

**INPERIUM<sup>®</sup>**

INNOVATION THROUGH COLLABORATION

## INPERIUM OVERVIEW



Provide quality services - Create efficiencies - Enhance agencies' potential for growth & advancement  
Foster treatment - Impact people & business practices - Maintain stability Cultivate leadership

# Introducing: Inperium, Inc.



**Providing financial resources & back-office support to allow organizations to focus on fulfilling their mission & quality using a unique affiliation structure that unlike traditional mergers & acquisitions, respects their individual culture & identity.**

Inperium is the sole member parent company of non-profit & for-profit affiliate/subsidiary companies that provide health and human services related supports while assisting with advancing missions, reflecting person focused values while maximizing resources, achieving quality results, providing quality outcomes, and focus on strategic planning

## Facts about Inperium

- Inperium is a 501(c)(3) and Type II supporting organization under Section 509(a)(3)
- Inperium's Sole Member model uses an approval governance process and NOT a more restrictive initiate and implement approach
- Inperium creates opportunities for advancement and innovation to service-oriented affiliates to further their missions by providing a platform of value-added services and partnerships

## Inperium Advantage

Affiliation offers each of our affiliates a series of services and expertise centered upon improving the Affiliate's operations, financial performance, and mission success. These include:

- **Developing Affiliates:** Partners who work with Inperium are able to focus on achieving their mission-based objectives, while the Inperium team provides access to a best-in-class system of core administrative and back-office services that enhance quality & reduce distractions that allow for a greater focus on mission and programmatic operations
- **Investment:** The positive cash flow created by the Inperium model supports affiliate growth initiatives and capital plans, allowing our affiliates to improve and expand services, and growth
- **Back-office efficiency:** Through Inperium's centralized shared services (Apis Services), affiliates benefit from the size and efficiency of large-scale transaction processing, improved business processes, and centralized procurement of critical services
- **Program management expertise:** Affiliates benefit from Inperium's vast knowledge in their specific service areas. Inperium works with each affiliate, leveraging best-in-class talent to institute best program practices and shared management, and improving service while reducing cost and service risk
- **Talent acquisition and development:** Because of Inperium's scale and ability to share talent across affiliates, it can attract and retain field experts that affiliates otherwise would not be able to obtain to help them grow and thrive
- **Improved data and strategic affiliate management decision-making:** Inperium's scale and resources allow for best-in-class systems such as ADP and Oracle to ensure timely, cost-effective, and accurate data for data driven decision-making and optimizing business strategy
- **Experienced Leadership:** Inperium's Executive Team bring extensive and varied experience to its mission. Many on the team were previously and/or currently working at non-profits that have become partners and have witnessed firsthand the benefits that Inperium's model provides

# Key Messages

## **Partner, Not Merger**

- Inperium's role with a company is a true partnership, not a merger or slash-and-burn endeavor. Affiliates' employees, culture and mission ALL remain priorities

## **Achieving Growth, Increasing Revenue**

- Inperium provides support and solutions that help affiliates grow professionally and generate additional revenue, which they can use to innovate their offerings and help their clients

## **Access to Capital**

- By leveraging business operations, partners are able to gain access to additional capital

## **Mission, Not Operations Focus**

- Inperium's model aims to reinforce, develop and support its affiliates by providing advanced administrative and back-office systems. With these systems in place, affiliates can more efficiently fulfill or enhance their missions

## **Complete Transparency**

- Inperium operates with integrity and complete transparency so affiliates can have direct access to answers, key personnel and cutting-edge platforms

## **A Seat at the Table**

- Inperium appoints affiliates to its board, giving them a say on issues as well as scale and capital without infringing on their day-to-day business

# Comments from Affiliates

“The affiliation for The Children’s Home of Reading has resulted in the creation of many new opportunities. Our mission has gone unchanged and affiliation has resulted in more and more children being served as new programming opportunities are endless.”

Dr. Vince LaSorsa, CEO 

“SJBHR affiliation with Inperium has secured our mission , values and goals , assuring the future of behavioral health services for our most vulnerable citizens.”

Terri Wilson, CEO 

“Edison Court struggled to expand programming outside of our home County for many years. As a result of affiliation, we were able to access financing to expand our services into Lehigh County within 2 months of closing. We’ve begun to develop new community-based options in Lehigh County and we are on the verge of doing so in Berks County. Without our relationship with Inperium, I’m convinced we would not have been able to pursue these growth opportunities, which allowed us to increase our revenue 26% in the first year following affiliation.”

Kristin DeForest, Exec Director 

“The great thing about Wake Enterprises joining the Inperium constellation is we are who we were, only stronger!”

Walter Weeks, CEO 

“As the anchor legacy affiliate, Supportive Concepts has derived tremendous benefit from the diverse partnerships that connect to the Inperium constellation. Each new affiliate brings new ideas, methods, & new opportunity. Ultimately the men and women we serve and the staff who support them experience these benefits.”

Fred Lokuta, CEO 

“I have studied and experienced firsthand, the Inperium affiliation model & have observed the process used in the sharing of resources and services & have seen how this model translates to highly increased efficiencies & cost savings that can then be put back into each programs' strategy to further it's individual mission & vision. From the perspective of a former government official, the Inperium model is everything it claims & more. It is a true collaboration from start to finish.”

