

FOR IMMEDIATE RELEASE

## WELSH, CARSON, ANDERSON & STOWE INVESTS IN SPRINGSTONE

### Leading Private Equity Firm Commits \$100 Million to Development of Behavioral Healthcare and Psychiatric Hospitals

November 2, 2010

**Louisville, Kentucky** – Springstone, Inc. (the “Company”) announced today that Welsh, Carson, Anderson & Stowe (“Welsh Carson”), one of the largest private equity investors in information/business services and healthcare, has acquired a majority share in the Company and committed a total of \$100 million in equity capital for the development of behavioral healthcare and psychiatric hospitals.

Springstone will be led by healthcare veteran W. Earl Reed, III, who serves as President and Chief Executive Officer for the Company, and behavioral health entrepreneur Ken Newman, an investor in Springstone who will become Chairman of the Board.

Reed has worked in the healthcare industry since 1973 and has served as CEO and CFO of several private and public healthcare services companies including LifeCare Management Services, Rehab Designs of America, Vencor, Inc. (now Kindred, Inc.), and Humana. Newman is founder of Horizon Health Corporation, a leading provider of psychiatric hospitals and mental health services from 1981 until 2007 when it was sold to Psychiatric Solutions.

“We are very pleased to add Springstone to our growing healthcare portfolio and are optimistic about the outlook for behavioral healthcare and psychiatric hospitals. Under the leadership of Ken Newman and Earl Reed, we have a tremendous combination of industry expertise and a proven track record of successfully growing and building companies,” said Paul B. Queally, Co-President of Welsh Carson. “Welsh Carson has more than 30 years of experience investing in the healthcare industry, including a highly successful investment in Behavioral Health Corporation, which was later sold to Psychiatric Solutions. We look forward to partnering with the Springstone team as we aggressively pursue both organic and external growth opportunities for the Company.”

“We are very excited about the commitment that Welsh Carson has made to Springstone, which will allow the Company to significantly accelerate the pace of our hospital development,” said Reed. “The Welsh Carson team has a deep understanding of the industry and shares management’s view of the significant growth opportunities available to us.”

The Springstone senior leadership team brings extensive behavioral health and hospital system administration to the Company:

- Patrick Hammer, Springstone Chief Operating Officer, has a 20-year history in the mental health field. He held positions with United Medical Corporation, Charter Behavioral Health System and National Medical Enterprises before founding Wellstone Regional Behavioral Healthcare, a 100-bed behavioral hospital in Jeffersonville, IN. Wellstone was sold to Psychiatric Solutions in 2008.
- Dean Saling, Springstone Vice President for Operations, brings more than 30 years’ experience in the mental health field to the Company. A seasoned administrator with a master’s degree in social work, Saling founded Atlantis Healthcare and has held a variety of

clinical and administrative positions with companies including United Medical and Charter Behavioral Healthcare.

- Jill Force, Springstone Chief Administrative Officer, is also a CPA and attorney. She has an extensive track record running the legal, financial, and administrative aspects of healthcare companies. She served as Executive Vice President, Chief Administrative Officer and General Counsel for LifeCare Management Services, and has held executive positions with Rehab Designs of America and Vencor, Inc.

**About Welsh, Carson, Anderson & Stowe**

Welsh, Carson, Anderson & Stowe ("WCAS") was formed in 1979 and has focused its investment activities in two industries, information/business services and healthcare. WCAS manages \$20 billion in capital and has a current portfolio of over thirty companies. WCAS's strategy is to buy growth businesses, partner with outstanding management teams and build value for its investors through a combination of operational improvements, internal initiatives and strategic acquisitions. See [www.welshcarson.com](http://www.welshcarson.com) to learn more.

**About Springstone, Inc.**

Springstone, Inc. owns and operates a psychiatric hospital located in Newburgh, Indiana, and plans to develop and acquire additional psychiatric hospitals throughout the United States. The Newburgh hospital also provides partial hospitalization and intensive outpatient psychiatric and substance abuse treatment to adult and geriatric patients.

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