



Behavior Care Specialists Acquired by Pharos Capital Group, LLC

PITTSBURGH, January 29, 2018 — Pharos Capital Group, LLC ("Pharos"), through its Family Treatment Network platform ("FTN"), has acquired Behavior Care Specialists ("BCS"), based in Sioux Falls, SD, the firm announced today. BCS is an outpatient treatment provider of autism spectrum disorder services based on the principles of Applied Behavior Analysis (ABA), serving 140 children across four states. Additional terms of the transaction were not disclosed.

The Braff Group originated the transaction and served as the exclusive mergers and acquisitions advisor to Behavior Care Specialists.

Pharos established its Family Treatment Network platform to manage its investments in special schools, psychiatric residential treatment centers and community-based programs for children, adolescents and their families. In 2016, FTN acquired Logan River Academy, a Logan, Utah based adolescent treatment center serving adolescents with a wide range of behavioral and emotional issues, including autism spectrum disorders.

Alison Hulshof, founder and CEO of BCS, and members of her management team will continue to lead BCS going forward as a division of FTN, and Ms. Hulshof will also become a shareholder of FTN in conjunction with the transaction. In addition, Ed Irby, a longtime behavioral health and special education executive who heads the FTN platform, will continue to serve as Chairman of FTN and lead the company's strategic and growth initiatives.

"The acquisition of Behavior Care Specialists is a logical step as Pharos continues to expand its portfolio of behavioral health companies," said Jim Phillips, Partner at Pharos. "The BCS model adds an early-childhood focused component to FTN's platform of services and has tremendous potential for further growth."

Mr. Irby added, "The need for specialized behavioral care treatment continues to increase, especially among children. It has been proven that early intervention makes an enormous difference in the treatment of autism disorders in particular, and we believe Alison and her team are leaders in producing successful outcomes for families."

Ms. Hulshof commented, "We are excited to be working with Ed and the Pharos team. We are confident they share our vision of providing high quality treatment services, tailored to individual and family needs, in a caring environment."

"With few dominant players in a fragmented market where utilization, funding, and public awareness are all way up, it's no surprise that private equity is rushing in to fill the void," commented Nancy Weisling, The Braff Group Managing Director that headed up the deal team representing BCS. "We anticipate a long run of interest in the space as consolidators work to build critical mass, and new start-ups mature to replenish – and expand – the pool of attractive acquisition candidates."





About Family Treatment Network

The Family Treatment Network (FTN) is a complementary platform of child and adolescent behavioral health services businesses, including residential therapy centers, therapeutic day schools, home & community based outpatient programs, and other child and adolescent psychiatric treatment services. With a strong emphasis on both education and therapy, FTN offers a broad mix of high quality programs and services with an emphasis on autism and ABA Therapy. FTN's goal is to provide best-in-class care across the full continuum of behavioral health services to children, adolescents and families from coast to coast.

About Behavior Care Specialists

BCS, founded in 2006, is an outpatient treatment provider of autism spectrum disorder (ASD) services using the principles of Applied Behavior Analysis (ABA). BCS works with children and adolescents with ASD in clinics, schools and homes, providing a broad array of services encompassing clinical diagnostic services, early behavioral intervention, center-based services, adult diagnostic services, boarding school, and functional behavioral assessment. BCS is headquartered in Sioux Falls, SD and provides autism services in South Dakota, Iowa, Minnesota and Wyoming.

About Pharos Capital Group

Based in Dallas and Nashville, Pharos Capital Group (www.pharosfunds.com) is an SEC Registered Investment Advisor. Since inception, Pharos has invested in 50 companies and currently has over \$690 million of private equity assets under management. Pharos typically invests \$25-\$50 million in rapidly growing middle market companies seeking later stage funding for internal growth, acquisitions, leveraged buyouts, management buyouts, or recapitalizations predominantly across healthcare sectors.

About The Braff Group

The Braff Group is the leading health care services mergers and acquisitions advisory firm with a team of industry professionals focused exclusively on behavioral health care, including substance use disorder, mental health, autism services, I/DD, telepsychiatry, and acquired brain injury.

Celebrating our 20-year anniversary, The Braff Group has completed more than 300 transactions. According to Thomson Reuters, The Braff Group has repeatedly been ranked as the #1 health care mergers and acquisitions advisory firm.

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