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NASSAU HEALTH CARE CORPORATION

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BOARD OF DIRECTORS/EXECUTIVE COMMITTEE

MEETING

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Nassau University Medical
Center

2201 Hempstead Turnpike

East Meadow, New York

December 17, 2015

5:18 P.M.

REPORTED BY:

Angela Arena

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2 A P P E A R A N C E S :

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4 BOARD OF DIRECTORS/EXECUTIVE COMMITTEE
5 MEMBERS PRESENT:

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Michael B. Mirotznik, Esq. -
Chairman of the Board
Victor F. Politi, MD -
President/CEO
Warren D. Zysman, LCSW - Board
Member
Linda Reed - Board Member
Craig V. Rizzo, Esq. -
EVP/Special Assistant to NHCC
Krishan Kumar, MD - Board Member
Russell Caprioli, DPM, FACFAS -
Board Member
Victor A. Gallo, MD - Board
Member
Michael M. DeLuca, MPA - Board
Member
Frank J. Saracino, EdD - Board
Member
Beatriz Fuschetto - Assistant to
the Board
Shelley Lotenberg - Director of
Public Affairs
Maureen Roarty - Executive Vice
President of Human Resources
Michael Ferrandino, VP Security
and Chief Compliance Officer
Robert Heatley, EVP Ambulatory
Services and Business Development
Elizabeth Faughnan, Esq. - Office
of Legal Affairs
Paul Mustocchia, MD - Chair of
Medicine Department
Farooq Ajmal - Vice President
Glenn Faust, MD - Chair of
Surgery Department
Karen McGlynn, RN - Nursing
Maureen Roarty - EVP Human
Resources
Maureen Hutcheon - Surgery and
Ortho Administrator
Rob Tepper, Esq. - Associate

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A P P E A R A N C E S : (Continued)

BOARD OF DIRECTORS/EXECUTIVE COMMITTEE
MEMBERS PRESENT:

General Counsel
John Maher - EVP/CFO

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5 MR. MIROTZNIK: I make a motion
6 to open up the Nassau Healthcare
7 Corporation Executive Committee of
8 December 17th, 2015. Do I have a
9 motion? Second? In favor? Madame
10 Reporter, we are going to do a role
11 call of the members of the Board,
12 starting with Mr. DeLuca. Please put
13 your name on the record.

14 MR. DELUCA: Michael DeLuca,
15 here.

16 MR. MIROTZNIK: Michael
17 Mirotzник, here.

18 MR. ZYSMAN: Warren Zysman, here.

19 MS. REED: Linda Reed, here.

20 DR. GALLO: Victor Gallo, here.

21 MR. CAPRIOLI: Mr. Caprioli,
22 here.

23 MR. KUMAR: Krishan Kumar, here.

24 MR. MIROTZNIK: Thank you, ladies
25 and gentlemen. For purposes of our

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2 agenda this evening, I make a motion to
3 go into executive session of the
4 Executive Board? The record should
5 reflect we are an Executive Committee
6 and we are moving the agenda further.
7 Without any further delay I call for
8 approval of the minutes of the
9 Director/Executive Committee meeting of
10 December 10th, 2015. All of you
11 present should have a packet which has
12 the minutes attached, and I would like
13 to thank our reporter Angela Arena for
14 providing everything in such an
15 expeditious matter.

16 Do I have a motion to approve the
17 December 15th Board of Directors
18 meeting? All in favor? With that
19 being said, ladies and gentlemen, we
20 have approved our minutes of the
21 December 10th, 2015, regular meeting.

22 I have a resolution that reads:
23 Whereas minutes were kept at the
24 regular meeting of the Board of
25 Directors held on December 15th, 2015,

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2 and whereas those minutes were reviewed
3 on or before this dually-convened
4 December 17th, 2015, Executive
5 Committee meeting of the regular
6 meeting of our Board of Directors, now
7 be it resolved at this December 17th,
8 2015 regular meeting of the Executive
9 Committee of the Board of Directors
10 that the minutes from December 15th,
11 2015 are approved. Do I have a motion?
12 Ms. Reed? Mr. Zysman, second. All in
13 favor? Unanimous, thank you.

