

## MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2025-08-07-1399
OHCA Review Start Date	September 17, 2025
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	November 3, 2025
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	November 17, 2025

## SUBMITTER

### HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	SVP at Parent
First Name	Bruce
Last Name	Grimshaw
Email Address	Bruce.grimshaw@altahospitals.com

### GENERAL

Business Name	Southern California Healthcare System, Inc.
Website	<a href="https://www.sch-hollywood.com/">https://www.sch-hollywood.com/</a> ; <a href="https://www.sch-vannuys.com/">https://www.sch-vannuys.com/</a> ; <a href="https://www.sch-culvercity.com/">https://www.sch-culvercity.com/</a>
Ownership Type	Corporation
Tax Status	For-profit
Federal Tax ID	95-4690845
Description of Submitting Organization	See attached.
Health Care Provider	Yes
For Providers: Desc. of Capacity or Patients served in California	See attached.

### LOCATIONS

Counties	Los Angeles
California licenses and numbers	See attached.
Other States Served	None
Primary Languages used when providing services	English; Arabic; Armenian; Cambodian; Chinese; Farsi; Hindi; Hmong; Japanese; Korean; Punjabi; Russian; Spanish; Thai; Vietnamese
Other language if not listed above	Tagalog

## MATERIAL CHANGE

### ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
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### CRITERIA

A health care entity with annual revenue, as defined in <a href="#">section 97435(d)</a> , of at least \$25 million or that owns or controls California assets of at least \$25 million, or;	Yes
A health care entity with annual revenue, as defined in <a href="#">section 97435(d)</a> , of at least \$10 million or that owns or controls California assets of at least \$10 million and is a party to a transaction with any health care entity satisfying subsection (b)(1), or	Yes
A health care entity located in a designated primary care health professional shortage area in California, as defined in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations (commencing with section 5.1), available at <a href="https://data.hrsa.gov">data.hrsa.gov</a> . To determine if you are located in a primary health care professional shortage area, please visit <a href="#">here</a>	No

### CIRCUMSTANCES FOR FILING

The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.	Yes
The transaction involves the sale, transfer, lease, exchange, option, encumbrance, or other disposition of 25% or more of the total California assets of the submitter(s).	Yes

### TRANSACTION DETAILS

Anticipated Date of Transaction Closure	10/31/2025
Description of the Transaction	See accompanying MCN filing (2025-08-07-1398) for Alta Los Angeles Hospitals, Inc. for description.
Submitted to US Department of Justice or Federal Trade Commission?	Yes
Date of Submission	9/10/2025
Description of the Submission	The parties filed notices of the transaction with the Federal Trade Commission and U.S. Department of Justice, Antitrust Division, pursuant to 16 C.F.R. Part 803 (the "HSR Filing") on September 10, 2025.
Submitted to Other Agency?	No
Subject to court proceeding	Yes

Name of Court(s), case number	United States Bankruptcy Court for the Northern District of Texas, Case No. 25-80002. See accompanying MCN filing (2025-08-07-1398) for Alta Los Angeles Hospitals, Inc. for list of parties.
Description of current services provided and expected post-transaction impacts on health care services	See accompanying MCN filing (2025-08-07-1398) for Alta Los Angeles Hospitals, Inc. for description.
Prior mergers or acquisitions that: (A) involved the same or related health care services; (B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and (C) were closed in the last ten years.	See accompanying MCN filing (2025-08-07-1398) for Alta Los Angeles Hospitals, Inc. for description.
Description of Potential Post Transaction Changes	See accompanying MCN filing (2025-08-07-1398) for Alta Los Angeles Hospitals, Inc. for description.
Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice	N/A

Description of Submitting Organization: Southern California Healthcare System, Inc., a California corporation, operates three hospitals: Southern California Hospital at Hollywood, Southern California Hospital at Van Nuys, and Southern California Hospital at Culver City. The services provided by the three hospitals are described below. Net revenues for this entity are as follows:

- FY 2022 revenue: \$425,812,126
- FY 2023 revenue: \$452,053,222
- FY 2024 revenue: \$506,995,637

The direct parent owner of Southern California Healthcare System, Inc. is Alta Hospitals Systems, LLC, a California limited liability company. Alta Hospitals Systems, LLC is wholly owned by Prospect Medical Holdings, Inc, a Delaware corporation. Prospect Medical Holdings, Inc. is wholly owned by Ivy Intermediate Holding Inc., a Delaware corporation. Ivy Intermediate Holding, Inc. is wholly owned by Ivy Holdings Inc., a Delaware corporation. Ivy Holdings Inc. is wholly owned by Chamber Inc., a Delaware corporation. Samuel L. Lee owns 67% of Chamber Inc., and David & Alexa Topper Family Trust own 33% of Chamber Inc.

