



Confidential  
Introduction to Gordian Group  
Senior Living Industry

2022

# Senior Living Industry Situation and Overview

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**COVID-19, coupled with labor issues, is adversely impacting the broader senior-living facility industry with nearly 8% of the outstanding \$41bn of senior-living bonds in default as of December 2021**

- The current senior living environment is nonoptimal for market participants regarding both their top-line and operating costs
  - Revenue has suffered due to low nursing home occupancy rates
  - Healthcare costs for nurses and care-workers have soared during the pandemic, causing constricted liquidity and significant declines in cash flow
- Occupancy contraction, increasing costs and high leverage have converged to create crises for a meaningful percentage of industry participants

Certain solutions nursing homes can employ to help mitigate the aforementioned issues may include:

- Providing care to aging patrons in place via home health care
- Analyzing incremental revenue streams including renal care, diagnostic testing, geriatrics, etc.
- Elimination of unused space by renting or leasing
- Reconfiguration of financial structure to attract new potential investment

Senior living facilities, their Management teams and Boards of Directors can benefit from the expertise of a financial restructuring advisor in the development and implementation of a capital structure plan going forward, including:

- Providing advice to leadership in how to manage their financial situation
- Advising on debt restructuring alternatives, including communicating and negotiating with creditors
- Exploring capital markets alternatives, including raising additional capital raising and M&A activities

In addition, restructuring investment banks can also assist other parties-in-interest involved in the senior living industry (e.g., non-profit entities, municipal bondholders, etc.).

## Gordian Group Industry Perspectives and Podcast

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- Senior Living – A Tale of Two Outcomes? | Gordian Perspectives for July 2021

<https://gordiangroup.com/senior-living/>

- Senior Living Facilities Outlook | Waller Law Point by Point Podcast

<https://gordiangroup.com/senior-living-outlook-waller-law-point-by-point-podcast/>

- Nursing Home Bankruptcies | Gordian Perspectives for June 2021

<https://gordiangroup.com/nursing-home-bankruptcies/>

# Extensive Industry Experience

- Gordian Group and its partners and affiliates have significant experience in healthcare and other related industries, including biotech, medical devices, pharmaceuticals, healthcare services, hospitals and physician groups.
- Specific to the senior living industry, President Peter Kaufman has recently worked on an assignment in respect of a senior living facility for Denison University.
- Scott Keller, Gordian Advisor and President of Dynamis Advisors, has extensive industry experience that can be brought to bear if required, including work on 85 hospital transformation assignments.
- Gordian’s Chairman Emeritus, Fred Zeidman, resides in the Houston area and has served as Chairman of the Board of the Texas Heart Institute, among other relevant industry experience.
- The table below summarizes of certain representative healthcare and related industry engagements.

 <p><b>Interfaith Medical Center</b></p> <p>Restructuring Advisory</p>	 <p><b>STEREOTAXIS</b></p> <p>Restructuring Advisory and Capital Raising</p>	 <p><b>CCS MEDICAL</b></p> <p>Restructuring Advisory</p>	 <p><b>ALL Smiles</b></p> <p>Distressed M&amp;A Advisory</p>	 <p><b>DYADIC</b></p> <p>Licensing and Restructuring Advisory</p>	 <p><b>jhi</b></p> <p>Restructuring Advisory and Capital Raising</p>	<p><i>Undisclosed Hospital Operator</i></p> <p>Restructuring Advisory</p>	 <p><b>TLC Vision</b> <i>A Lifetime of Vision</i></p> <p>Restructuring Advisory</p>	 <p><b>THE UNIVERSITY of TEXAS Institute</b> HEALTH SCIENCE CENTER at HOUSTON</p> <p>Chairman of the Board</p>
<p><i>Undisclosed Spinal Implant Company</i></p> <p>Restructuring Advisory</p>	 <p><b>nuo THERAPEUTICS</b></p> <p>Restructuring Advisory and Capital Raising</p>	<p><i>Undisclosed Population Health Manager</i></p> <p>Restructuring and M&amp;A Advisory</p>	 <p><b>TIRR MEMORIAL HERMANN</b> Rehabilitation &amp; Research</p> <p>Chairman of the Board</p>	 <p><b>UNISON</b> SOLUTIONS CORPORATION</p> <p>Restructuring Advisory</p>	<p><i>Undisclosed Hospital Operator</i></p> <p>Valuation and Litigation Support</p>	<p><i>Undisclosed Device and Vaccine Companies</i></p> <p>Restructuring Advisory and Capital Raising</p>	 <p><b>Lexington</b></p> <p>Restructuring Advisory</p>	<p><i>Undisclosed Spinal Implant Company</i></p> <p>Restructuring Advisory and Capital Raising</p>

# Preeminent Advisory Platform

Gordian provides advisory services to companies, boards, and existing equity holders seeking to maximize value in complex situations. By eschewing financial creditor and institutional representation, we provide unconflicted advice and creative strategies to advantage our clients.

