

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CrFA*
WILSON A. LaGRAIZE, JR., CPA, CrFA
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
MARY ANNE GARCIA, CPA
*A Professional Accounting Corporation

February 14, 2007

Members
American Institute of CPA's
Society of Louisiana CPA's

Mr. Newell Normand, Chairman
Mr. Lucas Giordano, Director
Mr. David Graser, Director
Mr. Louis Thomas, Director
ASSOCIATED HOSPITAL SERVICES, INC.
7639 Townsend Place
New Orleans, Louisiana 70126

Re: *Analysis of Certain Operations of Associated Hospital Services, Inc.*

Gentlemen:

Associated Hospital Services, Inc. (AHS), has asked our firm of Certified Public Accountants to analyze the laundry operations and certain questionable transactions performed by Mr. Michael Kane (Mr. Kane) during his tenure as Chief Operating Officer (COO) and President and Chief Executive Officer (CEO) of AHS. We have been provided with various documents and information in order to perform our analysis and prepare this report. In addition to various documents provided we have also performed interviews of AHS employees, as well as board members and other necessary parties.

This report is based on all of the information received to date, and supercedes our preliminary report dated October 30, 2006.

Documents Provided

AHS the company has provided us with various documents which were used to complete the task noted above. To date, we have received the following documents to assist with our analysis of AHS.

- *AHS's laptop computer used by Mr. Kane during the final period of his time at AHS.*
- *Audited financial statements of AHS from December 31, 2001 through December 31, 2004.*
- *Minutes of the meetings of the Board of Directors*
- *2005 internally prepared financial statements.*
- *Listing of vendor and customer lists.*
- *Internally prepared manual of President and CEO job descriptions and compensation package for AHS.*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

5/9/07

ASSOCIATED HOSPITAL SERVICES, INC.

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- *Draft copy of audited financial statements for Jefferson Parish Hospital District #1 as of December 31, 2005.*
- *Copy of internal control matrix which indicates controls subsequent to the storm through present time.*
- *Copy of W-2 information for the years 2003, 2004 and 2005.*
- *Copy of accounts payable detail reports for 2003 and 2004.*
- *Copies of checks payable to Lady Tigers Association and schedules of various charitable donations made from August 2001 through May 2005.*
- *Anonymous letter to the Board of Directors dated April 4, 2006.*
- *Other miscellaneous documents.*

In addition to the above information, we performed a number of interviews with AHS employees, officials and other parties during this engagement.

The following is a listing of the people interviewed:

1. *Ms. Jennifer Elsensohn- Interim President & CEO of AHS.*
2. *Mr. Barry Bordelon - Board Member of West Jefferson Medical Center.*
3. *Mr. Erie Hebert - Past Chairman and Board Member of AHS.*
4. *Mr. Lucas Giordano - Board Member of AHS.*
5. *Telephone conversations with Mr. Glen Phillips - Outside consultant for AHS*
6. *Mr. Peter Butler - Attorney for West Jefferson Medical Center*
7. *Mr. David R. Sherman - Attorney for East Jefferson General Hospital.*
8. *Telephone conversations with Mr. Murphy Banks and Brian Trosclair both affiliated with the Lady Tigers Association.*
9. *Telephone conversations with personnel of Base Logistics, L.L.C.*

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10. Telephone conversation initiated by Mr. James L. Butler, CPA of Uzee & Butler, CPA's - Accountant for Loop Linen, Inc.
11. Ms. Jill Gaston - Executive Assistant/Human Resource Manager of AHS.
12. Telephone conversations with Mr. Newell Normand - Board Member and Present Chairman of AHS.
13. A telephone conversation with Mr. Buddy Douglas of Standard Textile, Inc.
14. Mr. Gary Muller - Past Board Member of AHS.
15. Telephone conversations with Mr. Bobbie F. Butler.- Former President & CEO of AHS.
16. Mr. Richard T. Simmons, attorney for Mr. Kane.

Background Information

Associated Hospital Services was created in the 1970's by several local nonprofit hospitals. The purpose was to provide inexpensive laundry services for all of the owner hospitals. AHS was organized as a voluntary cooperative laundry operated for the benefit of its member-owner hospitals. Initially, there were seven hospitals which owned the laundry but over time, five of the original hospitals were acquired by for-profit entities, which according to AHS bylaws, made them ineligible to continue as members of AHS. As of today, only two owners are left, East Jefferson General Hospital and West Jefferson Medical Center. The physical location of the laundry is in Orleans Parish off of Chef Menteur Highway, and has remained there since its inception.

