



BAILEY SOUTHWELL & CO.
INVESTMENT BANKING

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**Bailey Southwell & Co. Announces HealthStream's Acquisition of
Morrisey Associates**

NASHVILLE, Tennessee (August 2016) -- Bailey Southwell & Co., LLC (BSC) is proud to announce that HealthStream, Inc. (NASDAQ: HSTM), a leading provider of workforce development, patient experience, and provider solutions for the healthcare industry, has acquired Morrisey Associates, Inc. (Morrisey), a privately owned provider of a wide array of market leading products for credentialing and privileging healthcare professionals. HealthStream acquired Morrisey for approximately \$48 million in cash.

HealthStream leverages its innovative approach to talent management to support healthcare organizations as they manage their workforce along multiple dimensions, including the management of their qualifications and competencies. With the acquisition of Morrisey, HealthStream will be able to better support the ongoing, periodic assessments of practitioners' competencies and performance that is required by the Joint Commission to maintain accreditation. Additionally, this acquisition provides important synergies for innovation that will result in an expanded suite of services that optimizes medical staff credentialing and privileging for hospitals. Michael Sousa, president of Echo, a HealthStream Company, will assume executive leadership of Morrisey.

"Bailey Southwell has been an essential part of the team as we have strategically completed acquisitions to complement internal initiatives on the path to becoming a leading provider of automated healthcare credentialing solutions," said Michael Sousa, President of Echo, a HealthStream Company. "The professionals at Bailey Southwell leveraged their experience and industry knowledge to ensure yet another successfully closed transaction for our company."

About Bailey Southwell & Co., LLC

Bailey Southwell & Co., founded in 2005, is a privately held investment bank with offices in Nashville, Tennessee and St. Louis, Missouri. BSC provides mergers and acquisition and capital raising advisory services to middle market companies. More information about BSC can be found at www.baileysouthwell.com.

About HealthStream, Inc.

HealthStream (NASDAQ: HSTM) provides a unified suite of solutions contracted by, collectively, over 4.5 million healthcare employees in the U.S. for workforce development, training & learning management, talent management, performance assessment, and managing simulation-based education programs. Based in Nashville, Tennessee, HealthStream has additional offices in Laurel, Maryland; Brentwood, Tennessee; Pensacola, Florida; Jericho, New York; Boulder, Colorado; and San Diego, California. More information about HealthStream can be found at www.healthstream.com.

About Morrisey Associates, Inc.

Founded in 1987, Morrisey Associates provides software for practitioner credentialing and privileging. More than 800 U.S. healthcare facilities use Morrisey's MSO for the Web™ (MSOW®). More information about Morrisey can be found at www.morriseyonline.com.

The principals of BSC, acting in the capacity of registered agents of StillPoint Capital, LLC, served as advisor to HealthStream. Bailey Southwell & Co., LLC and StillPoint Capital, LLC are unaffiliated companies.

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