300+ Clients Served	Over \$100 Billion in M&A and Restructuring Transactions	150+ Years of Industry Leading Partner Level Experience	30 Years of Relentless Results
<p><b>Successful Entrepreneurs</b></p> <p>As successful entrepreneurs ourselves both in founding Gordian and our own private investment vehicle, we understand that success depends not only on great ideas and hard work but also on forging the right partnerships.</p>	<p><b>Out-of-the-Box Thinking</b></p> <p>We realize that every client is in a different situation and has different goals. Therefore we do not provide our clients with a 'one-size fits all' game plan and instead use our years of experience to tailor individual strategies that specifically address our clients needs.</p>	<p><b>Experienced Advisors</b></p> <p>Gordian partners Peter Kaufman and Henry Owsley wrote the defining books on strategies to maximize value in restructuring and complex M&amp;A situations, most recently in <i>Equity Holders Under Siege</i>.</p>	<p><b>Industry Leaders</b></p> <p>Over its 30 year history, Gordian has led over 300 assignments on behalf of companies, boards of directors, and existing equity holders – including sponsor firms. We are also active with managers of credit funds and structured vehicles and represented regulators, unions and other constituencies.</p>

# Services Offered

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Founded in 1988, we are a FINRA registered, owner-operated broker-dealer.

We have completed more than 300 engagements since inception and have a track record of outsized recoveries for shareholder clients.



Our goals are simple: to maximize value for our clients, maintain and protect important relationships and protect our clients' boards. For over thirty years as a firm, we are relentless in this pursuit, and our commitment to adding value has engendered deep client loyalty.

# Senior Leadership



**Peter Kaufman, President**

- 30 years at Gordian/40 years industry experience
- Prior to Gordian, founded First Boston's Restructuring and Workout Group
- Co-author of *Equity Holders Under Siege* and *To the Abyss and Back*, the leading books on restructuring



**Henry Owsley, Chief Executive Officer**

- 30 years at Gordian/40 years industry experience
- Prior to Gordian, member Goldman Sachs technology banking division
- Co-author of *Equity Holders Under Siege* and *To the Abyss and Back*, the leading books on restructuring



**Patricia Caldwell, Partner**

- 30 years at Gordian/45 years industry experience
- Prior to Gordian, founded and ran Citibank's Corporate Finance and Analysis Department



**Dennis McGettigan, Partner**

- 24 years at Gordian/ 28 years industry experience
- MBA from Columbia Business School and a BS from the Wharton School University of Pennsylvania



**David Herman, Partner**

- 20 years at Gordian
- Significant advisory, litigation support, expert witness, and fairness experience
- BA with a degree in Mathematics and Economics from the University of Pennsylvania



**Fred Zeidman, Chairman Emeritus**

- 6 years at Gordian/ 45 years of industry experience
- Prior to Gordian, had been involved in a number of high-profile workouts, restructurings, and reorganizations



**Liam Ahearn, Partner**

- 6 years at Gordian/16 years of industry experience
- Prior to Gordian, was a Director at Capstone Advisory Group and active with Lehman Brothers in both high yield research and principal investing
- BA with a degree in Economics and History from Georgetown University



**Scott Keller, Gordian Advisor**

- President of Dynamis Advisors
- Over 35 years of experience with public/private real estate ventures and creating unique public/private healthcare partnerships
- Scott has led the Dynamis team on over 85 hospital transformation assignments

# The Gordian Advantage

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We are industry generalists but experts in complex, challenging, and other special situations.

## Unconflicted Advice

- We focus exclusively on representing companies, boards of directors, and equity holders.
- Avoiding financial creditor representations allows us to more effectively advocate for our clients.
- We do not trade securities, nor do we have an active bondholder advisory practice.

## Bespoke Strategies

- We are skilled negotiators specializing in creative and bold approaches that advantage our clients.
- We successfully convince disparate parties to agree to outcomes that promote our client's goals.
- We do not provide cookie-cutter action plans.

## Senior Level Deal Teams

- Gordian only takes on a limited number of assignments at any one time. We do not simply process deals.
- Our professionals bring decades of experience and creativity to each client's situation.
- Each assignment is staffed with at least two senior level professionals.

## Experts in Complex Situations

- We regularly parachute into time-critical situations and almost always achieve outstanding results.
- We are used to getting up to speed quickly and effectively for our clients.
- We wrote the definitive works in our field on the methods and complexities of this niche advisory space.

