

NASHVILLE BUSINESS JOURNAL

Local bank launches health care investment fund

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Jack Bailey admits that if his children tried to do today what he and his co-founders of Bailey Southwell & Co. LLC did in 2005, he would be very concerned.

At the time, all three had secure jobs with large firms: Bailey as an attorney, his brother Jeff as a certified public accountant and fellow co-founder Andrew Southwell as a chartered financial analyst.

“We all decided we were tired of working for the big guys,” Bailey said. “So, we each threw \$2,000 in a hat and threw caution to the wind.”

Thirteen years later, he said the investment bank has more than doubled its revenue each of the past three years, working with mid-sized health care and technology service companies on \$800 million of deals over the past year-and-a-half. Last month, the firm completed raising its first co-investment fund, totaling \$20 million.

Traditionally, Bailey Southwell – which employs about 15 bankers – has provided advisory services for mergers and acquisitions and capital raises, but Bailey said the fund will allow the firm to put that expertise into investing. He said the fund aims to make several \$1 million to \$2 million investments into health care service, health-care technology and tech-enabled service companies in and outside Nashville.

“We’re only interested in investing in areas we know backwards and forwards,” Bailey said.

The fund could help the next step in Bailey Southwell’s growth as the company tries to attract more



Nashville-area clients. Despite being headquartered in Brentwood, Bailey said the firm does 95 percent of its advisory business along the U.S. coasts.

As Nashville has grown it has attracted more local opportunities, he said.

“We’re very optimistic about Nashville, our clients and our firm,” Bailey said. “People should know they don’t need to go outside of Nashville to find a great investment bank.”