### **Southern California Hospital at Hollywood**

Southern California Hospital at Hollywood is a general acute care hospital serving Los Angeles county that provides the following services: cardiology services; critical care/ICU; ENT services; gender confirmation surgery; imaging and radiology services; surgical services including orthopedics and plastic surgery; urgent care; and vascular surgery.

- Number of staff: 454
- Capacity/licensed beds: 100 General Acute Care Beds

### **Southern California Hospital at Van Nuys**

Southern California Hospital at Van Nuys is an adult psychiatric hospital serving Los Angeles county that provides inpatient behavioral health services and intensive outpatient program services. Inpatient behavioral health services include: around-the-clock nursing care; individualized treatment plans; medication management; case management; education; group therapy; individual therapy; family intervention; recreation and music therapy; social and communication skills; transportation to and from the hospital; and discharge planning. The intensive outpatient program services include: comprehensive evaluation and treatment planning; daily meals and transportation; medication management; individual and group therapy; educational groups for coping and life management skills; drug and alcohol counseling; Tai Chi, medication, music and art therapy; and symptom management.

- Number of staff: 195
- Capacity/licensed beds: 59 Acute Psychiatric Beds

### **Southern California Hospital at Culver City**

Southern California Hospital at Culver City is a General Acute Care Hospital; Acute Psychiatric Hospital; and Chemical Dependency Recovery Hospital. It offers comprehensive medical services including: accredited weight-loss surgery; behavioral health services; critical care/ICU services; ENT program; emergency department; general and specialized services; Heart Institute and cardiac surgery program; imaging and radiology services; Miracles Detox Program; orthopedic program; pulmonary services; rehabilitation services; spine pain and surgery program; subacute unit; Transgender Surgery Center of California; and vascular services.

- Number of staff: 1417
- Capacity/licensed beds: 268 General Acute Care Beds; 103 Acute Psychiatric Care Beds; and 18 Chemical Dependency Recovery Beds

### **Southern California Hospital at Hollywood**

- **Hospital Licenses:**
  - General Acute Care Hospital License No. 930000066
  - CDPH Clinical and Public Health Laboratory License No. CDF - 00000602
  - CLIA Certificate of Accreditation No. 05D0543155
  - BOP Hospital Pharmacy Permit No. HSP 57633
  - BOP, Sterile Compounding License No. LSC 101528
  - DEA, Controlled Substance Registration No. FH2466147
- **Hospital Enrollments and Identifiers:**
  - National Provider Identifier No. 1023010113
  - Medicare Enrollment (Hospital) No. 050135
  - Medi-Cal Enrollment (Inpatient) No. HSC30135I
  - Medi-Cal Enrollment (Inpatient Admin Days) No. HSP30135I
  - Medi-Cal Enrollment (Outpatient) No. HSP40135I
- **Ancillary Licenses:**
  - Dept of Public Health – Public Health Permit - Licensed Healthcare Kitchen – Permit No. PRO192229
- **Accreditations:**
  - TJC Hospital Accreditation No. 598131
  - TJC Behavioral Health Care and Human Services Accreditation 598131
  - TJC Laboratory Accreditation No. 598131

### **Southern California Hospital at Van Nuys**

- **Hospital Licenses:**
  - General Acute Care Hospital License No. 930000066
  - CDPH Clinical and Public Health Laboratory License No. CLR – 00339106
  - CLIA Certificate of Waiver No. 05D1104938
  - BOP Hospital Pharmacy Permit No. HSP 57638
  - DEA, Controlled Substance Registration No. FH2466159
- **Hospital Enrollments and Identifiers:**
  - National Provider Identifier No. 1023010113
  - Medicare Enrollment (Hospital & Psychiatric Unit) No. 050135
  - Medi-Cal Enrollment (Inpatient) No. HSC30135I
  - Medi-Cal Enrollment (Inpatient Admin Days) No. HSP30135I
  - Medi-Cal Enrollment (Outpatient) No. HSP40135I
- **Ancillary Licenses:**
  - Dept of Public Health – Public Health Permit - Licensed Healthcare Kitchen – Permit No. PRO266647
- **Accreditations:**
  - TJC Behavioral Health Care and Human Services Accreditation No. 598131
  - TJC Laboratory Accreditation No. 598131

