



For Immediate Release

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Brown & Toland announces that it is No Longer in Negotiations with a Capital Partner

SAN FRANCISCO, CALIF. (April 30, 2008) Brown & Toland's Board of Directors announced today that after deliberation and evaluation, the medical group would not pursue an outside investment at this time. The offers considered did not fully meet the Board's criteria to continue further negotiations.

Brown & Toland's Board initiated a process to consider outside capital in 2007 to help accelerate deployment of the medical group's Physician Practice Solutions (PPS) project, which includes electronic tools such as an electronic medical record, and billing services. The Board engaged the services of several external experts to help through the process, including Cain Brothers LLC, a nationally recognized financial services organization that specializes in healthcare, and the law firms of Boies, Schiller & Flexner, LLP, and Kessenick, Phillips & Gamma, LLP.

A number of potential partners, who recognized Brown & Toland's strong strategic and financial value, submitted bids. Through the process, the Board weighed the benefits of a partner, and the infusion of capital, against the risks of a change of governance.

Over the course of this process the Board spent many, many, hours reviewing and discussing offers and determined not join forces with a capital partner at this time. Through this process, the Board has re-confirmed that Brown & Toland's strategies, supporting the independent practice of medicine and adding financial and/or technical value to enhance the physician network, are the right ones for the physicians, but that a capital partner did not enhance Brown & Toland's operations at the present time.

"Although we are not continuing the formal process to look for a capital partner, we remain open to future opportunities," said Gloria Austin, Brown & Toland's Chief Executive Officer. "Our strategies for the future remain the same: we will continue to roll out electronic tools to our network, grow in contiguous counties, and evolve into an all products medical group."

Austin added that Brown & Toland recently released its financial performance for 2007, in which the medical group showed an operating income of \$12.2 million on overall revenue of \$235 million. Additionally, the medical group will distribute \$8.2 million to physicians in the form of bonuses.

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“Brown & Toland remains one of California’s financially strongest independent practice associations,” said Joel Klompus, M.D., Brown & Toland’s President. “Our membership trends indicate that patients continue to move from HMO to PPO products. The Board believes that the development of a robust PPO product line, with its emphasis on electronic clinical integration, remains the best strategy to ensure the future of the independent practice of medicine.”

About Brown & Toland

Brown & Toland Medical Group’s 1,500 physicians care for close to 190,000 HMO and approximately 100,000 PPO patients. Brown & Toland receives numerous awards for its medical excellence and preventative health care services. For more about Brown & Toland, visit www.browntoland.com.