupancy From-To
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Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11****Address****Dates of occupancy  
From-To**14.1. **14000 N. Portland Avenue  
Oklahoma City, OK 73134****Part 8: Health Care Bankruptcies****15. Health Care bankruptcies**

Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

- ☒ No. Go to Part 9.
- ☐ Yes. Fill in the information below.

**Facility name and address****Nature of the business operation, including type of services  
the debtor provides****If debtor provides meals  
and housing, number of  
patients in debtor's care****Part 9: Personally Identifiable Information****16. Does the debtor collect and retain personally identifiable information of customers?**

- ☐ No.
- ☒ Yes. State the nature of the information collected and retained.

**Patient information and medical records  
Employee information**

Does the debtor have a privacy policy about that information?

- ☐ No
- ☒ Yes

**17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?**

- ☐ No. Go to Part 10.
- ☒ Yes. Does the debtor serve as plan administrator?

☐ No Go to Part 10.☒ Yes. Fill in below:

Name of plan

**Unknown**

Employer identification number of the plan

EIN: **20-0180812**

Has the plan been terminated?

- ☐ No
- ☒ Yes

**Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units****18. Closed financial accounts**

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

☐ None**Financial Institution name and  
Address****Last 4 digits of  
account number****Type of account or  
instrument****Date account was  
closed, sold,  
moved, or  
transferred****Last balance  
before closing or  
transfer**

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

	Financial Institution name and Address	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
18.1.	Bank SNB 6301 Waterford Boulevard, Suite 101 Oklahoma City, OK 73118	XXXX-5680	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input checked="" type="checkbox"/> Other <u>Payroll</u>	March 2017	\$0.00
18.2.	Bank SNB 6301 Waterford Boulevard, Suite 101 Oklahoma City, OK 73118	XXXX-6590	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other <u>Credentialin g</u>	March 2017	\$199.00
18.3.	Bank SNB 6301 Waterford Boulevard, Suite 101 Oklahoma City, OK 73118	XXXX-8810	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input checked="" type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other ____	March 2017	\$6,943.45
18.4.	Bank SNB 6301 Waterford Boulevard, Suite 101 Oklahoma City, OK 73118	XXXX-6970	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other <u>Production</u>	March 2017	\$216.12
18.5.	Bank SNB 6301 Waterford Boulevard, Suite 101 Oklahoma City, OK 73118	XXXX-6300	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input checked="" type="checkbox"/> Other <u>Tax Escrow</u>	March 2017	\$0.00
18.6.	Texas Capital Bank 2350 Lakeside Boulevard, Suite 800 Richardson, TX 75082	XXXX-4122	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input checked="" type="checkbox"/> Other <u>Payroll</u>	February 2017	\$0.00
18.7.	Texas Capital Bank 2350 Lakeside Boulevard, Suite 800 Richardson, TX 75082	XXXX-4130	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input checked="" type="checkbox"/> Other <u>Escrow</u>	February 2017	\$0.00
18.8.	Bank SNB 6301 Waterford Boulevard, Suite 101 Oklahoma City, OK 73118	XXXX-7040	<input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other ____	June 2017	\$543.76

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11****19. Safe deposit boxes**

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

☐ None

Depository institution name and address	Names of anyone with access to it Address	Description of the contents	Do you still have it?
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**20. Off-premises storage**

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

☐ None

Facility name and address	Names of anyone with access to it	Description of the contents	Do you still have it?
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**Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own****21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☐ None

**Part 12: Details About Environment Information**

For the purpose of Part 12, the following definitions apply:

*Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).

*Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.

*Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

**Report all notices, releases, and proceedings known, regardless of when they occurred.**

**22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.**

- ☐ No.  
☐ Yes. Provide details below.

Case title Case number	Court or agency name and address	Nature of the case	Status of case
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**23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?**

- ☐ No.  
☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
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**24. Has the debtor notified any governmental unit of any release of hazardous material?**

- ☐ No.  
☐ Yes. Provide details below.