14 There is no report other than our
15 next meeting, Beatriz, is
16 December 28th. Please all attend. We
17 are going to have a nice spread of food
18 and cheer. December 21st, take it out
19 of your iPhones. There is no meeting,
20 so scratch the 21st. Next meeting is
21 the 28th beginning at 5 o'clock sharp,
22 food to follow at about 5:05. We are
23 going to defer. Dr. Politi is not
24 here. He is in the midst of a meeting
25 for a few more minutes.

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2 I turn to Mr. Zysman, the
3 Contracts Committee.

4 MR. ZYSMAN: Contracts Committee
5 meetings were held on both
6 December 9th, 2015, and December 15th,
7 2015. I asked for a motion to approve
8 the minutes and all resolutions
9 contained in those minutes, which
10 include in the December 15th minutes
11 appendixes A, B and C, which is labeled
12 PEO Service Agreement, which I asked in
13 the same resolution to be approved in
14 it's entirety as written. Can I get a
15 motion to approve the minutes and the
16 resolutions?

17 MR. MIROTZNIK: Comment on the
18 motion, Mr. Zysman? Mr. Zysman, let
19 the record reflect before we take this
20 motion that this was a legal contract
21 that was voted on for a Mr. Lempke, a
22 criminal defense attorney, and
23 Mr. DeLuca had cast a vote in favor of
24 that contract. At this time I ask
25 Mr. Zysman if we could move to vacate

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2 that vote on that contract as
3 Mr. DeLuca would like to recuse himself
4 and leave the room, and if we could
5 re-cast a vote with regard to that
6 contract, I would ask that be
7 considered.

8 MR. ZYSMAN: I recuse from that
9 contract, too, and I believe we will
10 not have quorum once me and Mr. DeLuca
11 recuse. We have four of eight.

12 MR. MIROTZNIK: No good. Can we
13 make the motion for the vacating of
14 this previously -- off the record.

15 (A discussion was held off the
16 record.)

17 MR. MIROTZNIK: With regard to my
18 comments, I have withdrawn my comment.
19 We will deal with the Lempke contract
20 momentarily.

21 (A discussion was held off the
22 record.)

23 MR. ZYSMAN: Can I get a motion?
24 Favor? Unanimous. A motion to approve
25 the minutes of December 9th, 2015, and

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2 all the recommendations contained
3 therein excluding the addendum, which
4 we will deal with separately at another
5 time.

6 MR. ZYSMAN: Please state I
7 recuse from Todd Shapiro Associates
8 contained in those minutes as well and
9 I have also recused from Dennis Lempke.

10 MR. MIROTZNIK: We will remove
11 those two contracts. We have a quorum
12 for a vote. We will deal with this
13 momentarily and will put on the floor
14 the Lempke contract and the Todd
15 Shapiro contract to revisit this later.

16 Whereas on December 17th, 2015, a
17 dually-convened and properly-noticed
18 regular meeting of the Board of
19 Directors was conducted and whereas the
20 Contracts Committee's approval of
21 minutes of December 9th, 2015, were
22 reviewed and approved by a vote of the
23 Executive Committee. Now be it read
24 that the December 17th, 2015, regular
25 meeting of the Board of Directors

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2 Executive Committee, that the Chief
3 Executive Officer Dr. Victor Politi is
4 directed to sign and implement the
5 appended contract contained in the
6 December 9th, 2015 approval of minutes.
7 Including therein a PEO Contract dated
8 December 15th -- let me go back.

