



Press Release

Bertram Capital Invests in Physicians Management Group *Bay Area private equity firm sees bright future providing revenue cycle management services to surgery centers and specialty physician practices*

LOS ANGELES, Calif., May 8, 2007 -- Bertram Capital, a private equity firm in Palo Alto, California, has taken a majority interest in Physicians Management Group LLC ("PMG"), one of the country's leading providers of revenue cycle management services to the healthcare industry.

Based in Los Angeles, PMG has developed unique expertise at coding, billing, and collecting on complex healthcare claims for surgeons, ambulatory surgery centers, hospitals, and other specialty physician practices. Today, the company provides services to nearly 400 different healthcare providers and facilities across the country.

Insurers exert tremendous leverage over physician practices and healthcare facilities. Reimbursement rates continue to fall even as the steps necessary to seek payment grow more costly and complex. Moreover, new medical procedures move into the outpatient setting every day, and the rules to substantiate claims for these procedures are often ill-defined. PMG negotiates claims like these day-in and day-out with dozens of different payors. It knows what works, what doesn't, and how to maximize a practice's financial performance. And it holds itself to the strictest ethical and legal guidelines.

"Simply put, it pays to work with an expert. And no one has the expertise of PMG," said Dr. Ken Drazan, Managing Director of Bertram Capital and a former surgeon himself.

Said Drazan, "We're excited about PMG for the same reasons that PMG's clients love the company: its high-touch service, unmatched expertise, and verifiable performance.

"Still, we think PMG's brightest days are yet to come. There are 5,000 outpatient surgery centers in the United States, and most still perform their revenue cycle functions in-house with unsophisticated staff whose incentives aren't always aligned with the interests of the practice. Throughout the industry, the need for a trusted financial partner is clear. We can help PMG realize its full potential by becoming part of that solution."

"After 15 years at the helm of PMG, I am excited to bring aboard Bertram Capital as a partner in the growth of this company," said Dr. Aaron Sones, CEO of PMG. "They understand healthcare, the reimbursement climate, and the challenges faced by physicians. Their principals bring operational and strategic expertise and, equally important to me, a commitment to PMG's existing customers, employees, and ideals."

Bertram Capital was founded in 2006 to invest in middle-market buyout transactions and provide growth equity to established platforms in the technology, manufacturing, healthcare, and business service industries.

PMG was represented in this transaction by Avondale Partners, based in Nashville, Tennessee.

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