PRIVATE EQUITY

Golden Gate Seals Behavioral Health Deal

Jordan, which invested in the behavioral health services company in 2017, will retain a minority stake, as will the company's management.

By Armie Margaret Lee

Golden Gate Capital LP said Wednesday, Sept. 25, it has purchased behavioral health services provider Invo Holdings LLC.

Terms were not disclosed. The Jordan Co., an investor in Invo since 2017, and management will retain minority stakes in the company.
Jamison, Pa.-based Invo provides therapy to children with developmental delays, including autism, in homes, schools and community-based centers. The company has more than 2,500 clinicians in 27 states, according to the news release.

Invo was started by an occupational therapist and an educator in 1993.

**Post Capital Partners LLC** acquired a majority stake in Invo in December 2012, then sold a controlling interest to **Wicks Group of Cos.** in December 2016 and retained a minority stake in the company. Jordan joined Wicks and Post as investors in Invo in a transaction announced April 2017.

Post and Wicks exited their stakes as part of the Golden Gate transaction.

Invo's management team led by CEO **Anthony Manley** will continue to lead the company.

**Todd Rudsenske** and **Erika Haanpaa** of KeyBanc Capital Markets' **Cain Brothers** provided financial advice to Invo, which took legal advice from **Winston & Strawn LLP**’s **James Kelly** and **Ilya Bubel**. Cain and Winston & Strawn previously advised Invo when Post sold a majority stake in the company to Wicks.

**Berkery, Noyes & Co.**'s **Jon Krieger**, along with **Guggenheim Securities LLC**, were Golden Gate's financial advisers. **Ropes & Gray LLP** and **Nob Hill Law Group PC** served as counsel to Golden Gate. The Ropes attorneys included **Eric Issadore**.

The behavioral health sector has attracted plenty of private equity interest, with transactions such as **Arsenal Capital Partners**’ acquisition of Indianapolis-based **Hopebridge LLC** in a deal announced in May and **Gryphon Investors**’ purchase of a majority stake in Baltimore-based **Learn Behavioral** in March. The Hopebridge and Learn Behavioral deals marked partial exits for **Baird Capital Partners** and **LLR Partners Inc.**, respectively.

For its part, **TPG Capital** said in February it had committed $300 million to a new autism services company called **Kadiant Inc.**, which TPG created with industry veteran **Lani Fritts**. Other transaction activity in the sector includes **Abry Partners LLC**’s investment in Mishawaka, Ind.-based Lighthouse Autism Center in October; **Webster Capital Management LLC**’s acquisition of Fort Lauderdale, Fla.-based **Behavior Development Group** in May last year and **Blackstone Group LP**’s (BX) purchase of Woodland Hills, Calif.-based **Center for Autism and Related Disorders LLC** in a deal completed also in May last year.

An Invo representative referred inquiries to a Golden Gate spokesperson. Golden Gate declined to comment beyond the press release. A representatives for Jordan did not immediately respond to an email.

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*David Marcus contributed to this article*