

ASCENT ACQUISITION CORPORATION-PSC  
Form 424B3  
April 21, 2014

**Filed Pursuant to Rule 424(b)(3)  
Registration Number 333-194372**

**Prospectus**

**\$150,000,000**

**ACADIA HEALTHCARE COMPANY, INC.**

**EXCHANGE OFFER FOR**

**6.125% SENIOR NOTES DUE 2021**

Offer (which we refer to as the Exchange Offer ) for outstanding 6.125% Senior Notes due 2021, in the aggregate principal amount of \$150,000,000 (which we refer to as the Outstanding Notes ), in exchange for up to \$150,000,000 in aggregate principal amount of 6.125% Senior Notes due 2021 which have been registered under the Securities Act of 1933, as amended (which we refer to as the Exchange Notes and, together with the Outstanding Notes, the notes ).

**Material Terms of the Exchange Offer:**

Expires 5:00 p.m., New York City time, on May 20, 2014, unless extended.

You may withdraw tendered Outstanding Notes any time before the expiration of the Exchange Offer.

Not subject to any condition other than that the Exchange Offer does not violate applicable law or any interpretation of the staff of the United States Securities and Exchange Commission (the SEC ).

We can amend or terminate the Exchange Offer.

We will not receive any proceeds from the Exchange Offer.

The exchange of Outstanding Notes for the Exchange Notes should not be a taxable exchange for United States federal income tax purposes. See Certain Material United States Federal Income Tax Considerations.

**Terms of the Exchange Notes:**

The terms of the Exchange Notes are substantially identical to those of the Outstanding Notes, except the transfer restrictions, registration rights and additional interest provisions relating to the Outstanding Notes do not apply to the Exchange Notes.

The Exchange Notes and the related guarantees will be our and the guarantors' general unsecured senior obligations and will be subordinated to all of our and the guarantors' existing and future secured debt to the extent of the assets securing that secured debt. In addition, the Exchange Notes will be effectively subordinated to all of the liabilities of our subsidiaries that are not guaranteeing the Exchange Notes, to the extent of the assets of those subsidiaries.

The Exchange Notes will mature on March 15, 2021. The Exchange Notes will bear interest semi-annually in cash in arrears on March 15 and September 15 of each year. No interest will be paid on either the Exchange Notes or the Outstanding Notes at the time of the exchange. The Exchange Notes will accrue interest from and including the last interest payment date on which interest has been paid on the Outstanding Notes.

We may redeem the Exchange Notes in whole or in part from time to time. See Description of the Exchange Notes.

**For a discussion of the specific risks that you should consider before tendering your Outstanding Notes in the Exchange Offer, see Risk Factors beginning on page 15 of this prospectus.**

There is no established trading market for the Outstanding Notes or the Exchange Notes.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. A broker-dealer who acquired Outstanding Notes as a result of market making or other trading activities may use this Exchange Offer prospectus, as supplemented or amended from time to time, in connection with any resales of the Exchange Notes.

**Neither the SEC nor any state securities commission has approved or disapproved of the Exchange Notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is April 21, 2014**



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Each broker-dealer that receives Exchange Notes for its own account in exchange for Outstanding Notes that were acquired as a result of market-making activities or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act ). A broker-dealer who acquired Outstanding Notes as a result of market making or other trading activities may use this prospectus, as supplemented or amended from time to time, in connection with any resales of the Exchange Notes. We have agreed that, for a period of up to 180 days after the closing of the Exchange Offer, we will make this prospectus available for use in connection with any such resale. See Plan of Distribution.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any person to provide you with information different from that contained or incorporated by reference in this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities other than those specifically offered hereby or an offer to sell any securities offered hereby in any jurisdiction where, or to any person whom, it is unlawful to make such an offer or solicitation. The information in this prospectus is accurate only as of the date on its cover page and any information incorporated by reference herein is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus or of any sale of our 6.125% Senior Notes due 2021.