Beverly Mackereth, Former Secretary  
for PA Dept of Human Services

# Services We Provide

## Intellectual and Developmental Disabilities



Projected FY 25 Rev: \$408mm

Total Affiliates: 9

State Operations: 12

Individuals with developmental disabilities typically have a neurodevelopmental disorder characterized by significant impairment in intellectual and adaptive functioning

## Children Services



Projected FY 25 Rev: \$130mm

Total Affiliates: 5

State Operations: 8

Children's mental health refers to the emotional, psychological, and social well-being of young individuals, encompassing how they think, feel, and behave

## Behavioral Health



Projected FY 25 Rev: \$144mm

Total Affiliates: 2

State Operations: 7

Behavioral health and mental health encompass distinct aspects of overall well-being, with a primary focus on emotional and psychological well-being

## Substance Use Disorders



Projected FY 25 Rev: \$34mm

Total Affiliates: 2

State Operations: 2

A substance use disorder is defined by the inability to control the use of a particular substance (or substances) despite harmful consequences



## AFFILIATION EMBRACES

- ✓ Allows for the affiliate to maintain its Mission, Vision, Staff & Board
- ✓ Expands & strengthen quality services creating new opportunities
- ✓ Aids and disseminates innovation & resources across its partners
- ✓ Facilitates the accumulation of capital for reinvestment in staff/technology
- ✓ Significantly lowers costs for back office supporting services, i.e., Fiscal & HR
- ✓ Offers Expanded geographies in which to operate
- ✓ Dramatically reduces administrative expenses due to scale economies
- ✓ Advances revenues & net assets
- ✓ Offers access to larger lines of credit & cash for operational needs
- ✓ Practices a flexible approach
- ✓ Uses a customizable platform based on the unique circumstances that exist
- ✓ Practices our GLOBAL LOCAL attitude

## BENEFITS INCLUDE

- ✓ Strengthening of the mission & programmatic operations of the Organization
- ✓ Ability to further the Organization's mission and vision & reinvest back into the Organization
- ✓ Enhance affiliate quality & reduce distractions that allow for a greater focus on quality
- ✓ Expansion & enhancements of current service lines, new service lines & new geographies
- ✓ Professional advancement opportunities & staffing vacancies
- ✓ The ability to work within other human service entities, service lines & States
- ✓ The ability to progress within the constellation both vertically and horizontally
- ✓ Cost savings and reduction of expenses through leveraged scale buying
- ✓ Reduction of costs through providing the back-office services
- ✓ Sharing of administrative costs with other affiliates so no one entity bears the full burden
- ✓ Offers access to banking/financial relationships
- ✓ Provides & advances the ability to refinance existing debt under more favorable terms
- ✓ Balance Sheet asset adjustment to Fair Market Value under GAAP accounting

# Support Through Apis Services, Inc.

## Affiliates receive enhanced infrastructure & support to help lower their Administrative Costs

### Financial Services

- Treasury and Cash Management
- Payroll Administration, Accounts Payable Processing, Supply Chain Management
- Revenue Cycle Management
- Oracle: FP&A, Month-End Close, Audit Coordination, Annual Tax Filings

### Human Resources

- Human Resource Information System (“HRIS”) Administration
- Onboarding and Offboarding of Employees
- Administration of ERISA Retirement Plan, Employee Health, Benefit and Wellness Plans
- Services provided by enterprise-based ADP platform

### Insurance, Legal and Risk Management

- Inperium’s Apis unit provides affiliates with scale to lower insurance costs including:
- General Liability
  - Employee Professional Liability
  - Directors and Officers
  - Workers Compensation Coverage

### Information Technology

- Apis provides services through its Ocellus Tech group including:
- Centrally managed IT and Network services
  - Cyber security software and ongoing monitoring
  - New employee standardized onboarding of hardware and desktop software
  - Administration of Help Desk services for the entire Inperium Network

# Affiliation Questionnaire

## How many of these Statements are accurate for the Organization?

- Experiencing difficulty **addressing quality**, promoting **strategic growth** or **fundraising revenue is <3% of total revenues\***
- Revenue has increased **less than 3%** from the prior period or revenues are increasing and **margin is decreasing**
- Expenses **outpaced revenue**, unrestricted **assets declined** or revenues are **more than 6 times net assets\***
- Margin was **less than 3%** of revenue or margin **percentage is declining** from prior period
- Accessed **reserve fund sources** to support expenses/debt or **have less than 90 days unrestricted cash or cash availability\***
- Administrative costs were **more than 8%** of total expenses or there is an imminent **change at Leadership level\***
- Worker's Compensation experience **modification rate is greater than 1.0** or **overtime hours paid exceeds 5%**
- Employee **benefits/insurance costs increased >5%** from prior period or **staffing vacancies/turnover rates increased**
- Unfavorable **credit terms**, loan to value (**LTV**) **position, violated debt service covenants** or **liquidity ratio is under 1.25\***
- IT systems/software/infrastructure is needed/in **need of updates/upgrades**
- Accounts Receivable days of service outstanding (**DSO**) is **>55 days** or the % of funding reliance from **largest funder is >50%**
- Total Liabilities to Net Assets is <1.0**, **Line of Credit (LOC) as % of Current Assets is >10%** or **total Revenue as % of Assets is <1.0\***