9 MR. MIROTZNIK: Let's do it
10 again. Whereas on December 17th, 2015,
11 a dually-convened and properly-noticed
12 regular meeting of the Board of
13 Directors was conducted. The Executive
14 Committee of the Board of Directors,
15 and whereas the approval of the minutes
16 of December 15th, 2015, Contracts
17 Committee was reviewed and approved by
18 a vote of the Executive Committee of
19 the Board of Directors, now be it
20 resolved of this December 17th, 2015,
21 regular meeting of the Executive
22 Committee of the Board of Directors
23 that the Chief Executive Officer
24 Dr. Victor Politi be empowered and
25 directed to negotiate and to sign the

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2 PEO Service Contract as annexed in
3 those minutes, voted on on
4 December 15th, 2015, to be executed
5 this evening on December 17th, 2015,
6 and all accompanying documents to
7 effectuate the full terms and
8 conditions of that agreement, which
9 includes, amongst other things, a
10 Business Associates Association
11 Agreement. Do I have a motion? All in
12 favor? Unanimous. Dr. Politi, you are
13 assigned a task and we thank you.

14 DR. POLITI: Thank you, sir.

15 MR. MIROTZNIK: We made copies of
16 the folder?

17 MS. FUSCHETTO: Right in front of
18 you.

19 MR. MIROTZNIK: Mr. Zysman,
20 anything further?

21 MR. ZYSMAN: Off the record.

22 (A discussion was held off the
23 record.)

24 MR. MIROTZNIK: Let the record
25 reflect Dr. Politi is being handed the

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2 agreements that legal has worked and
3 has prepared to ensure that funding
4 pursuant to the terms and conditions of
5 this agreement continue through the end
6 of December 2015.

7 MR. ZYSMAN: Strike from the
8 record funding to the end of the year,
9 just terms and conditions written in
10 the agreement.

11 MR. MIROTZNIK: Anything further?
12 With regard to those two contracts,
13 Mr. Tepper, at the end of the agenda we
14 will discuss the matters of Todd
15 Shapiro and Dennis Lempke, if a vote is
16 necessary?

17 MR. TEPPER: Yes.

18 MR. MIROTZNIK: Mr. Zysman, you
19 have number 6, a DSRIP Committee
20 approval of minutes?

21 MR. ZYSMAN: Yesterday we met,
22 DSRIP Committee, and asked that we
23 approve the minutes from the
24 December 16th DSRIP Committee and all
25 resolutions. Motion? Second? Favor?

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2 Unanimous.

3 MR. ALFANO: Let the record
4 reflect I am handing the CEO the
5 aforementioned contract for his
6 signature at this point.

7 DR. POLITI: I am being directed
8 by the Board of Directors to sign this
9 contract, right?

10 MR. MIROTZNIK: Yes, we all took
11 a vote. Thank you, Doctor. With
12 regard to Compensation Committee,
13 Ms. Reed?

14 MS. REED: I would like a motion
15 to approve the minutes as they stand
16 from December 2nd, 2015. Can I have a
17 motion? All in favor? Unanimous,
18 thank you.

19 MR. MIROTZNIK: Any other
20 business, questions, concerns? The
21 date of December 21st, the Board
22 meeting, for those that came in late,
23 that now has been canceled and we are
24 now reconvening at December 27th at
25 5 o'clock. Other business? Let's go

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2 to number 8, Ms. Reed, MPACT Committee?

3 MS. REED: At this time and for
4 the record, some of these minutes may
5 have already been approved, but since
6 Joan has been gone and everyone has
7 been trying to help us out with the
8 minutes and coinciding with the Board
9 members, I just want to make sure come
10 the new year that we have not missed
11 any minutes at a Board meeting where we
12 have approved them.

13 So I am sure there is one or two
14 of them in here which we may be
15 approving for a second time, but I
16 would rather be safe going forward. So
17 I need a motion to approve the minutes
18 for the MPACT Committee of
19 February 24th, 2015, March 31st, 2015,
20 April 28th, 2015, May 26th, 2015, June
21 30th, 2015, July 28th, 2015, and
22 August 25th, 2015, as all minutes
23 stand. Can I have a motion, please?
24 All in favor? Unanimous.

