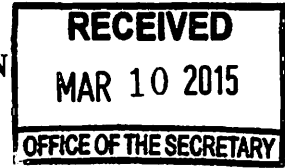


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-16293

In the Matter of

LAURIE BEBO, and
JOHN BUONO, CPA,

Respondents.

**AFFIDAVIT OF RYAN S. STIPPICH IN
SUPPORT OF RESPONDENT LAURIE
BEBO'S RESPONSE TO VENTAS'S
MOTION TO MODIFY THE SUBPOENA**

STATE OF WISCONSIN }
 } SS
MILWAUKEE COUNTY }

Ryan S. Stippich, being first duly sworn on oath, deposes and states that:

1. I am an attorney with the law firm of Reinhart Boerner Van Deuren s.c., and one of the attorneys for Respondent Laurie Bebo. I have personal knowledge of the facts set forth this affidavit.
2. After Ventas was served with the Subpoena, I had two conference calls with counsel for Ventas, on February 9, 2015 and February 16, 2015, to discuss the Subpoena.
3. During these calls, I made several proposals with respect to how the parties could address Ventas' concerns with respect to the burden of complying with the Subpoena.
4. Bebo declined to withdraw Requests Nos. 6-12 in response to Ventas' offer to produce documents pursuant to Requests Nos. 1-3 and 13-14, if Bebo withdrew Requests Nos. 6-12.

5. Attached as Exhibit A to this Affidavit is a true and correct copy of Ventas' First Quarter Supplemental Data filed with the SEC and accessed on March 9, 2015 at:

<http://www.sec.gov/Archives/edgar/data/740260/000119312509099076/dex992.htm>.

6. Attached as Exhibit B to this Affidavit is a true and correct copy of Bebo's Request for Issuance of Supplemental Subpoenas Duces Tecum, dated February 4, 2015.


7. Attached as Exhibit C to the Affidavit is a true and correct copy of correspondence from Timothy A. Doman of Ventas, Inc. to Josh Coughlin, the prior tenant of the CaraVita properties. This document is bates labeled ALC 00175537-38.

8. Attached as Exhibit D to the Affidavit is a true and correct copy of internal Ventas e-mail communication bates labeled VSEC0011429 and a portion of the spreadsheet attached to that e-mail bates labeled VSEC0011430.

9. Attached as Exhibit E to the Affidavit is a true and correct copy of a portion of the SEC testimony of Joseph Solari taken on January 13, 2014.

10. Attached as Exhibit F to the Affidavit is a true and correct copy of internal Ventas e-mail communications bates labeled VSEC0013831-32.

11. Attached as Exhibit G to the Affidavit is a true and correct copy of internal Ventas e-mail communications bates labeled VSEC0012886.



Ryan S. Stippich

Subscribed and sworn to before me
this 9th day of March, 2015.



Amy M. Bontempo

Notary Public, State of Wisconsin
My commission expires 9/24/17



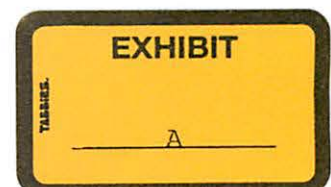


First Quarter 2009 Supplemental Data



Emeritus at South Windsor - South Windsor, CT

All amounts shown in this report are unaudited and in U.S. dollars unless otherwise noted.

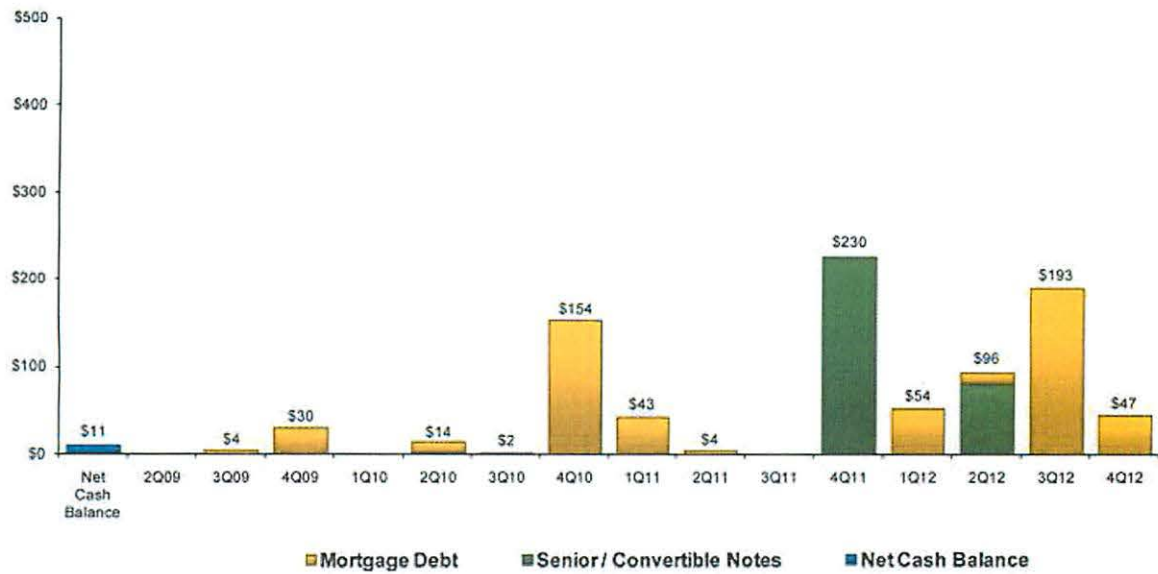


Ventas, Inc.
First Quarter 2009 Supplemental Data

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Ventas, Inc.
First Quarter 2009 Supplemental Data

Debt Maturity Schedule:¹

¹ Dollars in millions; data as of May 4, 2009 and excludes normal monthly principal amortization. The Company's joint venture partners' pro rata share of total maturities is approximately \$140 million. Ventas has the ability and intention to extend certain mortgage loans until 2010.

Ventas, Inc.
First Quarter 2009 Supplemental Data

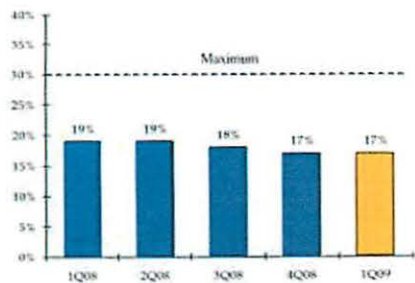
Debt Covenants:

	<u>Credit Facility</u>	
	<u>Required</u>	<u>3/31/09</u>
Total Liabilities / Gross Asset Value	Not greater than 60%	37%
Secured Debt / Gross Asset Value	Not greater than 30%	17%
Unsecured Debt / Unencumb. Gross Asset Value	Not greater than 60%	34%
Fixed Charge Coverage	Not less than 1.75x	3.0x
Unencumbered Interest Coverage	Not less than 2.00x	4.6x
	<u>Bonds due 2012</u>	
	<u>Required</u>	<u>3/31/09</u>
Incurrence of Debt	Not greater than 60%	38%
Incurrence of Secured Debt	Not greater than 40%	9%
Total Unencumbered Assets	Not less than 150%	273%
Consolidated Income Available for Debt Service to Debt Service	Not less than 2.00x	4.7x

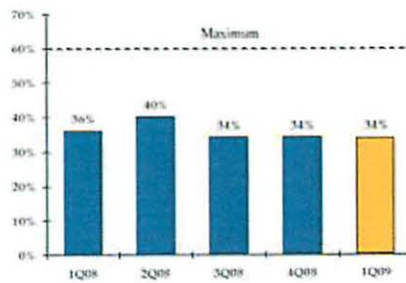
Ventas, Inc.
First Quarter 2009 Supplemental Data

Debt Covenants:

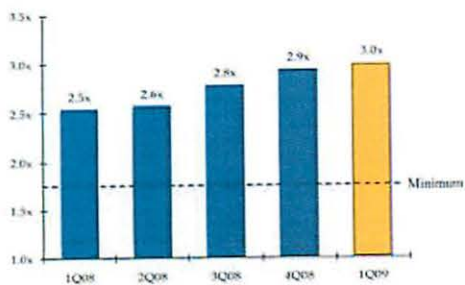
Secured Debt / Gross Asset Value



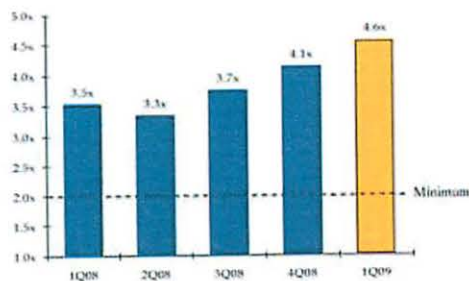
Unsecured Debt / Unencumbered Gross Asset Value



Fixed Charge Coverage



Unencumbered Interest Coverage



Ventas, Inc.
First Quarter 2009 Supplemental Data

Owned Portfolio - Overview by Type (Dollars in Millions):¹

Property Type	Number of Properties	Number of Beds/Units/Square Feet	Number of States/Provinces	Ventas Investment	Cash Flow Coverage	Occupancy ²	Annualized NNN Revenue ³	Annualized Operating Property Revenue ³	Total Annualized Revenue ³	Annualized NNN NOI ³	Annualized Operating Property NOI ³	Total Annualized NOI ³
Hospital - Stabilized Triple-Net	40	3,479 Beds	17	\$ 346	2.5x	59.2%	\$ 92	\$ 0	\$ 92	\$ 92	\$ 0	\$ 92
Skilled Nursing - Stabilized Triple-Net	193	23,440 Beds	29	837	2.0x	88.9%	179	0	179	179	0	179
Seniors Housing - Triple-Net	164	16,699 Units	31	2,256	1.3x	88.0%	193	0	193	193	0	193
Seniors Housing - Operating	79	6,513 Units	21	2,033	N/A	89.0%	0	350	350	0	104	104
Medical Office - Stabilized	19	1,046,169 Square Feet	9	221	N/A	94.8%	0	27	27	0	17	17
Medical Office - Lease-Up	2	181,952 Square Feet	2	42	N/A	61.7%	0	4	4	0	2	2
Other - Stabilized Triple-Net	8	122 Beds	1	7	5.1x	N/A	1	0	1	1	0	1
Total	505		45	\$ 5,742	1.8x		\$ 465	\$ 381	\$ 846	\$ 465	\$ 123	\$ 588
							55%	45%	100%	79%	21%	100%

Loan Portfolio - Overview by Investment (Dollars in Millions):¹

Borrower	Original Investment	Outstanding Principal	Secured/Unsecured	Borrower/Asset Type	Effective Interest Rate	Annualized Revenue ³
Manor Care	\$ 99	\$ 112	Secured	SNF/ALF	L + 533 bps	\$ 6
HCA	45	50	Unsecured	Hospital	9.2%	4
Emeritus Senior Living	10	10	Secured	Seniors Housing	8.3%	1
Brookdale Senior Living	9	6	Secured	Seniors Housing	L + 700 bps ⁴	1
Other - Secured ⁵	21	14	Secured	Seniors Housing	N/A	0
Other - Unsecured	19	20	Unsecured	Hospital	9.1%	2
Total	<u>\$ 202</u>	<u>\$ 213</u>				<u>\$ 13</u>