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

Site name and address

Governmental unit name and address

Environmental law, if known

Date of notice

**Part 13: Details About the Debtor's Business or Connections to Any Business****25. Other businesses in which the debtor has or has had an interest**

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☐ None

Business name address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
		<b>Dates business existed</b>
25.1. <b>TSH Acquisition, LLC</b>	<b>Holding Company</b>	<b>EIN: 38-3912194</b> <b>From-To June 22, 2013 - Current</b>
25.2. <b>ApothecaryRx, LLC</b>	<b>Non Operating Pharmacy Company</b>	<b>EIN: 20-5084291</b> <b>From-To June 22, 2013 - Current</b>
25.3. <b>Ninety Nine Healthcare Management, LLC</b>	<b>Healthcare Management</b>	<b>EIN:</b> <b>From-To</b>
25.4. <b>SDC Holdings, LLC</b>	<b>Holding Company of Non Operating Sleep Centers</b>	<b>EIN: 20-8354554</b> <b>From-To June 22, 2013 - Current</b>
25.5. <b>Foundation Hospital General of Houston, 7501 Fannin Street Houston, TX 77054</b>	<b>Investment Vehicle</b>	<b>EIN: 38-3905481</b> <b>From-To June 22, 2013 - Current</b>
25.6. <b>Surveillance, The Motion Picture, LLC</b>	<b>Motion Picture</b>	<b>EIN: 20-0180812</b> <b>From-To June 22, 2013 - Current</b>
25.7. <b>The Hunt, The Motion Picture, LLC</b>	<b>Motion Picture</b>	<b>EIN: 20-0180812</b> <b>From-To June 22, 2013 - Current</b>
25.8. <b>Fingerprint Productions, LLC</b>	<b>Motion Picture</b>	<b>EIN: 20-0180812</b> <b>From-To June 22, 2013 - Current</b>
25.9. <b>Soul's Midnight, LLC</b>	<b>Motion Picture</b>	<b>EIN: 20-0180812</b> <b>From-To June 22, 2013 - Current</b>

**26. Books, records, and financial statements**

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

Name and address	Date of service From-To
26a.1. <b>Ben May 4201 Cailburn Parkway Edmond, OK 73034</b>	<b>12/2015 - 07/2016</b>



Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

Name and address		Date of service From-To
26a.2.	<b>Scott Blair</b> 2737 NW 140th Street Apt. 311 Oklahoma City, OK 73134	04/2015 - 08/2016
26a.3.	<b>Sarah Ryan</b> 5036 Brittany Paige Drive Edmond, OK 73034	04/2014 - 12/2016
26a.4.	<b>Loretta Trujillo</b> Hogan Taylor LLP 11600 Broadway Ext., Suite 300 Oklahoma City, OK 73114	08/2016 - 12/2016
26a.5.	<b>Adriana Lopez</b> 23873 E 1035 Road Weatherford, OK 73096	Unknow - 03/2017
26a.6.	<b>Matt Vanzant</b> 8001 Curtis Terr Oklahoma City, OK 73132	09/2016 - 04/2017
26a.7.	<b>Alicia Madole</b> 4317 SW 22nd Street, Apt. 1812 Oklahoma City, OK 73108	05/2016 - 03/2017
26a.8.	<b>Grant Christianson</b> 11001 Seven Pines Lane Champlin, MN 55316	2010 - Current
26a.9.	<b>Jena Lee Marr</b> 11233 NW 105th Street Yukon, OK 73099	12/2016
26a.10.	<b>Mark Kidd</b> 335 S. Wilson Vinita, OK 74301	Unknown
26a.11.	<b>Marnie Fulton</b> Unknown	Unknown

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☐ None

Name and address		Date of service From-To
26b.1.	<b>Administrative Fiduciary Svc Inc.</b> 10777 Northwest Freeway, Suite 440 Houston, TX 77092	2015 - 2017
26b.2.	<b>Alan F. Segal &amp; Associates</b> 79 West Monroe Street, Suite 1000 Chicago, IL 60603	08/2016 - 10/2016
26b.3.	<b>Ankura Consulting, LLC</b> 15950 Dallas Parkway, Suite 750 Dallas, TX 75248	11/2016 - Current