### **Southern California Hospital at Culver City**

- **Hospital Licenses:**
  - General Acute Care Hospital License No. 930000066

- CDPH Clinical and Public Health Laboratory License No. CDF – 00000861
- CDPH Clinical and Public Health Laboratory License No. CDF – 00002418
- CLIA Certificate of Accreditation No. 05D0547292
- CLIA Certificate of Accreditation No. 05D0642522
- BOP Hospital Pharmacy Permit No. HSP 57637
- BOP, Sterile Compounding License No. LSC 101526
- DEA, Controlled Substance Registration No. FH3640910
- Hospital Enrollments and Identifiers:
  - National Provider Identifier No. 1023010113
  - Medicare Enrollment (Hospital & Psychiatric Unit) No. 050135
  - Medicare Enrollment (Rehab Unit) No. 05T135
  - Medicare Enrollment (SNF) No. 555874
  - Medi-Cal Enrollment (Inpatient) No. HSC30135I
  - Medi-Cal Enrollment (Inpatient Admin Days) No. HSP30135I
  - Medi-Cal Enrollment (Outpatient) No. HSP40135I
- Ancillary Licenses:
  - Dept of Public Health – Public Health Permit - Licensed Healthcare Kitchen – Permit No. PR0192409
- Accreditations:
  - American College of Radiology (ACR) Computed Tomography (CT) Accreditation No. CTAP# 52496; Unit# 01
  - TJC Hospital Accreditation No. 598131
  - TJC Behavioral Health Care and Human Services Accreditation 598131
  - TJC Laboratory Accreditation No. 598131

## **Description of Transaction**

### **(A) The goals of the transaction:**

As explained in the request for expedited review submitted by Seller simultaneously herewith, on January 11, 2025, Prospect Medical Holdings, Inc., together with its debtor affiliates (“Prospect”), commenced a voluntary Chapter 11 bankruptcy filing in the Northern District of Texas due to an immediate and significant liquidity crisis that put Prospect at risk of immediate business failure. The bankruptcy process provided Prospect with temporary liquidity to stabilize business operations, maintain its hospital operations, provide safe and continued access to critical health care for its patients and pursue the sale of its hospitals on an expedited timeline. Prospect fully exhausted its original debtor-in-possession financing and obtained additional financing to maintain stability for its operations. At this time, an expedited sale of Southern California Hospital at Culver City, Southern California Hospital at Hollywood, Southern California Hospital at Van Nuys, Los Angeles Community Hospital, Los Angeles Community Hospital at Norwalk, and Los Angeles Community Hospital at Bellflower (collectively, the “Subject Hospitals”), along with the related assets and operations, is required to preserve this stability and provide quality health care for the community over the long term.

The proposed transaction (the “Proposed Transaction”) contemplated pursuant to the terms and conditions of the Amended and Restated Asset Purchase Agreement (the “Purchase Agreement”), dated as of September [2], 2025 and effective as of August 3, 2025, by and among (i) NOR Healthcare Systems Corp, a Nevada corporation (“Purchaser”) and (ii)(a) Prospect Medical Holdings, Inc., a Delaware corporation, (b) Alta Hospitals System, LLC, a California limited liability company, (c) Southern California Healthcare System, Inc., a California corporation, d/b/a Southern California Hospital at Hollywood, Southern California Hospital at Van Nuys and Southern California Hospital at Culver City, and (d) Alta Los Angeles Hospitals, Inc., a California corporation, d/b/a Los Angeles Community Hospital, Los Angeles Community Hospital at Norwalk and Los Angeles Community Hospital at Bellflower (collectively, “Seller”) is being undertaken to ensure that the Subject Hospitals are able to maintain operations and continue serving their local communities.