# Conflict-Free Advisors

We stand out from our competitors not only for superior client service but also for the unique ability to provide company, board, and equity holders conflict-free advice, as we do not represent creditors or bondholders.

**The Deal's Top Boutique Bankruptcy Financial Advisers to Distressed Companies, 2Q20**

	Companies & Boards	Other Equity Holders	Financial Sponsors	Bondholders	Creditor Groups
 CENTER VIEW PARTNERS	✓	✓	✓	✓	✓
 EVERCORE	✓	✓	✓	✓	✓
 GUGGENHEIM	✓	✓		✓	✓
 GLC GLC Advisors & Co.	✓	✓	✓	✓	✓
 HOULIHAN LOKEY	✓	✓	✓	✓	✓
 Jefferies	✓	✓	✓	✓	✓
 LAZARD	✓	✓	✓	✓	✓
 MOELIS & COMPANY	✓	✓	✓	✓	✓
 PJF	✓	✓	✓	✓	✓
 P/W/P PERELLA WEINBERG PARTNERS	✓	✓	✓	✓	✓
 Rothschild & Co	✓	✓	✓	✓	✓
 SSG CAPITAL ADVISORS, LLC	✓	✓	✓	✓	✓
					Conflict-Free Advice
 Gordian Group RELENTLESS. RESULTS.	✓	✓	✓	✗	✗

# Successful Track Record

Gordian has a successful track-record in consummating difficult deals and maximizing value for our clients in challenging situations. We believe our success stems from the following characteristics.

## Significant Experience

- Capital structure evaluation
- Debt capacity and valuation analysis
- Out-of-court recapitalizations
- Amendments
- Business plan review
- Chapter 11 restructurings (prepackaged, prearranged and traditional)
- Complex and special situations M&A
- Financings & capital markets
- Expert testimony

## Senior Level Client Service

- Senior professional deal teams
- Innovative/creative solutions tailored to client goals
- Provide multiple options
- Broad network of contacts to effectuate strategies

## Effective Advocates

- Provide independent and conflict-free advice
- Aggressive pursuit on behalf of clients
- Toughness in negotiations
- Ability to harmonize divergent parties

# Awards and Recognition

We are a name brand in our field, and have won numerous awards for our restructuring and M&A work, including the following recent recognitions:

 <p>THE M&amp;A ADVISOR</p> <p><b>2019 Boutique Investment Bank of the Year</b></p> <p>(7<sup>th</sup> time in 9 years)</p>	<p><b>turnarounds &amp; workouts</b></p> <p><b>2012 - 2019 Outstanding Investment Banking Firm</b></p> <p>(7<sup>th</sup> time in 8 years)</p>	<p>Sale of</p>  <p>VitalPet<sup>®</sup></p> <p>To</p>  <p>DESTINATIONPET</p> <p><b>2020 Distressed M&amp;A Deal of the Year</b></p> <p>(\$25mm - \$50mm)</p>	<p>Sale of</p>  <p>Kane</p> <p>To</p>  <p>JDH CAPITAL MANAGEMENT</p> <p><b>2019 Distressed M&amp;A Deal of the Year</b></p> <p>(\$25mm - \$50mm)</p>	<p>Restructuring of</p>  <p>STEEL CITY MEDIA</p> <p><b>2018 Technology Deal of the Year</b></p> <p>(\$50mm - \$75mm)</p>	<p>Sale of</p>  <p>Wellman Dynamics<sup>®</sup></p> <p>To</p>  <p>TRIVE CAPITAL</p> <p><b>2018 Industrials Deal of the Year</b></p> <p>(Under \$100mm &amp; \$50mm - \$100mm)</p>	<p>Sale of</p>  <p>Trans Energy, Inc. Oil and Gas Exploration and Development</p> <p>to</p>  <p>EQT</p> <p><b>2016 Out-of-Court Restructuring and M&amp;A Deal of the Year</b></p> <p>(\$100-\$500mm)</p>	<p>Restructuring of</p>  <p>Alphatec Spine<sup>®</sup></p> <p><b>2016 Cross-Border Restructuring Deal of the Year</b></p> <p>(Under \$1B)</p>
<p>Sale of</p>  <p>Metalico, Inc.</p> <p>to</p>  <p>total merchant services sell your business free</p> <p><b>2015 Cross-Border Restructuring &amp; Industrial Goods &amp; Basic Resources Deal of the Year</b></p> <p>(+\$100mm - \$1B)</p>	<p>Restructuring of</p>  <p>American Airlines</p> <p><i>For AMR's largest union, the Transport Workers Union</i></p> <p><b>2014 Chapter 11 Reorganization of the Year</b></p> <p>(Over \$1B)</p>	<p>Sale of</p>  <p>MONTREAL MAINE &amp; ATLANTIC RESOURCE</p> <p>to</p>  <p>FORTRESS</p> <p><b>2014 Distressed M&amp;A Deal of the Year</b></p> <p>(\$10-\$25mm)</p>	<p>Sale of</p>  <p>XP Xtreme POWER</p> <p>To</p>  <p>YOUNICOS Let the fossils rest in peace.</p> <p><b>2014 Energy Deal of the Year</b></p>	<p>Sale of</p>  <p>BEN &amp; JERRY'S</p> <p>To</p>  <p>Unilever</p> <p><b>Middle Market Deal of the Year</b></p>	<p>Restructuring of</p>  <p>SPANSCION<sup>™</sup></p> <p><b>2010 Cross-Border Restructuring Deal of the Year</b></p> <p>(over \$1B of debt)</p>	<p>Restructuring of</p>  <p>JHI</p> <p><b>2012 Business Services Deal of the Year</b></p> <p>(&gt;\$100mm of debt)</p>	<p>Sale of</p>  <p>ALEXANDER GALLO HUNTERS, LLC</p> <p>To</p>  <p>H.I.G. WHITEHORSE</p> <p><b>2012 Professional Services Turnaround of the Year</b></p>

