



Value-Added Financial
Solutions for Growing
Health Care Companies
Specializing in the
Following Sectors:

Long-Term Care

Long-Term Acute Care

Acute Care

Specialty Hospital

Ambulatory Surgery

Assisted Living

Home Health

Alternate Site

Creative Health Capital is a merchant bank focusing exclusively on the health care industry. Our mission is to advise and partner with health care provider, health care facility and health care service companies in building businesses, creating and unlocking value through financial solutions including strategic recapitalizations and mergers and acquisitions.

About Us

The principals at Creative Health Capital (“CHC”) have over 25 years of combined experience focused solely on health care. Our extensive contacts and industry expertise enable us to generate original ideas to enhance shareholder value. In addition, we identify the optimal type of capital and source the best financial partners to help you achieve your growth objectives.

CHC was formed in January 2001 to fill a significant void in the health care financial services marketplace. As capital in both the public markets and the bank market dried up following the setbacks triggered by aggressive lending practices of the late 1990’s and the reimbursement changes inherent in BBA ‘97, providers in the skilled nursing, home health and other markets were left without funds to finance growth and operations. Financial institutions diverted their attention to other industries and the number of seasoned health care financial experts declined significantly.

Since commencing operations in January 2001, CHC has worked with several companies in the long-term care, specialty hospital, long term acute care and other health care sectors to evaluate strategic alternatives, raise capital, and successfully grow.

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Overview

CHC focuses on growing health care providers in the long-term care, home health, alternate site and specialty hospital (including long-term acute care) segments, providing the following services:

1. Strategic and financial consulting to help companies in the sector define their growth objectives and arrange the capital to achieve these goals
2. Advisory services to private equity groups and financial institutions interested in investing in the sector
3. Merger and acquisition services
4. Evaluation of real estate ownership alternatives, including sale/leaseback and mortgage financing
5. Arrangement of various forms of capital through private placement, including:
 - a. Real estate-based financing for purchasing (or repurchasing) senior housing assets
 - b. Long-term, fixed rate corporate debt
 - c. Working capital financing (including bank financing) and/or accounts receivable securitization programs
 - d. Mezzanine or subordinated debt for growth and acquisitions, or to provide a financial cushion for owners and lenders
 - e. Private equity capital to enable owners to diversify their holdings or finance growth
6. CHC also works with certified HUD lenders to access mortgage capital at very attractive rates

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Extensive Relationships

CHC's extensive relationships and proven track record with financial sponsors, mezzanine funds/BDCs, REITs, insurance companies and regional banks provide a unique investor/lender perspective that helps growing companies evolve from entrepreneurial firms to established and professionally managed companies. This transition can challenge even the best operators once a firm expands beyond the founder's span of control.

CHC principals' experience in public and private capital markets ensure growing companies are positioned to access the most attractive sources of capital as they become available.

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Ideas & Execution

In addition to assisting in arranging capital, CHC provides value-added ideas and strategic input that are not available from traditional investment bankers. Bulge bracket investment banks focus on large clients and transactions and do not have the network of middle-market and smaller regional operators that are good candidates for mergers and other strategic alliances. Smaller regional firms do not have the national scope and experience dealing with larger public companies that provide valuable insights for growing companies.

In short, we provide creative financial solutions tailored to your needs. Identification of the best financial solution, coupled with seamless transaction execution, provides you with consistent access to capital at attractive rates.

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Unique Benefits

- Value-added strategic ideas complement financing activities
- Significant knowledge of various capital markets ensures optimal capital structure is obtained
- Numerous contacts within the health care services arena often allow Creative Health Capital to identify strategic opportunities
- As an advisor, Creative Health Capital will help execute transactions at favorable terms in a timely fashion
- Free up valuable internal resources
- Formal information memoranda help facilitate transactions and provide valuable information to senior management and the Board
- Creative Health Capital can quickly pull together financial, industry, and company information that allows lenders and investors to process internal approval documents very efficiently

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Our Team

Daniel A. Brown
Managing Director
Chicago

Mark Spencer
Managing Director
Chicago

Aaron M. Kneas, CFA
Managing Director
Charlotte

Joshua S. Brown
Vice President
Chicago

Eric Lewandowski
Vice President
Charlotte

Rutul Shah
Vice President
Chicago

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Daniel A. Brown

Founder and Managing Director

Austin

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Mr. Brown has over 25 years of experience in the financial services industry, with over 15 years specializing in health care. Prior to forming Creative Health Capital, he was a Managing Director in First Union Securities' Health Care Group based in Charlotte, North Carolina. Before joining First Union, he was Managing Director and Head of the Health Care Group for Bank of Montreal/Nesbitt Burns, based in Chicago. He formed the U.S. Health Care Group at Bank of Montreal in 1991 and built it to a team of 8 professionals with over \$2.5 billion in loan commitments at the time of his departure in 1999.