This prospectus incorporates important business and financial information about the company that is not included in or delivered with this document. For more information regarding the documents incorporated by reference into this prospectus, see Incorporation of Certain Documents by Reference on page 100. We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the information incorporated by reference in this prospectus, other than exhibits to such information (unless such exhibits are specifically incorporated by reference into the information that this prospectus incorporates). Requests for such copies should be directed to:

**Acadia Healthcare Company, Inc.**

**Attention: Chief Financial Officer**

**830 Crescent Centre Drive, Suite 610**

**Franklin, Tennessee 37067**

**Telephone: (615) 861-6000**

**In order to obtain timely delivery, security holders must request the information no later than five business days before May 20, 2014, the expiration date of the Exchange Offer.**

## **NON-GAAP FINANCIAL MEASURES**

We have included certain financial measures in this prospectus, including EBITDA and Adjusted EBITDA, which are non-GAAP financial measures as defined under the rules and regulations promulgated by the SEC. We define EBITDA as net income (loss) adjusted for loss (income) from discontinued operations, net interest expense, income tax provision (benefit) and depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for equity-based compensation expense, transaction related expenses and debt extinguishment costs. For a reconciliation of net income (loss) to Adjusted EBITDA, see Prospectus Summary Summary Historical Condensed Consolidated Financial Data. We also present cash interest expense and certain ratios that are derived using Adjusted EBITDA, including the ratio of net debt to Adjusted EBITDA and the ratio of Adjusted EBITDA to cash interest expense. We may not achieve all of the expected benefits from synergies, cost savings and recent improvements to our revenue base.

EBITDA and Adjusted EBITDA, as presented in this prospectus, are supplemental measures of our performance and are not required by, or presented in accordance with GAAP. EBITDA and Adjusted EBITDA are not measures of our financial performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as measures of our liquidity. Our measurements of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies and are not measures of performance calculated in accordance with GAAP. We have included information concerning EBITDA and Adjusted EBITDA in this prospectus because we believe that such information is used by certain investors as measures of a company's historical performance. We believe these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of issuers of equity securities, many of which present EBITDA and Adjusted EBITDA when reporting their results. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

## **MARKET AND INDUSTRY DATA**

We obtained the market and competitive position data used throughout this prospectus and in the documents incorporated by reference herein from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified the information, and we have not ascertained the underlying economic assumptions relied upon therein, and we do not make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable but it has not been verified by any independent sources. Our estimates involve risks and uncertainties, and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus.

## **FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements. Forward-looking statements include any statements that address future results or occurrences. In some cases you can identify forward-looking statements by terminology such as may, might, will, would, should, could or the negative thereof. Generally, the words anticipate, believe, continue, intend, estimate, project, plan and similar expressions identify forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance contain forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, many of which

are outside of our control, which could cause our actual results, performance or achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to:

negative media coverage relating to patient incidents, which could adversely affect the price of our securities and result in incremental regulatory burdens and governmental investigations;

the impact of payments received from the government and third-party payors on our revenues and results of operations;

our significant indebtedness, our ability to meet our debt obligations, and ability to incur substantially more debt;

our future cash flow and earnings;

our restrictive covenants, which may restrict our business and financing activities;

our ability to make payments on our financing arrangements;

the impact of the economic and employment conditions in the United States on our business and future results of operations;

compliance with laws and government regulations;

the impact of claims brought against our facilities;

the impact of governmental investigations, regulatory actions and whistleblower lawsuits;

the impact of recent healthcare reform;

the impact of our highly competitive industry on patient volumes;

the impact of the trend by insurance companies and managed care organizations entering into sole source contracts;

the impact of recruitment and retention of quality psychiatrists and other physicians on our performance;

the impact of competition for staffing on our labor costs and profitability;

our dependence on key management personnel, key executives and our local facility management personnel;

our acquisition strategy, which exposes us to a variety of operational and financial risk;



difficulties in successfully integrating the operations of acquired facilities or realizing the potential benefits and synergies of these acquisitions;

the impact of state efforts to regulate the construction or expansion of healthcare facilities on our ability to operate and expand our operations;

our potential inability to extend leases at expiration;

the impact of controls designed to reduce inpatient services on our revenues;

the impact of different interpretations of accounting principles on our results of operations or financial condition;

the impact of environmental, health and safety laws and regulations, especially in states where we have concentrated operations;

the impact of an increase in uninsured and underinsured patients or the deterioration in the collectability of the accounts of such patients on our results of operations;

the risk of a cyber-security incident and any resulting violation of HIPAA, breach of privacy or other negative impact;

the impact of legislative and regulatory initiatives relating to privacy and security of patient health information and standards for electronic transactions;

failure to maintain effective internal control over financial reporting;

the impact of fluctuations in our operating results, quarter to quarter earnings and other factors on the price of our securities;

the impact of our sponsor's rights over certain company matters;

the impact of the trend for insurance companies and managed care organizations to enter into sole source contracts on our ability to obtain patients; and

those risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These risks and uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. These forward-looking statements are made only as of the date of this prospectus. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. All subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