Owned Portfolio - Overview by State/Province:¹

State/Province	Totals		Hospital		Skilled Nursing		Seniors Housing		Medical Office		Other	
	No.	%	No.	Beds	No.	Beds	No.	Units	No.	Sq. Feet	No.	Beds
California	40	8%	5	417	9	1,132	26	3,304	0	0	0	0
Pennsylvania	34	7%	2	115	6	797	24	1,597	2	111,671	0	0
Massachusetts	34	7%	2	109	26	2,712	6	856	0	0	0	0
Ohio	30	6%	0	0	12	1,626	16	1,152	2	143,567	0	0
Kentucky	29	6%	2	424	27	3,054	0	0	0	0	0	0
Florida	26	5%	6	511	0	0	14	1,453	6	206,641	0	0
Indiana	23	5%	1	59	13	1,883	9	1,001	0	0	0	0
North Carolina	23	5%	1	124	16	1,818	6	438	0	0	0	0
Illinois	22	4%	4	431	1	82	17	2,637	0	0	0	0
Texas	21	4%	7	496	0	0	3	262	3	78,622	8	122
All Other	223	44%	10	793	83	10,336	122	10,512	8	687,620	0	0
Total	<u>505</u>	<u>100%</u>	<u>40</u>	<u>3,479</u>	<u>193</u>	<u>23,440</u>	<u>243</u>	<u>23,212</u>	<u>21</u>	<u>1,228,121</u>	<u>8</u>	<u>122</u>

¹ Totals may not add due to rounding.² Occupancy shown for Seniors Housing excludes communities in lease-up. Occupancy for triple-net properties is as of 4Q08 and occupancy for operating properties is as of 1Q09.³ Annualized first quarter Ventas revenue/NOI assuming all events occurred at the beginning of the period. Revenue/NOI reflects Ventas's portion only for joint venture assets.⁴ LIBOR floor of 3%. Excludes upfront fee equating to 0.67% per annum.⁵ Outstanding principal is the approximate carrying value. Effective interest rate is the stated contractual rate.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Owned and Loan Portfolio - Property Type Concentration (Dollars in Millions):¹

<u>Investment Type</u>	<u>Owned Property Count</u>	<u>Ventas Investment</u>	<u>%</u>	<u>Annualized Rent/Revenue²</u>	<u>%</u>	<u>Annualized Rent/NOI²</u>	<u>%</u>
Seniors Housing	243	\$ 4,289	72%	\$ 543	63%	\$ 297	49%
Skilled Nursing	193	837	14%	179	21%	179	30%
Hospital	40	346	6%	92	11%	92	15%
Medical Office	21	264	4%	31	4%	20	3%
Other	8	7	NM	1	NM	1	NM
Loans	N/A	213	4%	13	2%	13	2%
Total	505	\$ 5,955	100%	\$ 859	100%	\$ 601	100%

Owned and Loan Portfolio - Operator Concentration (Dollars in Millions):¹

<u>Operator/Manager</u>	<u>Owned Property Count</u>	<u>Ventas Investment</u>	<u>%</u>	<u>Annualized Rent/Revenue²</u>	<u>%</u>	<u>Annualized Rent/NOI²</u>	<u>%</u>
Sunrise Senior Living	79	\$ 2,033	34%	\$ 350	41%	\$ 104	17%
Brookdale Senior Living	84	1,409	24%	122	14%	122	20%
Kindred Healthcare	203	935	16%	243	28%	243	40%
Senior Care	65	621	10%	51	6%	51	9%
Emeritus Senior Living	11	163	3%	16	2%	16	3%
Capital Senior Living	11	158	3%	14	2%	14	2%
Manor Care	N/A	112	2%	6	1%	6	1%
NexCore	4	91	2%	12	1%	7	1%
Formation	11	88	1%	9	1%	9	1%
Greenfield	7	50	1%	5	1%	3	0%
Assisted Living Concepts	8	50	1%	5	1%	5	1%
HCA	N/A	50	1%	4	NM	4	1%
All Other	22	195	3%	22	3%	16	3%
Total	505	\$ 5,955	100%	\$ 859	100%	\$ 601	100%

Owned Portfolio - State/Province Concentration (Dollars in Millions):¹

<u>State/Province</u>	<u>Owned Property Count</u>	<u>Annualized Rent/Revenue²</u>	<u>%</u>	<u>Annualized Rent/NOI²</u>	<u>%</u>
California	40	\$ 112	13%	\$ 78	13%
Illinois	22	89	11%	65	11%
Massachusetts	34	48	6%	41	7%
Pennsylvania	34	44	5%	23	4%
Ontario	9	44	5%	12	2%
New Jersey	11	38	4%	15	3%
Florida	26	36	4%	35	6%
Colorado	14	31	4%	17	3%
Georgia	16	31	4%	18	3%
North Carolina	23	29	3%	21	4%
All Other	276	343	41%	265	45%
Total	505	\$ 846	100%	\$ 588	100%

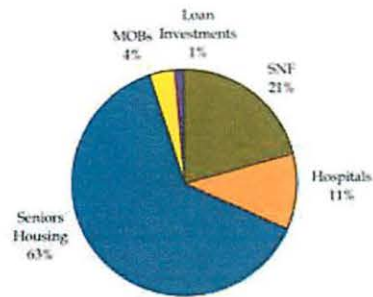
¹ Totals may not add due to rounding. NM = not material.

² Annualized first quarter Ventas revenue/NOI assuming all events occurred at the beginning of the period. Operating asset revenue/NOI reflects Ventas's portion only for joint venture assets.

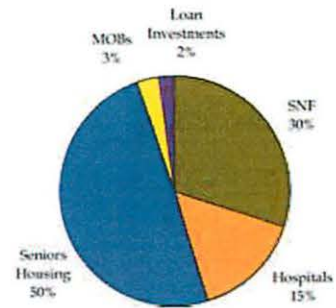
Ventas, Inc.
First Quarter 2009 Supplemental Data

Owned and Loan Portfolio - Property Type Concentration:¹

Revenue:

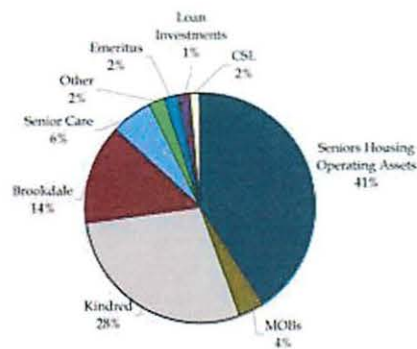


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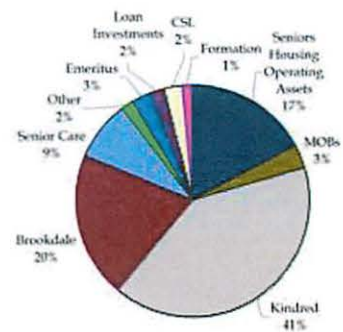


Owned and Loan Portfolio - Operator Concentration:¹

Revenue:



NOI:



¹ Annualized first quarter Ventas revenue/NOI assuming all events occurred at the beginning of the period. Operating asset revenue/NOI reflects Ventas's portion only for joint venture assets.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Same-Store Triple-Net Portfolio Trend Data for Properties Owned for the Full 4th Quarters of 2008 & 2007:^{1,2,3}

Property Type	Number of Properties	Sequential Quarter Comparison				Year-Over-Year Comparison			
		4Q08 Cash Flow Coverage	3Q08 Cash Flow Coverage	4Q08 Occupancy	3Q08 Occupancy	4Q08 Cash Flow Coverage	4Q07 Cash Flow Coverage	4Q08 Occupancy	4Q07 Occupancy
Hospital	40	2.5x	2.5x	59.2%	58.0%	2.5x	2.8x	59.2%	60.6%
Skilled Nursing	192	2.0x	2.0x	88.9%	89.2%	2.0x	1.9x	88.9%	87.9%
Seniors Housing	163	1.3x	1.3x	88.0%	88.2%	1.3x	1.3x	88.0%	89.1%
Other	8	5.1x	5.0x	N/A	N/A	5.1x	4.5x	N/A	N/A
Total	403	1.8x	1.8x			1.8x	1.8x		

Same-Store Triple-Net Portfolio Trend Data for Properties Owned for the Full 3rd and 4th Quarters of 2008:^{1,2,3}

Property Type	Number of Properties	Sequential Quarter Comparison			
		4Q08 Cash Flow Coverage	3Q08 Cash Flow Coverage	4Q08 Occupancy	3Q08 Occupancy
Hospital	40	2.5x	2.5x	59.2%	58.0%
Skilled Nursing	192	2.0x	2.0x	88.9%	89.2%
Seniors Housing	164	1.3x	1.3x	88.0%	88.2%
Other	8	5.1x	5.0x	N/A	N/A
Total	404	1.8x	1.8x		

¹ Fourth quarter is most recent quarter available.

² Cash flow coverages are for trailing-twelve months or annualized where the Company's ownership is for a shorter period.

³ Excludes all assets sold through 1Q09.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Medical Office Portfolio Statistics:¹

	Year-Over-Year Comparison					
	Stabilized		Same-Store Stabilized ^{2,3}		Lease-Up	
	1Q09	1Q08 ⁴	1Q09	1Q08 ⁴	1Q09	1Q08
Number of properties:	19	16	16	16	2	2
Number of square feet:	1,046,169	791,109	791,109	791,109	181,952	181,952
Average occupancy:	94.8%	93.9%	93.4%	93.9%	61.7%	56.4%
Average annual rate per square foot ⁵ :	\$ 29	\$ 28	\$ 27	\$ 28	\$ 37	\$ 26
Operating revenue:	\$ 7.3	\$ 5.3	\$ 5.1	\$ 5.3	\$ 1.1	\$ 0.8
Less expenses:	2.6	2.3	2.2	2.3	0.5	0.4
Total NOI:	4.7	3.0	2.9	3.0	0.6	0.4
Less Company's partner's share:	0.4	0.0	0.0	0.0	0.0	0.0
Ventas NOI:	<u>\$ 4.3</u>	<u>\$ 3.0</u>	<u>\$ 2.9</u>	<u>\$ 3.0</u>	<u>\$ 0.6</u>	<u>\$ 0.4</u>

	Sequential Quarter Comparison					
	Stabilized		Same-Store Stabilized ^{2,3}		Lease-Up	
	1Q09	4Q08	1Q09	4Q08	1Q09	4Q08
Number of properties:	19	19	19	19	2	2
Number of square feet:	1,046,169	1,046,169	1,046,169	1,046,169	181,952	181,952
Average occupancy:	94.8%	95.6%	94.8%	95.6%	61.7%	58.9%
Average annual rate per square foot ⁵ :	\$ 29	\$ 29	\$ 29	\$ 29	\$ 37	\$ 26
Operating revenue:	\$ 7.3	\$ 7.6	\$ 7.3	\$ 7.6	\$ 1.1	\$ 0.7
Less expenses:	2.6	2.6	2.6	2.6	0.5	0.4
Total NOI:	4.7	4.9	4.7	4.9	0.6	0.4
Less Company's partner's share:	0.4	0.4	0.4	0.4	0.0	0.0
Ventas NOI:	<u>\$ 4.3</u>	<u>\$ 4.5</u>	<u>\$ 4.3</u>	<u>\$ 4.5</u>	<u>\$ 0.6</u>	<u>\$ 0.4</u>

¹ Dollars in millions except for rate data. Totals may not add due to rounding.

