



Capella letter of intent extended again

KH board executive committee votes to extend deal to July 31

Martin L. Cahn
mcahn@chronicle-independent.com
803-432-6157 ext. 115
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The KershawHealth Board of Trustees' executive committee voted unanimously Thursday night to extend a letter of intent (LOI) concerning the pending takeover of the hospital by Capella Healthcare, of Franklin, Tenn., to July 31.

The committee consists of Board Chair Karen Eckford, Vice Chair Dr. Tallulah Holmstrom and Trustee Steven Holliday Jr.

Capella Healthcare plans to pay the board \$36 million to lease KershawHealth's real estate; purchase its furniture, fixtures and equipment; and operate the hospital with MUSC Health, the patient care arm of the Medical University of South Carolina.

This marks the third extension of the LOI, which all involved parties signed in December. The original LOI set an expiration date of March 31. The full board of trustees later voted to extend it 60 days to May 31. The full board voted yet later to extend it to Tuesday (June 30).

Early this year, the board voted to create the executive committee to deal with transaction-related matters at times when the full board could not meet. Walt Cartin, an attorney with Parker Poe, which is advising the board on the transaction, said the committee voted to extend the LOI another 30 days in order to provide more time to work on transaction documents.

During Thursday night's meeting, Marc Quigley, with the certified public accounting firm of Sheheen, Hancock & Godwin, led a public discussion of post-closing logistics. The board then went into executive session to receive legal advice regarding KershawHealth's 501(c)(3) status; legal advice concerning the Capella/MUSC Health transaction; and legal advice regarding requests for proposal for post-transaction banking and investment services.

The full board is next scheduled to meet at 6 p.m. July 13.

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