25 MR. MIROTZNIK: For the record,

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2 on that agenda, it was typed
3 February 24th, 2016. Obviously, that
4 was a typographical error.

5 MS. REED: Yes, and I have a
6 correction on mine.

7 MR. MIROTZNIK: Okay, fine. Any
8 other business? Dr. Politi, we missed
9 you before. I know you were in a very
10 serious meeting. Thank you for
11 adjourning your meeting and coming
12 here. I am going to go back up to you,
13 number four. Do we have a report of
14 the President/CEO?

15 DR. POLITI: Just wishing
16 everyone a happy holidays and Merry
17 Christmas at this time.

18 MR. MIROTZNIK: I just would like
19 to, for the record, thank Dr. Politi.
20 He has executed the PEO Services
21 Agreement that has probably been -- 100
22 hours in the last week was used of
23 legal time in order to accomplish this
24 goal.

25 This is part of a very monumental

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2 step forward in healthcare.

3 Mr. Alfano, Meg Ryan, and your entire
4 staff, the Board thanks you for
5 accomplishing this tremendous feat.

6 I would like to say that I was
7 mistaken. Ms. Ryan did not participate
8 in that. That is not part of her job
9 duty, but Mr. Alfano certainly did and
10 I understand to the wee hours of this
11 morning, correct?

12 MR. ALFANO: Correct.

13 MR. MIROTZNIK: But the DSRIP
14 Project is certainly moving forward.
15 We have voted on the Executive
16 Director. I want everyone in the room
17 to know this week was a monumental
18 amount of work and probably the largest
19 contract that a Board of this
20 University has ever negotiated, been
21 involved in, and voted on for moneys
22 for the DSRIP which could amount
23 amongst the three hubs, which everyone
24 is familiar with, in excess of some
25 \$440-what, Jeff?

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2 MR. THROPE: \$447 million is the
3 basic award which could be earned if
4 all of the metrics and milestones are
5 achieved. So that is the basic amount
6 that is the potential there.

7 MR. MIROTZNIK: Really, kudos to
8 everybody involved in the DSRIP and it
9 is certainly going to be a very big
10 time for the hospital, moving forward
11 with the DSRIP. Thank you, Dr. Politi,
12 for all the efforts you and your staff
13 have been involved in to move this
14 project forward.

15 Turn to Mr. Tepper who has some
16 comments on the record.

17 MR. TEPPER: So, if I heard
18 correctly, this Board approved the
19 recommendations from the Contracts
20 Committee of December 15th, as well as
21 December 9th. There were two recusals
22 with respect to the contract with
23 Dennis Lempke that is not going to be
24 voted on tonight. We will address that
25 in a subsequent meeting.

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2 There was one recusal on a
3 contract with someone, the entity of
4 Todd Shapiro, or something to that
5 effect. To my understanding, the
6 numbers are -- we still have a quorum,
7 so a vote can be taken on Todd Shapiro.

8 MR. MIROTZNIK: Fine. Let's
9 clean it up with regard to the Todd
10 Shapiro matter. Do we have to vacate
11 the entire vote?

12 MR. TEPPER: I would take your
13 vote now to approve the recommendation.

14 MR. MIROTZNIK: Shelley, can you
15 briefly talk about Todd Shapiro, what
16 he does for you and the hospital, so we
17 can take a vote?

18 MS. LOTENBERG: Todd Shapiro is a
19 public relations firm that assists us
20 in obtaining greater media exposure by
21 helping us to plan press conferences
22 and events. They also assist us in the
23 event that we need crisis management.
24 It is a renewal of an existing contract
25 at \$4,000 a month not to exceed \$48,000

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2 starting January 1st, 2016 until
3 December 31st, 2016.