² Includes only those MOB's owned for the full period.

³ Includes only those MOB's owned in both comparison periods.

⁴ Restated to include two MOB's previously classified as non-operating.

⁵ Average annual rate includes CAM adjustments.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Seniors Housing Operating Portfolio Statistics:¹

	Year-Over-Year Comparison					
	Stabilized		Same-Store Stabilized ²		Lease-Up	
	1Q09	1Q08	1Q09	1Q08	1Q09	1Q08
Number of properties:	78	73	73	73	1	6
Number of units:	6,284	5,907	5,907	5,907	229	606
Resident day capacity:	669,690	635,453	628,470	635,453	23,040	64,974
Average resident occupancy:	89.0%	91.7%	89.5%	91.7%	63.8%	58.5%
Average daily rate / resident fees:	\$ 170	\$ 174	\$ 170	\$ 174	\$ 121	\$ 165
Operating revenue:	\$ 101.2	\$ 101.4	\$ 95.6	\$ 101.4	\$ 1.8	\$ 6.3
Less expenses:	71.1	68.8	67.3	68.8	1.4	5.5
Total NOI:	30.1	32.7	28.3	32.7	0.4	0.8
Less Company's partner's share:	4.5	4.6	4.1	4.6	0.1	0.2
Ventas NOI:	<u>\$ 25.6</u>	<u>\$ 28.1</u>	<u>\$ 24.2</u>	<u>\$ 28.1</u>	<u>\$ 0.3</u>	<u>\$ 0.6</u>

	Sequential Quarter Comparison					
	Stabilized		Same-Store Stabilized ²		Lease-Up	
	1Q09	4Q08	1Q09	4Q08	1Q09	4Q08
Number of properties:	78	77	77	77	1	2
Number of units:	6,284	6,220	6,220	6,220	229	293
Resident day capacity:	669,690	677,396	662,670	677,396	23,040	30,728
Average resident occupancy:	89.0%	90.7%	89.1%	90.7%	63.8%	63.7%
Average daily rate / resident fees:	\$ 170	\$ 167	\$ 170	\$ 167	\$ 121	\$ 140
Operating revenue:	\$ 101.2	\$ 102.9	\$ 100.1	\$ 102.9	\$ 1.8	\$ 2.7
Less expenses:	71.1	71.6	70.2	71.6	1.4	1.9
Total NOI:	30.1	31.3	29.9	31.3	0.4	0.9
Less Company's partner's share:	4.5	4.7	4.4	4.7	0.1	0.2
Ventas NOI:	<u>\$ 25.6</u>	<u>\$ 26.6</u>	<u>\$ 25.5</u>	<u>\$ 26.6</u>	<u>\$ 0.3</u>	<u>\$ 0.7</u>

¹ Dollars in millions except for rate data. Totals may not add due to rounding.

² Includes only those communities stabilized in both comparison periods.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Kindred Healthcare Same-Store TTM EBITDARM Coverage Ratios:¹

Ventas - Kindred Master Lease	Number of Properties	Sequential Quarter Comparison		Year-Over-Year Comparison	
		4Q08	3Q08	4Q08	4Q07
1	83	2.3x	2.4x	2.3x	2.4x
2	41	2.0x	2.0x	2.0x	2.1x
3	38	1.9x	1.9x	1.9x	1.7x
4	41	2.2x	2.3x	2.2x	2.4x
Total	203	2.2x	2.2x	2.2x	2.2x

Property Type	Number of Properties	4Q08	3Q08	4Q08	4Q07
Hospitals	38	2.5x	2.5x	2.5x	2.8x
Skilled Nursing Facilities	165	2.0x	2.0x	2.0x	1.8x
Total	203	2.2x	2.2x	2.2x	2.2x

¹ Coverage reflects the ratio of Kindred's EBITDARM to rent. EBITDARM is defined as earnings before interest, income taxes, depreciation, amortization, rent and management fees. In the calculation of trailing twelve months EBITDARM, intercompany profit pertaining to services provided by Kindred's PeopleFirst Rehabilitation and Pharmacy Divisions has been eliminated from purchased ancillary expenses within the Ventas portfolio. Fourth quarter is most recent quarter available.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Triple-Net and Operating Portfolio Revenue Rollover Schedule Excluding Sunrise Operating Communities:¹

	<u>Totals</u>	<u>Lease Rollover Year</u>					<u>Thereafter</u>
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
Hospital - Stabilized Triple-Net:							
Annualized Revenue	\$ 92.0	—	—	—	—	\$ 45.8	\$ 46.3
Skilled Nursing - Stabilized Triple-Net:							
Annualized Revenue	178.6	—	—	—	1.4	72.9	104.3
Seniors Housing - Stabilized Triple-Net:							
Annualized Revenue	193.1	—	—	—	2.7	—	190.4
Medical Office - Stabilized:							
Annualized Revenue ²	27.9	2.0	3.4	3.4	2.6	2.2	14.3
Medical Office - Lease-Up:							
Annualized Revenue ²	3.4	—	—	0.1	0.2	0.2	2.9
Other - Stabilized Triple-Net:							
Annualized Revenue	1.0	—	1.0	—	—	—	—
Total:							
Annualized Revenue	<u>\$496.0</u>	<u>\$ 2.0</u>	<u>\$ 4.4</u>	<u>\$ 3.5</u>	<u>\$ 6.9</u>	<u>\$121.0</u>	<u>\$ 358.2</u>

¹ Annualized first quarter Ventas revenue assuming all events occurred at the beginning of the period. Dollars in millions. Totals may not add due to rounding.

² Company's partners' share has not been eliminated from revenue.

Ventas, Inc.
First Quarter 2009 Supplemental Data

Company Development Data:

Status	Property Name	Ventas Ownership %		Property Type	Number of Residents or Beds/Units/Square Feet	Actual/Projected Opening Date	Ventas	Total Development Cost ¹	Ventas Fixed	Expected Stabilized Yield
		MSA					Estimated/Actual Acquisition Date		Purchase Price (incl. FPAC) ¹	
In Lease-up	Sunrise of Thome Mills on Steeles	80%	Toronto	IL/AL/ALZ	256 Residents /229 Units /210,000 SF	September 2007	December 2007	62.8 Cdn	52.7 Cdn	8.0%-8.5%
In Development	Bon Secours Greenville MOB ²	95%	Greenville	MOB	97,795 RSF	July 2009	September 2008	\$25.0	N/A	7.8%-8.2%
In Development	Parker II MOB ²	95%	Denver	MOB	75,087 RSF	November 2009	October 2008	20.0	N/A	7.5%-7.7%
To Be Acquired	Carroll MOB ²	90%	Baltimore	MOB	77,242 RSF	December 2009	November 2011	21.0	N/A	8.0%-8.5%

¹ Dollars in millions.

² Development cost is estimated cost to Ventas, subject to adjustments.

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16293

In the Matter of

LAURIE BEBO, and
JOHN BUONO, CPA,

Respondents.

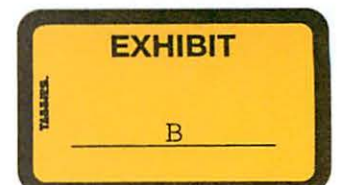
RESPONDENT LAURIE BEBO'S
REQUEST FOR ISSUANCE OF
SUPPLEMENTAL
SUBPOENAS DUCES TECUM

TO: Benjamin J. Hanauer, Esq.
United States Securities and
Exchange Commission
175 West Jackson Boulevard, Suite 900
Chicago, IL 60604

Pursuant to Rule 232 of the Commission's Rules of Practice, Ryan S. Stippich and Mark A. Cameli of Reinhart Boerner Van Deuren s.c., as counsel for Respondent Laurie Bebo, request issuance of the enclosed Supplemental Subpoenas Duces Tecum to Assisted Living Concepts, LLC doing business as Enlivant, Ventas, Inc. and Quarles & Brady LLP (the "Witnesses"), requiring the production of documentary or other tangible evidence returnable at a designated time or place.

In relation thereto, Respondent Laurie Bebo states as follows:

1. The documents possessed by the Witnesses are material and relevant to the subject matter of this proceeding.
2. Assisted Living Concepts, LLC doing business as Enlivant is Respondent's former employer at all times relevant to these proceedings.



3. Ventas, Inc. is a party to the leasing agreement that is central to these proceedings.

4. Quarles & Brady LLP is the law firm that Assisted Living Concepts, LLC retained for corporate and litigation matters involving Assisted Living Concepts, LLC and relevant to this proceeding.

5. Respondent Laurie Bebo believes that the Witnesses have custody, possession and control of documents and testimony related to the subject matter of this action and it is necessary that a Subpoena issue to each Witness.

6. Pursuant to Section 556 of the Administrative Procedures Act, as amended (5 U.S.C. § 556), and Rules 111 and 232 of the Rules of Practice of the United States Securities and Exchange Commission (17 C.F.R. §§ 201.111, 201.232), a subpoena may issue to a witness to appear, to produce certain documents and to give testimony in these proceedings.

7. The issuance of subpoenas to the Witnesses is not unreasonable, oppressive, excessive in scope, or unduly burdensome.

8. Copies of the proposed Supplemental Subpoenas Duces Tecum to the Witnesses and the requested documents are attached hereto as Exhibits A-C showing that the requests are reasonable in scope.

9. The January 23, 2015 Order on Request for Issuance of Subpoenas (the "Order"), raised concerns regarding the relevance or scope of the Subpoena Requests. The chart below addresses those concerns.

