



STATE OF TENNESSEE
COUNTY OF Tipton

AFFIDAVIT OF EVA HENSLEY

Personally came and appeared before me the undersigned authority, in and for said county and state, the within named Eva Hensley, who being first by me duly sworn upon her oath says:

1. My name is Eva Hensley and I am an adult resident citizen of Tennessee. I have personal knowledge of the matters set out below.

2. I worked for Stan Beaty for approximately 17 years. I was ~~terminated~~ ^{Laid off on 7-13-15} by Stan Beaty in July 2015. My job included payroll administration, accounts payable, accounts receivable, and human resources services for businesses owned and controlled by Stan Beaty, including Healthcare Contracting, ^{with a call back date of 10-15-15} Services Inc., Alcon, Inc., and Alcon Corporation.

3. Stan Beaty was the owner and operator of Alcon, Inc., and Alcon Corporation. He made all business decisions, and directed operations including directing payment of his personal and other business bills out of Alcon business accounts.

4. Alcon, Inc. and Alcon Corporation ("Alcon") provided medical bill collections services for healthcare providers, including Greenwood Leflore Hospital.

5. Upon information and belief, pursuant to its agreement with Greenwood Leflore Hospital, Alcon maintained all records related to the collection efforts undertaken on behalf of Greenwood Leflore Hospital. Alcon was obligated to maintain all collection letters sent to patients seeking to collect past due bills, and provide those letters to Greenwood Leflore Hospital upon request. These records (letters) were maintained primarily, if not exclusively, on an IBM AS/400 mainframe computer system.

6. Prior to July 2015, Alcon routinely provided Greenwood Leflore Hospital with a copy of collection letters sent to past due patient accounts upon request in order for Greenwood Leflore Hospital to document that the required collection efforts had been undertaken with respect to each patient's past due account.

7. It is my understanding and belief that Alcon retains the only records of its collection efforts on all Greenwood Leflore Hospital past due patient accounts referred to it.

8. Prior to Stan Beaty ~~terminating~~ ^{Laying me off on 7-13-15} my employment, I raised objections to his overbilling Greenwood Leflore Hospital. Stan Beaty personally altered the invoices in order to overbill Greenwood Leflore Hospital for Alcon's collection activities. From my review of Alcon's records before I left, I determined Stan Beaty overbilled Greenwood Leflore Hospital by approximately \$380,000.00 starting in late 2008 and continuing into 2015. ^{with a call back date of 10-15-15}

9. Prior to my ~~termination~~ ^{Lay off}, Alcon and Stan Beaty's other businesses had been experiencing financial difficulties and had lost major clients. As of the date of my ~~termination~~ ^{Lay off}, Greenwood Leflore Hospital was Alcon's only remaining client.

10. At the time of my ~~termination~~ ^{Lay off}, Stan Beaty was in the process of boxing and storing business records and equipment in connection with vacating Alcon's only office at 65 Linden Avenue, Memphis, Tennessee. Since I left employment, Alcon and Beaty have ceased all business operations and completely vacated the premises at 65 Linden Avenue, Memphis, Tennessee. Stan Beaty has removed the records, equipment and furnishings from the office space, including the IBM AS/400 mainframe

computer system containing the Greenwood Leflore Hospital records. Based on information and belief, Stan Beaty has ceased all bill collection operations, thus has no current business address for Alcon or its former collection business.

11. On November ¹⁸8, 2015, I accompanied law enforcement officers who were executing a search warrant of a storage building where Beaty had store records of Alcon. I was there to assist the officers identify records that would aid in establishing Beaty scheme to divert clients' money to his own use. The IBM AS/400 mainframe computer system was not in the building. Although paper records were present in the building such as billing and other hard copy records, there were no hard copies of the collection letters.

12. Upon information and belief, unless Greenwood Leflore Hospital obtains the medical bill collection records from Stan Beaty, it will have no other way of documenting Alcon's collection efforts.

AND FURTHER, AFFIANT SAITH NOT.

Eva Hensley
Eva Hensley

SWORN TO AND SUBSCRIBED BEFORE ME, this the 27th day of November, 2015.

Meghan Ward
Notary Public

My Commission Expires:

8/20/2019