4 MR. MIROTZNIK: Shelley, we asked
5 you these questions before. You rely
6 on Todd Shapiro and his office to move
7 forward the good things and the good
8 deeds this hospital is involved in?

9 MS. LOTENBERG: Absolutely. They
10 have helped us with numerous events
11 throughout the years. Matter of fact,
12 yesterday we had one in particular
13 Mr. Mirotzник was present at in which
14 we had the Nassau County Paramedics
15 bringing toys to the children and we
16 had News 12, FiOS, Fox News and Newsday
17 and the photograph ended up being in
18 Newsday and all the media carried the
19 event.

20 MR. MIROTZNIK: Yes, it was a
21 very nice event and Dr. Kumar, we are
22 happy to say your pediatric ward was
23 only a few kids yesterday and that is a
24 good day up there, as opposed to having
25 it filled with young children. It was

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2 very nice and the kids were overjoyed
3 to see all the cheer and the stuffed
4 animals, et cetera.

5 With that being said. Mr. Zysman
6 has recused himself on the vote. I
7 place the Todd Shapiro contract before
8 the Board for a vote. Do I have a
9 second? Dr. Gallo. All in favor?
10 Unanimous. Thank you, Ms. Lotenberg
11 for all your efforts yesterday. You do
12 a wonderful job and continue to do a
13 wonderful job.

14 MR. TEPPER: Additionally,
15 Exhibit-A to the minutes of the
16 December 15th Contract Meeting, the
17 third-proposed resolution on there is
18 with a vendor Total Orthopaedics and
19 Sports Medicine. There is a typo in
20 there.

21 It says to provide projection for
22 the new program at one point. My
23 understanding, from talking to
24 Maureen Hutcheon, who is here and can
25 speak to this in greater detail if the

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2 Board would like, is that it is to
3 provide the services of a program
4 director in an orthopaedic residency
5 program. Ms. Hutcheon is here if you
6 would like to hear from her for more
7 detail, but I believe the request is to
8 modify the resolution.

9 MR. MIROTZNIK: Is that correct,
10 Ms. Hutcheon?

11 MS. HUTCHEON: Yes, it is.

12 MR. MIROTZNIK: Nothing further
13 to add?

14 MS. HUTCHEON: No.

15 MR. MIROTZNIK: No objection to a
16 vote on that to clarify the minutes, as
17 articulated by Mr. Tepper. Ms. Reed?
18 Second. All in favor? Unanimous,
19 thank you. Mr. Alfano, there is a
20 contract you would like to put forward?

21 MR. ALFANO: Sahn Ward
22 Coshignano, a prominent --

23 MR. MIROTZNIK: Hold on, please,
24 one moment. There is a Sahn Ward
25 Coshignano legal contract. Is there

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2 anyone that is recusing themselves?
3 Mr. Zysman and Ms. Reed, would you
4 please exit the room? You will have to
5 table that to the next -- that was a
6 great presentation, by the way.

7 MR. ALFANO: Thank you.

8 MR. MIROTZNIK: No need to go
9 into executive session, so I am not
10 adjourning to executive session.
11 Public comment, anybody have anything
12 nice to say? Dr. Mustacchia?

13 DR. MUSTACCHIA: Happy holidays.

14 MR. MIROTZNIK: Have you spoken
15 with the three other doctors that are
16 now on the 11-member Committee?

17 DR. MUSTACCHIA: I have spoken to
18 two of those physicians.

19 MR. MIROTZNIK: Are they happy
20 and going to work hard?

21 DR. MUSTACCHIA: I am sure they
22 are.

23 MR. MIROTZNIK: Thank you. With
24 that being said, Dr. Politi, anything
25 else sir?

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2 MR. POLITI: No.