Entity	Request #: Original Subpoena	Request #: Amended Subpoena	ALJ objection to the original request	Bebo's response to the objections or revision to the original request
ALC	7	1	No apparent relevance and the request is overbroad because it presumably seeks a large number of telephone records irrelevant to the OIP.	<p>Bebo has revised this Request to limit the time frames to three key periods. Each of these time frames is relevant to the allegations in the OIP and the documents requested are necessary for Bebo to defend against the OIP allegations.</p> <p>(a) January 1, 2009-February 28, 2009: ALC seeks advice of counsel regarding ALC's rental of rooms at Ventas facilities related to employees and others. ALC also communicates via telephone and e-mail with Ventas regarding the same. (See OIP, ¶¶ 22-25.) Indeed, although conveniently omitted from the allegations of the OIP, Ms. Bebo had a specific conversation with Joseph Solari of Ventas on January 20, 2009 where, among other things, she discussed ALC's rental of rooms at Ventas facilities related to employees and others - the arrangement which the Division has characterized as a "scheme" in hindsight.</p> <p>(b) July 1, 2011-August 31, 2011: ALC receives an SEC Comment letter in late July, responds to the Comment letter with the assistance of its external auditors and counsel. There is conflicting testimony with respect to whether and to what extent ALC's outside counsel discussed the response by telephone. Advice received in relation to the SEC Comment letter is directly relevant to the SEC's claims that Bebo caused false and misleading disclosures in ALC's periodic filings (See OIP ¶¶ 41-46) ; and</p> <p>(c) March 1, 2012-May 29, 2012: the SEC asserts that the purported "scheme" unraveled in this time frame. These documents are critical to showing that the</p>

				ALC Board was aware of the employee leasing and that it was not a scheme created by management. (See OIP ¶¶ 51-54).
ALC	8	2	See above	See above
Ventas	2	1	No apparent relevance and outside the scope of the OIP as they seek documents from 2005-2007.	ALC stepped into the shoes of the previous tenant, Old CaraVita. The OIP makes numerous allegations with respect to ALC's reporting under the lease to Ventas, including that it included employees, that at times they reported occupancy over 100%, and that the facility financials failed to comply with GAAP. The implication is Ventas would not accept this reporting, but this is contradicted by their past practice with the previous tenant, Old CaraVita.. Ms. Bebo believes the evidence will establish that Old CaraVita engaged in practices in terms of lease reporting that (a) included employees in the covenant calculations; (b) included reports with over 100% occupancy; (c) included non-GAAP financials; and (d) shifted expenses from the financials of the facility to an affiliated home health company. Ms. Bebo believes all of this was known to Ventas, and she should be permitted document subpoenas to obtain this evidence that contradicts the Division's theory of the case. As such, these requests are both relevant and narrowly tailored.
Ventas	3	2	See above	See above
Ventas	4	3	See above	See above
Ventas	5	4	Overbroad because it is not sufficiently limited in subject matter.	Bebo has narrowed both the time frame and the subject matter for this request. The documents requested are limited to those that address the SEC investigation of ALC and its purported use of employees in occupancy counts at Ventas properties. These documents are critical to developing an understanding of Ventas'

				knowledge of the allegations in the OIP, specifically those in ¶¶ 22-27.
Ventas	9	5	Overbroad because it is not sufficiently limited in subject matter.	See above
Ventas	10	6	No apparent relevance as it involves parties to Ventas leases other than ALC; and excessive in scope because it seeks documents dating to January 2007.	This information is relevant to Bebo's defense because it supports her challenge to the assertions of Ventas representatives with respect to the company's purported practice of not waiving covenants or reaching other accommodations with tenants. Bebo is entitled to obtain evidence necessary to challenge these assertions. The request is narrowly tailored to seek these documents during the time frame from when ALC began a tenant of Ventas until the last purportedly false and misleading disclose. (See OIP ¶ 41.)
Ventas	11	7	See above	See above
Ventas	12	8	See above	See above
Ventas	13	9	See above	See above
Ventas	14	10	See above	See above
Ventas	15	11	See above	See above
Ventas	16	12	See above	The OIP asserts that Ventas paid close attention to ALC's compliance and asked questions about ALC's operations; however, Ms. Bebo believes the documents requested will show that the basis for Ventas' interest was primarily for the purpose of mining for information that it could use to boost its own properties elsewhere that were in competition with ALC's properties. (See OIP ¶ 20). Bebo's request is limited in

				that it only seeks documents regarding Ventas' other Senior Housing Communities during the time when ALC was a Ventas tenant. Based on a review of Ventas' SEC filings, this should include only a handful of operators (approximately 6-8).
Ventas	21	13	See above	The requested information will further support that Ventas was a competitor of ALC and it had Senior Housing Communities that were located such that they were in direct competition with ALC's properties. This showing supports that Ventas used its quarterly calls to gather non-public information from ALC about its sales and marketing initiatives and administration of its properties, and that Ms. Bebo was appropriately circumspect during those conversations because it was in the best interests of ALC. Bebo's request is limited in that it only seeks documents regarding Ventas' other Senior Housing Communities during the time when ALC was a Ventas tenant.
Ventas	24	14	See above	The requested information goes to support the contention that ALC was the operator of only a small portion of its Senior Housing Communities segment and an extremely minor part of Ventas' (and ALC's) business. Because ALC was not a credit risk for rental payments, this information goes to refute the implications of the OIP that Ventas either did not or would not have agreed to the practice utilized by ALC to meet the covenants. Bebo's request is narrowly tailored to only seek documents regarding Ventas' other Senior Housing Communities during the time when ALC was a Ventas tenant.
Ventas	n/a	15	New request added to the amended	This is a new request that relates to information requested in request number 26 in the original subpoena. This request,

			subpoena	seeking additional information relating to the sale of the Ventas properties and the accounting treatment of the sale, pertains to a matter alleged in the OIP.
Q&B	2	1	No apparent relevance	One of Bebo's defenses is that she relied on the advice of counsel. Bebo seeks the billing records because they likely contain admissible evidence with respect to whether Quarles & Brady advised Bebo and/or ALC regarding the SEC Comment letter in July and August 2011, covenant compliance in connection with the Ventas lease, and ALC's disclosures in its SEC filings regarding the same. The Request is narrowly tailored to the appropriate time frame (July 2011-May 2012).

Dated this 4th day of February, 2015.

REINHART BOERNER VAN DEUREN S.C.
Counsel for Respondent Laurie Bebo

By: 

Ryan S. Stippich
IL State Bar No.: 6276002
Mark A. Cameli
WI State Bar ID No. 1012040

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Milwaukee, WI 53202
Telephone: 414-298-1000
Facsimile: 414-298-8097
E-mail: rstippich@reinhardt.com



Custom capital tailored for growth.

CONFIDENTIAL

June 5, 2007

Mr. Josh Coughlin
Chief Executive Officer
BBLRG, LLC d/b/a CaraVita
9755 Dogwood Road
Suite 300
Roswell, GA 30075

Dear Josh:

Ray Lewis and Joe Solari debriefed me about your meeting on May 30, 2007 during which you informed them about the strategic opportunities associated with Project Butterfly that you, Beth and Assisted Living Concepts ("ALC") are considering. As always, Ventas appreciates your candor and willingness to keep us "in the loop." We believe those traits have served both CaraVita and Ventas well. Ventas also respects the need for confidentiality during this process. Thus, Ventas will conduct itself with the utmost discretion as it relates to Project Butterfly.

During the meeting, you requested two points for Ventas to consider. Let me address those two points.

1. We understand that the proposed transaction, if approved by Ventas, would result in ALC stepping into the lessee role of the Master Lease between BBLRG, LLC and Ventas, dated as of April 1, 2005, as it has been amended (the "Lease"). While we have yet to conduct the necessary organizational and other due diligence that will of course be required prior to making a decision about the approval of the proposed transaction, and while there can be no assurance that required committee approval will be granted when and if requested, we are hopeful, based on our preliminary discussions with you, that we would be able to develop the same strong relationship with ALC as presently exists with BBLRG.
2. You have requested that Ventas provide to you for review by ALC the Phase I Assessment Reports and Property Condition Assessment Reports that were completed by our outside consultants, EMG Corp, as part of Ventas' due diligence related to the sale/leaseback transaction of April 1, 2005. Ventas will turn these reports over to you, and you may deliver them to ALC, upon delivery to Ventas of the acknowledgement attached hereto as Exhibit A, executed by ALC.

Josh, we look forward to getting updates with regard to Project Butterfly. Please feel free to contact me, Ray or Joe if you have any further questions for us as the process continues.

Sincerely,

Timothy A. Doman
Senior Vice President, Asset Management
Ventas, Inc.



Exhibit A

Acknowledgement of Non-Reliance

Assisted Living Concepts ("ALC") hereby acknowledges and agrees that (i) those certain Phase I Assessment Reports and Property Condition Assessment Reports performed by EMG Corp and identified as Job Numbers _____ (the "Reports") should not and may not be relied upon by ALC or any other party, (ii) ALC will need to conduct its own due diligence and reach its own conclusions with respect to the property that is the subject of the Reports, (iii) neither Ventas Realty, Limited Partnership nor any of its affiliates (collectively, "Ventas") makes any representations or warranties of any kind with respect to such Reports or any other information provided by or on behalf of Ventas with respect to or in connection with the properties that are the subject of the reports or the lease of such properties, and (iv) Ventas is providing copies of the Reports to ALC in reliance upon the foregoing acknowledgements and agreements.

ASSISTED LIVING CONCEPTS

By: _____

Name: _____

Its: _____

From: Johnson, William
Sent: Thursday, September 04, 2008 4:03 PM
To: Doman, Timothy
Cc: Sims, Joseph
Subject: ALC - 2008 Budget vs Actual with YOY Comparison - 2Q08.xls
Attachments: ALC - 2008 Budget vs Actual with YOY Comparison - 2Q08.xls

Tim,

I had Maria put me on your calendar for 4:00 ET but it appears you're tied up. As you know, I have scheduled a qtrly conference call with ALC tomorrow. I was hoping to circle up with you since you won't be on the call.

YOY is horrible but it's partly due because Josh was using beds we now have ALC using units. However, even ALC's occupancy trend from January 2008 through June 2008 is concerning with the majority of the properties.