Inperium rule of thumb - if 6 or more of the above statements applies or if 1 of the \* statements is applicable to the Organization –  
Affiliation is a sustainable option

# A Dozen Reasons Why to Affiliate with Inperium

1. Economic pressures; financial worries; a strained balance sheet; an unfavorable cost position
2. Limited debt capacity to meet current or short/long-term capital needs
3. Inability to attract and retain qualified Leadership & Staff
4. Reduction in total market share and a lack of profitable service lines
5. Poor services implementation, delivery & quality of care
6. Deteriorating utilization & financial performance trends
7. Weakened position in negotiating rates with payers
8. Inability and/or reluctance to pursue new opportunities
9. Create synergy & efficiencies by combining business activities
10. Need to diversify business lines/geographies and/or sharpening business focus
11. Growth stagnation & an opportunity to cultivate market share
12. Increase/leverage supply-chain pricing power

## Contractual Relationship

Organizations remain independent, agree to a collaborative effort (joint funding proposal or programming, contract for combined administrative services, etc.) evidenced by (1) an offer (2) acceptance of the offer, and a (3) valid (legal and valuable) consideration

## Strategic Alliance/Consortium

Organizations remain independent, pool resources & gain new opportunity; there exists an arrangement that shares resources to undertake a specific, mutually beneficial project; is less involved and less binding than a joint venture; requires close organizational coordination to provide complementary programs, eliminate duplicative services and administrative redundancy, and/or to conduct joint fundraising, public relations

## Partnership

A company is formed, as a separate entity, jointly owned and operated by the people in the partnership, when the parties involved agree to share the business's profits or losses proportionately & agree to cooperate to advance their mutual interests

## Sole Member Election

The sole voting member retains the rights to certain minimally required Board approval actions that are reserved exclusively to the sole member in the governing documents, in addition State law provides certain protections for all voting members of the nonprofit corporation

## Inperium Affiliate Subsidiary Relationship as an IRS Section 509(a)(3) Registrant

### Organizational & Operational Covenants

- Without directly providing any health or human services, existence is solely to assist in carrying out its affiliate subsidiary(s) purposes resulting in successful sustainability through any required contributions; engages in activities that benefit the affiliate subsidiary(s) purposes creating opportunities using affordable best-in-class back-office designs

### Control & Relationship Covenants

- As the Sole Corporate Member, using the practical authority to significantly affect operations and the ability to prevent any acts that could generate negative consequences using the weighted voting covenants and reserve powers that create the right to initiate, implement and approve actions; affiliate subsidiary(s) are functionally integrated through their bylaws, established to directly further the affiliate subsidiary(s) activities and maintains the reserve authority needed for substantial control over governance, programs and policy

### Other Covenants

- Inperium doesn't receive gifts from those who control the affiliate subsidiary(s) is subject to the general requirements applicable to all public charities requirement while functioning as a Section 501c(3) Registrant

## Inperium Operational & Relationship Deliverables - Best-in-Class Assistance, Infrastructure, Integration & Scale

### ASSISTANCE



Inperium will...

- Make capital contributions as required / needed
- Drive general & administrative costs that are on average less than 10% of affiliate revenues

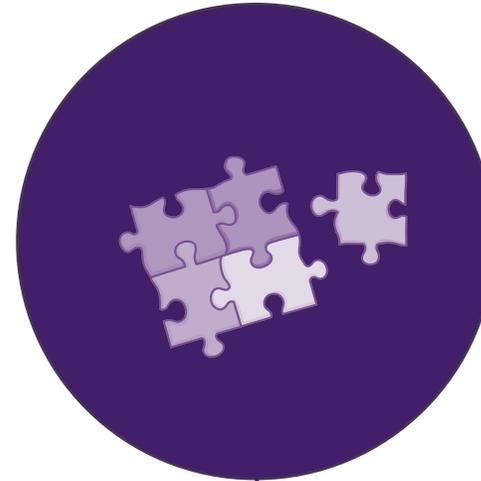
### INFRASTRUCTURE



Inperium will...

- Provide Finance, Administrative Operations, Due Diligence & Integration through access to top talent
- Provide technology, IT and Cybersecurity as enterprise solutions such as ADP and Oracle
- Provide Legal, Insurance & Risk Management services

### INTEGRATION



Inperium will...

- Provide a forum for intra-constellation collaboration with access to top industry thought leaders
- Administer resources with shared and scalable infrastructure to drive synergy and savings
- Offer benefits of diversification of risk by business line, payor, geography and reimbursement methodology

### SCALE



Inperium will...

- Leverage scale to create opportunities for (re)investment in the growth of the affiliate subsidiary(s)
- Employ capital and financing platforms to sustain deal flow and affiliate subsidiary(s) growth

# Five Corporate Imperatives

## 1. Partner with Affiliate Boards & Leadership

- Least restrictive approaches
- Local authority & autonomy
- Work in collaboration with Boards & their Leadership to create sustainable opportunities, review what is required based on needs evaluation & support satisfaction through partnering efforts between Sole Member and Board Chair(s)/CEO resulting in positive outcomes using least restrictive governance approaches (i.e. “Speak Now” & approval vs. initiate and implement rights); local authority and autonomy stabilization using services plans/goals while creating fiscal economies for reinvestment back into Affiliate and Constellation