Mr. Bobbie Butler was the President of the company for many years until he retired in 2004. After his retirement, Mr. Kane who was AHS' COO, was promoted to President and CEO of AHS.

After Hurricane Katrina, the laundry's equipment was rendered unusable and its financial records were destroyed. In order to continue the operations of AHS, the employees had to utilize other laundry facilities to provide services to its customers. During this process, it came to the attention of Jefferson Parish officials that certain improprieties at AHS may have occurred. Upon further investigation, certain transactions by Mr. Kane were noted, particularly contributions to a girls softball team, of which his daughter was a member, and the fact that he was conducting a separate business selling medical laundry items on Ebay.

We inquired about Mr. Kane as part of our investigation with AHS personnel and/or Board Members, and were informed that Mr. Kane was often absent from his job or found to be not interested in his work. He was eventually persuaded to tender his resignation on March 22, 2006

ASSOCIATED HOSPITAL SERVICES, INC.

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to become effective August 31, 2006. After a meeting with the Board on April 26, 2006, Mr. Kane's resignation was made effective at that time.

We were asked to review various documents and also interview key personnel in order to determine if there were significant improprieties that occurred at the laundry.

Analysis of Laundry Transactions

Our initial meeting was with Mr. Barry Bordelon, who provided us with certain documents for our review. In addition, Mr. Bordelon provided us with background information regarding the operations of the laundry as well as informing us about his discussions with Mr. Scott Burke, owner of a competing laundry. Mr. Bordelon, who sits on the board at West Jefferson Medical Center, was originally not aware that the hospital was an owner of a laundry.

Mr. Bordelon informed us that AHS has yearly financial audits performed by Deloitte & Touche, and in addition, consultant Phillips & Associates does various work with regards to the operations of AHS.

After meeting with Mr. Bordelon, we contacted Ms. Jennifer Elsensohn, who is currently the interim President and CEO of AHS. During Mr. Kane's tenure, she was AHS' CFO, but she was promoted to interim President and CEO by the board after Mr. Kane's resignation on April 26, 2006. Ms. Elsensohn provided us with information about the operations of AHS, and background information regarding Mr. Kane. Specifically, she informed us of Mr. Kane's activities on Ebay whereby Mr. Kane was selling various medical linens and uniforms, which happens to be the same type of products AHS launders and purchases for West Jefferson Medical Center and East Jefferson General Hospital. Questions came up as to how Mr. Kane obtained his inventory for sales. Ms. Elsensohn provided us with the laptop computer used by Mr. Kane which provided us with answers to some of our questions.

After our initial meeting with Ms. Elsensohn, we met with her again at the laundry to discuss in further detail Mr. Kane and various transactions that occurred during his employment. After meeting with Ms. Elsensohn, we met with Mr. Erie Hebert, Past Chairman of the Board of AHS at the time of Mr. Kane's resignation, and Mr. Lucas Giordano, also a board member. Each person provided us with information about Mr. Kane from their perspective, as well as discussions about the operations and policies of AHS. After receiving an anonymous letter dated April 4, 2006, Mr. Erie Hebert Chairman at that time, investigated the allegations. He sought the assistance and advice of then Vice Chairman Newell Normand, contacted consultant Glenn Phillips and attempted to verify whether or not Mr. Kane had accounts with AHS' vendors. His investigation did not produce results since the records had been lost as a result of Hurricane Katrina and no other conclusive evidence was obtained. We contacted Mr. Newell Normand by telephone and he confirmed that he did make suggestions to Mr. Hebert in connection with his investigation. Mr. Normand stated that he did not perform an investigation himself.

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After Mr. Kane's resignation, the AHS laptop computer he used while employed at AHS was sent to the computer manufacturer for repairs. During these repairs, the hard drive of the computer was erased along with all Mr. Kane's files. We were given the laptop with the hopes that we could recover the erased data.

We sent the hard drive to a local computer company that performs recovery services, and they were successful in recovering a majority of the email files, however, there were other files on the computer which were not successfully recovered. The data that was recovered, was reviewed by us and by Ms. Elsensohn. It appears the data received was for the period from late 2004 through March 2006.

