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PROPOSED COUNSEL FOR THE DEBTORS

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

IN RE:	§	
	§	CHAPTER 11
	§	
FOUNDATION HEALTHCARE, INC.,	§	
<i>et al.,</i>	§	CASE NO. 17-42571
	§	
DEBTORS.¹	§	Complex Case
	§	Jointly Administered

**NOTES REGARDING SCHEDULES OF ASSETS AND
LIABILITIES AND 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.

With the assistance of its Bankruptcy Court approved advisors, the Debtors prepared the annexed Schedules of Assets and Liabilities (the “Schedules”), the Statement of Financial Affairs (the “SOFAs” and together with the Schedules, the “Schedules and SOFAs”), and the Lists of Equity Security Holders (the “Lists”) pursuant to Section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure. The Schedules and SOFAs and Lists 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.

¹ The Debtors in these Chapter 11 cases are Foundation Healthcare, Inc. and University General Hospital, LLC.

Although the Debtors' advisors and remaining officers, directors and contract employees have made every reasonable effort to ensure that the Schedules and SOFAs and Lists 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 Lists, 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 and Lists. These notes regarding each of the Debtor's Schedules and SOFAs and Lists (the "Notes") comprise an integral part of such Debtor's Schedules and SOFAs and Lists and should be referenced in connection with any review of the Schedules and SOFAs and Lists. Nothing contained in the Schedules and SOFAs or Lists shall constitute a waiver of any rights or claims of the Debtors 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 and Lists 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 Debtors 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 Debtors have 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 Debtors, 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 E—Creditors Holding Unsecured Priority Claims. The listing of any claim on Schedule E does not constitute an admission by such Debtor that such claim is

entitled to priority under section 507 of the Bankruptcy Code. The Debtors reserve the right to dispute the priority status of any claim on any basis. While reasonable efforts have been made, determination of the date upon which each claim in Schedule E was incurred or arose would be unduly burdensome and cost prohibitive, and therefore, the Debtor may not list a date for each claim listed on Schedule E. Additionally, the Debtors have not included employee-related priority claims that existed as of the Petition Date to the extent that such claims have been or are approved for payment pursuant to orders entered by the Bankruptcy Court.

12. 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.

The claims listed on Schedule F arose or were incurred on various dates. In certain instances, the date on which a claim arose may be unknown or subject to dispute. Although reasonable efforts have been made to determine the date upon which claims listed in Schedule F was incurred or arose, fixing that date for each claim in Schedule F would be unduly burdensome and cost prohibitive and, therefore, the Debtors may not have listed a date for each claim listed on Schedule F.

13. Schedule G—Executory Contracts. While effort has been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Certain of the leases and contracts listed on Schedule G may contain certain renewal options, guarantees of payment, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth separately on Schedule G. In addition, the Debtors may have entered into various other types of agreements in the ordinary course of its business, such as easements, right of way, subordination, nondisturbance agreements, supplemental agreements, amendments/letter agreements, title agreements and confidentiality agreements. Such documents are also not set forth in Schedule G.

The Debtors reserve all rights to dispute or challenge the characterization of the structure of any transaction or any document or instrument related to a creditor's claim. The Debtors may be party to certain agreements that have expired by their terms, but all parties continue to operate under the agreement. Out of an abundance of caution, the Debtors have listed such agreements on Schedule G. The Debtor's inclusion of such contracts or agreements on Schedule G is not an admission that such contract or agreement is an executory contract or unexpired lease.

Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission.

In some cases, the same supplier or provider may appear multiple times in the Schedules. Multiple listings, if any, reflect distinct agreements between such Debtor and such supplier or provider. The listing of any contract on Schedule G does not constitute an admission by the Debtor as to the validity of any such contract. The Debtors reserve the right to dispute the effectiveness of any such contract listed on Schedule G or to amend Schedule G at any time to remove any contract.

14. 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.

15. 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.

16. 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.

17. Lists of Equity Security Holders. The Debtors have exercised due diligence to provide the most accurate listings of Equity Security Holders available to them at this time. The Debtors reserve the right to amend or supplement the Lists.

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

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

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

21. 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 or Lists as and to the extent necessary as they each deem appropriate.

