

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

LIFESTYLE LIFT HOLDING, INC., *et al.*¹,
Debtors.

No. 15-44839-WSD
Chapter 11
Jointly Administered

Judge Walter Shapero

EXHIBIT A

PATIENT CARE OMBUDSMAN'S SECOND REPORT

Deborah L. Fish, patient care ombudsman (the “Ombudsman”), appointed by order dated April 10, 2015 (Docket #42), and in accordance with Section 333 of Title 11 of the United States Bankruptcy Code (the “Code”), submits this second report in the Chapter 11 case of Lifestyle Lift Holding, Inc., et al. (collectively, the “Debtors”). This report covers the period from June 11, 2015 to July 31, 2015.

INTRODUCTION

As stated in the first report, the manner in which the Debtors closed caused numerous issues for their patients, including, but not limited to, the following:

- How to obtain general information;
- How to contact their doctors;
- How to obtain surgery when it was prepaid in full;
- How to obtain follow-up care;
- How to obtain refunds; and
- How to obtain settlement payments.

The Ombudsman continues to address such issues for the Debtors’ patients as detailed below.

¹ The Debtors in these jointly administered cases include Lifestyle Lift Holding, Inc., Scientific Image Center Management, Inc., Scientific Image Center Properties, Inc., Pacific Seaboard Management, Inc., and Scientific Image Center Staffing, Inc.

PATIENTS

Since the filing of the first report, the Ombudsman has spoken with and received emails and/or letters from many additional patients of the Debtors, although the number of patient contacts continues to decline. Most of the patient complaints continue to be related to non-refunded deposits, unfunded settlement payments, and an inability to obtain surgeries because of the closure of the surgical centers even though thousands of dollars were paid to the Debtors in advance. The Ombudsman continues to direct patients to the appropriate doctors for surgeries and to ensure follow-up care. The Ombudsman also continues to assist the patients that have pre-paid for services or are owed settlement payments with an understanding of the bankruptcy claim filing procedure. A patient proof of claim form is available on the Debtors' website, and patients continue to submit claims to the Ombudsman. The Ombudsman's first report is also available on the Debtors' Website.

The Debtors' main phone line continues to be operational and, when possible, the messages have been responded to by an employee of the Debtors retained by the Trustee. Those patients with internet access are directed to the website for the claim form and those without internet access or printer are sent claim forms by the Ombudsman. While some patients have submitted claims to the Bankruptcy Court, the vast majority of claims are being submitted to the Ombudsman's office for processing.

DOCTORS

Since the last report, the Ombudsman has continued to have discussions with the Debtors' doctors to manage their concerns about patient care and patient charts, including providing access to the various leased surgical center locations to recover patient charts, equipment purchased, and to access computers and phone lines. The Ombudsman has also

continued to have follow-up conversations with many of the doctors to assist the Trustee in the sale of some of the Debtors' furniture, fixtures, and equipment.

Further, the Ombudsman has continued to coordinate the assignment of the patient charts stored at the various locations to the appropriate doctors, and arranged access from the landlords to allow the doctors entry into the various locations to obtain the charts. Since the last report, all of the doctors willing to secure and take possession of their patient charts have done so. In addition, AT&T has transferred the Debtors' phone lines to the doctors who requested same in order to ensure continued patient care.

PATIENT CHARTS

The Ombudsman has continued to work diligently with landlords and doctors throughout the country to ensure that the Debtors' patients charts located at the leased surgical centers have been secured, either by the doctors obtaining and safeguarding such records or by arranging for packing and shipping of those records to the Troy headquarters for placement in long term storage. As of the date of this report, there are only three remaining locations that have charts yet to be shipped to the Troy headquarters. Such charts are minimal, and each of the locations are in the process of shipping the charts to the Troy headquarters, with receipt of the final shipments anticipated to be on or before August 15, 2015. The process required the Ombudsman to make numerous calls to landlords, facility personnel, packaging, and moving companies to make all of the necessary arrangements.

Moreover, the Trustee filed a motion and obtained an order for the abandonment and destruction of the patient records that were beyond the statutorily mandated storage period. The Ombudsman has directed the destruction of those records. Notice of the destruction policy was placed on the website.

MEDICAL WASTE

Since the last report, the Ombudsman has worked with Stericycle and the landlords of various locations to have remaining medical waste removed. However, there are still locations at which Stericycle has to schedule a final pick-up. The Ombudsman will coordinate Stericycle's final pick-ups.

CONCLUSION

The Ombudsman will continue to monitor this case and file an additional report when appropriate.

ALLARD & FISH, P.C.

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