## 2. Offer Best-in-Class Systems & Support

- Customer services orientated
- Tailorable and flexible
- Establish services, software as systems & administrative shared management services that are necessary to foster sustainability and promote efficiencies; the software, systems, platforms, state-of-the-art hardware and approaches will manage costs, enhance retention/recruitment objectives for staff, foster pay wage enhancements & create staffing efficiencies to address the workforce and management services in the Affiliates

## 3. Process Efficiencies

- Encourage inter-Constellation collaboration
- Merge systems/infrastructure to create unified organization of operations and recipient programing/documentation/record population, integrate platforms/systems in order to reduce Administrative overhead/duplication & develop systems/solutions that produce a reduced labor demand for back-office functions shifting dollars to the staff performing the work directly with the recipients by collaboration within the Constellation

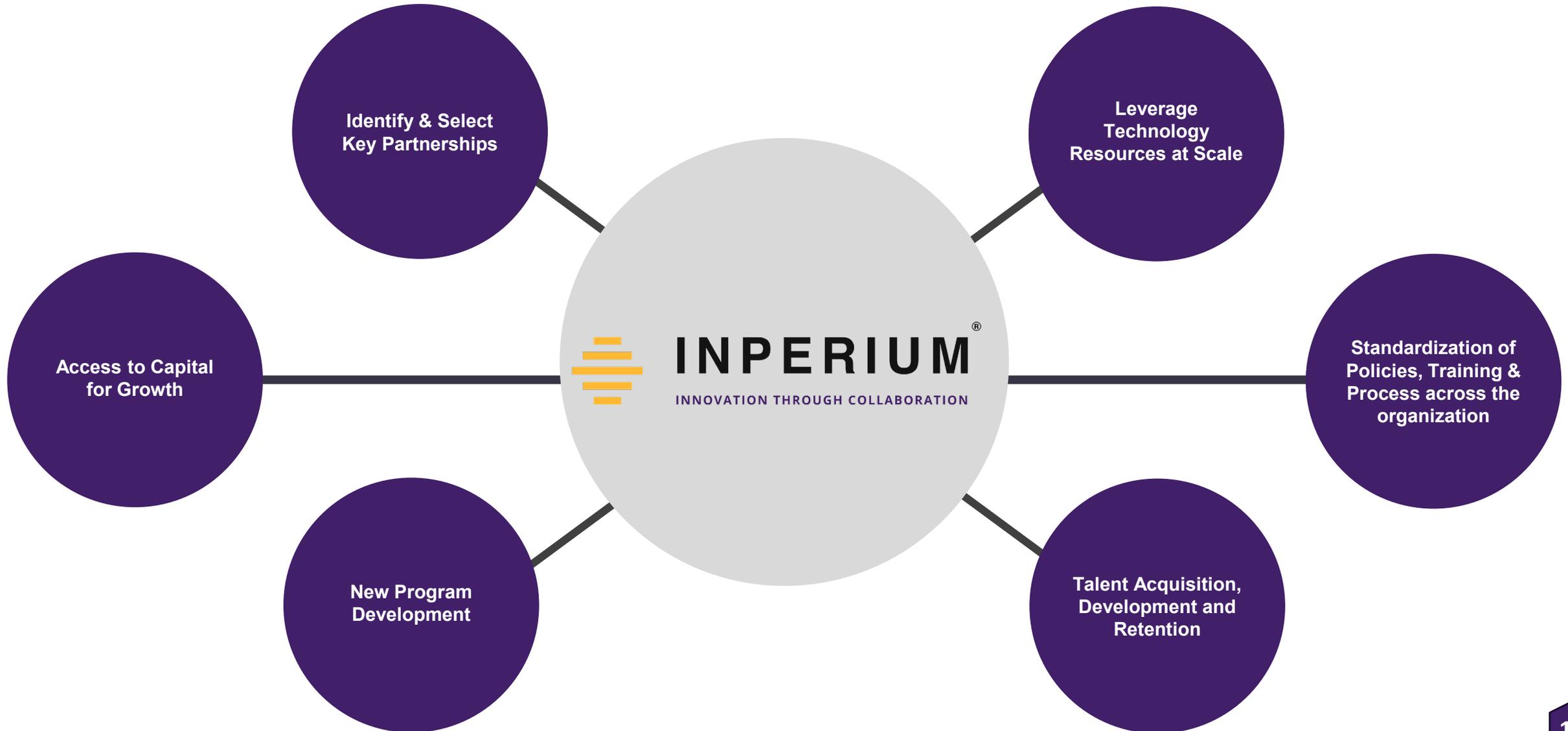
## 4. Develop Scale/Scope Economies/Sharing

- Cost plus fee at below market rates
- Savings reinvestment back into Affiliate
- Create Administrative cost sharing through capacity creation, growth, M&A while focusing on an increase in geographical footprint/service type expansion/revenue & payer diversification increasing annual revenues, assets (quality) and earnings/margins; the fees collected will be competitive and are under current market rate fees and below cost based rate reimbursements to State equivalents for services provided

## 5. Establish Performance/Quality/Financial KPIs

- Measurable, reportable, reasonable
- Mutually agreed upon and beneficial to all
- Establish performance/quality measures/plans that are outcome based, doable, & measurable with efficient reporting mechanisms on the data/measures in order to receive financial awards for good performance an enhance earnings/margin in turn investing in the furtherance of the Mission and Vision