Review of Mr. Kane's Computer Files

Upon receipt of the reconstructed hard drive, all data recovered was accessed through our computer system for review. There were numerous emails from Mr. Kane regarding various company matters, as well as emails from Mr. Kane regarding his Ebay and Lady Tigers Association activities. As previously stated, it appears some of these emails originated as far back as 2004 through March 2006. We reviewed the emails with the help of Ms. Elsensohn, since she was familiar with the operations of AHS.

Based upon the meeting with Ms. Elsensohn, it appears there were certain transactions that Mr. Kane had with a local company, Base Logistics, L.L.C., which appeared questionable. It appears that through his activities, Mr. Kane sold to Base Logistics, L.L.C. large amounts of linens and other products. Base Logistics, L.L.C. provided storm relief services during the aftermath of Hurricane Katrina. We obtained the invoices from Base Logistics, L.L.C. listed as follows: (copies attached at Exhibit 1) :

09/28/2005	15,620.29
10/25/2005	14,306.15
10/25/2005	<u>14,154.12</u>
Total	<u>\$44,080.56</u>

In our preliminary report dated October 30, 2006, we reported that invoices to Base Logistics, L.L.C. represented sales to that company with donated linens from Standard Textile, Inc. Since our preliminary report, and upon further investigation, we have found that only the two invoices from 10/25/05 shown above, which total \$28,460.27, were sales by Mr. Kane of donated linens from Standard Textiles, Inc.

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With regards to the above Base Logistics, L.L.C. transactions, we were informed that Mr. Kane asked Ms. Elsensohn to convince Standard Textile, AHS' main supplier of linens, to donate the linens and other products to Base Logistics, L.L.C. as a charitable donation to be distributed to the needy victims of Hurricane Katrina. Standard Textile complied with the request and issued credit memos to AHS for the linens they supplied. Mr. Kane, then personally billed Base Logistics, L.L.C. for the donated linens from Standard Textile, thus creating an enormous profit for himself. We know the sale to Base Logistics, L.L.C. occurred, because we inquired with personnel at Base Logistics, L.L.C. and received copies of cancelled checks (copies attached) and invoices. We noted the checks were made payable to Mr. Kane personally for the purchase of those products identified on the credit memos by Standard Textiles. This appears to be an abuse of Mr. Kane's position at the laundry.

In addition to contacting Base Logistics, L.L.C., we also contacted Standard Textiles, Inc., and obtained copies of credit memos issued by Standard Textiles which confirmed that they had in fact donated linen which matched the inventory sold to Base Logistics, L.L.C. by Mr. Kane. Mr. Buddy Douglas of Standard Textiles also confirmed that, to date, no subsequent payments for the donated linens has been received from Mr. Kane.

After reviewing the recovered data from AHS's laptop, it was apparent to us that Mr. Kane was conducting a personal Ebay business while being employed by AHS and using AHS's computer to conduct that business for personal profit. From our review of the computer files, we found copies of numerous invoices for sales of linen products to the general public made by Mr. Kane for his own profit. We also found communications with Standard Textile, Inc., which indicated that Mr. Kane conducted his Ebay business for a profit while he was employed by AHS.

Finally, as reported to us, it is worthy to note that Mr. Kane was observed by AHS personnel on at least three occasions (September 2005, December 2005, and prior to the AHS plant reopening in 2006) loading linen inventory into his personal vehicle. When questioned on two of those occasions about his actions, he indicated that the linens were for customers. AHS personnel informed us that no customers were invoiced for linens during those time periods.

In addition, while performing our review of Mr. Kane's AHS computer files, we also discovered numerous emails saved on Mr. Kane's AHS computer which contained adult pornographic pictures.

Lady Tigers Association

We were informed that several charitable donations were made by AHS to an organization called The Lady Tigers Association. This association is a girl's softball team created by Mr. Kane and other fathers from the Westbank area for the benefit of their daughters to play league softball.

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Through inquiry, we learned that AHS had donated \$35,250 to the organization through various checks (see attached schedule of checks at Exhibit 2). The most significant check was \$10,000 which was represented as authorized by Mr. Bobbie Butler and Mr. Kane. Exhibit 2 shows that the \$10,000 check was dated September 22, 2004, which is only a few months before Mr. Butler retired. Mr. Butler has denied authorizing that donation. During an interview with Mr. Butler, he stated that he only recalled authorizing the first donation which was made in August 2001. Since the financial records were lost in Hurricane Katrina, we were unable to verify whether or not Bobbie Butler approved all of the Lady Tiger donations.