3 MR. MIROTZNIK: I am trying to
4 prolong the meeting so Mr. DeLuca can
5 complain.

6 MR. DELUCA: You are doing a good
7 job.

8 MR. SCARMATO: I promised the
9 Board I would give them an update on
10 the NMA.

11 MR. TEPPER: It's up to you if
12 you want. Would you like it tonight or
13 another time?

14 MR. MIROTZNIK: The 28th?

15 MR. SCARMATO: I am probably not
16 going to be here the 28th, but --

17 MR. MIROTZNIK: How long, Doc?

18 MR. SCARMATO: I can give you a
19 five-minute update for the Board.

20 MS. REED: Do it.

21 MR. SCARMATO: The plan is right
22 now we are working closely with the
23 FQHC to transfer the patients and the
24 assets of NMA to FQ. We made progress
25 and had conference calls the last few

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2 days working with the FQ and trying to,
3 in pretty short order, have an
4 agreement to transfer those patients to
5 them and the assets.

6 I believe the takeover date will
7 be January 4th. They are looking to
8 come in and take over and I believe by
9 early next week we should have
10 everything signed.

11 MR. TEPPER: Off the record.

12 MR. MIROTZNIK: On.

13 MR. SCARMATO: With that, the
14 other thing that we needed to discuss,
15 I guess, was the cost of closing. The
16 Board had wanted to know what the
17 obligations of NMA were going to be, so
18 I have actually figured out, and again,
19 some of them are not definite yet until
20 we actually say that we are closing and
21 getting the tails for the malpractice,
22 which you can't do until you actually
23 say and we haven't done that yet.

24 The max liabilities we are going
25 to have is about \$471,407, of which

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2 currently right now we have about
3 \$190,000 in the AR and about \$20,000 in
4 the bank. This is including remaining
5 payroll through the end of the year
6 with accrued vacation, pension
7 contributions, accounting fees going
8 into next year because we will have to
9 retain the accountants for probably at
10 least six months going through the next
11 year to do another tax return.

12 We are going to have to keep the
13 EMR and billing vendor up for several
14 months to reconcile the AR and have
15 patients' records until we can transfer
16 them efficiently through the electronic
17 process.

18 Then there is the matter of the
19 malpractice, so that actually comes up
20 to about \$471,000. I will ask at some
21 point for the Board to approve -- since
22 I have about \$200,000, I will ask the
23 Board to approve up to \$270,000. We
24 could probably negate about \$200,000 of
25 that.

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2 MR. MIROTZNIK: Doctor, how do
3 you have \$200,000 when you have
4 \$190,000 in AR --

5 MR. SCARMATO: And \$20,000 in the
6 bank.

7 MR. MIROTZNIK: How does that add
8 up to \$200,000?

9 MR. SCARMATO: \$210,000.

10 MR. MIROTZNIK: It doesn't
11 because how much of that is good debt
12 and how much is bad debt?

13 DR. SCARMATO: We will also be
14 generating money for the next two weeks
15 as well.

16 MR. MIROTZNIK: If the Board was
17 to consider approving somewhere around
18 \$200,000 for the wind down, you would
19 be confident you would not need any
20 additional moneys to wind it down and
21 wouldn't come back to the Board for
22 additional expenditures?

23 MR. SCARMATO: I don't think we
24 will because this is the max I am going
25 to need.

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2 MR. DELUCA: You are relatively
3 sure? Say that.

4 MR. SCARMATO: There is not going
5 to be a six-figure amount.

6 MR. DELUCA: You are relatively
7 sure?

8 MR. SCARMATO: I am relatively
9 sure.

10 MR. MIROTZNIK: When will we know
11 a little bit more?

12 MR. SCARMATO: I would imagine by
13 the next Board meeting we will know 100
14 percent what's going on.

15 MR. MIROTZNIK: If you have this
16 solidified, speak with Beatriz and
17 legal so we can put it on for the 28th
18 and we can finally wind this thing down
19 in 2015.

20 MR. SCARMATO: Could I ask for
21 some of the money tonight? At least so
22 I am sure I am going to make my pension
23 obligation?