**CaraVita 2008 YTD
Occupancy**

Property	1Q08	Apr-08	May-08	Jun-08	2Q08	Variance YTD from 1Q2008 to 2Q2008
Winterville	93.5%	88.3%	82.1%	77.5%	82.6%	-10.9%
Greenwood Gardens	82.6%	80.5%	78.7%	73.1%	77.4%	-5.2%
Highland Terrace	89.5%	88.6%	82.5%	80.8%	84.0%	-5.5%
Peachtree Estates	86.1%	83.8%	75.7%	73.8%	77.8%	-8.3%
Tara Plantation	95.8%	97.5%	92.2%	86.3%	92.0%	-3.8%
The Inn at Seneca	80.4%	83.9%	85.1%	86.3%	85.1%	4.7%
CaraVita Village	90.0%	87.3%	88.6%	91.3%	89.1%	-0.9%
The Sanctuary at Northstar	87.3%	83.1%	79.7%	78.0%	80.3%	-7.0%
Total Portfolio	88.7%	86.8%	84.2%	82.8%	84.6%	-4.1%

-waj



	2007 Actual													2007				
	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	FY 2007	1Q07	2Q07	3Q07	4Q07	FY 2007
Occupancy	97.3%	97.3%	97.3%	100.6%	100.6%	100.6%	101.3%	101.3%	101.3%	104.4%	104.4%	104.4%	100.9%	99.3%	100.6%			99.0%
Revenue	151,207	151,207	151,207	157,589	157,589	157,589	159,020	159,020	159,020	162,890	162,890	162,890	1,892,119	453,622	472,766			926,388
Operating Expenses	80,924	80,924	80,924	81,533	81,533	81,533	82,884	82,884	82,884	82,106	82,106	82,100	982,340	242,771	244,598			487,369
EBITDARV	70,284	70,284	70,284	76,056	76,056	76,056	76,136	76,136	76,136	80,784	80,784	80,784	909,779	210,851	228,168			439,019
5% Mgmt. Fee	7,560	7,560	7,560	7,874	7,874	7,874	7,951	7,951	7,951	8,145	8,145	8,145	94,606	22,661	23,639			46,300
EBITDAR	62,723	62,723	62,723	68,177	68,177	68,177	68,185	68,185	68,185	72,639	72,639	72,639	815,173	188,190	204,530			392,720
Cash Rent	59,699	59,699	60,272	61,089	61,089	61,089	61,089	61,089	61,089	61,089	61,089	61,089	729,275	179,471	183,268			362,739
EBITDARM Coverage	1.18x	1.15x	1.17x	1.24x	1.24x	1.24x	1.25x	1.25x	1.25x	1.32x	1.32x	1.32x	1.25x	1.17x	1.24x			1.21x
EBITDAR Coverage	1.05x	1.05x	1.04x	1.12x	1.12x	1.12x	1.12x	1.12x	1.12x	1.19x	1.19x	1.19x	1.12x	1.05x	1.12x			1.08x
EBITDARM Margin	46.5%	46.5%	46.5%	48.3%	48.3%	48.3%	47.9%	47.9%	47.9%	49.6%	49.6%	49.6%	48.1%	46.5%	48.3%			47.4%

	2008 Actual													2008				
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	YTD 2008	1Q08	2Q08	3Q08	4Q08	FY 2007
Occupancy	93.6%	93.6%	93.6%	88.3%	82.1%	77.5%							88.1%	93.6%	82.6%			83.1%
Revenue	160,000	160,000	160,000	154,745	180,743	140,481							925,997	480,027	445,970			925,997
Operating Expenses	78,413	78,413	78,413	80,319	85,475	87,240							488,274	235,240	253,034			488,274
EBITDARV	81,586	81,586	81,586	74,426	95,268	53,242							437,723	244,787	192,936	0	0	437,723
5% Mgmt. Fee	8,000	8,000	8,000	7,737	7,537	7,024							46,300	24,001	22,298	0	0	46,300
EBITDAR	73,586	73,586	73,586	66,689	87,731	46,218							391,423	220,786	170,637	0	0	391,423
Cash Rent	61,089	61,089	61,775	62,617	62,617	62,617							371,809	183,958	187,850			371,809
EBITDARM Coverage	1.34x	1.34x	1.32x	1.19x	1.04x	0.85x							1.18x	1.33x	1.03x			1.18x
EBITDAR Coverage	1.20x	1.20x	1.19x	1.07x	0.92x	0.74x							1.05x	1.20x	0.91x			1.05x
EBITDARM Margin	51.0%	51.0%	51.0%	46.1%	43.3%	37.9%							47.3%	51.0%	43.3%			47.3%

	Variance													2007				
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	FY 2007	1Q08	2Q08	3Q08	4Q08	FY 2007
Occupancy	-3.8%	-3.6%	-3.6%	-12.3%	-19.5%	-23.1%							-10.9%	-3.8%	-18.0%			-10.9%
Revenue	8,802	8,802	8,802	(2,344)	(8,945)	(17,107)							(391)	26,405	(26,796)			(391)
Operating Expenses	2,510	2,510	2,510	1,214	(3,943)	(5,707)							(905)	7,531	(8,436)			(905)
EBITDARV	11,312	11,312	11,312	(1,630)	(10,788)	(22,814)							(1,296)	33,936	(35,232)	0	0	(1,296)
5% Mgmt. Fee	(440)	(440)	(440)	142	342	855							20	(1,320)	1,340	0	0	20
EBITDAR	10,872	10,872	10,872	(1,488)	(10,445)	(21,969)							(1,276)	32,616	(33,892)	0	0	(1,276)
Cash Rent	(1,490)	(1,490)	(1,507)	(1,527)	(1,527)	(1,527)							(9,068)	(4,487)	(4,562)			(9,068)
EBITDARM Coverage	0.16x	0.16x	0.15x	-0.06x	-0.20x	-0.38x							-0.03x	0.15x	-0.22x			-0.03x
EBITDAR Coverage	0.15x	0.15x	0.15x	-0.05x	-0.19x	-0.38x							-0.03x	0.15x	-0.21x			-0.03x
EBITDARM Margin	4.5%	4.5%	4.5%	-0.2%	-0.2%	-10.4%							-0.1%	4.5%	-5.0%			-0.1%

	Trends											
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
PY Average Mo. Rate	3,047	3,047	3,047	3,072	3,072	3,072	3,078	3,078	3,078	3,059	3,059	3,059
CY Average Mo. Rate	3,356	3,356	3,356	3,436	3,600	3,554						
Mo. Rate (YOY)	10.1%	10.1%	10.1%	11.6%	17.2%	15.7%						
Mo. Rate (Seq)	9.7%	0.0%	0.0%	2.4%	4.8%	-1.3%						
YTD Mo. Rate (YOY)	10.1%	10.1%	10.1%	10.6%	11.9%	12.5%						
Revenue (YOY)	5.8%	5.8%	5.8%	-1.6%	-4.3%	-10.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue (Seq)	-1.8%	0.0%	0.0%	-3.3%	-2.6%	-8.8%	-100.0%					
YTD Revenue (YOY)	5.8%	5.8%	5.8%	3.9%	2.2%	0.0%	-14.7%	-25.6%	-34.0%	-40.9%	-46.5%	-51.1%
Expenses (YOY)	-3.1%	-3.1%	-3.1%	-1.5%	4.8%	7.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Expenses (Seq)	-4.5%	0.0%	0.0%	2.4%	6.4%	2.1%	-100.0%					
YTD Expenses (YOY)	-3.1%	-3.1%	-3.1%	-2.7%	-1.2%	0.2%	-14.4%	-25.2%	-33.7%	-40.3%	-45.8%	-50.3%
EBITDARV (YOY)	16.1%	16.1%	16.1%	-2.1%	-14.2%	-30.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
EBITDARV (Seq)	1.0%	0.9%	0.0%	-8.6%	-12.3%	-18.4%	-100.0%					
YTD EBITDARV (YOY)	16.1%	16.1%	16.1%	11.3%	5.6%	-0.3%	-15.0%	-28.0%	-34.4%	-41.5%	-47.2%	-51.6%

	TTM			
	TTM	T3M	T6M	T3M
Occupancy	95.5%	93.5%	68.1%	82.8%
Revenue	1,891,728	1,866,222	1,851,993	1,783,878
Operating Expenses	983,245	979,457	978,547	1,012,135
EBITDARV	908,483	906,765	873,446	771,744
5% Mgmt. Fee	94,586	94,311	92,600	89,194
EBITDAR	813,897	812,454	780,846	682,550
Cash Rent	736,344	740,101	743,615	751,399

2007 Actual	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	FY 2007	1Q07	2Q07	3Q07	4Q07	FY 2007
	Occupancy	95.2%	95.2%	95.2%	97.1%	97.1%	97.1%	99.0%	99.0%	99.0%	101.0%	101.0%	101.0%	98.1%	99.9%	97.1%		
Revenue	223,545	223,545	223,545	222,631	222,831	222,831	222,230	222,230	222,230	228,405	228,405	228,405	2,691,036	670,636	668,494			1,339,130
Operating Expenses	116,366	116,366	116,366	113,684	113,684	113,684	115,952	115,952	115,952	119,512	119,512	119,512	1,396,572	345,098	341,062			690,160
EBITDARM	107,179	107,179	107,179	109,137	109,137	109,137	106,278	106,278	106,278	108,893	108,893	108,893	1,294,464	325,538	327,412			648,970
% Mgmt Fee	11,177	11,177	11,177	11,142	11,142	11,142	11,112	11,112	11,112	11,420	11,420	11,420	134,552	33,532	33,425			66,957
EBITDAR	96,002	96,002	96,002	97,995	97,995	97,995	95,167	95,167	95,167	97,473	97,473	97,473	1,159,912	288,006	293,987			581,993
Cash Rent	72,471	72,471	73,665	75,158	75,330	75,330	75,330	75,330	75,330	75,330	75,330	75,330	896,421	218,627	225,818			444,444
EBITDARM Coverage	1.48x	1.48x	1.45x	1.45x	1.45x	1.45x	1.41x	1.41x	1.41x	1.45x	1.45x	1.45x	1.44x	1.47x	1.45x			1.46x
EBITDAR Coverage	1.32x	1.32x	1.30x	1.30x	1.30x	1.30x	1.26x	1.26x	1.26x	1.29x	1.29x	1.29x	1.29x	1.32x	1.30x			1.31x
EBITDARM Margin	47.9%	47.9%	47.9%	49.0%	49.0%	49.0%	47.8%	47.8%	47.8%	47.7%	47.7%	47.7%	48.1%	47.9%	49.0%			48.5%

2008 Actual	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	YTD 2008	1Q08	2Q08	3Q08	4Q08	FY 2007
	Occupancy	95.8%	95.8%	95.8%	97.5%	92.2%	86.3%							93.9%	95.6%	92.0%		
Revenue	241,818	241,818	241,818	243,981	225,815	219,007							1,414,257	725,454	688,803			1,414,257
Operating Expenses	122,499	122,499	122,499	121,678	120,541	127,495							737,210	367,497	369,714			737,210
EBITDARM	119,319	119,319	119,319	122,303	105,274	91,512							677,046	357,957	319,089	0	0	677,046
% Mgmt Fee	12,091	12,091	12,091	12,199	11,291	10,650							70,713	36,273	34,440	0	0	70,713
EBITDAR	107,228	107,228	107,228	110,104	93,983	80,862							606,334	321,684	284,649	0	0	606,334
Cash Rent	75,330	75,330	76,160	77,213	77,213	77,213							458,477	226,839	231,638			458,477
EBITDARM Coverage	1.55x	1.58x	1.57x	1.58x	1.36x	1.19x							1.48x	1.58x	1.38x			1.48x
EBITDAR Coverage	1.42x	1.42x	1.41x	1.43x	1.22x	1.04x							1.32x	1.42x	1.23x			1.32x
EBITDARM Margin	49.3%	49.3%	49.3%	50.1%	48.6%	41.8%							47.9%	49.3%	46.3%			47.9%