Through inquiry, we were informed by AHS personnel that Mr. Kane was making decisions for AHS several years before Mr. Butler retired. Mr. Kane, therefore, had authorization and ultimately assumed control months prior to Mr. Butler's retirement. With regards to the Lady Tigers, Mr. Kane authorized purchases of supplies on the company credit card he possessed. As shown on Exhibit 2, Mr. Kane made several purchases on his company credit card amounting to \$2,567.59 for the benefit of the Lady Tigers Association. It is our understanding that Mr. Kane has not reimbursed AHS for these expenditures.

AHS was audited by Deloitte & Touche, however, they never mentioned in their audit report any issues related to the Lady Tigers donations. Contrary to our original information, we have now been informed that AHS had no stated policy as to authority for disbursements other than limiting the President & CEO to \$25,000 of capital expenditures. We reviewed the minutes and found no evidence that the board authorized the donations to the Lady Tigers. Based on discussions with the board members, and other AHS personnel, the AHS Board had no knowledge of those donations until after Mr. Kane's resignation. Since the donations were made without board approval, we can only conclude that the AHS control environment did not provide a limit on non-business expenditures. Financial information was not presented to the AHS Board in such a fashion that these donations would have been detected. Prior to Mr. Kane's resignation, an atmosphere existed among the AHS personnel which discouraged anyone from reporting unapproved or questionable transactions to the Board.

With regards to the Lady Tigers Association, we discussed the operations of the softball team with other members of the association. We conversed via telephone with Mr. Murphy Banks and Mr. Brian Trosclair, who informed us that with the contributions received, the team acquired equipment, a trailer for traveling purposes, purchased uniforms, paid registration fees, and traveling expenses.

Subsequent to Mr. Kane's resignation in March 2005, Mr. Kane dissolved the team and took all the equipment, which was acquired with funds from the laundry. Mr. Kane now resides in Lafayette and it is reported that he donated the equipment to another girl's softball team.

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Meeting with Mr. Richard Simmons, Attorney for Mr. Kane

Mr. Richard Simmons, attorney for Mr. Kane was quoted that he has records proving that Mr. Kane received approval from his supervisor for each of the Lady Tiger donations. Upon Mr. Simmons invitation, we met with him to obtain the documentation he claimed to have. Mr. Simmons stated that the documentation was represented by the fact that the checks were issued and signed by Mr. Butler. The fact that the checks were issued only substantiates that the disbursement was made and in fact the checks were not actually signed but a stamp facsimile of Mr. Butler and Mr. Kane's signature was on the checks. We asked Mr. Simmons if he actually had substantive corroborative evidence such as a request for the donation signed by Mr. Butler and he stated that he did not have such documents.

With regards to the sales of linens, Mr. Simmons showed us a copy of a memo dated June 6, 2003 from Mr. Butler to Mr. Kane which authorized Mr. Kane to purchase linens at a price to be reviewed quarterly. We were informed by AHS personnel that Mr. Kane did occasionally purchase linen from AHS as did other employees which was presumed to be for personal use not resale. Mr. Simmons did not furnish us any other information in regards to his client's activities with AHS, nor did he offer any information in connection with Standard Textile or Base Logistics, L.L.C.

Conclusion

We have reviewed various documents and performed interviews with individuals associated with AHS or with knowledge of certain transactions performed by Mr. Kane during his tenure as COO and President and CEO of Associated Hospital Services, Inc.

From our review of documents and interviews performed, we investigated certain activities of Mr. Kane in order to report our findings and conclusions to the Board of Directors of AHS.

With regard to our analysis and investigation of certain transactions of Mr. Kane, we have concluded as follows:

- 1. Mr. Kane sold linens for \$28,460.27 which were donated by Standard Textile to AHS for distributions to needy victims of Hurricane Katrina. Mr. Kane deposited this \$28,460.27 into his own personal account. Mr. Kane took advantage of his position at AHS as it related to the sales of donated linens to Base Logistics, L.L.C., and profited from this advantage.*
- 2. We found that Mr. Kane utilized AHS's computer to operate an Ebay business while employed by AHS.*
- 3. Mr. Kane obtained donations for his daughter's softball team without Associated Hospital Services, Inc.'s Board of Directors knowledge or approval. Furthermore, we noted that controls at AHS were not sufficient to prevent Mr. Kane from obtaining the donations without the Board's approval.*

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February 14, 2007

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We would like to thank the personnel and the Board of Associated Hospital Services for their cooperation during our engagement.