Fill in this information to identify the case:Debtor name University General Hospital, LLCUnited States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXASCase number (if known) 17-42570-rfn11☐ 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)**\$-4,698,944.61****For prior year:**From **1/01/2016** to **12/31/2016**☒ Operating a business☐ Other _____**\$48,778,525.00****For year before that:**From **1/01/2015** to **12/31/2015**☒ Operating a business☐ Other _____**Unknown****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)**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.)

☐ None.**Creditor's Name and Address****Dates****Total amount of value****Reasons for payment or transfer**
Check all that apply

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

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		\$3,041,987.71	<input checked="" type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input 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
4.1. See attachment		\$0.00	

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
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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
Medicaid 7500 Security Boulevard Windsor Mill, MD 21244	Last 4 digits of account number: _____	Various	\$64,000.00

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.

☐ None.

Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1. Comprehensive Pharmacy Services, LLC, et al. v. Foundation Surgical Hospital Affiliates, LLC, et al. CJ-2017-2272	Civil	District Court of Oklahoma County, OK 320 Robert S. Kerr Avenue 409 County Office Building Oklahoma City, OK 73102	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.2.	Hejdi Inc (dba Allied Health Services) v University General Hospital, LLC, et al. 2017-23970	Civil	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.3.	Jessica Gwaltney v. Jayakumar, Thirumalairaj (Doctor), et al. 2017-18358	Civil - Medical Malpractice	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.4.	John Amponsah and Melanie Amponsah v University General Hospital, LLC, et al. 2017-22997	Civil	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.5.	Winona J. Reine v University General Hospital LLC dba Foundation Surgical Hospital of Houston 2017-04605	Civil	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.6.	William Leska v University General Health System, Inc., et al. 2016-63136	Civil - Medical Malpractice	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.7.	Jason M. Bahn, Individually and as Next Friend for Aiden J. Bahn, a Minor v Daniel L. Albo, M.D., Ph.D., et al. 2016-24596	Civil - Medical Malpractice	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.8.	Lea Barth, Individually and on Behalf of Ronald Barth, Deceased v William E. Garrett, Jr., M.D., et al. 2016-21527	Civil - Medical Malpractice	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.9.	White Coat Interactive, Inc. v University General Hospital, LP, et al. 2015-07331	Civil - Breach of Contract	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.10	American Equifinance Corporation v University General Hospital, LP, et al. 2015-02580	Civil - Breach of Contract	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.11	Advanced Biologics LLC v University General Hospital LP 2014-63916	Civil - Breach of Contract	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.12	Christine Singletary, et al. v University General Hospital, et al. 2014-52469	Civil - Medical Malpractice	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.13	Global Dialysis Plus, Inc. v University General Hospital Systems, LLP fka University General Hospital LP 2014-12294	Civil	Harris County District Court 201 Caroline, Suite 420 Houston, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.14	Delores Huling v Dufek Massif Hospital Corporation dba University General Hospital, et al. DC-16-15340	Civil	134th District Court of Dallas, TX 600 Commerce Street Dallas, TX 75202	<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 (<i>Schedule A/B: Assets – Real and Personal Property</i>).</p>		
Loss due to power outage caused by auto collision	\$0.00	8/23/2016	\$30,270.08

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

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

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.	Lewis Brisbois Bisgaard & Smith LP 2100 Ross Avenue, Suite 2000 Dallas, TX 75201		03/29/2017	\$34,700.00
	Email or website address www.lewisbrisbois.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.2.	Lewis Brisbois Bisgaard & Smith LP 2100 Ross Avenue, Suite 2000 Dallas, TX 75201		03/28/2017	\$15,489.00
	Email or website address www.lewisbrisbois.com			
	Who made the payment, if not debtor?			
11.3.	Lewis Brisbois Bisgaard & Smith LP 2100 Ross Avenue, Suite 2000 Dallas, TX 75201		01/03/2017	\$75,000.00
	Email or website address www.lewisbrisbois.com			
	Who made the payment, if not debtor?			
11.4.	Lewis Brisbois Bisgaard & Smith LP 2100 Ross Avenue, Suite 2000 Dallas, TX 75201		01/11/2017	\$65,000.00
	Email or website address www.lewisbrisbois.com			
	Who made the payment, if not debtor?			