## PROSPECTUS SUMMARY

*This summary highlights selected information appearing elsewhere in or incorporated by reference in this prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether to participate in the Exchange Offer. You should carefully read the entire prospectus and the information incorporated herein by reference, including the section entitled Risk Factors beginning on page 15 and the financial statements and notes thereto included elsewhere in this prospectus.*

*In this prospectus, unless the context requires otherwise, references to Acadia, the Company, we, us or our refer to Acadia Healthcare Company, Inc. together with its consolidated subsidiaries.*

### **Our Company**

*Overview.* We are the leading publicly traded pure-play provider of inpatient behavioral healthcare services based upon number of licensed beds in the United States. As of December 31, 2013, we operated 51 behavioral healthcare facilities with approximately 4,200 licensed beds in 23 states and Puerto Rico. We believe that our primary focus on the provision of behavioral healthcare services allows us to operate more efficiently and provide higher quality care than our competitors. For the year ended December 31, 2013, we generated revenue of \$713.4 million and Adjusted EBITDA of \$145.3 million. A reconciliation of all GAAP and non-GAAP financial results appears on page 13 of this prospectus.

Our inpatient facilities offer a wide range of inpatient behavioral healthcare services for children, adolescents and adults. We offer these services through a combination of acute inpatient psychiatric and specialty facilities and residential treatment centers ( RTCs ). Our acute inpatient psychiatric and specialty facilities provide the most intensive level of care, including 24-hour skilled nursing observation and care, daily interventions and oversight by a psychiatrist and intensive, highly coordinated treatment by a physician-led team of mental health professionals. Our RTCs offer longer-term treatment programs primarily for children and adolescents with long-standing chronic behavioral health problems. Our RTCs provide physician-led, multi-disciplinary treatments that address the overall medical, psychiatric, social and academic needs of the patient. During the year ended December 31, 2013, we acquired seven facilities with an aggregate of 694 licensed beds including a 75-bed facility under construction, which opened on October 1, 2013. In addition, we added 325 new beds during the year ended December 31, 2013, including opening two newly-developed facilities with a combined 102 licensed beds. We expect to add over 300 total beds during 2014 (exclusive of acquisitions).

Our outpatient community-based services provide therapeutic treatment to children and adolescents who have a clinically defined emotional, psychiatric or chemical dependency disorder while enabling patients to remain at home and within their community. Many patients who participate in community-based programs have transitioned out of a residential facility or have a disorder that does not require placement in a facility that provides 24-hour care.

### **Our Competitive Strengths**

We believe the following strengths differentiate us from our competitors:

*Premier operational management team with track record of success.* Our management team has approximately 170 combined years of experience in acquiring, integrating and operating a variety of behavioral health facilities. Following the sale of Psychiatric Solutions, Inc. ( PSI ) to Universal Health Services, Inc. in November 2010, certain of PSI s key former executive officers joined Acadia in February 2011. The extensive national experience and operational expertise of our management team gives us what management believes to be the premier leadership team in the behavioral healthcare industry. Our management team strives to use its years of experience operating behavioral health facilities to generate strong cash flow and grow a profitable business.

*Favorable industry and legislative trends.* According to the National Institute of Mental Health, approximately 6% of people in the United States suffer from a seriously debilitating mental illness and over 20% of children, either currently or at some point during their life, have had a seriously debilitating mental disorder. We believe the market for behavioral services will continue to grow due to increased awareness of mental health and

substance abuse conditions and treatment options. According to a 2008 report by the Substance Abuse and Mental Health Services Administration of the U.S. Department of Health and Human Services, national expenditures on mental health and substance abuse treatment are expected to reach \$239 billion in 2014, up from \$121 billion in 2003, representing a compound annual growth rate of approximately 6.4%.

While the growing awareness of mental health and substance abuse conditions is expected to accelerate demand for services, recent healthcare reform is expected to increase access to industry services as more people obtain insurance coverage. A key aspect of reform legislation is the extension of mental health parity protections established into law by the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (the MHPAEA ). The MHPAEA provides for equal coverage between psychiatric or mental health services and conventional medical health services and forbids employers and insurers from placing stricter limits on mental healthcare compared to other health conditions.

*Leading platform in attractive healthcare niche.* We are a leading behavioral healthcare platform in an industry that is undergoing consolidation in an effort to reduce costs and expand programs to better serve the growing need for inpatient behavioral healthcare services. In addition, the behavioral healthcare industry has significant barriers to entry, including (i) significant initial capital outlays required to open new facilities, (ii) expertise required to deliver highly specialized services safely and effectively and (iii) high regulatory hurdles that require market entrants to be knowledgeable of state and federal laws and facilities to be licensed with local agencies.