Sincerely,

KUSHNER LAGRAIZE, L.L.C.

A handwritten signature in cursive script that reads "Wilson A. LaGraize, Jr.".

*Wilson A. LaGraize, Jr., CPA, CrFA
Managing Partner*

WAL:asl/sgf

Enclosures

*cc: Mr. Peter J. Butler
Mr. David R. Sherman*

Exhibit 1

BROAD BASE SERVICES AND RENTALS LLC
 P.O. BOX 1346
 HARVEY, LA 70059-1346

84-7044/2650
 1207740133

1007

DATE: *11/16/07*

PAY TO THE ORDER OF: *for Target, Inc*

Twenty eight thousand four hundred and no/100

\$ *28,400.00*

IBERIABANK
NEW ORLEANS, LOUISIANA 70112-0001

MEMO # *2445* # *2445*

[Signature]

265 2 704 1 346 1 20 7 21 0 4 1 3 3 1 0 0 7

INTERNET SALES

INVOICE

28 DEVEREAUX DRIVE
 MARRERO, LA 70072
 PHONE: (504) 915-3540 FAX: (504) 348-1555
 EMAIL: mkane42@cox.net

DATE: October 25, 2005
 INVOICE # KANE

Bill To: BASE LOGISTICS, LLC
 3809 DAY STREET
 HARVEY, LA 70058

Ship To: BASE LOGISTICS, LLC
 WEST CAL ARENA
 2900 RUTH STREET
 SULPHUR, LA 70663

Comments or Special Instructions:

SALESPERSON	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
HOUSE	JOB 245	9/28/2005	STC	ORIGIN	DUE ON RECEIPT

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1512	WHITE SHEETS	\$ 4.00	\$ 6,048.00
648	BATH TOWELS	\$ 2.15	\$ 1,393.20
300	CAPRI SPREADS	\$ 7.75	\$ 2,325.00
252	PILLOWS	\$ 6.15	\$ 1,549.80
SUBTOTAL			\$ 11,316.00
TAX RATE			8.75%
SALES TAX			\$ 990.15
SHIPPING & HANDLING			\$ 2,000.00
TOTAL			\$ 14,306.15

Make all checks payable to:
 MICHAEL KANE
 28 DEVEREAUX DRIVE
 MARRERO, LA 70072

THANK YOU FOR YOUR BUSINESS!

World Headquarters
 One Knickerbocker Drive
 Cincinnati, OH 45227
 P 513.761.6255
 F 513.761.0467
 T 800.999.0400
 www.standardtextile.com

DUPLICATE INVOICE



standardtextile

PLEASE MAIL REMITTANCES TO: PO BOX 0302 CINCINNATI, OHIO 45263-0302

S
 O Associated Hospital Services
 L 7639 Townsend Place
 B New Orleans LA 70126
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 C

S
 H Base Logistics-West Cicasieau
 I 2900 Ruth St
 P Sulphur LA 70663
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INVOICE DATE	CUSTOMER ORDER NO.	ORDER DATE	ORDER NUMBER	SHIP VIA	FREIGHT	TERMS	INVOICE NO.	CUSTOMER NO.
10/07/05	1006305	10/03/05	2192939	Con-Way	Add	Net 60 Days	2445661	153- 20745

QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT
300.00	EA	78322400	PERVAL HERRINGBONE BLKT 100% COTTON THERMAL Shipping & Handling	66X90 BLEACHE		6.55	1,965.00 248.00

Interest will be charged at the rate of 1 1/2% per month after due date of this invoice.
 Title to the above merchandise shall remain in vendor until the invoice is paid.
 No claims will be considered unless made within 10 days from receipt of goods.
 All unshipped portions of this order will follow.

SPA PAGE 1 OF 1

Pay this total amount \$ 2,213.00
 Thank You for this order.