During his tenure at Bank of Montreal, Mr. Brown held several positions of increasing responsibility over an eighteen-year period. This included relationship management positions covering multi-national clients in both Canada and the United States, as well as management positions overseeing a Management Information Systems department and Corporate Finance and Lending training. These latter positions were consultative in nature and helped develop an ability to understand clients' needs and determine optimal capital solutions. While responsible for the U.S. Health Care Group, he not only contributed to the growth of the group, but also was instrumental in ensuring that the Bank avoided the losses suffered by many other banks that became involved in the industry without a prudent lending philosophy.

Mr. Brown has originated and structured several complex transactions involving bank debt, senior notes, high yield debt, bridge loans, receivables securitization, mezzanine debt, private equity placements, synthetic leases and mergers and acquisitions. His industry knowledge and ability to structure complex financial transactions has been instrumental in developing strong client relationships in a variety of health care sectors. In addition to strong relationships with leading health care companies, he has extensive relationships with lenders and institutional investors that specialize in the industry.

Mr. Brown earned a BSc degree from the University of Toronto and an MBA degree from McMaster University.

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Mark Spencer
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Chicago
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Mr. Spencer has over 25 years of financing experience, and was formerly co-head of syndication at Bank of Montreal. Mr. Spencer has held senior relationship management positions with Bank of Montreal with both a middle market and corporate banking focus and was appointed managing director and unit head of the special accounts group where he managed a staff of 15 and a \$1.5 billion portfolio of high risk accounts.

From 1998 to 2005, Mr. Spencer was Managing Director of Harris Bank/Bank of Montreal syndications where he and his staff of professionals were responsible for designing and marketing middle market loans for syndication to other banks. The group managed 30 to 50 transactions annually. In addition to bank loans, Mr. Spencer has extensive experience leading his group on private placements, staple-on financings, second lien loans and mezzanine debt transactions.

Mr. Spencer earned an MBA degree from Queens University and Bachelors degrees in Business, Education and History from Mt. Allison University.

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Aaron M. Kneas, CFA

Managing Director

Charlotte

(704) 258-7070

akneas@chcapital.com

Mr. Kneas has over 12 years of experience in the financial services industry, with all 12 years specializing in health care. His experience at Creative Health Capital has been predominately capital structure advisory work with health care services companies. He has been instrumental in all aspects of origination and execution of capital structure and advisory transactions ranging in size from \$5 million to \$175 million. During his tenure at Creative Health Capital, Mr. Kneas has successfully arranged over \$1 billion of senior debt, mezzanine debt, sale leaseback, accounts receivable and equity financings.

Prior to joining Creative Health Capital in January 2003, he was an Associate in Wachovia's Health Care Group based in Charlotte, North Carolina. Before joining Wachovia, he was an Analyst in the Health Care Group for Bank of Montreal/Nesbitt Burns, based in Chicago.

During his tenure at Wachovia, Mr. Kneas was responsible for the relationship management of a group of health care companies. He worked directly with Chief Executive, Chief Financial and other treasury and finance officers to provide capital structure advice; including recommendations on acquisitions, interest rate risk, cash management, foreign exchange risk and other strategic transactions. In addition to relationship management responsibilities, Mr. Kneas managed a team of Analysts to prepare marketing documents, credit analysis and financial analysis to successfully win and execute various transactions. With extensive knowledge of the capital markets, Mr. Kneas was successful identifying clients' needs and determining an optimal capital structure.

Mr. Kneas has originated and structured several complex transactions involving bank debt, senior notes, high yield debt, bridge loans, receivables securitization, mezzanine debt, private equity placements and mergers and acquisitions. His industry knowledge, financial analysis skills, and ability to understand complex financial transactions has been instrumental in developing his broad base of capital markets knowledge and strong client relationships in a variety of health care sectors.

Mr. Kneas earned a BA degree in Economics from DePauw University and is a Chartered Financial Analyst (CFA).

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Eric Lewandowski

Vice President

Charlotte

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Eric is responsible for sourcing and executing debt and equity transactions as well as buyout opportunities in the healthcare and healthcare real estate industries. He has advised on transactions and buyout opportunities for critical access hospitals, skilled and assisted living facilities, specialty hospitals, and ambulatory surgery centers.

