

SOLIC Capital Advisors Announces \$1 Billion Midwest Hospital Merger

October 28, 2014

Community Hospitals Increasingly Seeking Partnerships with Similar-Minded Systems

CHICAGO – October 28, 2014 – SOLIC Capital Advisors, a leading middle-market financial advisory firm, today announced the execution of a merger between Mercy Health System and Rockford Health System. The firm served as exclusive financial advisor to the Rockford Health System Board of Directors in this transaction.

Pending regulatory approval, the two hospitals plan to merge into a new, as-yet-unnamed hospital system, providing more comprehensive care to residents throughout northern Illinois and southern Wisconsin. The transaction is expected to close in early 2015.

“This merger will help both systems be more prepared to face today’s harsh fiscal climate and intense competition for specialized clinical resources and differentiated services,” SOLIC Capital Advisors’ Managing Director Matt Caine said. “The combination of these two healthcare providers is emblematic of a trend we’re seeing with community hospitals nationwide. Partnership is the new axiom for hospital boards and executives appropriately pursuing opportunities to stay competitive.”

Comprising five hospitals and over 550 physicians, the systems have \$1.2 billion in combined assets and \$300 million in debt. Charitable assets will remain separate and will continue to provide financial support to the facilities at which the donations were made.

About the Hospitals

Mercy Health System and Rockford Health System are innovators with advanced medical programs such as *da Vinci* robotic surgery. Each of the two systems is among the largest private employers in its respective community and, together, the new combined system will directly contribute to the economic vitality of the two-state region.

“It’s common for hospitals to be meaningful drivers of a community’s economy,” noted Edward Casas, MD, Managing Partner of SOLIC Capital Advisors. “We worked diligently to optimize the regional strategies of these two organizations, including a focus on the jobs of hard-working employees and the continued access to high quality, innovative health care in the communities they serve.”

The Mercy Health System and Rockford Health System executive team will work closely to ensure a smooth transition in combining their respective healthcare systems. Mercy Health System and Rockford Health System will both maintain their names. Under the new structure, the organization’s five hospitals and affiliated medical groups will maintain their well-recognized names and all operating licenses will continue to be held by the same facilities.

About SOLIC

SOLIC Capital Advisors, LLC (“SCA”) is a leading specialty investment bank providing merger & acquisition, restructuring, capital placement and valuation advisory services to companies, lenders, institutional investors, the legal community and other creditor constituencies. SCA professionals have successfully led nearly 500 mandates, involving over \$90 billion in capitalization, across a wide array of industry sectors, creating significant stakeholder value. SCA is a subsidiary of SOLIC Holdings, LLC which includes: SOLIC Capital Advisors (financial advisory), SOLIC Capital Partners (principal investing), SOLIC Capital, LLC (FINRA registered Broker/Dealer), and SOLIC Capital Management (asset management services). Investment banking, private placement, merger, acquisition and divestiture broker-dealer services offered through SOLIC Capital, LLC. Member FINRA/SIPC. To learn more, please visit www.soliccapiatal.com.

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