# Challenges Overcome with a Larger Organization



# Sole Member Reserve Approval Powers

## Corporate Governance

## Capital Investment

## Business Combinations

## Asset Disposition

## Acquisitions & Affiliation

- Election/Reelection/Removal of a Director; Amendment of Articles of Incorporation/Bylaws; Change in business purpose/legal name/name(s) Corporation does business as<sup>1</sup>;
- Capital contribution/incurrence/guaranty of any debt<sup>2</sup>;
- Merger/Acquisition/Division or conversion/Sale to another entity or business other than Sole Member or its affiliate;
- Sale/Lease/Encumbrance/Other disposition of all/substantially all of the Corporation's assets; filing for bankruptcy/insolvency/dissolution/liquidation;
- Acquisition of a subsidiary or affiliate including by a related entity

<sup>1</sup>Post timeframe outlined in Definitive Agreement

<sup>2</sup>An amount in excess of Board of Directors established amount

# Sole Member Reserve Approval Powers

## Governance Reserve Powers

- The Sole Member elected is Inperium, Inc.
- The Sole Member rights are NOT to “initiate and implement” BUT to “approve” the actions/matters required by law
- Inperium will NOT have the right to take unilateral action but will have the right to approve actions by the Affiliate Board
- There is no requirement to maintain 51% control of the Affiliate Board
- The Affiliate representation on the Inperium Board results in a Board chosen by the Affiliate will govern the Affiliate
- To the extent the Affiliate needs Inperium approval for actions/matters the Affiliate will have a say in such approvals
- To the breadth it is permitted by law further limitations of the Sole Member rights can be customized by the Affiliate Board

<sup>1</sup>Post timeframe outlined in Definitive Agreement

<sup>2</sup>An amount in excess of Board of Directors established amount

# Sample Bylaws & Speak Now Approach

## Changes That Create Improved Flexibility

**Sample Bylaws Language** – Notwithstanding anything to the contrary herein, in addition to all matters required by law or by other provisions of these Bylaws to be approved by the Sole Member of the Corporation, any proposal with respect to any of the following shall not become effective unless approved by the Sole Member of the Corporation:

- a) the appointment, election, re-election or removal of a director from the Corporation’s board of directors; material amendment of the Articles of Incorporation or these Bylaws;
- b) any change of the business purpose of the Corporation ; any change to the fiscal year of the Corporation;
- c) filing for bankruptcy or insolvency, dissolution or liquidation;
- d) adoption of a plan of division, consolidation, merger, conversion or other reorganization of the Corporation with or into another form or type of legal entity;
- e) the sale, lease, incurrence of debt (in excess of an amount to be set, after consultation with the Corporation’s board of directors, by the Sole Member), related to all or substantially all the Corporation’s assets;
- f) the merger with, acquisition of, or sale to or with another entity or a subsidiary organization;
- g) any capital expenditure equal to or greater than an amount to be set, after consultation with the Corporation’s board of directors, by the Sole Member.

## **Quorum of and Action By the Sole Member** - General Rule Section

- “if no Sole Member is present, action taken at such meeting shall be subject to further approval by the Sole Member(s) as follows. Within five (5) business days provide the Sole Member(s) with written notice and request for approval of any actions passed at the meeting. Sole Member(s) provide such approval or do not timely respond within five (5) business days, then such actions shall be considered passed and approved as valid corporation actions of the board as of the date thereof.”

# At-a-glance Comparison

	Traditional Acquisition	Super Majority	Approval Only
<b>Control of Affiliate Board</b>	Full Control	Inperium – 51%	Inperium – NO CONTROL
<b>Affiliate’s Power to Initiate Change</b>	Full Control To Initiate & Implement	Subject to Inperium Approval	ONLY if Inperium disagrees
<b>Right to Initiate Change</b>	All Rights	Inperium – Fundamental Actions	Inperium – NO RIGHT
<b>Affiliate’s Power to Control Operations</b>	All Power	Subject to Inperium’s Approval	Inperium – NO CONTROL
<b>Representation on Parent Board</b>	None	Yes	Yes

# What's Next?

## 1. Non-Disclosure Agreement

- Confidentiality agreement permits sharing of basic proprietary information between the parties that wish to share with one another but restrict access by a 3rd party

## 2. Letter of Intent and Term Sheet

- Draft executive/key staff contract language
- Document outlining general provisions before agreements are finalized; written conceptualization of the affiliation that are non-binding or binding to either or both parties that protects both parties until a finalized transaction and closing of the affiliation. Term sheet delineates fundamental terms before expending substantial resources on definitive agreements, finalizing due diligence and seeking 3rd party approvals
- Details wage, benefit, stay & sign-on payments and other necessary employment terms for those key employees that are being encouraged to/and have chosen to remain as part of the affiliation process through closing

## 3. Due Diligence Efforts (ALL parties)

- Fiscal/Programmatic/Business Operations and Legal review
- Risk & Technology Assessment
- Approvals Required
- Determine what regulatory approvals are required from the appropriate departments, divisions, lending institutions and all other governmental bodies that are required to approve affiliation; evaluate if the approval is required prior to closing and if there is any potential for interpretation of the affiliation as a change in control

## 4. Definitive Agreement

- Board actions/consents/modifications/assignments/notices
- Affiliate and Inperium
- Employment contracts for key staff
- Administrative services/management services agreements
- Converts Letter of Intent and Term Sheet to granular details of the affiliation