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.5.	Husch Blackwell LLP 2001 Ross Avenue, Suite 2000 Dallas, TX 75201		05/10/2017	\$62,500.00
	Email or website address www.huschblackwell.com			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management			
11.6.	Donlin Recano 48 Wall Street New York, NY 10005		01/06/2017	\$10,000.00
	Email or website address www.donlinrecano.com			
	Who made the payment, if not debtor?			
11.7.	Donlin Recano 48 Wall Street New York, NY 10005		01/12/2017	\$5,000.00
	Email or website address www.donlinrecano.com			
	Who made the payment, if not debtor?			
11.8.	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		04/21/2017	\$27,140.04
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.9.	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		04/27/2017	\$13,215.39
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.10	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248-7000		04/13/2017	\$13,479.58
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.11	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		04/06/2017	\$13,472.08
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.12	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		05/10/2017	\$13,958.06
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management			
11.13	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		05/17/2017	\$12,500.00
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management			

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.14	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		05/24/2017	\$13,297.95
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management			
11.15	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		05/24/2017	\$12,987.98
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management			
11.16	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		06/02/2017	\$13,067.18
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation Surgical Hospital Management			
11.17	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		01/04/2017	\$16,446.73
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.18	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		01/12/2017	\$15,547.19
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.19	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		01/18/2017	\$4,303.66
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.20	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		01/27/2017	\$13,928.46
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor? Foundation HealthCare, Inc.			
11.21	Ankura Consulting, LLC 15950 Dallas Parkway, Suite 750 Dallas, TX 75248		06/16/2017	\$62,000.00
	Email or website address www.ankuraconsulting.com			
	Who made the payment, if not debtor?			
11.22	Husch Blackwell LLP 2001 Ross Avenue, Suite 2000 Dallas, TX 75201		06/16/2017	\$24,500.00
	Email or website address www.huschblackwell.com			
	Who made the payment, if not debtor?			

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

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

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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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.

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

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
15.1. University General Hospital, LLC 7501 Fannin Street Houston, TX 77225	Closed facility	0
	Location where patient records are maintained (if different from facility address). If electronic, identify any service provider. Paper: 7501 Fannin St. Houston, TX 77225 Electronic: HealthCare Management System	How are records kept? Check all that apply: <input checked="" type="checkbox"/> Electronically <input type="checkbox"/> Paper

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

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

University General Hospital 401(k) Plan

Employer identification number of the plan

EIN: **20-3317964**

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
18.1. Texas Capital Bank 2350 Lakeside Boulevard, Suite 800 Richardson, TX 75082	XXXX-3267	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input checked="" type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other___	02/22/2017	\$0.00

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11****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 **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

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.

Dates business existed

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.	Ben May 4201 Cailburn Parkway Edmond, OK 73034	12/2015 - 07/2016
26a.2.	Scott Blair 2737 NW 140th Street, Apt. 311 Oklahoma City, OK 73134	04/2015 - 08/2016
26a.3.	Sarah Ryan 5036 Brittany Paige Drive Edmond, OK 73034	04/2014 - 12/2016
26a.4.	Matt Vansant 8001 Curtis Terr Oklahoma City, OK 73132	09/2016 - 04/2017
26a.5.	Loretta Trujillo Hogan Taylor LLP 11600 Broadway Ext., Suite 300 Oklahoma City, OK 73114	08/2016 - 12/2016
26a.6.	Alicia Madole 4317 SW 22nd Street, Apt. 1812 Oklahoma City, OK 73108	05/2016 - 03/2017
26a.7.	Adriana Lopez 23873 E 1035 Road Weatherford, OK 73096	Unknown - 03/2017
26a.8.	Grant Christianson 11001 Seven Pines Lane Champlin, MN 55316	2010 - Present
26a.9.	Jena Lee Marr 11233 NW 105th Street Yukon, OK 73099	12/2016

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

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

Name and address		Date of service From-To
26b.1.	Spectrum Health Partners 109 International Drive, Suite 140 Franklin, TN 37067	12/18/2016 to Present
Name and address		Date of service From-To
26b.2.	Justin Bynum PO box 847872 Dallas, TX 75284	09/2016 - 12/2016
Name and address		Date of service From-To
26b.3.	Hein and Associates, LLP 500 Dallas Street, Suite 2500 Houston, TX 77002	03/2016 - 04/2016
Name and address		Date of service From-To
26b.4.	Hugh King 15536 Monarch Lane Edmond, OK 73013	06/2014 - 10/2016