World Headquarters
 One Knollcrest Drive
 Cincinnati, OH 45237
 P 513.761.8215
 F 513.761.0487
 T 800.939.0400
 www.standardtextile.com

DUPLICATE CREDIT MEMO

ORDER NO.
 2445661



standardtextile

TO
 Associated Hospital Services
 7639 Townsend Place
 New Orleans LA 70126

FROM
 Associated Hospital Services
 7639 Townsend Place
 New Orleans LA 70126

CREDIT DATE	CUSTOMER ORDER NO.	INVOICE DATE	INVOICE NO.	FREIGHT	TERMS	CREDIT MEMO NO.	CUSTOMER NO.
03/29/06	1006305	03/28/06		Prepaid	Net 60 Days	2554393	153- 20745
QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT
300.00-	EA	78322400	*** BLKT PERVAL HRNGBNE 66X90 BLEA 100% COTTON Credit S&H Charges	66X90		6.55	1,965.00- 248.00-

World Headquarters
One Knotters Dr
Cincinnati, OH 45227
P 513.761.5255
F 513.761.0467
T 800.999.0400
www.standardtextile.com

DUPLICATE INVOICE



standardtextile

PLEASE MAIL REMITTANCES TO: PO BOX 0302 CINCINNATI, OHIO 45263-0302

S
D Associated Hospital Services
L 7639 Townsend Place
O New Orleans LA 70126

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I 2900 Ruth St
I Sulphur LA 70663

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INVOICE DATE	CUSTOMER ORDER NO.	ORDER DATE	ORDER NUMBER	SHIP VIA	FREIGHT	TERMS	INVOICE NO.	CUSTOMER NO.
10/07/05	100305	10/03/05	2192944	Con-Way	Add	Net 60 Days	2445863	153- 20745
QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT	
1512.00	EA	12339500	*** SHEET STD CLASSIC T130	66X115 BLEACHE		2.98	4,505.76	
648.00	EA	40527431	BATH TOWEL 5.5 LB/DZ ISRL W/3 BLUE STRIPES AT EACH END	20X42 WHITE		1.42	920.16	
252.00	EA	93141131	PILLOW VINSOFT 12 OZ POLY FILL Shipping & Handling	21X27 WHITE		4.45	1,121.40 1,281.04	

Interest will be charged at the rate of 1 1/2% per month after due date of this invoice.
Title to this invoice reverts to the vendor until the invoice is paid.
No claims will be considered unless made within 15 days from receipt of goods.
All shipping charges of this order will follow.

ADC PAGE 1 OF 1 Pay this total amount \$ 7,828.36
Thank You for this order.

World Headquarters
One Krollersill Drive
Cincinnati, OH 45237

P 513.781.9255
F 513.781.9467
T 800.999.6400
www.standardtextile.com

DUPLICATE CREDIT MEMO

ORDER NO.
2445663



standardtextile

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Associated Hospital Services
7639 Townsend Place
New Orleans LA 70126

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Associated Hospital Services
7639 Townsend Place
New Orleans LA 70126

CREDIT DATE	CUSTOMER ORDER NO.	INVOICE DATE	INVOICE NO.	FREIGHT	TERMS	CREDIT MEMO NO.	CUSTOMER NO.
03/31/06	100305	03/30/06		Prepaid	Net 60 Days	2556140	153- 20745

QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT
1512.00-	EA	12339500	SHT STD CLASSIC 66X115 55% COTTON 45% POLY	66X115		2.98	4,505.76-
648.00-	EA	40527431	TWL 20X42 5.5LB 3/BLUE STR ISR W/3 BLUE STRIPES AT BOTH ENDS	20X42		1.42	920.16-
252.00-	EA	93141131	PLW VINSOFT 21X27 12 OZ POLY FILL Credit S&H Charges	21X27		4.45	1,121.40- 1,281.04-

CIN PAGE 1 OF 1

TOTAL CREDIT \$ 7,828.36-
APPLIED TO YOUR ACCOUNT

INTERNET SALES

INVOICE

28 DEVEREAUX DRIVE
 MARRERO, LA 70072
 PHONE: (504) 915-3540 FAX: (504) 348-1555
 EMAIL: mkane42@cox.net

DATE: October 25, 2005
 INVOICE # KANE

Bill To: BASE LOGISTICS, LLC
 3809 DAY STREET
 HARVEY, LA 70058

Ship To: BASE LOGISTICS, LLC
 BURTON COLESIUM
 LAKE CHARLES, LA

Comments or Special Instructions:

SALESPERSON	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
HOUSE	JOB 244	9/28/2005	STC	ORIGIN	DUE ON RECEIPT

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1008	WHITE SHEETS	\$ 4.00	\$ 4,032.00
648	BATH TOWELS	\$ 2.15	\$ 1,393.20
504	CAPRI SPREADS	\$ 7.75	\$ 3,906.00
300	PILLOWS	\$ 6.15	\$ 1,845.00

SUBTOTAL	\$ 11,176.20
TAX RATE	8.75%
SALES TAX	\$ 977.92
SHIPPING & HANDLING	\$ 2,000.00
TOTAL	\$ 14,154.12

Make all checks payable to:
 MICHAEL KANE
 28 DEVEREAUX DRIVE
 MARRERO, LA 70072

THANK YOU FOR YOUR BUSINESS!