# Over 300 Clients Successfully Served

Some of our disclosable engagements are listed in the table below. Case studies on several of these and other projects can be found at <https://gordiangroup.com/clients/>.

Selected Disclosable Gordian Restructuring and M&A Engagements

Company	Client *	Restructuring		Company	Client *	Restructuring	
		Advisory	M&A			Advisory	M&A
ANC (Alamo/ National Car Rental)	Securitization Creditor	•	•	Liberty House	Equity	•	
Alexander Gallo Holdings	Company	•	•	London Fog Industries, Inc.	Company	•	
Allied Digital, Inc.	Company	•	•	LTV Corp.	Securitization Creditor	•	•
All Smiles Dental	Sponsor	•	•	Martin Color-Fi	Company	•	•
Alphatech	Company	•	•	Metalico, Inc.	Company	•	•
Ambac	Regulator	•		Mississippi Chemical Corp.	Company	•	•
American Airlines	Transport Workers Union	•	•	Modular Space Corp.	Sponsor	•	
AmeriServe Food Distribution	Tricon Global Restaurants		•	Montreal, Maine & Atlantic Railway	Company / Trustee		•
Anker Coal	Company	•		Next Wave	FCC	•	
Axion	Company	•	•	Nuo Therapeutics	Company	•	
Bayou Steel Corp.	Company	•	•	Ogden Corp.	Company	•	
Ben & Jerry's Homemade	Company	•	•	Osyka Corporation	Company	•	•
Cambium Learning	Company	•		Pentacon	Company	•	•
Centis, Inc.	Company	•		Petsec Energy, Inc.	Company	•	
Chiquita Brands International	Consolidated Fruit Corp.		•	Pinnacle Holdings / Pinnacle Towers	Company	•	•
Constellation Energy	Equity	•		Safeguard Business Systems, Inc.	Company	•	•
Crown Petroleum	Equity	•		Spansion Inc.	Company	•	
Creative Solutions Group	Company	•		Spiegel, Inc.	Securitization Creditor	•	
Cuddy International Corp.	Company	•	•	Stereotaxis	Company	•	
Diva Systems Corp.	Company	•	•	Sudbury, Inc.	Company	•	
Dyadic	Company	•		Summit Global Logistics, Inc.	Company	•	•
Farmland Industries	Smithfield Foods		•	ThermaCELL	Company		•
FlexEnergy / Ener-Core	Company	•		Trans Energy Inc.	Company	•	•
Integrated Electrical Services	Company	•		Tri-Union Development	Company	•	
Interfaith Medical Center	Company	•	•	United Airlines	Retired Pilots' Committee	•	
Higman Marine	Company	•		Waste Systems International, Inc.	Company	•	
Jobson Medical Information	Company	•		Wellman Dynamics Corporation	Company		•
Kevco	Company	•	•	Xtreme Power	Company		•
Laclede Steel Company	Company		•				

\* Sponsor denotes assignments in which Gordian was engaged directly by the Sponsor; portfolio company engagements are denoted as Company



950 Third Avenue, 17<sup>th</sup> Floor  
New York, New York 10022  
(212) 486-3600  
[www.gordiangroup.com](http://www.gordiangroup.com)