Variance	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	FY 2007	1Q08	2Q08	3Q08	4Q08	FY 2007
	Occupancy	0.6%	0.6%	0.6%	0.4%	-4.6%	-10.8%							-2.3%	0.6%	-5.1%		
Revenue	18,273	18,273	18,273	21,150	2,984	(3,625)							75,127	54,818	20,309			75,127
Operating Expenses	(6,133)	(6,133)	(6,133)	(7,994)	(6,847)	(13,801)							(47,030)	(18,333)	(28,632)			(47,030)
EBITDARM	12,140	12,140	12,140	13,156	(3,863)	(17,625)							28,096	36,415	(8,323)	0	0	28,096
% Mgmt Fee	(914)	(914)	(914)	(1,057)	(149)	131							(3,756)	(2,741)	(1,015)	0	0	(3,756)
EBITDAR	11,226	11,226	11,226	12,108	(4,012)	(17,434)							24,340	33,676	(9,338)	0	0	24,340
Cash Rent	(2,859)	(2,859)	(2,495)	(2,054)	(1,883)	(1,883)							(14,033)	(8,212)	(5,821)			(14,033)
EBITDARM Coverage	0.11x	0.11x	0.11x	0.13x	-0.09x	-0.26x							0.02x	0.11x	-0.07x			0.02x
EBITDAR Coverage	0.10x	0.10x	0.10x	0.12x	-0.08x	-0.26x							0.01x	0.10x	-0.07x			0.01x
EBITDARM Margin	1.4%	1.4%	1.4%	1.2%	-2.4%	-7.2%							-0.6%	1.4%	-2.7%			-0.6%

Trends	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
	PY Average Mo. Rate	3.787	3.787	3.787	3.701	3.701	3.701	3,621	3,621	3,621	3,647	3,647
CY Average Mo. Rate	4.071	4.071	4.071	4.036	3.950	4.093						
Mo. Rate (YOY)	7.5%	7.5%	7.5%	5.0%	6.7%	10.6%						
Mo. Rate (Seq)	11.6%	0.0%	0.0%	-0.9%	-2.1%	3.6%						
YTD Mo. Rate (YOY)	7.5%	7.5%	7.5%	7.9%	7.6%	3.1%						
Revenue (YOY)	8.2%	8.2%	8.2%	9.5%	1.3%	-1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue (Seq)	5.9%	0.0%	0.0%	0.8%	-7.4%	-3.0%	-100.0%	-9.4%	-20.7%	-28.5%	-36.7%	-42.6%
YTD Revenue (YOY)	8.2%	8.2%	8.2%	8.5%	7.1%	5.6%						
Expenses (YOY)	5.3%	5.3%	5.3%	7.0%	6.0%	12.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Expenses (Seq)	2.5%	0.0%	0.0%	-0.7%	-0.9%	5.8%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
YTD Expenses (YOY)	5.3%	5.3%	5.3%	5.7%	5.8%	6.6%						
EBITDARM (YOY)	11.3%	11.3%	11.3%	12.1%	-3.5%	-15.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
EBITDARM (Seq)	9.6%	0.0%	0.0%	2.5%	-13.0%	-13.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
YTD EBITDARM (YOY)	11.3%	11.3%	11.3%	11.5%	8.5%	4.3%						

TTM	TTM	T9M	T6M	T3M
	Occupancy	97.0%	96.3%	93.9%
Revenue	2,766,163	2,709,297	2,825,514	2,755,212
Operating Expenses	1,443,602	1,400,995	1,474,421	1,478,854
EBITDARM	1,322,560	1,308,302	1,351,093	1,276,357
% Mgmt Fee	138,508	139,965	141,426	137,761
EBITDAR	1,184,052	1,168,337	1,209,667	1,138,597
Cash Rent	910,455	912,621	916,955	926,553

		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	FY 2007	1Q07	2Q07	3Q07	4Q07	FY 2007
2007 Actual	Occupancy	97.8%	97.6%	97.8%	98.2%	98.2%	98.2%	100.2%	100.2%	100.2%	102.6%	102.6%	102.6%	99.7%	0.97%	98.2%	98.2%	98.2%	98.0%
	Revenue	172,159	172,159	172,155	173,014	173,014	173,014	184,138	184,138	184,138	188,591	188,591	189,591	2,153,705	516,477	519,043			1,035,520
	Operating Expenses	105,266	105,266	105,266	107,097	107,097	107,097	111,285	111,285	111,285	107,753	107,753	107,753	1,294,201	315,797	321,290			637,087
	EBITDARM	66,893	66,893	66,889	65,918	65,918	65,918	72,853	72,853	72,853	80,838	80,838	80,838	859,504	200,680	197,753			398,433
	5% Mgmt. Fee	5,608	5,608	5,609	5,651	5,651	5,651	9,207	9,207	9,207	9,430	9,430	9,430	107,989	25,824	25,952			51,776
	EBITDAR	59,285	59,285	59,285	57,267	57,267	57,267	63,646	63,646	63,646	71,408	71,408	71,408	751,515	174,856	171,801			346,657
	Cash Rent	50,706	50,706	52,307	54,251	54,796	54,796	54,796	54,796	54,796	54,796	54,796	54,796	646,258	153,720	163,823			317,543
	EBITDARM Coverage	1.32x	1.32x	1.28x	1.22x	1.20x	1.20x	1.33x	1.33x	1.33x	1.48x	1.48x	1.48x	1.33x	1.31x	1.21x			1.25x
	EBITDAR Coverage	1.15x	1.15x	1.11x	1.06x	1.05x	1.05x	1.16x	1.16x	1.16x	1.30x	1.30x	1.30x	1.16x	1.14x	1.05x			1.09x
	EBITDARM Margin	38.9%	38.9%	38.9%	38.1%	35.1%	38.1%	39.6%	39.6%	39.6%	42.9%	42.9%	42.9%	39.9%	38.9%	38.1%			38.5%

		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	YTD 2008	1Q08	2Q08	3Q08	4Q08	FY 2007
2008 Actual	Occupancy	87.3%	87.3%	87.3%	83.1%	79.7%	76.0%							83.8%	87.3%	83.3%			83.8%
	Revenue	188,324	188,324	188,324	176,575	163,898	160,370							1,065,724	564,971	500,753			1,065,724
	Operating Expenses	107,017	107,017	107,017	107,802	97,068	99,270							625,191	321,051	304,140			625,191
	EBITDARM	81,307	81,307	81,307	68,773	66,740	61,099							440,533	243,920	196,613	0	0	440,533
	5% Mgmt. Fee	9,416	9,416	9,416	8,829	8,190	8,018							53,286	28,249	25,035	0	0	53,286
	EBITDAR	71,891	71,891	71,891	59,944	58,550	53,081							387,247	215,672	171,578	0	0	387,247
	Cash Rent	54,786	54,786	55,404	56,156	56,156	56,156							333,443	164,976	168,467			333,443
	EBITDARM Coverage	1.48x	1.48x	1.47x	1.22x	1.13x	1.09x							1.32x	1.48x	1.17x			1.32x
	EBITDAR Coverage	1.31x	1.31x	1.30x	1.07x	0.95x								1.16x	1.31x	1.02x			1.16x
	EBITDARM Margin	43.2%	43.2%	43.2%	38.9%	40.7%	38.1%							41.3%	43.2%	39.3%			41.3%

		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	FY 2007	1Q08	2Q08	3Q08	4Q08	FY 2007
Variance	Occupancy	-10.5%	-10.5%	-10.5%	-15.1%	-18.5%	-20.2%							-14.2%	-10.5%	-17.9%			-14.2%
	Revenue	16,165	16,165	16,165	3,561	(9,206)	(12,044)							30,205	48,494	(18,289)			30,205
	Operating Expenses	(1,751)	(1,751)	(1,751)	(795)	10,029	7,826							11,895	(5,251)	17,149			11,895
	EBITDARM	14,413	14,413	14,413	2,556	823	(4,818)							42,106	43,240	(1,140)	0	0	42,106
	5% Mgmt. Fee	(809)	(809)	(809)	(178)	460	632							(1,510)	(2,425)	914	0	0	(1,510)
	EBITDAR	13,604	13,604	13,604	2,677	1,283	(4,186)							40,596	40,815	(220)	0	0	40,596
	Cash Rent	(4,080)	(4,080)	(3,097)	(1,904)	(1,370)	(1,370)							(15,900)	(11,296)	(4,643)			(15,900)
	EBITDARM Coverage	0.16x	0.16x	0.19x	0.01x	-0.01x	-0.12x							0.07x	0.17x	-0.04x			0.07x
EBITDAR Coverage	0.16x	0.16x	0.18x	0.01x	0.00x	-0.10x							0.07x	0.17x	-0.03x			0.07x	
EBITDARM Margin	4.3%	4.3%	4.3%	0.8%	2.6%	0.0%							2.9%	4.3%	1.2%			2.9%	

		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Trends	PY Average Mo. Rate	35,206	35,206	35,206	35,237	35,237	35,237	36,754	36,754	36,754	36,762	36,762	36,762
	CY Average Mo. Rate	43,144	43,144	43,144	42,497	41,106	41,120						
	Mo. Rate (YOY)	22.5%	22.5%	22.5%	20.8%	16.7%	16.7%						
	Mo. Rate (Seq)	17.4%	0.0%	0.0%	-1.5%	-3.3%	0.0%						
	YTD Mo. Rate (YOY)	22.5%	22.5%	22.5%	22.1%	21.0%	20.3%						
	Revenue (YOY)	9.4%	5.4%	9.4%	2.1%	-5.3%	-7.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Revenue (Seq)	-0.1%	0.0%	0.0%	-8.2%	-7.2%	-2.1%	-100.0%					
	YTD Revenue (YOY)	8.4%	5.4%	9.4%	7.6%	5.0%	2.9%	-12.6%	-24.1%	-32.9%	-40.0%	-45.8%	-50.5%
	Expenses (YOY)	1.7%	1.7%	1.7%	0.7%	-9.4%	-7.3%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
	Expenses (Seq)	-0.7%	0.0%	0.0%	0.7%	-10.0%	2.3%	-100.0%					
	YTD Expenses (YOY)	1.7%	1.7%	1.7%	1.4%	-0.8%	-1.9%	-16.5%	-27.3%	-35.6%	-42.0%	-47.3%	-51.7%
	EBITDARM (YOY)	21.5%	21.5%	21.5%	4.3%	1.2%	-7.3%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
EBITDARM (Seq)	0.6%	0.0%	0.0%	-15.4%	-3.0%	-8.5%	-100.0%						
YTD EBITDARM (YOY)	21.5%	21.5%	21.5%	17.3%	14.1%	10.6%	-6.5%	-19.0%	-28.6%	-36.9%	-43.4%	-46.7%	