*Diversified revenue and payor bases.* As of December 31, 2013, we operated 51 facilities in 23 states and Puerto Rico. Our payor, patient/client and geographic diversity mitigates the potential risk associated with any single facility. For the year ended December 31, 2013, we received 48% of our revenue from Medicaid, 25% from commercial payors, 22% from Medicare, and 5% from self-pay and other payors. As we receive Medicaid payments from 30 states, the District of Columbia and Puerto Rico, management does not believe that we are significantly affected by changes in reimbursement policies in any one state. Substantially all of our Medicaid payments relate to the care of children and adolescents. Management believes that children and adolescents are a patient class that is less susceptible to reductions in reimbursement rates. No facility accounted for more than 6% of revenue for the year ended December 31, 2013. Additionally, no state accounted for more than 17% of revenue for the year ended December 31, 2013. Management believes that our geographic diversity mitigates the impact of any financial or budgetary pressure that may arise in a particular state where we operate.

*Strong cash flow generation and low capital requirements.* We generate strong free cash flow by profitably operating our business and by actively managing our working capital. Moreover, as the behavioral healthcare business does not typically require the procurement and replacement of expensive medical equipment, our maintenance capital expenditure requirements are generally less than that of other facility-based healthcare providers. For the year ended December 31, 2013, our maintenance capital expenditures amounted to approximately 2.3% of our revenue. In addition, our accounts receivable management is less complex than medical/surgical hospital providers because behavioral healthcare facilities have fewer billing codes and generally are paid on a per diem basis.

## **Business Strategy**

We are committed to providing the communities we serve with high quality, cost-effective behavioral health services, while growing our business, increasing profitability and creating long-term value for our stockholders. To achieve these objectives, we have aligned our activities around the following growth strategies:

*Increase margins by enhancing programs and improving performance at existing facilities.* Management believes we can improve efficiencies and increase operating margins by utilizing our management's expertise and experience within existing programs and their expertise in improving performance at underperforming facilities. Management believes the efficiencies can be realized by investing in growth in strong markets, addressing capital-constrained

facilities that have underperformed and improving management systems. Furthermore, our recent acquisitions of additional facilities give us an opportunity to develop a marketing strategy in many markets which should help us increase the geographic footprint from which our existing facilities attract patients and referrals.

*Opportunistically pursue acquisitions.* We have established a national platform for becoming the leading dedicated provider of high quality behavioral healthcare services in the U.S. Our industry is highly fragmented, and we selectively seek opportunities to expand and diversify our base of operations by acquiring additional facilities. Management believes there are a number of acquisition candidates available at attractive valuations, and we have a number of potential acquisitions in various stages of development and consideration. Management believes our focus on inpatient behavioral healthcare and history of completing acquisitions provides us with a strategic advantage in sourcing, evaluating and closing acquisitions. We leverage our management team's expertise to identify and integrate acquisitions based on a disciplined acquisition strategy that focuses on quality of service, return on investment and strategic benefits. We also have a comprehensive post-acquisition strategic plan to facilitate the integration of acquired facilities that includes improving facility operations, retaining and recruiting psychiatrists and other healthcare professionals and expanding the breadth of services offered by the facilities.

*Drive organic growth of existing facilities.* We seek to increase revenue at our facilities by providing a broader range of services to new and existing patients and clients. In addition, management intends to increase licensed bed counts in our existing facilities, with a focus on increasing the number of acute psychiatric beds. During the year ended December 31, 2013, we acquired seven facilities with an aggregate of 694 licensed beds including a 75-bed facility under construction, which opened on October 1, 2013. In addition, we added 325 new beds during the year ended December 31, 2013, including opening two newly-developed facilities with a combined 102 licensed beds. We expect to add over 300 total beds during 2014 (exclusive of acquisitions). Furthermore, management believes that opportunities exist to leverage out-of-state referrals to increase volume and minimize payor concentration, especially with respect to our youth and adolescent focused services and our substance abuse services.

