

FCR 3

Office of the President
February 21, 2025

Members, Board of Trustees:

ACCEPTANCE OF CHARITABLE GRANT COMMITMENT FROM
THE SMITH BROTHERS FAMILY FOUNDATION TO BENEFIT THE
GATTON COLLEGE OF BUSINESS AND ECONOMICS

Recommendation: that the Board of Trustees accept a charitable grant commitment totaling \$1,000,000 from The Smith Brothers Family Foundation to support the design phase of the renovation and expansion of the University's Gatton College of Business and Economics (the "College") building. Accordingly, this gift shall support a capital project fund named the "Gatton College Expansion Design Fund".

Background:

The brothers, Scott and Sean Smith, both earned Bachelor of business administration degrees in Finance from the University in 1990. Entrepreneurs in the healthcare technology industry, the brothers co-founded several leading-edge businesses in healthcare cost management and data analytics. Their early success founding Stratos, an integrated healthcare cost management and payments company, led to its recapitalization by Parthenon Capital in 2015 and a subsequent merger in 2016 with Premier Health Exchange, Pay-Plus Solutions and GlobalCare to form Zelis Healthcare. This merger formed the market-leading provider of end-to-end healthcare claims cost management and payments solutions serving the largest healthcare, dental and workers' compensation payers. In 2019, Zelis Healthcare merged with RedCard and was recapitalized with Bain Capital, Parthenon, and the Smiths, making Zelis Healthcare/RedCard the nation's largest healthcare fintech company with a multibillion-dollar valuation.

Today, the brothers spend most of their time furthering the efforts of The Castellán Group. Castellán is an independent investment advisor wholly owned by a perpetual charitable trust. All profits beyond the expenses of the firm are donated to charities through the trust. Both brothers are lifetime members of the University of Kentucky Alumni Association, were inducted into the College's Hall of Fame together in 2011 and were inducted into the Kentucky Entrepreneur Hall of Fame in 2024.

Action taken: Approved Disapproved Other _____