24 MR. MIROTZNIK: I would start
25 with Dr. Faust. You have \$10 on you?

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2 See, he went into his pocket.

3 MR. SCARMATO: Dr. Faust is a
4 good guy.

5 MR. MIROTZNIK: I don't think we
6 are going to be able to consider that
7 tonight.

8 MR. ZYSMAN: Dr. Scarmato, this
9 practice is being transferred to the
10 LIFQHC?

11 DR. SCARMATO: Correct.

12 MR. ZYSMAN: Have you been in
13 discussions with them of taking on any
14 of these expenses?

15 DR. SCARMATO: They will be
16 taking on, probably, the rent expenses.
17 They would end up with some of the
18 severance and salary expenses that
19 would be due to them. That would go to
20 them.

21 MR. ZYSMAN: Are they taking over
22 the employees? Are they going to have
23 jobs?

24 DR. SCARMATO: Some of them will.
25 Some of them will not.

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2 MR. ZYSMAN: How many won't?

3 DR. SCARMATO: I am not sure
4 about that right now.

5 MR. ZYSMAN: If you can hammer
6 out the numbers, we can talk, but we
7 should know what is happening.

8 DR. SCARMATO: I only say that
9 because on the 28th there is no way I
10 can have minutes done by the first when
11 I will start to make payments on the
12 severance -- and by the way, the last
13 payment for the pension and the other
14 stuff will be due before the first of
15 the year.

16 MR. MIROTZNIK: What are you
17 asking for?

18 MR. SCARMATO: Even if you gave
19 me \$50,000 now, that would be sure
20 until the 28th to get through.

21 MR. MIROTZNIK: I am happy
22 Mr. Cohn is not here and in lovely
23 Israel because you know what he would
24 be saying.

25 DR. SCARMATO: I know what he

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2 would be saying.

3 MR. MIROTZNIK: I have a
4 suggestion. We are obviously in for
5 this. We are trying to wind it down.
6 There is no way we are getting around a
7 financial entanglement before the end
8 of the year. We are going to have to.
9 So Mr. DeLuca made a suggestion of
10 financing some of this until the 28th.
11 I know Mr. Tepper is working hard on
12 getting some of the documents drafted
13 and the agreements signed, but we have
14 to end this; you agree?

15 DR. SCARMATO: I am looking to do
16 that.

17 MR. MIROTZNIK: You agree?

18 DR. SCARMATO: I agree 100
19 percent.

20 MR. MIROTZNIK: Mr. DeLuca, you
21 make a motion.

22 MR. DELUCA: I want to say also,
23 thank you for all of your efforts in
24 expediting this as quickly as possible
25 because it is a serious monetary issue

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2 for all of us.

3 DR. SCARMATO: I do believe we
4 will be able to eliminate a lot of that
5 with the transfer.

6 MR. DELUCA: Okay.

7 MR. MIROTZNIK: Motion?

8 MR. DELUCA: I make the motion to
9 give him \$50,000 at this time.

10 MR. ZYSMAN: Question on the
11 motion. When will you have the
12 bottom-line number of what's going on
13 and know exactly what FQHC's picking
14 up, what we're picking up? Because the
15 numbers sound like an arbitrary number.
16 I think the sentiment has been we kind
17 of want this to be final, so when will
18 you have the information?

19 DR. SCARMATO: As soon as we have
20 papers signed.

21 MR. ZYSMAN: Is there any
22 financial person involved with this
23 wind down?

24 DR. SCARMATO: Financial person?

25 MR. ZYSMAN: Has anyone looked at

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2 it and said this is what it is going to
3 cost you to wind it down?

4 DR. SCARMATO: We have outside
5 counsel --

6 MR. ZYSMAN: But has anyone told
7 you how much it's going to cost to wind
8 down?

9 DR. SCARMATO: How much it's
10 going to cost? The financial person
11 would do that.

12 MR. TEPPER: I have been working
13 along with Dr. Scarmato, Harold
14 McDonald, as well as outside counsel,
15 and other people involved in the NMA.
16 I was on the negotiations today. There
17 is also an accountant.