# What's Next?

## 5. Regulatory Approvals

- Attorney General
- Departments of Health/Human Services/ Licensure
- Lending Institutions
- Employee Benefit Programs
- Other contractually required
- Provided in the form of a non-objection letter, formal approval letter based on a regulation, circular or law and provided by the regulatory body within the timeframe of their own guidelines

## 6. Closing

- The actual legal date of affiliation after all other matters have been concluded and the date on which consolidation by the affiliate of its balance sheet, revenue & expenses and profit or loss with Inperium, Inc.; formal approvals required from all Boards

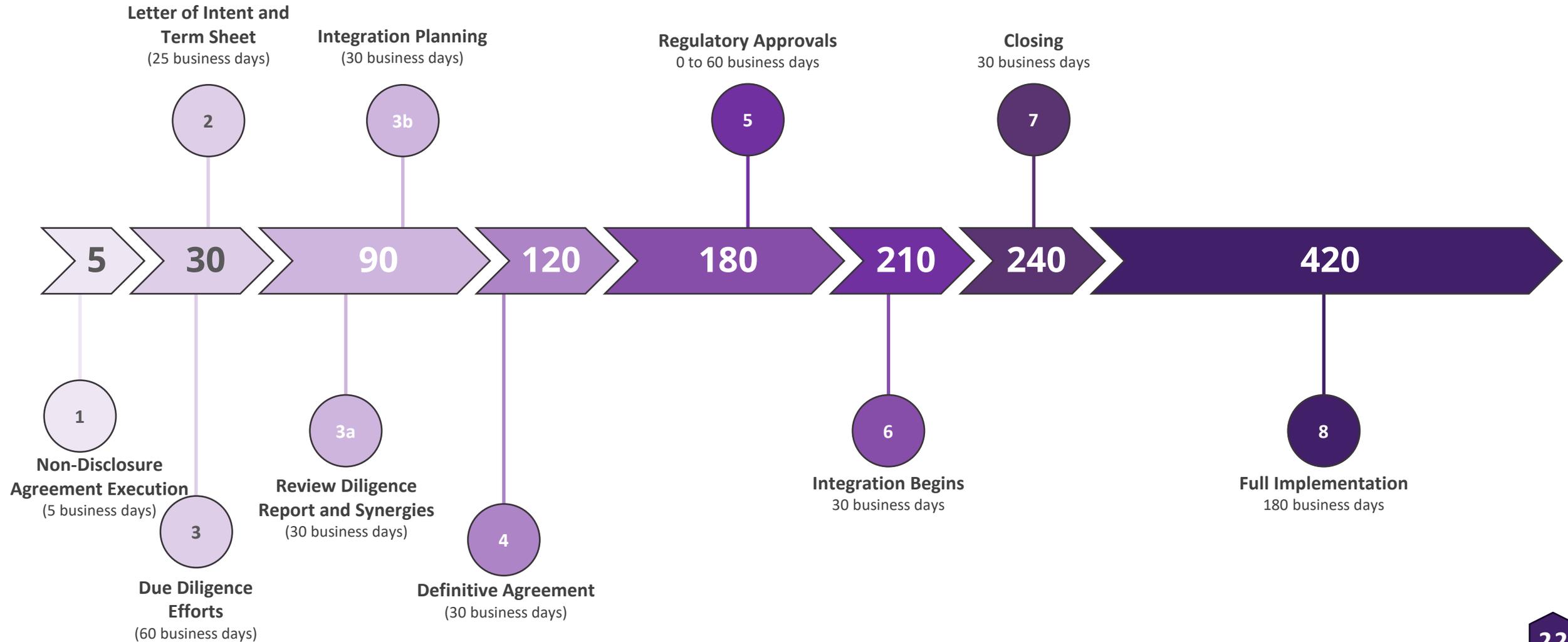
## 7. Integration Planning

- Period of time when due diligence, information learned by both parties is prioritized into a roadmap, a dashboard is created for tracking of the details within the plan, the work plan assignments are given to the responsible parties and the roll out to staff of the details of the affiliation occurs with Apis Services, Inc

## 8. Full Implementation

# Approximate Timeline

## From Decision Day to Full Implementation



# Options Available - Dissolution of Affiliation

## **Mutual Consent<sup>1</sup> -Both Parties Agree (Divorce)**

- Affiliate Board - Class A Director simple majority approval
- Inperium Board - Elected Class simple majority approval
- Approvals by Attorney General, other regulators or courts may be required

## **Material Breach of Representations & Warranties<sup>2</sup> – Either Party**

- Affiliate Board - Class A Director simple majority approval
- Inperium Board - Elected Class simple majority approval
- Approvals by Attorney General, other regulators or courts may be required

## **Law of Contracts<sup>3</sup> – Impossibility, Impracticability or Frustration of Purpose – Either Party**

- Affiliate Board - Class A Director simple majority approval
- Inperium Board - Elected Class simple majority approval
- Approvals by Attorney General, other regulators or courts may be required

<sup>1</sup>Vote required for the voluntary dissolution will be driven by the bylaws

<sup>2</sup>Dissolution may not be an available remedy for a breach of a representation or warranty & will depend on the nature of the breach & in most cases will not be a remedy