## **Recent Developments**

On February 13, 2014, we entered into a Fourth Amendment (the "Fourth Amendment") to our Amended and Restated Credit Agreement, dated December 31, 2012 (the "Amended and Restated Credit Agreement") to increase the size of our Amended and Restated Senior Credit Facility (the "Amended and Restated Senior Credit Facility") and extend the maturity date thereof, which resulted in our having a revolving line of credit of up to \$300.0 million and term loans of \$300.0 million. The Fourth Amendment also reduced the interest rates applicable to the Amended and Restated Senior Credit Facility generally and provided increased flexibility to us in terms of our financial and other restrictive covenants. The Company had \$46.1 million of availability under the revolving line of credit as of December 31, 2013. Borrowings under the revolving line of credit are subject to customary conditions precedent to borrowing. The term loans require quarterly principal payments of \$1.9 million for March 31, 2014 to December 31, 2014, \$3.8 million for March 31, 2015 to December 31, 2015, \$5.6 million for March 31, 2016 to December 31, 2016, \$7.5 million for March 31, 2017 to December 31, 2017, and \$9.4 million for March 31, 2018 to December 31, 2018, with the remaining principal balance due on the maturity date of February 13, 2019. The Fourth Amendment also provides for a \$150.0 million incremental credit facility, with the potential for unlimited additional incremental amounts, provided we meet certain financial ratios, in each case subject to customary conditions precedent to borrowing. See "Description of Other Indebtedness - Amended and Restated Senior Credit Facility."

## **Equity Sponsor**

As of December 31, 2013, Waud Capital Partners, L.L.C. and its affiliates ("Waud Capital Partners") owned approximately 23% of our common stock. Founded in 1993, Waud Capital Partners is a leading middle-market private equity firm that partners with management teams to create, acquire and grow companies that address significant, inefficient, highly fragmented and underserved industry segments. Waud Capital Partners invests primarily through control-oriented growth equity investments, industry consolidations, buyouts or recapitalizations and seeks companies that generate strong cash flow and can be grown both organically and through add-on acquisitions. Waud Capital Partners' current and exited portfolio is composed of companies in the healthcare, business/consumer, logistics/specialty distribution and value-added industrial business segments.

So long as Waud Capital Partners owns at least 17.5% of our outstanding common stock, it is entitled to designate the pro rata number of our directors that is proportional (but rounded up to the nearest whole number) to its percentage ownership of our outstanding common stock, subject to the NASDAQ rules regarding director independence, and has consent rights to many corporate actions, such as issuing equity or debt securities, paying dividends, acquiring any interest in another company and materially changing our business activities. This means that we cannot engage in any of those activities without the consent of Waud Capital Partners.



**Company Information**

Acadia Healthcare Company, Inc. is a Delaware corporation. Our principal executive offices are located at 830 Crescent Centre Drive, Suite 610, Franklin, Tennessee 37067. Our telephone number is (615) 861-6000. Our website is <http://www.acadiahealthcare.com>. The information contained on our website is not part of this prospectus and is not incorporated in this prospectus by reference.

### Summary of the Exchange Offer

*The summary below describes the principal terms of the Exchange Offer. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Exchange Offer section of this prospectus contains a more detailed description of the terms and conditions of the Exchange Offer.*

<b>Initial Offering of Outstanding Notes</b>	On March 12, 2013, we sold, through a private placement exempt from the registration requirements of the Securities Act, \$150,000,000 of our 6.125% Senior Notes due 2021 (the Outstanding Notes ), all of which are eligible to be exchanged for Exchange Notes.
<b>Registration Rights Agreement</b>	Simultaneously with the private placement, we entered into a registration rights agreement with the initial purchasers of the Outstanding Notes (the Registration Rights Agreement ). Under the Registration Rights Agreement, we are required to file a registration statement for substantially identical debt securities (and related guarantees), which will be issued in exchange for the Outstanding Notes, with the SEC. You may exchange your Outstanding Notes for Exchange Notes in this Exchange Offer. For further information regarding the Exchange Notes, see the sections entitled Exchange Offer and Description of the Exchange Notes in this prospectus.
<b>Exchange Notes Offered</b>	\$150,000,000 aggregate principal amount of 6.125% Senior Notes due 2021.
<b>Exchange Offer</b>	We are offering to exchange the Outstanding Notes for a like principal amount at maturity of the Exchange Notes. Outstanding Notes may be exchanged only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The Exchange Offer is being made pursuant to the Registration Rights Agreement which grants the initial purchasers and any subsequent holders of the Outstanding Notes certain exchange and registration rights. This Exchange Offer is intended to satisfy those exchange and registration rights with respect to the Outstanding Notes. After the Exchange Offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your Outstanding Notes.
<b>Expiration Date; Withdrawal of Tender</b>	The Exchange Offer will expire at 5:00 p.m., New York City time, on May 20, 2014, or a later time if we choose to extend the Exchange Offer in our sole and absolute discretion. You may withdraw your tender of Outstanding Notes at any time prior to the expiration date. All Outstanding Notes that are validly tendered and not validly withdrawn will be exchanged. Any Outstanding Notes not accepted by us for exchange for any reason will be returned to you at our expense as promptly as possible after the expiration or termination of the Exchange Offer.
<b>Broker-Dealer</b>	Each broker-dealer acquiring Exchange Notes issued for its own account in exchange for Outstanding Notes, which it acquired through market-making activities or other trading activities, must acknowledge

