

21. RCA proposes establishing two ICF facilities within 19 miles of each other in Southern Maryland seeking a total of 291 beds (55 detox and 70 residential in Upper Marlboro, and 64 detox and 102 residential in Waldorf). Please provide evidence that supports the need for two new chemical dependency programs located in adjacent jurisdictions. (Note: when addressing this in the replacement application, applicant described the benefits of multiple sites compared to one large site; that response ignored the thrust of this question, which is asking instead “a) why two sites so close together if the point is to disperse them in a way to be strategically accessible to the population?” and b) “does this region need 27”)

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Please refer to the response to Question 11, *supra*.

**Viability of the Proposal**

22. Please provide a letter signed by the Chairman or President/CEO that states Deerfield Management Company has set aside sufficient financial resources in both debt and equity for the establishment of each of the three proposed facilities in Earleville, Waldorf, and Upper Marlboro, which includes sufficient funds for the location at 4620 Melwood Road.

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The signed letter from Deerfield Management Company is attached as Exhibit 31.

23. As referenced on p. 57 of the modified CON application, please provide evidence from Stifel, Nicolaus and Company that documents the type and amount of capital that will be raised and the likelihood of success in obtaining these funds. In addition, please submit documentation from a bank or commercial lender regarding RCA’s success in obtaining the senior bank debt that the applicant will incur.

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Stifel, Nicolaus and Company has withdrawn as a potential source of capital as RCA’s business plans have been updated. RCA has raised capital from Deerfield. Deerfield Management Company’s letter, Exhibit 31, supports the commitment.

24. Please provide audited financial statements for the past two years for Deerfield Management Company, Recovery LLC, and the Mary Margaret Trust. If these documents are not available, please provide documentation of the adequacy of financial resources to fund this project signed by a Certified Public Accountant who is not directly employed by the applicant.

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Financial statements are not available for the Mary Margaret Trust and Recovery LLC. Furthermore, the financial condition of such investors is not relevant to the application, as