TTM	TTM	T9M	T6M	T3M	
	Occupancy	92.6%	90.1%	83.8%	80.3%
	Revenue	2,183,909	2,175,328	2,131,448	2,003,013
	Operating Expenses	1,382,305	1,264,600	1,250,382	1,216,581
	EBITDARM	801,604	910,728	881,066	786,451
	5% Mgmt. Fee	109,196	108,766	106,572	100,151
	EBITDAR	792,408	801,962	774,494	686,301
Cash Rent	662,158	663,734	666,885	673,860	

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 2
 3 In the Matter of:)
 4) File No. C-07948-A
 5 ASSISTED LIVING CONCEPTS, INC.)
 6
 7 WITNESS: Joseph Solar
 8 PAGES: 1 through 146
 9 PLACE: Securities and Exchange Commission
 10 175 West Jackson Boulevard, Room 9152
 11 Chicago, Illinois 60604
 12 DATE: Monday, January 13, 2014
 13
 14 The above-entitled matter came on for hearing,
 15 pursuant to notice, at 9:40 a.m.
 16
 17
 18
 19
 20
 21
 22
 23
 24 Diversified Reporting Services, Inc.
 25 (202) 467-9200

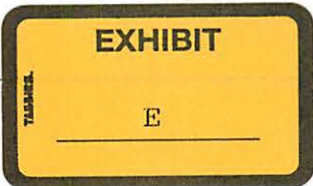
C O N T E N T S

2
 3 WITNESS: EXAMINATION
 4 Joseph Solari 4
 5
 6 EXHIBITS: DESCRIPTION IDENTIFIED
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 8 371 Background Questionnaire 9
 9 372 VSEC11825 through VSEC11826 48
 10 373 ALC77776 54
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 19 382 ALC81874 81
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 21 384 ALC95136, ALC96252 through ALC96253 136
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 2
 3
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 18 200 West Madison Street
 19 Suite 3900
 20 Chicago, IL 60606
 21 (312) 629-7339
 22
 23
 24
 25

P R O C E E D I N G S

1
 2 MR. TANDY: We're on the record on January 13,
 3 2014 at 9:40 a.m.
 4 Please raise your right hand.
 5 Whereupon,
 6 JOSEPH SOLARI
 7 was called as a witness and, having been first duly
 8 sworn, was examined and testified as follows:
 9 EXAMINATION
 10 BY MR. TANDY:
 11 Q Please state your full name and spell it for
 12 the record.
 13 A Joseph Solari, S-o-l-a-r-i.
 14 Q My name is Scott Tandy, this is Tom Vincus and
 15 Jean Javorski. We are all officers of the Commission for
 16 purposes of this proceeding.
 17 This is an investigation by the United States
 18 Securities and Exchange Commission and in the matter of
 19 Assisted Living Concepts, Inc., C-7948, to determine
 20 whether there have been violations of certain provisions
 21 of the Federal Securities laws. However, the facts
 22 developed in this investigation might constitute
 23 violations of other federal or state's, civil or criminal
 24 laws.
 25 Prior to the opening of the record, you were



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1 A I may have, I just can't recall.
2 MR. VINCUS: Given that Sunwest was in
3 bankruptcy, it might have gone the other way.
4 BY MR. TANDY:
5 Q At the time, was, was the Sunwest bankruptcy
6 of, like your, the one and only issue you were dealing
7 with?
8 A No.
9 Q Was it, as far as your responsibilities, was it
10 a small part of your responsibilities at the time, a big?
11 A Small. Small.
12 Q There were lots of other things on your plate?
13 A Well, I few other things, I, during this time
14 period, we weren't doing any acquisitions. The
15 acquisitions were pretty much on hold. So, I was getting
16 more involved, just to stay busy with special projects,
17 for lack of a better word. And this was one of my
18 special projects.
19 Q There were other special projects as well,
20 though?
21 A Yes.
22 Q Are you aware of whether Debbie Cafaro ever
23 indicated to ALC that they were only to speak with you
24 about the CaraVita properties?
25 A I was not aware of that.

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1 Q ALC witnesses claim that at that meeting in
2 November, that Debbie Cafaro specifically told them that
3 they should only be in contact with you about the
4 CaraVita properties and nobody else. Does, does that
5 refresh your recollection as to whether she said that?
6 A No.
7 Q Would it have made any sense for her to say
8 that?
9 A Possibly. Yes.
10 Q Why would that be?
11 A Just so that everything was funneled through
12 one person for efficiency and organizational purposes.
13 Q So it would make, in that respect, you know,
14 squeezing Bill Johnson out of the relationship for this
15 time period would have made some sense?
16 A I don't think she nor I would have viewed it as
17 squeezing him out. I think Bill would still be involved,
18 intimately involved on anything and everything that we
19 would end up doing with ALC. I believe, if she made that
20 statement, she made it probably, and again, I'm
21 speculating, so that it was just efficient
22 organizationally, and, and, and, and productive.
23 Q I'm going to hand you a series of three
24 documents that all go together. I'm handing the witness
25 what's been marked as Commission Exhibit 374. It's

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1 VSEC11982. I'm handing the witness what's been marked as
2 CommissionExhibit 375, which is ALC79026 through 27.
3 And I'm handing the witness what's been marked as
4 CommissionExhibit 376. It's VSEC12093 through 094.
5 (SEC Exhibit Nos. 374 through
6 376 were marked for
7 identification.)
8 A Okay.
9 Q So, if you look at Exhibit 374, there's a
10 conference call purportedly it's a Ventas document that
11 purportedly scheduling a conference call with Laurie Bebo
12 and John Buono and you on January 20, 2009. Do you
13 remember having a call with them on that day?
14 A Not specifically on that day.
15 Q Do you know what the purpose of this call was?
16 A No, not that I can recall.
17 Q Do you remember independently anything that was
18 said on that call?
19 A Not specifically, no.
20 Q If you go back to Exhibit 376.
21 A Okay.
22 Q If you look at the bottom, there's an e-mail
23 from Laurie Bebo to you dated February 4, 2009 at
24 3:10 p.m. Did you receive that e-mail?
25 A I believe I did.

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1 Q Does this refresh your recollection as to what
2 was said on that conference call on January 20th?
3 A No, it doesn't.
4 Q If you turn to the fifth paragraph, which is
5 the first paragraph on the second page. It reads, in
6 addition to the potential hospice lease, we are also
7 converting our notification of our rental rooms to
8 employees. We confirm that all rentals are in the
9 ordinary course of business, dot, dot, dot. What did you
10 understand that paragraph to mean?
11 A I don't recall.
12 Q You don't recall at all?
13 A No.
14 Q Did you have an understanding that ALC was
15 leasing certain rooms at the CaraVita properties to
16 employees of ALC?
17 A I don't recall that conversation.
18 Q Did you agree during that call that ALC, in
19 calculating occupancy in, under the CaraVita lease could
20 include employees who stayed at the properties in lieu of
21 staying in a hotel?
22 A No.
23 Q You didn't agree to that?
24 A No.
25 Q Why would you say that if you don't remember

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1 the call?

2 A Because I, I would never agree to something

3 like that. I didn't have the authority to agree to it.

4 And even though I don't remember the specifics of the

5 call, I remember having a call, and I remember being

6 primary in listening mode and just listening while they

7 did most of the talking.

8 Q Okay. Did you waive the occupancy covenants

9 during that call?

10 A No, I did not.

11 Q Did you agree that ALC, during that call, that

12 ALC in calculating occupancy under the CaraVita lease

13 could include certain ALC employees and contractors for

14 whom the rooms had been set aside at the CaraVita

15 properties, even though those employees and contractors

16 did not actually stay at there?

17 A No, I did not agree to that.

18 Q And how do you know that?

19 A Because I would never agree to such a thing.

20 Q Is that because the covenants are, I think

21 you've expressed before of such importance, would you

22 have had to talk to somebody else to agree to that?

23 A Absolutely. Yes.

24 Q Who would you have had to talk to?

25 A Probably a combination of Tim Doman, Ray Lewis

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1 and Debbie Cafaro.

2 Q And why would you have had to talk to them?

3 You were a managing director.

4 A Because I don't believe anybody had the

5 authority to amend any lease terms with any operator,

6 unless Debbie Cafaro approved it.

7 Q What about if the, this was just a

8 clarification of who could be included in occupancy?

9 It's not, I mean, the argument has been made that you

10 weren't being asked to amend any lease terms, you were

11 just being asked whether certain types of people could or

12 couldn't be included in the occupancy calculation, under

13 lease as it's written. Would you still not have had the

14 authority to agree one way or another to that?

15 A Correct.

16 Q You still would have had to go to Debbie Cafaro

17 for a clarification of the lease terms?

18 A I might include Jill Lambert on that one

19 because it sounds like it's a legal interpretation. And

20 I wouldn't opine or comment on a legal interpretation of

21 the lease agreement.

22 Q Did Laurie Bebo tell you anything about

23 employees staying at the properties during the call?

24 A I have a very vague, vague recollection that

25 something was mentioned by her on that call. But I don't

Page 63

1 remember any specifics.

2 Q Okay. Did you agree, during that call, that

3 ALC in calculating occupancy, under the CaraVita lease

4 could include employees and contractors that were, when

5 Laurie Bebo determined that those people had a reason to

6 be at the CaraVita properties, even if they didn't

7 actually stay there?

8 A I did not agree to that.

9 Q Again, it would have been something that you

10 would have had to ask Debbie Cafaro and Tim Doman about?

11 And you don't recall asking them about either of those

12 things?

13 A No, I don't recall.

14 Q Did you agree, during that phone call that ALC,

15 in calculating occupancy under the CaraVita lease, could

16 include in, certain ALC employees as occupants of

17 multiple properties for the same time period, as long as

18 those employees had a reason to be at all the properties

19 during the time frame?

20 A I did not agree to that.

21 Q Does this make -- Laurie Bebo has claimed you

22 agreed to every single one of these things. This, she's

23 not telling the truth?

24 A It's not, it's not true, it's not true.

25 Q In your standard operating procedure, if this

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1 request had been made to you for such an agreement, what

2 would your standard operating procedure of been?

3 A To relay the request to other personnel at

4 Ventas that would have to weigh in on the decision,

5 namely Tim Doman, Ray Lewis, Debbie Cafaro.

6 Q And possibly Jill Lambert?

7 A And possibly Jill Lambert, correct.

8 Q At this time, did, were you aware that you were

9 going to be laid off?

10 A No.

11 Q They've suggested that somehow you were, they

12 being ALC witnesses, suggested that you were aware that

13 you were going to be laid off.

14 A No, it was a complete surprise. I wasn't aware

15 until the day it happened.

16 Q And that you somehow had become disenchanted

17 with Ventas and may have, for that reason, thrown caution

18 into the wind and agree to allow all of these different

19 types employees to be included in the occupancy

20 covenants.