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

Name and address		Date of service From-To
26b.4.	<b>Brooks O'Neill White Oaks Investor Relations 8 Bridge Lane Minneapolis, MN 55424</b>	<b>12/2015 - 02/2017</b>
Name and address		Date of service From-To
26b.5.	<b>CLG Health Care Analytics, LLC 22287 Mulholland Hwy Suite 343 Calabasas, CA 91302</b>	<b>12/2016</b>
Name and address		Date of service From-To
26b.6.	<b>Donnelley Financial, LLC PO Box 842282 Boston, MA 02284-2282</b>	<b>06/2016 - 10/2016</b>
Name and address		Date of service From-To
26b.7.	<b>Donohoe Advisory Associates, LLC 9901 Belward Campus Drive, Suite 175 Rockville, MD 20850</b>	<b>10/2014 - 12/2016</b>
Name and address		Date of service From-To
26b.8.	<b>Eide Bailey 5 Triad Center, Suite 600 Salt Lake City, UT 84180-1106</b>	<b>2014 - 2017</b>
Name and address		Date of service From-To
26b.9.	<b>Goodwin Proctor LLP 100 Northern Avenue Boston, MA 02210</b>	<b>2016 - 2017</b>
Name and address		Date of service From-To
26b.10.	<b>Grant Christianson 11001 Seven Pines Lane Champlin, MN 55316</b>	<b>2015 - 2017</b>
Name and address		Date of service From-To
26b.11.	<b>Hayden IR LLC 15879 N 80 Street, Suite 400 Scottsdale, AZ 85260</b>	<b>2015 - 2016</b>
Name and address		Date of service From-To
26b.12.	<b>Healthcare Appraisers, Inc. 75 NW 1st Avenue Delray Beach, FL 33444</b>	<b>2014 - 2015</b>
Name and address		Date of service From-To
26b.13.	<b>Hein &amp; Associates 1999 Broadway, Suite 4000 Denver, CO 80202</b>	<b>2014 - 2016</b>
Name and address		Date of service From-To
26b.14.	<b>ManagementWorks, LLC 9960 NW 35th Street Hollywood, FL 33024</b>	<b>11/2015 - 03/2016</b>

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

Name and address		Date of service From-To
26b.15.	<b>Mark Kidd 335 S. Wilson Vinita, OK 74301</b>	<b>2015 - 2017</b>
Name and address		Date of service From-To
26b.16.	<b>Moss, Krusick &amp; Associates LLC 501 S. New York Avenue, Suite 100 Winter Park, FL 32789</b>	<b>11/2015</b>
Name and address		Date of service From-To
26b.17.	<b>Richard L. Zahn 3357 Brush Creek Road Oklahoma City, OK 73120</b>	<b>2015 - 2017</b>
Name and address		Date of service From-To
26b.18.	<b>Robison Gary Johnson &amp; Associates 2575 Kelley Pointe Parkway, Suite 140 Edmond, OK 73013</b>	<b>2015 - 2016</b>
Name and address		Date of service From-To
26b.19.	<b>RR Donnelley Receivables, Inc. PO Box 932721 Cleveland, OH 44193</b>	<b>2015 - 2016</b>
Name and address		Date of service From-To
26b.20.	<b>Spectrum Health Partners, LLC 109 International Drive, Suite 140 Franklin, TN 37067</b>	<b>12/2016 - Current</b>
Name and address		Date of service From-To
26b.21.	<b>Stanton Nelson 1501 Drury Lane Oklahoma City, OK 73116</b>	<b>2015 - 2017</b>
Name and address		Date of service From-To
26b.22.	<b>Robert M. Byers 15217 Stoney Springs Road Edmond, OK 73013</b>	<b>2015 - 2017</b>
Name and address		Date of service From-To
26b.23.	<b>Justin Bynum PO Box 847872 Dallas, TX 75248</b>	<b>09/2016 - 12/2016</b>
Name and address		Date of service From-To
26b.24.	<b>Hugh King 15536 Monarch Lane Oklahoma City, OK 73103</b>	<b>06/2014 - 10/2016</b>
Name and address		Date of service From-To
26b.25.	<b>Thomas Michaud 6600 Overview Road Edmond, OK 73025</b>	<b>2015 - 2017</b>

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**☐ None

Name and address	If any books of account and records are unavailable, explain why
26c.1. <b>Specturm Health Partners, LLC 109 International Ddrive, Suite 140 Franklin, TN 37067</b>	
26c.2. <b>Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248</b>	
26c.3. <b>Eide Bailey 5 Triad Center, Suite 600 Salt Lake City, UT 84180-1106</b>	

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☒ None**Name and address****27. Inventories**

Have any inventories of the debtor's property been taken within 2 years before filing this case?