World Headquarters
 One Knollcrest Drive
 Cincinnati, OH 45237
 P 513.781.9255
 F 513.781.0467
 T 800.999.0400
 www.standardtextile.com

DUPLICATE INVOICE



standardtextile

PLEASE MAIL REMITTANCES TO: PO BOX 0302 CINCINNATI, OHIO 45263-0302

S
O
L
D
T
O
Associated Hospital Services
 7639 Townsend Place
 New Orleans LA 70128

S
H
B
T
O
Base Logistics-Burton Coliseum
 7001 Gulf Highway
 Lake Charles LA 70607

INVOICE DATE	CUSTOMER ORDER NO.	ORDER DATE	ORDER NUMBER	SHIP VIA	FREIGHT	TERMS	INVOICE NO.	CUSTOMER NO.
10/07/05	100305 BURTON	10/03/05	2192930	Con-Way	Add	Net 60 Days	2445658	153- 20745
QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT	
504.00	EA	78322400	*** PERVAL HERRINGBONE BLKT 100% COTTON THERMAL Shipping & Handling	66X90 BLEACHE		6.55	3,301.20 335.74	

Interest will be charged at the rate of 1 1/2% per month after due date of this invoice. Title to the above merchandise shall remain in vendor until the invoice is paid. No claims will be considered unless made within 30 days from receipt of goods. All unshipped portions of this order will follow.

Pay this total amount
 Thank You for this order. \$ 3,636.94

World Headquarters
One Knecht Drive
Cincinnati, OH 45257

P 513.761.9256
F 513.761.9487
T 900.966.0400
www.standardtextile.com

DUPLICATE CREDIT MEMO

ORDER NO.
2445658



standardtextile

S
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L
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T
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Associated Hospital Services
7638 Townsend Place
New Orleans LA 70126

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Associated Hospital Services
7638 Townsend Place
New Orleans LA 70126

CREDIT DATE	CUSTOMER ORDER NO.	INVOICE DATE	INVOICE NO.	FREIGHT	TERMS	CREDIT MEMO NO.	CUSTOMER NO.
03/29/06	100305 BURTON	03/28/06		Prepaid	Net 60 Days	2554391	153- 20745
QUANTITY	DM	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT
504.00-	EA	78322400	*** BLKT PERVAL HRNGBNE 66X90 BLEA 100% COTTON Credit S&H Charges	66X90		8.55	3,301.20- 336.74-

CIN PAGE 1 OF 1

TOTAL CREDIT APPLIED TO YOUR ACCOUNT \$ 3,636.94-

World Headquarters
One Knollcrest Drive
Cincinnati, OH 45237

P 513.761.8288
F 513.761.0467
T 800.999.0400
www.standardtextile.com

DUPLICATE INVOICE



standardtextile

PLEASE MAIL REMITTANCES TO: PO BOX 0302 CINCINNATI, OHIO 45263-0302

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Associated Hospital Services
7639 Townsend Place
New Orleans LA 70125

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Base Logistics-Burton Coliseum
7001 Gulf Highway
Lake Charles LA 70607

INVOICE DATE	CUSTOMER ORDER NO.	ORDER DATE	ORDER NUMBER	SHIP VIA	FREIGHT	TERMS	INVOICE NO.	CUSTOMER NO.
10/07/05	100305-BURTON	10/03/05	2192934	Con-Way	Add	Net 60 Days	2445660	153- 20745

QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT
1008.00	EA	12339500	*** SHEET STD CLASSIC T130	66X115 BLEACHE		2.98	3,003.84
648.00	EA	40527431	BATH TOWEL 5.5 LB/DZ ISRL W/3 BLUE STRIPES AT EACH END	20X42 WHITE		1.42	920.16
300.00	EA	93141131	PILLOW VINSOFT 12 OZ POLY FILL Shipping & Handling	21X27 WHITE		3.79	1,137.00 1,258.03

Interest will be charged at the rate of 1.25% per month after due date of this invoice.
Title to the above merchandise shall remain in vendor until the invoice is paid.
No claims will be considered unless made within 10 days from receipt of goods.
All unshipped portions of this order will follow.