that it will deliver a proper prospectus when any Exchange Notes issued in the Exchange Offer are transferred. A broker-dealer may use this prospectus for an offer to resell, a resale or other retransfer of the Exchange Notes issued in the Exchange Offer.

**Prospectus Recipients**

We mailed this prospectus and the related Exchange Offer documents to registered holders of the Outstanding Notes as of April 21, 2014.

**Conditions to the Exchange Offer**

Our obligation to accept for exchange, or to issue the Exchange Notes in exchange for, any Outstanding Notes is subject to certain customary conditions, including our determination that the Exchange Offer does not violate any law, statute, rule, regulation or interpretation by the staff of the SEC or any regulatory authority or other foreign, federal, state or local government agency or court of competent jurisdiction, some of which may be waived by us. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See Exchange Offer Conditions to the Exchange Offer.

**Procedures for Tendering Outstanding Notes**

The Outstanding Notes were issued as global securities and were deposited upon issuance with U.S. Bank National Association, as custodian for The Depository Trust Company ( DTC ).

Beneficial interests in the Outstanding Notes, which are held by direct or indirect participants in DTC, are shown on, and transfers of the Outstanding Notes can only be made through, records maintained in book-entry form by DTC.

You may tender your Outstanding Notes by instructing your broker or bank where you keep the Outstanding Notes to tender them for you. By tendering your Outstanding Notes you will be deemed to have acknowledged and agreed to be bound by the terms set forth under Exchange Offer and in the letter of transmittal accompanying this prospectus. Your Outstanding Notes must be tendered in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

In order for your tender of Outstanding Notes for Exchange Notes in the Exchange Offer to be considered valid, you must transmit to the exchange agent on or before 5:00 p.m., New York City time on the expiration date either:

an original or facsimile of a properly completed and duly executed copy of the letter of transmittal, which accompanies this prospectus, together with your Outstanding Notes and any other documentation required by the letter of transmittal, at the address provided on the cover page of the letter of transmittal; or

if the Outstanding Notes you own are held of record by DTC, in book-entry form and you are making delivery by book-entry transfer, a computer-generated message transmitted by means of the Automated Tender Offer Program System of DTC ( ATOP ), in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, forms a part of a confirmation of book-entry transfer. As part of the book-entry transfer, DTC will facilitate the exchange of your Outstanding Notes and update your account to reflect the issuance of the Exchange Notes to you. ATOP allows you to electronically transmit your acceptance of the Exchange Offer to DTC instead of physically completing and delivering a letter of transmittal to the exchange agent.



In addition, if you are making delivery via book-entry transfer, you must deliver, to the exchange agent on or before 5:00 p.m., New York City time on the expiration date, a timely confirmation of book-entry transfer of your Outstanding Notes into the account of the exchange agent at DTC.

**Special Procedures for Beneficial Owners**

If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or if you are a beneficial owner of Outstanding Notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the book-entry interest or Outstanding Notes in the Exchange Offer, you should contact the person in whose name your book-entry interests or Outstanding Notes are registered promptly and instruct that person to tender on your behalf.

**Guaranteed Delivery Procedures**

If you wish to tender your Outstanding Notes and your outstanding notes are not immediately available, or you cannot deliver your Outstanding Notes, the letter of transmittal or any other required documents, or you cannot comply with the procedures under ATOP for transfer of book-entry interests prior to the expiration date, you must tender your Outstanding Notes according to the guaranteed delivery procedures set forth in this prospectus under Exchange Offer Guaranteed Delivery Procedures.