Purchaser is an affiliate of Healthcare Systems of America (“HSA”), a network of healthcare facilities across Florida, Louisiana, and Texas, and American Healthcare Systems (“AHS”), a network of healthcare facilities in North Carolina, Illinois, and Texas, all with an express mission of (i) ensuring that all Americans – whether in rural areas or bustling metropolitan cities – have access to uncompromising, high-quality healthcare, and (ii) breathing new life into struggling hospitals and protecting the future of healthcare in America by investing in technology, operational excellence, and employee engagement. Therefore, the common goal of the Proposed Transaction for both parties is to enable the Subject Hospitals to remain in business, thereby increasing consumer choice and access to critical healthcare services in their respective communities.

### **(B) A summary of terms of the transaction:**

The Proposed Transaction, as summarized herein, is qualified in its entirety by the terms and conditions of the Purchase Agreement and the Sale Order. The Proposed Transaction contemplates the sale by Seller to Purchaser of substantially all of the assets used in connection with the operation of Seller’s business at the facilities identified in the Purchase Agreement (the “Transferred Assets”). Included in the Transferred Assets are inventory and supplies, transferrable permits, assumed contracts (including collective bargaining agreements and certain transition services agreements), patient, medical, personnel, business, and other records (subject to exclusions and retentions pursuant to law), equipment and other tangible property, including furniture and fixtures, computers, networking equipment and supplies, licenses, permits, and intellectual property. Additionally, concurrent with the closing of the Proposed Transaction, Purchaser will enter into a lease with the lessors of the real properties used in connection with the Transferred Assets.

The consideration for the Proposed Transaction is set forth in detail in the Purchase Agreement and will consist of (i) cash proceeds in the amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000), plus (ii) the assumption of certain liabilities, plus (iii) either (x) an amount in cash equal to the borrowing base (the “eCapital Borrowing Base”) under Alta Hospital System, LLC’s line of credit with eCapital Healthcare Corp., a Delaware corporation (the “eCapital Line of Credit”) or (y) if Purchaser enters into a new arrangement with eCapital Healthcare Corp. or otherwise assumes the existing eCapital Line of Credit and provides a payoff letter, release, assignment and assumption, or similar instrument (the “eCapital Payoff or Assumption Instrument”) to Seller at the closing of the Proposed Transaction, then an amount in cash equal to the positive difference between (1) the eCapital Borrowing Base and (2) any remaining liability or amount due under the eCapital Line of Credit after application of the eCapital Payoff or Assumption Instrument.

**(C) A statement of why the transaction is desirable:**

The Proposed Transaction is desirable because it is the only means of ensuring the uninterrupted provision of critical healthcare services to the communities served by the Subject Hospitals. If the Proposed Transaction is not consummated in an expeditious manner, there is a material risk that the Subject Hospitals will be forced to close (notwithstanding their long-term viability). Consummation of the Proposed Transaction will allow a new operator to stabilize operations without the administrative burden of Prospect’s bankruptcy cases and enable the Subject Hospitals to provide high-quality care to the community for the long term.

**(D) General public impact or benefits of the transaction, including quality and equity measures and impacts**

See responses above and below. The Subject Hospitals are safety net hospitals providing critical access to members of the community. Ensuring their stability is an urgent public health imperative, and the Proposed Transaction therefore serves an important public benefit.

**(E) Narrative description of the expected competitive impacts of the transaction**

The Proposed Transaction would serve to promote competition and patient choice in the relevant markets. As explained above, the Proposed Transaction is critical to ensuring that the Subject Hospitals continue to provide uninterrupted healthcare services to the communities they serve. If the Subject Hospitals were to close, each remaining hospital in the Subject Hospitals’ local markets would increase their relative market share, as the closure of the Subject Hospitals would result in fewer facilities for the public to choose from in their respective geographies. Here, Purchaser does not currently have a presence in California, and thus its acquisition of the Subject Hospitals would not result in increased consolidation or market dominance. The net impact of the Proposed Transaction is therefore pro-competitive, as it would prevent hospital closures that would by their very natures reduce competition, and it would not grant broader market power to Purchaser.

**(F) Description of any actions or activities to mitigate any potential adverse impacts of the transaction on the public:**

The parties do not anticipate any potential adverse impacts of the Proposed Transaction on the public. As noted above, the parties anticipate that the Proposed Transaction will be beneficial to the public by enabling the Subject Hospitals to remain open, thereby preserving patient choice, promoting competition, and providing additional high quality health care resources in communities that need them.



See accompanying MCN filing (2025-08-07-1398) for Alta Los Angeles Hospitals, Inc. for other parties.