<sup>3</sup>Doctrines are only available in extreme cases

## How We Add Value

- The Inperium platform creates value for its geographically dispersed and goal-disparate affiliates by maximizing network effects that expand capital access and reduce fixed costs
- Enhanced capital access results from new affiliate participation in the Inperium master trust indenture, which expands credit availability
- Fixed costs decline as these costs are allocated over an expanded revenue base
- Enhance capital access and reduced fixed costs provide added incentives for subsequent prospects to affiliate, creating in a virtuous cycle – achieved without revoking the separate identities and cultures of network affiliates

## Long Term Goals

- Through collaboration and partnership, hand-in-hand with the numerous multistate affiliates within Inperium's constellation, we will promote opportunities in areas such as expanded service lines and the ability to serve a meaningful amount of additional people in need of services. The opportunities for additional program offerings, synergized back-office services and access to capital can result in the creation of a robust continuum of care, while creating organizational sustainability
- By 2026 – our tenth year of operations – Inperium expects to generate \$1 billion in consolidated revenues, derived from the delivery of ten (10) distinct human services in ten (10) different states
- As of December 2023 – Inperium's annualized consolidated revenue approximate \$385 million from services delivered in fifteen (15) states. This industry-leading revenue growth – achieved despite disruptions related to the covid-19 pandemic – resulted primarily from closing twenty-one (21) business combinations during Inperium's initial six (7) years of operation
- Nonprofit providers have historically grown slowly and organically, and there is no meaningful market for nonprofit control, creating extraordinary opportunity for a nonprofit consolidator like Inperium and its network of affiliates

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## 1. What would be the chief advantage of affiliation with Inperium for the Affiliate?

- ENHANCING YOUR MISSION - sustainability and the ability for the affiliate to continue its mission, vision and services while offering protections to the individuals it supports by being part of a larger organization. As part of the larger organization, Inperium, the affiliate is able to be insulated from fluctuations in funding by leveraging economies of scale for back office functions and having a larger voice in the marketplace among other safeguards.

## 2. In regard to advantages of scale, what are the most predominant examples of scale advantage in your experience?

- FINANCIAL BENEFITS - banking and Financial relationships, with regard to real estate and debt financing, to offer more favorable lending terms; Workers Compensation & ALL insurances, as well as employee health and welfare benefits WILL realize a reduction in expense because of the larger volume; other expenses such as food, electric, fleet maintenance and office supplies are examples of expenses that are reduced due to Inperium's greater scaled buying power.

## 3. How will this proposed affiliation better the lives of the individuals and families of those we serve?

- THEY CAN FEEL MORE SECURE – by offering sustainability your programs remain intact, in addition, they are insulated from changing economic challenges while other granular benefits are produce resulting in more satisfied & committed staff boosting morale & improving the lives of those we serve.

## 4. What are some of the financial benefits that can be expected from affiliation?

- COST SAVINGS - refinanced debt can achieve more favorable payment terms; reduction in expenses for all insurances; leveraged purchasing; systems enhancements and cost reductions to time and attendance, payroll, telecommunications platforms name a few of the many that exist.

## 5. What are the financial risks, in your experience, that an affiliate should be aware of?

- NONE - we have found that through affiliation there is an immediate opportunity for improved financial position/condition & access to additional capital. The access to our Obligated Credit Group allows each affiliate use of its Master Trust Indenture arrangement to provide access to capital & financial resources that are flexible, done by ease of transfers, accommodates growth/development & is offered at greatly reduced lending rates through bank, non-bank & other capital provider solutions.

## **6. How is the proposed corporate structured represented to the public and/or press?**

- AS MAKING SENSE FOR ALL - in exchange for sharing governance, which is customizable, along with the integration of systems and staff into Apis Services and through the use of Shared Service and Employee Agreements the affiliate can benefit from all aspects of affiliation while retaining their own identity and mission. The Affiliate ultimately determines how they desire the relationship to be communicated to the public and/or press. In some instances an Affiliate will have their communications read that the entity is now an affiliate of Inperium, while others do not choose to state this publicly.

## **7. Are Mergers, Acquisitions OR Affiliations (MAA) a business strategy, approach, or something else?**

- IT IS A TOOL & TACTIC- that supports an overall Corporate strategy with an objective of creating a Market Leader in the industry with sufficient size & voice to have a substantial impact on the consumers served & the community at large as well as wealth creation; MAA is generally considered one tactic by which these objectives can be achieved BUT in the nonprofit MAA process this is the exception to the rule in that it can also be a strategy because nonprofit MAA routinely results in substantial and instantaneous market standing, breadth of consumer impacts & wealth creation by the target & the sole member & essentially the deal itself, not the aftermath of the deal, create all of these in nonprofit MAA.

## **8. Realizing that the Affiliate would continue to exist as a corporation, can you outline what the role of the Affiliate board would be once the affiliation was finalized?**

- THE SAME AS IT HAS PRE-AFFILIATION - the Affiliate board would remain intact as it is today and continue to meet at the frequency it chooses and continue the committees it has established or others it wished to create; once we satisfy the minimally required Reserved Powers in accordance with the bylaws, corporate law and other considerations – all the other matters are decided by the Affiliate Board. Inperium offers synergy opportunities to allow the affiliate the ability to continue its governance, operations and further its mission without undue interference from Inperium.