**Effect on Holders of Outstanding Notes**

As a result of the making of, and upon acceptance for exchange of all validly tendered Outstanding Notes pursuant to the terms of the Exchange Offer, we will have fulfilled a covenant under the Registration Rights Agreement. Accordingly, there will be no increase in the applicable interest rate on the Outstanding Notes under the circumstances described in the Registration Rights Agreement. If you do not tender your Outstanding Notes in the Exchange Offer, you will continue to be entitled to all the rights and limitations applicable to the Outstanding Notes as set forth in the indenture, except we will not have any further obligation to you to provide for the exchange and registration of untendered Outstanding Notes under the Registration Rights Agreement. To the extent that Outstanding Notes are tendered and accepted in the Exchange Offer, the trading market for Outstanding Notes that are not so tendered and accepted could be adversely affected.

**Accounting Treatment**

The Exchange Notes will be recorded at the same carrying value as the existing Outstanding Notes, as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes. The expenses of the Exchange Offer will be capitalized and expensed over the term of the Exchange Notes.

**United States Federal Income Tax Considerations**

The Exchange Offer should not result in any income, gain or loss to the holders of Outstanding Notes for United States federal income tax purposes. See Certain Material United States Federal Income Tax Considerations.

**Use of Proceeds**

We will not receive any proceeds from the issuance of the Exchange Notes in the Exchange Offer.



**Exchange Agent**

U.S. Bank National Association is serving as the exchange agent for the Exchange Offer.

**Shelf Registration Statement**

In limited circumstances, holders of Outstanding Notes may require us to register their Outstanding Notes under a shelf registration statement. See Exchange Offer Purpose of Exchange Offer.

**Consequences of Not Exchanging Outstanding Notes**

If you do not exchange your Outstanding Notes in the Exchange Offer, your Outstanding Notes will continue to be subject to the restrictions on transfer currently applicable to the Outstanding Notes. In general, you may offer or sell your Outstanding Notes only:

if they are registered under the Securities Act and applicable state securities laws;

if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or

if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the Outstanding Notes under the Securities Act. Under some circumstances, however, holders of the Outstanding Notes, including holders who are not permitted to participate in the Exchange Offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of Outstanding Notes by these holders. For more information regarding the consequences of not tendering your Outstanding Notes and our obligation to file a shelf registration statement, see Exchange Offer Purpose of the Exchange Offer.



### Summary of Terms of the Exchange Notes

The summary below describes the principal terms of the Exchange Notes. Certain of the terms described below are subject to important limitations and exceptions. See the section entitled *Description of the Exchange Notes* of this prospectus for a more detailed description of the terms of the Exchange Notes.

<b>Issuer</b>	Acadia Healthcare Company, Inc.
<b>Securities</b>	\$150,000,000 aggregate principal amount of 6.125% Senior Notes due 2021, which will be registered under the Securities Act. The Exchange Notes will evidence the same debt as the Outstanding Notes.
<b>Maturity Date</b>	March 15, 2021.
<b>Interest Rate</b>	We will pay interest on the Exchange Notes at an annual interest rate of 6.125%.
<b>Interest Payment Dates</b>	<p>Interest payments on the Exchange Notes are payable semi-annually in arrears on each March 15 and September 15. No interest will be paid on either the Exchange Notes or the Outstanding Notes at the time of exchange. The Exchange Notes will accrue interest from and including the last interest payment date on which interest has been paid on the Outstanding Notes.</p> <p>Accordingly, the holders of Outstanding Notes that are accepted for exchange will not receive accrued but unpaid interest on such Outstanding Notes at the time of tender. Rather, that interest will be payable on the Exchange Notes delivered in exchange for the Outstanding Notes on the first interest payment date following the expiration date of the Exchange Offer.</p>
<b>Guarantees</b>	The Exchange Notes will be guaranteed on a senior unsecured basis by each of our direct or indirect wholly-owned subsidiaries that is a guarantor under our Amended and Restated Senior Credit Facility and our 12.875% Senior Notes due 2018, and, subject to certain exceptions, each of our future domestic subsidiaries that guarantees indebtedness under our Amended and Restated Senior Credit Facility. See <i>Description of the Exchange Notes</i> <i>Additional Note Guarantees</i> .
<b>Ranking</b>	<p>The Exchange Notes and the guarantees will rank equally to all of our and the guarantors' other unsecured and unsubordinated indebtedness, but will effectively be junior to all of our and the guarantors' secured indebtedness, to the extent of the value of the assets securing that indebtedness. The Exchange Notes will also effectively rank junior to all liabilities of our subsidiaries that do not guarantee the notes.</p> <p>As of December 31, 2013, giving effect to the Fourth Amendment to the Amended and Restated Credit Agreement, the Exchange Notes:</p> <p>would have ranked <i>pari passu</i> with \$97.5 million of our 12.875% Senior Notes due 2018;</p>



would have ranked effectively junior to \$300.0 million of our senior secured term loan indebtedness under our Amended and Restated Senior Credit Facility (as well as \$68.0 million of borrowings under our revolving line of credit), to the extent of the collateral therefor; and

would have ranked effectively junior to \$29.2 million of third-party liabilities, including trade payables, of our non-guarantor subsidiaries.