☐ No☒ Yes. Give the details about the two most recent inventories.

	Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
27.1	<b>Eric Lyons</b>	<b>03/01/2017</b>	<b>Unknown</b>
	<b>Name and address of the person who has possession of inventory records</b> <b>Eric Lyons</b> <b>1301 NW K Street</b> <b>Bentonville, AR 72712</b>		

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position and nature of any interest	% of interest, if any
<b>Richard Zahn</b>	<b>3357 Brush Creek Road Oklahoma City, OK 73120</b>	<b>Chairman of the Board</b>	<b>0</b>
Name	Address	Position and nature of any interest	% of interest, if any
<b>Thomas Michaud</b>	<b>6600 Overview Road Edmond, OK 73025</b>	<b>Board Member</b>	<b>Unknown</b>
Name	Address	Position and nature of any interest	% of interest, if any
<b>Steven List</b>	<b>850 Manor Drive Argyle, TX 76226</b>	<b>Board Member</b>	<b>Unknown</b>

Debtor **Foundation Healthcare, Inc.**Case number (if known) **17-42571-mxm11**

Name	Address	Position and nature of any interest	% of interest, if any
Michael Miller	15950 Dallas Parkway, Suite 750 Dallas, TX 75248	Chief Restructuring Officer	0
Name	Address	Position and nature of any interest	% of interest, if any
Lorin Patterson	17793 Brookwood Way Purcellville, VA 22903	Board Member	Unknown

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

- ☐ No  
☒ Yes. Identify below.

Name	Address	Position and nature of any interest	Period during which position or interest was held
Stanton Nelson	1501 Drury Lane Oklahoma City, OK 73116	Chief Executive Officer Boad Member	01/2008 - 01/2017 01/2008 - 06/2017
Name	Address	Position and nature of any interest	Period during which position or interest was held
Thomas Michaud	6600 Overview Road Edmond, OK 73025	Chairman of the Board	01/1996 - 12/2016
Name	Address	Position and nature of any interest	Period during which position or interest was held
Joseph Harroz	2511 McGee Drive Norman, OK 73072	Board of Directors	Unknown
Name	Address	Position and nature of any interest	Period during which position or interest was held
Hugh King	15536 Monarch Lane Edmond, OK 73013	Chief Financial Officer	06/2014 - 10/2016
Name	Address	Position and nature of any interest	Period during which position or interest was held
Marcelo Puiggari	3221 Elmwood Avenue Oklahoma City, OK 73116	Chief Compliance Officer	01/2005 - 04/2017
Name	Address	Position and nature of any interest	Period during which position or interest was held
Cindy Braly	6950 E.Post Oak Road Noble, OK 73068	Chief Nursing Officer	08/2011 - 01/2017
Name	Address	Position and nature of any interest	Period during which position or interest was held
Travis Crenshaw	8608 NW 126th Stgreet Oklahoma City, OK 73142	Chief Information Officer	08/2014 - 12/2016

Debtor Foundation Healthcare, Inc.Case number (if known) 17-42571-mxm11

Name	Address	Position and nature of any interest	Period during which position or interest was held
Robert Moreno, MD	2121 N. Saint Vrain Street El Paso, TX 79902	Board Member	Unknown - 06/15/2017
Name	Address	Position and nature of any interest	Period during which position or interest was held
Justin Bynum	PO Box 847872 Dallas, TX 75248	Chief Financial Officer	09/2016 - 12/2016

30. **Payments, distributions, or withdrawals credited or given to insiders**

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- ☒ No  
☐ Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
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31. **Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?**

- ☐ No  
☒ Yes. Identify below.

Name of the parent corporation

Foundation Healthcare, Inc.

Employer Identification number of the parent corporation

EIN: 20-018081232. **Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?**

- ☒ No  
☐ Yes. Identify below.

Name of the parent corporation

Employer Identification number of the parent corporation


**Part 14: Signature and Declaration**

**WARNING** -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 2, 2017

  
 Signature of individual signing on behalf of the debtor

Richard Zahn  
 Printed name

Position or relationship to debtor Chairman**Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?**

- ☒ No  
☐ Yes