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

☐ None

Name and address		If any books of account and records are unavailable, explain why
26c.1.	William Moore 109 International Drive, Suite 140 Franklin, TN 37067	
26c.2.	Ankura Consulting, Inc. 15950 Dallas Parkway, Suite 750 Dallas, TX 75248	

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	Unknown	01/2016	Unknown
	Name and address of the person who has possession of inventory records		
	Unknown		

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.

Debtor **University General Hospital, LLC**Case number (if known) **17-42570-rfn11**

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	
Name	Address	Position and nature of any interest	% of interest, if any
Richard Zahn	3357 Brush Creek Road Oklahoma City, OK 73120	Manager	

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
Michael Torn	3719 Newhouse Stgreet Houston, TX 77019	Chief Executive Officer	
Name	Address	Position and nature of any interest	Period during which position or interest was held
Bobbi Whelan	130 Rivershyre Circle Lawrenceville, GA 30042	Chief Nursing Officer	

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
30.1 See attachment			
Relationship to debtor			

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	Employer Identification number of the parent corporation
Foundation HealthCare, Inc.	EIN: 20-0180812

32. 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.

Debtor University General Hospital, LLCCase number (if known) 17-42570-rfn11

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 July 6, 2017/s/ Richard Zahn

Signature of individual signing on behalf of the debtor

Richard Zahn

Printed name

Position or relationship to debtor Manager

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

☐ No☒ Yes

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

Insider's Name	Address 1	Address 2	City	State	Zip	Date	Relationship to debtor	Total Amount/Value	Reason for transfer
Bobbie Whelan	130 RIVERSHYRE CIR		LAWRENCEVILLE	GA	30043-3437	1/20/2017	Officer - Chief Nursing	\$ 1,237.80	Relocation allowance
Michael Torn	3719 NEWHOUSE STREET		HOUSTON	TX	77019	5/5/2016	Officer - Chief Executive	\$ 1,090.75	Expense reimb
Michael Torn	3719 NEWHOUSE STREET		HOUSTON	TX	77019	5/12/2016	Officer - Chief Executive	\$ 935.45	Expense reimb
Michael Torn	3719 NEWHOUSE STREET		HOUSTON	TX	77019	5/25/2016	Officer - Chief Executive	\$ 1,071.00	Expense reimb
Michael Torn	3719 NEWHOUSE STREET		HOUSTON	TX	77019	6/8/2016	Officer - Chief Executive	\$ 2,095.10	Expense reimb
Michael Torn	3719 NEWHOUSE STREET		HOUSTON	TX	77019	1/20/2017	Officer - Chief Executive	\$ 565.66	Expense reimb
Michael Torn	3719 NEWHOUSE STREET		HOUSTON	TX	77019	1/27/2017	Officer - Chief Executive	\$ 1,948.50	Expense reimb
Andrew Knizley 1st CEO	Not available					8/25/2016	Interim Officer - Chief Executive	\$ 13,509.53	Contract Labor

30. Payments, Distributions, or withdrawals credited or given to insiders

Insider's Name	Address 1	Address 2	City	State	Zip	Date	Relationship to debtor	Total Amount/Value	Reason for transfer
TORN, MICHAEL	3719 NEWHOUSE STREET		HOUSTON	TX	77019	Bi Weekly	Prior Chief Executive Officer	\$ 323,076.96	Salary
WHELAN, BOBBI LYNN	130 RIVERSHYRE CIR		LAWRENCEVILLE	GA	30043-3437	Bi Weekly	Prior Chief Nursing Officer	\$ 193,846.32	Salary
SWANSON, CHARLES RICHARD	2603 OLD FORT RD		SUGARLAND	TX	77479	Bi Weekly	Prior Chief Operating Officer	\$ 143,076.00	Salary
TORN, MICHAEL	3719 NEWHOUSE STREET		HOUSTON	TX	77019	Mar-17	Prior Chief Executive Officer	\$ 29,073.00	Key Employee Retention