ADC PAGE 1 OF 1

Pay this total amount
Thank You for this order. \$ 6,319.03

World Headquarters
One Knobloch Drive
Cincinnati, OH 45237

P 513.761.0255
F 513.761.0467
T 800.998.0400
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DUPLICATE CREDIT MEMO

ORDER NO.
2445650



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New Orleans LA 70126

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7639 Townsend Place
New Orleans LA 70126

CREDIT DATE	CUSTOMER ORDER NO.	INVOICE DATE	INVOICE NO.	FREIGHT	TERMS	CREDIT MEMO NO.	CUSTOMER NO.
03/29/06	100305-BURTON	03/28/06		Prepaid	Net 60 Days	2554392	153- 20745
QUANTITY	U/M	DATA NUMBER	DESCRIPTION	SIZE/COLOR	CUSTOMER ITEM NO.	PRICE	AMOUNT
1006.00-	EA	12339500	SHT STD CLASSIC 66X115 56% COTTON 45% POLY	66X115		2.98	3,003.84-
648.00-	EA	40527431	TWL 20X42 5.5LB 3/BLUE STR ISR W/3 BLUE STRIPES AT BOTH ENDS	20X42		1.42	920.16-
300.00-	EA	93141131	PLW VINSOFT 21X27 12 OZ POLY FILL Credit S&H Charges	21X27		3.79	1,137.00- 1,258.03-

CIN PAGE 1 OF 1

TOTAL CREDIT
APPLIED TO YOUR ACCOUNT

\$ 6,319.03-

Exhibit 2

Associated Hospital Services Inc.
Schedule of Donations Made To Organizations
For Various Dates From August 2001 Through December 2004

Contributions to Lady Tigers

Date	Payee	Amount
August 31, 2001	Lady Tigers Association	\$ 2,000.00
September 10, 2001	Lady Tigers Association	2,000.00
October 8, 2001	Lady Tigers Association	2,000.00
November 26, 2001	Lady Tigers Association	2,000.00
December 14, 2001	Lady Tigers Association	2,000.00
February 7, 2002	Lady Tigers Association	1,250.00
March 18, 2002	Lady Tigers Association	2,000.00
May 7, 2002	Lady Tigers Association	1,000.00
June 10, 2002	Lady Tigers Association	2,000.00
December 20, 2002	Lady Tigers Association	2,000.00
June 24, 2004	Lady Tigers Association	2,000.00
July 9, 2004	Lady Tigers Association	3,000.00
August 9, 2004	Lady Tigers Association	2,000.00
September 22, 2004	Lady Tigers Association	10,000.00
	Total Lady Tigers Association	<u>\$ 35,250.00</u>

Contributions to Other Organizations

Date	Payee	Amount
July-02	West Jefferson Football Boosters	\$ 100.00
August-02	Delta Junior Sailing Association (For Shawn Ryan's son)	2,000.00
December-02	Cabrini High School (For Michael Kane's daughter)	1,679.00
May-03	West Jefferson Football Boosters	100.00
July-03	East Jefferson General Hospital Foundation	600.00
May-03	West Jefferson Football Boosters	100.00
August-04	Cabrini Annual Fund	250.00
August-04	Krewe of Orpheus	250.00
August-04	Hancock Medical Center	150.00
December-04	Hancock Medical Center	500.00
	Total Contributions to Other Organizations	<u>\$ 5,729.00</u>

Other Expenses on Behalf of Lady Tigers Association Charged on Michael Kane's AHS Credit Card:

Date	Payee	Amount
2002	E Teamz Plus	\$ 427.65
2002	Digital Scout International	149.95
2002	Ballcharts.com	16.00
2002	Team Express	621.53
2003	Baseball Express	178.00
2003	E Teamz Plus	134.80
2003	Academy Sports and Outdoors	165.84
2004	E Teamz Plus	69.90
2004	Digital Scout International	614.95
2004	Ebay	188.97
	Total Other Expenses	<u>\$ 2,567.59</u>

Source: Associated Hospital Services Inc.