For more information regarding our indebtedness, see Capitalization.

### **Optional Redemption**

We may redeem any of the notes beginning on March 15, 2016. The initial redemption price is 104.594% of their principal amount, plus accrued interest. The redemption price will decline each year after 2016 and will be 100% of their principal amount, plus accrued interest, beginning on March 15, 2019.

We may also redeem some or all of the notes before March 15, 2016 at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, to the redemption date, plus an applicable make-whole premium as described in this prospectus.

In addition, before March 15, 2016, we may redeem up to 35% of the aggregate principal amount of notes with the proceeds of certain equity offerings at 106.125% of their principal amount plus accrued interest. We may make such redemption only if, after any such redemption, at least 65% of the aggregate principal amount of notes originally issued remains outstanding. See Description of the Exchange Notes Optional Redemption.

### **Change of Control Offer**

Upon a change of control (as defined under Description of the Exchange Notes ), we will be required to make an offer to purchase the Exchange Notes. The purchase price will equal 101% of the principal amount of the Exchange Notes on the date of purchase plus accrued interest. We may not have sufficient funds available at the time of any change of control to make any required debt repayment (including repurchases of the Exchange Notes). See Risk Factors Risks Relating to the Exchange Notes We may not be able to satisfy our obligations to holders of the notes upon a change of control or sale of assets.

### **Certain Covenants**

The terms of the Exchange Notes restrict our ability and the ability of certain of our subsidiaries (as described in Description of the Exchange Notes ) to:

- incur additional indebtedness;
- create liens;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;

make investments or certain other restricted payments;  
sell assets;  
enter into transactions with stockholders or affiliates; or  
effect a consolidation or merger.

However, these limitations will be subject to a number of important qualifications and exceptions.

**No Public Market**

The Exchange Notes will be a new issue of securities and will not be listed on any securities exchange or included in any automated quotation system. Accordingly, we cannot assure you that a liquid market for the Exchange Notes will develop or be maintained.

**Risk Factors**

You should consider carefully all of the information included in this prospectus and, in particular, the information under the heading **Risk Factors** beginning on page 15 prior to deciding to tender your Outstanding Notes in the Exchange Offer.

### Summary Historical Condensed Consolidated Financial Data

The following table sets forth a summary of our historical condensed consolidated financial data as of and for the periods presented. The summary historical condensed consolidated financial data presented below for each of the three years ended December 31, 2011, 2012 and 2013 has been derived from our audited consolidated financial statements. Our consolidated financial statements for the period ended December 31, 2013 have been audited by Ernst & Young LLP, independent public accounting firm.

This information is only a summary and should be read in conjunction with Selected Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes thereto, included in this prospectus or included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 21, 2014 and incorporated by reference in this prospectus.

	Year Ended December 31,		
	2013	2012	2011
(In thousands, except per share data)			
<b>Income Statement Data:</b>			
Revenue before provision for doubtful accounts	\$ 735,109	\$ 413,850	\$ 219,704
Provision for doubtful accounts	(21,701)	(6,389)	(3,206)
Revenue	713,408	407,461	216,498
Salaries, wages and benefits <sup>(1)</sup>	407,962	239,639	152,609
Professional fees	37,171	19,019	8,896
Supplies	37,569	19,496	11,349
Rents and leases	10,049	7,838	5,576
Other operating expenses	80,572	42,777	20,171
Depreciation and amortization	17,090	7,982	4,278
Interest expense, net	37,250	29,769	9,191
Debt extinguishment costs	9,350		
Sponsor management fees			1,347
Transaction-related expenses	7,150	8,112	41,547
Income (loss) from continuing operations, before income taxes	69,245	32,829	(38,466)
Provision for (benefit from) income taxes <sup>(2)</sup>	25,975	12,325	(5,272)
Income (loss) from continuing operations	43,270	20,504	(33,194)
(Loss) income from discontinued operations, net of income taxes	(691)	(101)	(1,698)
Net income (loss)	\$ 42,579	\$ 20,403	\$ (34,892)