

### Consulting & Advisory Acquisition Pushes Client to Top 5 Nationally *Pacific Coast and Mountain Regions*



Physical Rehabilitation Network (PRN) is a leading provider of physical therapy services



### Key Storylines

- Advised PE Client on Major Acquisition
- Evaluated 154 Sites in 17 Days
- Sixth Successful Project Since 2018

### Situation

Staying ahead of a hyper-competitive acquisition climate, private equity stalwart Gryphon Investors had an impossibly-narrow window to evaluate and underwrite a well-known network of co-branded medical clinics. Prevailing with the acquisition meant doubling its market share in the healthcare sector and cementing Gryphon's position as operator of a top-five physical therapy business.

### Enterprise Impact

We modeled a fee structure to be proportionate with the scope of work and scale of the acquisition, showing economic and intellectual value at every turn. Gryphon closed on the acquisition in December, 2020, the sixth project we completed for them since 2018.

### Resources

Market Analysis, Lease Administration, Portfolio Underwriting, Compliance Review

### Operational Solution

Big deals with short due diligence can be a recipe for disaster. So Gryphon turned to MK Asset and its strategic partner, Transwestern, to examine 154 sites in 11 Pacific, Mountain and Central region states. Project Scope had three objectives: 1) review all leases, amendments and side letters (nearly 1,000 documents); 2) benchmark economic and business terms to fair market standards; and 3) unearth potential conflicts with federal laws that govern the healthcare industry.

In just 17 days and 956 man-hours, we read every documents, prepared individual lease abstracts capturing 20 key data points, determined if terms were at, below or above those at like-kind properties and flagged related-parties in potential conflict with Stark laws and anti-kickback regulations. We issued a 50-page electronic deliverable, three amendments and advised the acquisition and legal teams on compliance and valuation matters.