Prior to joining Creative Health Capital, Eric worked in investment banking for RBC Capital Markets and Solidus Capital, in New York, NY, and Colombia, South America, respectively. Previously, Eric worked in social venture capital as the Acting Director of Operations for Ashoka and has also worked advising fortune 500 financial services companies for PricewaterhouseCoopers LLP in Boston, MA, where he was the recipient of two Chairman's Awards. He has also served as an executive member of the boards of directors of several social sector organizations, including the Boys and Girls Club of Stoneham, MA.

Eric earned a BS in Business Administration from Bryant University and an MBA from the Fuqua School of Business at Duke University.

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Joshua S. Brown

Vice President

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jbrown@chcapital.com

Mr. Brown has over 10 years of health care valuation experience. Prior to joining Creative Health Capital in December 2006, he was a Senior Project Manager with Wellspring Valuation Ltd., now part of Huron Consulting Group. He focused on valuation and advisory engagements for hospitals, ambulatory surgery centers, diagnostic imaging centers, laboratories, dialysis centers, long-term care facilities, assisted living facilities, private physician practices and medical office buildings.

Prior to joining Wellspring, he was a Valuation Consultant with CBIZ Valuation Group, LLC, part of CBIZ Inc., where he focused on valuation assignments for health care services companies, health care providers and health care facilities.

Mr. Brown earned a BA degree with Honors from McMaster University.

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Rutul Shah

Vice President

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(312) 391-6845

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Mr. Shah has over 8 years of experience in healthcare principal investing and investment banking. Prior to Creative Health Capital, he was an Associate at Linden LLC, a private equity partnership focused on healthcare products and related service companies. While at Linden, he was responsible for day-to-day management of Linden's portfolio investments, as well as identifying, evaluating and executing new investment opportunities. Mr. Shah began his career in the healthcare investment banking group at Merrill Lynch & Co. where he provided M&A advisory services and executed financing transactions for healthcare and life science companies.

Mr. Shah holds a Bachelor of Science in Bio-Medical Engineering from Northwestern University and an MBA with honors from The University of Chicago Booth School of Business.

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Investment Portfolio

Creative Health Capital invests in middle-market health care services companies that offer potential platforms for transformational value creation. We partner with these companies to enhance their growth by providing our extensive healthcare experience and expertise, in addition to our wide industry contact network. Our aim is to help build our portfolio companies into niche market leaders.

Current Investment Portfolio



Legend Healthcare provides nursing & rehabilitative care, transitional care, hospice care and respite stays through 14 facilities located in Texas.

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Selected Transactions

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U.S. RENAL CARE

Acquisition Financing
\$160,000,000
Credit Facility
\$40,000,000
Subordinated Notes
Financial Advisor

LANDMARK HOSPITALS



\$42,000,000
Sale/Leaseback
Sole Lead Arranger

VANGUARD HEALTHCARE SERVICES, LLC



\$12,200,000
Senior Credit Facility
Sole Lead Arranger

BENCHMARK HEALTHCARE



\$5,000,000
Senior Credit Facility
Sole Lead Arranger

Cancer Treatment Centers of America



Winning the fight against cancer, every day.[®]
\$125,000,000
Senior Debt
Arranger

Undisclosed Amount
5 Skilled Nursing Facilities
of
Cheetah Healthcare
Properties
have been acquired
Advisor to Seller

Selected Transactions

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Winning the fight against cancer every day™

\$64,225,000
Senior Term Loan

Arranger



\$9,000,000
Debt Restructuring
\$7,000,000
Senior Debt

Advisor



\$41,500,000
Sale/Leaseback

Arranger



\$7,500,000
Sale/Leaseback

Arranger



**Acquisition of
Management Contract**

Advisor



\$21,000,000
Senior Debt

Arranger

Selected Transactions

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LEGEND HEALTHCARE

\$20,500,000
Facility Acquisition Financing

Arranger



Integra
Hospital Plano

\$16,500,000
Construction Loan
\$11,000,000
Equipment Working Capital

Arranger



LEGEND HEALTHCARE

\$22,500,000
Senior Debt

Arranger



LIFECARE
HOSPITALS

\$15,000,000
Senior Debt &
Subordinated Debt


Arranger



Integra

\$7,000,000
Bridge Loan

Arranger



DOCTORS' HOSPITAL

\$10,000,000
Acquisition of Hospital
from Non-Profit

Advisor to Acquiror

Contact Us

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