21 A No. Not at all. Not true.

22 Q Did you agree, during the conference call with

23 Laurie Bebo and John Buono in January that ALC, in

24 calculating occupancy under the CaraVita lease, could

25 include persons who had once been ALC employees, but who

Page 65

1 were no longer employees during the time period for which
2 they were included as occupants?
3 A I did not agree to that.
4 Q What about just as a temporary, as a temporary
5 matter? They could, you know, if, did, did, could you
6 have agreed, as a standard operating procedure, could you
7 have agreed if they said, you know, we're a couple of
8 people short, and we've got a bunch of people staying
9 down there trying to, trying to right the ship on the
10 occupancy front and we're, we want to include those
11 people. Could you have agreed in that situation?
12 A No.
13 Q Did you have any, I mean, if they had wanted to
14 make any clarification at all, could you have agreed?
15 A No.
16 Q What about to the one, they're suggesting here,
17 in this e-mail, although they, they claim this e-mail
18 says a lot more, but in the e-mail, there's, they're
19 notifying, it says, in addition to the potential hospice
20 lease, we are confirming our notification of rental of
21 rooms to employees. So, they're just telling you that
22 they are renting rooms to employees. Could you have
23 agreed to that?
24 A No.
25 Q And why not?

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1 A Well, by agreeing to it, it sounds like I would
2 be implicitly approving it, and so, maybe you need to
3 restate your question for me, but I, I didn't agree to
4 them doing this. They obviously notified or are giving
5 me notification in this e-mail, but I don't remember
6 discussing that with them, other than in a very, I have a
7 very vague recollection that there was some mention of
8 her wanting to do this. But I wouldn't, I wouldn't agree
9 to it, and I didn't agree to it.
10 Q So, after receiving this e-mail, why not send
11 something back to her saying that, saying you're, you're
12 fourth paragraph is, well, let me ask, did you send a
13 response to this e-mail?
14 A I don't believe I did.
15 Q Why not challenge her assertion in the fourth
16 paragraph that she's, did you understand that she's
17 confirming notification to you, so she would, did you
18 have an understanding that she was throwing the ball in
19 your court, so to speak, for you to say either no or yes?
20 A My, my understanding is that she was throwing,
21 yes, the, more generally, throwing the ball into Ventas's
22 court.
23 Q Right.
24 A Is the way I would look at it, not my, not my
25 court, personally.

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1 Q Did you interpret this to, to be her seeking
2 approval of that practice? That this e-mail was her
3 attempt to get approval for renting rooms to employees?
4 A I believe she was looking to get approval on
5 that, as well as, some of the other issues in her e-mail.
6 Q Not that she had already obtained approval?
7 A Correct.
8 Q This was, you interpreted this e-mail as her
9 attempt to get Ventas's approval over both practices
10 referenced in the e-mail?
11 A Correct.
12 Q Did you ever tell Laurie Bebo that you didn't
13 care how many employees were staying at the properties,
14 as long as they were stay there at street rate or an arms
15 length negotiated rate?
16 A No, I did not.
17 Q That's again something that you couldn't have
18 agreed to?
19 A Correct.
20 Q Was there anything going on in your life in
21 January of 2009 that, that would have caused ALC to
22 believe, I mean, that might prompted you to act not in
23 accordance with Ventas's standard operating procedures?
24 A No, nothing at all.
25 Q You weren't disenchanted or having a personal

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1 issue or something along those lines?
2 A No, no I wasn't.
3 Q So, ALC has also represented to us that given
4 what was happening to Sunwest and the recession, that
5 Ventas at the time, and you in particular, were more
6 amendable to negotiating the covenants or to allowing
7 exceptions or clarifications of the covenants, am I, does
8 this, was that true?
9 A No, not at all.
10 Q The recession wasn't causing Ventas, as a
11 company, to become more --
12 A I would, I would say it would be cause us to be
13 more vigilant than ever, than the other way around.
14 Q With regard to the covenants?
15 A Yeah.
16 Q And why do you say that?
17 A Well, because presumably in a recession, you're
18 going to have more properties that would be under
19 financial distress, than they otherwise would be in a
20 health economy.
21 Q ALC's also suggested to us that, that Ventas
22 really couldn't do anything if ALC had violated the
23 covenants because they needed ALC as an operator, in
24 light of what had been happening with the Sunwest
25 situation. Does this have the err of truth?

PROOFREADER'S CERTIFICATE

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In the Matter of: ASSISTED LIVING CONCEPTS, INC.
Witness: Joseph Solar
File Number: C-07948-A
Date: Monday, January 13, 2014
Location: Chicago, Illinois 60604

This is to certify that I, Donna S. Raya, (the undersigned), do hereby swear and affirm that the attached proceedings before the U.S. Securities and Exchange Commission were held according to the record and that this is the original, complete, true and accurate transcript that has been compared to the reporting or recording accomplished at the hearing.

(Proofreader's Name) (Date)

REPORTER'S CERTIFICATE

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I, Robert Lutzow reporter, hereby certify that the foregoing transcript of 144 pages is a complete, true and accurate transcript of the testimony indicated, held on January 13, 2014, at Chicago, IL in the matter of: ASSISTED LIVING CONCEPTS, INC.

I further certify that this proceeding was recorded by me, and that the foregoing transcript has been prepared under my direction.

Date: _____
Official Reporter: _____
Diversified Reporting Services, Inc.

From: Butora, Joy
Sent: Wednesday, September 23, 2009 2:17 PM
To: Doman, Timothy
Cc: Sabir, Humair
Subject: RE: ALC alterations

Section 7.2.1 – Primary intended use. Tenant shall not change such Primary Intended Use. That term is defined in Schedule 1.3 – which is a list of the licensed beds and Operational Beds per community. No schedule is included that list beds by product line.

Section 8.1.11 (c) no Tenant shall amend or otherwise change, by consent, acquiescence or otherwise, any Facility's licensed bed capacity and/or the number or type of beds participating in governmental payment programs. – doesn't apply because the beds are not participating in governmental payment programs.

Section 17.1.13 – Reduction in number of licensed beds. Doesn't apply as no change in total number was made.

At this point, nothing pops out at me that indicates that need to request changes to unit mix.

From: Doman, Timothy
Sent: Tuesday, September 22, 2009 3:45 PM
To: Butora, Joy
Cc: Sabir, Humair
Subject: RE: ALC alterations

Look in Section 7.2.1 (Use of Lease Property) and Section 8.1.11 (Negative Covenants) and the Section 17.1.2 and 17.1.13 (Default Sections). Then confirm your conclusion with Joe and then we can discuss.

Timothy A. Doman
Senior Vice President, Asset Management
Ventas Healthcare Properties (NYSE: VTR)
111 South Wacker Drive, Suite 4800
Chicago, IL 60606

Tel: 312-660-3836
Fax: 312-660-3837
e-mail: tdoman@ventasreit.com

From: Butora, Joy
Sent: Tuesday, September 22, 2009 12:29 PM
To: Doman, Timothy
Cc: Sabir, Humair
Subject: ALC alterations

ALC did not request approval on the unit change at Peachtree. They mentioned today the possibility of changing unit configuration at a community which gave me a good opportunity to ask them about it. (since I didn't see anything documented in HB). They think that changing unit type does not require our consent. I look at the lease. Section 11.1 does reference Alterations necessary for our approval. The document is silent regarding changing unit types. Is there another place in the lease I should be looking?



Joy L. Butora

Ventas Healthcare Properties, Inc (NYSE: VTR)
111 S Wacker Drive, Suite 4800
Chicago, IL 60606

P: 312-660-3834
F: 312-660-3835
E: jbutora@ventasreit.com

Are you having difficulties displaying attachments? You might need to install the Microsoft Office 2007 compatibility pack. The compatibility pack can be found at <http://www.microsoft.com/downloads/details.aspx?FamilyId=941B3470-3AE9-4AEF-8F43-C6BB74CD1466&displaylang=en>.

From: Doman, Timothy
Sent: Wednesday, July 08, 2009 7:59 AM
To: Butora, Joy
Cc: Sabir, Humair
Subject: RE: ALC wall request

This is fine – if ALC does not need our consent to do this then we should not have to provide a waiver. Unless Joe L. disagrees, a simple email stating “thank you for keeping us informed, please proceed with your planned project (or something to that effect)” should suffice. Then put the email in hummingbird along with the letter from ALC. Thanks.

Timothy A. Doman
Senior Vice President, Asset Management
Ventas Healthcare Properties (NYSE: VTR)
111 South Wacker Drive, Suite 4800
Chicago, IL 60606

Tel: 312-660-3836
Fax: 312-660-3837
e-mail: tdoman@ventasreit.com

From: Butora, Joy
Sent: Tuesday, July 07, 2009 3:17 PM
To: Doman, Timothy
Cc: Sabir, Humair
Subject: FW: ALC wall request

Tim

ALC has requested that we waive certifications required under section 11.2.3 (no impairment), section 11.2.4 (compliance certification) and section 11.2.7 (as built) for construction of a non weight bearing partial wall in one of the studio units of CaraVita Village. He has included a picture. His letter states that we have waived this before for another unit, but I cannot find the waiver letter in HB.

Any reason why I shouldn't approve this?

From: Buono, John [<mailto:jbuono@ALCCO.COM>]
Sent: Tuesday, July 07, 2009 12:05 PM
To: Butora, Joy
Subject: ALC wall request

Joy,

Please see attached. If there are any questions, do not hesitate to call me. We are anxious to get this project started and move this person in.

John Buono
Sr. V.P., Chief Financial Officer and Treasurer
Phone 262-257-8999

Are you having difficulties displaying attachments? You might need to install the Microsoft Office 2007 compatibility pack. The compatibility pack can be found at <http://www.microsoft.com/downloads/details.aspx?FamilyId=941B3470-3AE9-4AEE-8F43-C6B874CD1466&displaylang=en>.



UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16293

In the Matter of

LAURIE BEBO, and
JOHN BUONO, CPA,

Respondents.

CERTIFICATE OF SERVICE

Ryan S. Stippich of Reinhart Boerner Van Deuren s.c. certifies that on March 9, 2015, he caused true and correct copies of Respondent Laurie Bebo's Response to Ventas's Motion to Modify the Subpoena, and Affidavit of Ryan S. Stippich to be served on the following by e-mail and United States mail.

The Honorable Cameron Elliot
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2557

Benjamin J. Hanauer, Esq.
Scott B. Tandy, Esq.
Division of Enforcement
U.S. Securities and Exchange Commission
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Roger H. Stetson, Esq.
Barack Ferrazzano Kirschbaum &
Nagelberg LLP
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200 West Madison Street
Chicago, IL 60606

By E-mail only:

Christina Zaroulis Milnor
milnorc@sec.gov

Dated this 9th day of March, 2015.

REINHART BOERNER VAN DEUREN S.C.
Counsel for Respondent Laurie Bebo

By: 
Ryan S. Stippich
IL State Bar No.: 6276002

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