## **9. Will key OPERATIONAL decisions rest with the Affiliate Board?**

- YES - THEY WILL – decisions are dependent upon what the Affiliate Board is comfortable with as it relates to the specific concerns and how the Board chooses to align with the reserved powers. Aside from the required reserved powers, it is up to the Executive (CEO) and Board of the Affiliate to determine what decisions they want to retain standing over, for how long, and under what arrangements working in agreement with Inperium.

## **10. What are some examples of typical decisions reserved for the Inperium Board?**

- SPECIFIED GOVERNANCE AS DEFINED IN THE BYLAWS - the Inperium Board, consisting of Directors from the Affiliate(s) Board, can approve the removal of a Director for failure to adhere to the bylaws & make other assignment of members/terms, amendments to the bylaws and commitment of long term debt, are a few of the examples of the basis decisions that “can” occur at the Inperium Board level, these areas are all prescribed on the definitive agreement and bylaws.

**11. After hearing all about Inperium and the model that supports its affiliates, tell me what I would regret in five to ten years if I/we decided not to affiliate with Inperium?**

- Standing alone in a constantly changing service environment that is impacted by a multitude of variables and system wind changes lessens our ability to take desired chances/strategies and sustain operations during lasting sine wave lows without compromising quality. Partnering with other like-minded and high quality organizations adds a level of confidence that cannot be measured. Our organizational diversity makes us strong and resilient.

**12. If an Affiliate is losing money, but represented a service considered key to the Affiliate's mission, how would the decision/process of whether or not to continue the service be reached in the new structure?**

- WE BELIEVE IT WOULD BE THE SAME - all Boards have a legal fiduciary responsibility to take action in these instances, an affiliation with Inperium does not change the process about considering discontinuance of a service or program by the Affiliate except in grave financial circumstances where inaction at the local level would breach fiduciary duty.

**13. How will the affiliation create impacts to our services quality?**

- YOUR FOCUS CAN BE ON PROGRAMMING - we enhance affiliate services quality by offering support in areas of non-programmatic, and programmatic if desired, operations that allows for less distractions & offers opportunities for a greater focus on quality by the staff and management of the affiliate.

**14. Can you describe what issues of culture merger or conflict you've experienced between agencies in your organization to date and how you have handled these issues?**

- THERE IS NO CONFLICT IF THERE IS NO MERGER - we have had positive experiences with the prior affiliations under our Constellation; the culture of the Affiliate remains their culture, the systems and services behind the scenes will change but, the overall process is very discrete to most all involved unless otherwise elected by the Executive to be more visible based on the Affiliates individualized desires.

**15. How will the affiliation benefit our employees?**

- THEY TOO CAN FEEL MORE SECURE - you will have a better and more effective workforce as there will be improved morale and the opportunity to pay staff higher wages 6-12 months post affiliation; offers advancement for staff through Inperium and allows for senior leadership to move into a role with Inperium while moving staff at the Affiliate into a higher role.

**16. After hearing all about Inperium and the model that supports its affiliates, tell me what I would regret in five to ten years if I/we decided not to affiliate with Inperium?**

- Standing alone in a constantly changing service environment that is impacted by a multitude of variables and system wind changes lessens our ability to take desired chances/strategies and sustain operations during lasting sine wave lows without compromising quality. Partnering with other like-minded and high quality organizations adds a level of confidence that cannot be measured. Our organizational diversity makes us strong and resilient.

**17. Does affiliating with a PA Parent, rather than a parent registered in my state, increase any of the regulatory or tax filings we must make?**

- THERE ARE NO ADDITIONAL FILINGS. Except that in some states you might be required to make a filing that discloses the affiliation & you will continue to make the same governmental filings that you are currently making.

**18. If we affiliate with a PA Parent, will we be required to comply with PA's audit, fundraising, or conflict of interest requirements in addition to those in our state?**

- NO. For fundraising in your own state, you will not be required to comply with any of Pennsylvania's audit, fundraising, or conflict of interest rules. You will need to continue to comply with all applicable requirements of your state.

**19. Does affiliating with a PA parent offer any advantages that we will not obtain by affiliating with a Parent in our state?**

- YES. You will have access to the programs, services, and talents of Inperium's other affiliates in PA & you may have access to grants & fundraising sources in PA to which you will not have access if you affiliate with a non-Pennsylvania Parent.

**20. Will the PA Attorney General need to review and approve the affiliation even though we are not located in Pennsylvania?**

- NO. The PA Attorney General is only responsible for the charitable assets of not for profit entities registered in PA. The Attorney General or other governmental agency of your state may need to review & approve the affiliation regardless of the state in which the Parent is registered.

**21. Why does Inperium have separately incorporated entities in some states but unincorporated divisions in other states?**

- YES & NO. In some states regulations either require it/or make it more efficient for Inperium to do business through a legal entity incorporated in that state. In other states, there is no advantage to forming an incorporated division.

**22. Do we lose anything by not affiliating with a Parent registered in our own state?**

- NO. There is no difference relating to governance, revenue sources, or regulatory requirements. Aside from the advantages shared above you will not be affected by the state in which your Parent is registered.

# Thank you

## Is a partnership with Inperium right for you?

Scan the QR code to take our assessment and find out



[https://inperium.org/  
888-270-5753](https://inperium.org/888-270-5753)