



UNITED, INC.

bringing potential to life

July 28, 2009

FOR IMMEDIATE RELEASE

Contact: Stephanie Harder
Vice President of Development
Office: 316-267-5437, ext. 104 | Cell: 316-258-9013

Rainbows United announces plans to file Chapter 11 bankruptcy
Board commits to finding ways for services to continue

Wichita, Kan. July 28, 2009 – The Board of Directors of Rainbows United, Inc., a local not-for-profit agency known for serving children with special needs and their families, has announced plans to file Chapter 11 bankruptcy soon. The Board, which met earlier today, indicated the move would allow it to make possible plans for reorganization.

“As a Board and a Staff, we are committed to children with special needs and their families who are served by Rainbows,” said Steve Cox, Chairman of the Board. “During this challenging time, we are working to ensure that restructuring allows us to continue providing services.”

The decision to file bankruptcy was determined after the Board discovered financial irregularities in its financial reports. The move allows the Board to take the appropriate actions to rectify the situation, including possibly accessing emergency interim financing.

As part of the reorganization, the Board has accepted the resignation of its Chief Financial Officer and started efforts to recruit a Chief Restructuring Officer, who will report directly to the Board of Directors. In addition, Lorraine Dold, who has been with Rainbows for more than 20 years, has been placed on indefinite paid administrative leave effective immediately. She will be available to the organization for advisory services. During this time Deb Voth, Chief Operating Officer, will be responsible for day-to-day management of the organization.

Rainbows serves more than 2,600 children aged birth through 5, including more than 2,300 with special needs. The organization, which has 435 full- and part-time employees, serves primarily Sedgwick and Butler counties.

“We are sorry for this development because we know it directly impacts the children and families who benefit from our services and the employees who provide them,” Cox said. “We are doing everything we can to address the situation and will continue to communicate as we know more.”

#