

07/10/2019 -ATIN- The newly rebranded Promises Behavioral Health is making its first new investments after rising from the post bankruptcy ashes of addiction treatment giant Elements Behavioral Healthcare. Elements was the largest Chapter 11 filing in recent addiction treatment history, with the company listing \$500M in debt at the time of its bankruptcy in May of 2018.

Promises is revamping its low cost, in network Right Step operation with extensive renovations to its 38K sq ft Houston facility, which will have a 60 private room capacity. The Washburn House facility, located in Massachusetts in the town of the same name, will be expanding its detox and residential bed capacity, as well as opening a new 16-bed dual diagnosis facility that is being partly funded by the state.

The public/private partnership - South Florida's Delphi Behavioral recently did a similar deal with a county government in Maryland - is indicative of the innovative approaches being taken by Promises' new management team, headed up by CEO Kirk Kureska. Kureska was brought in by new investors, treatment entrepreneur Ben Klein and BlueMountain Capital, after they gained control of Elements by buying \$135M face value of the company's senior debt for just \$40M.

Management has moved to close marginal operations, including the storied Promises Malibu, which nevertheless retained considerable value as one of the very few global addiction treatment brand names, thus the new Promises Behavioral moniker.

Promises now has 11 facilities in major markets like Texas, Pennsylvania and Florida.

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