18 I haven't spoken to the
19 accountant, but there will be a much
20 clearer handle on the costs when the
21 deal is signed because the deal would
22 address mitigation of some of these
23 liabilities. So once that deal is in
24 place, I assume you agree with me on
25 this, Doctor?

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2 DR. SCARMATO: Correct.

3 MS. REED: Do we know when that
4 deal is going to be signed?

5 MR. TEPPER: As soon as possible.
6 We have been pushing very aggressively
7 and it's moving faster than I can
8 imagine.

9 MR. ZYSMAN: The question is did
10 anyone do an analysis on what it's
11 going to cost to officially close this
12 practice down?

13 MR. TEPPER: You would have to
14 get that from Dr. Scarmato, where it's
15 at at this point, but --

16 MR. MIROTZNIK: No one did a
17 financial analysis?

18 DR. SCARMATO: It's not a
19 financial analysis. We went to outside
20 counsel and got the liabilities and he
21 said we are due for this, this, and
22 this and we looked up what those
23 liabilities are.

24 MR. MIROTZNIK: David Nemiroff is
25 a part-time director of the FQC,

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2 correct?

3 DR. SCARMATO: Correct.

4 MR. MIROTZNIK: Is David up to
5 speed on what NMA is trying to
6 accomplish in an expeditious manner?

7 DR. SCARMATO: They are and they
8 are working as hard as they can to make
9 a smooth transition with us.

10 MR. MIROTZNIK: Won't they
11 profit, so to speak, if all of your
12 patients from that corporation get
13 retained by the FQHC?

14 DR. SCARMATO: From the financial
15 analysis that was done, they will make
16 some profit. The idea is that they
17 have to keep the practice going to do
18 that. That is their incentive to keep
19 from closing the practice. If it
20 closes and is disjointed for a month,
21 you will lose all your patients.

22 MR. MIROTZNIK: If this was
23 private, you selling a practice for me,
24 I would pay some money for goodwill and
25 there would be some money on the back

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2 end if I retained or didn't retain a
3 certain amount, right?

4 DR. SCARMATO: There are those
5 things -- we haven't come to a number
6 yet, on the asset purchase agreement.

7 MR. MIROTZNIK: We need to get to
8 that point.

9 DR. SCARMATO: I understand that.

10 MR. ZYSMAN: I am going to
11 approve the motion for \$50,000. I just
12 would add to it that our Chairman,
13 Michael Mirotznik, speaks to the
14 Chairman of the LIFQHC to make sure
15 that we are all on the same page with
16 where this is going within the --
17 before the next Board meeting.

18 MR. MIROTZNIK: I will undertake
19 that and our Board Secretary will
20 facilitate that conversation. All in
21 favor of the \$50,000 expenditure which
22 will take us up to and including
23 December 28th, 2015, for NMA to fund
24 the various expenditures necessary in
25 order to embark and conclude the wind

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2 down procedure? Mr. DeLuca, is that
3 fair?

4 MR. DELUCA: Embark and include
5 the wind down procedure in the most
6 professional way to patients.

7 MR. MIROTZNIK: I like that. All
8 in favor? Unanimous.

9 MR. DELUCA: May I ask a question
10 of the CEO off the record or this is
11 not the time?

12 (A discussion was held off the
13 record.)

14 MR. MIROTZNIK: Make a motion to
15 adjourn the Nassau Healthcare
16 Corporation Executive Committee meeting
17 on December 17th. All in favor? We
18 are closing the meeting. Unanimous.

19 (TIME NOTED: 6:01 p.m.)

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CERTIFICATION

I, ANGELA ARENA, a Notary
Public in and for the State of New
York, do hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have
hereunto set my hand this 17th
day of December 2015.

ANGELA ARENA