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**MEDIA CONTACTS:**

Alan P. Richman  
President & CEO  
InnoVative Capital, LLC  
(610) 543-2490, Ext. 101  
arichman@innovativecapital.com  
www.innovativecapital.com

Paul B. Owens  
Chief Executive Officer  
Doctors' Hospital  
(940) 683-5423  
paulowensmba@yahoo.com  
www.bridgeportdoctorshospital.com

**INNOVATIVE CAPITAL ANNOUNCES THE COMPLETION OF  
LANDMARK \$59.1 MILLION NON-RATED MUNICIPAL BOND FINANCING  
OF START-UP COMMUNITY HOSPITAL IN BRIDGEPORT, TEXAS**

**SPRINGFIELD, PA and BRIDGEPORT, TX:** (January 12, 2007) -- InnoVative Capital, LLC ("InnoVative Capital") served as the financial advisor to Doctors' Hospital ("Doctors") in the development of a start-up 36-bed nonprofit community hospital to be built in Bridgeport, Texas and its recent \$59.1 million non-rated tax exempt bond financing. Proceeds of the bonds are to be used both for constructing and equipping the new hospital, as well as funding its initial working capital needs.

Located 48 miles northwest of Fort Worth, Bridgeport is situated in the western portion of Wise County, which has a population of approximately 54,000. The last acute care facility to operate in Bridgeport was built with Hill-Burton funding in 1949. Originally owned and operated by local physicians, in 1988 it was sold to outside investors representing a small private hospital management company, who had promised to deliver a much-needed replacement facility to the community. The new hospital never materialized, as financial troubles at the company's other facilities led to its overall corporate demise. Without a new facility and lacking a sponsor, the Bridgeport hospital closed in 1991.

After years of discussions, community leaders and local physicians in 2002 began serious efforts to reestablish a hospital in Bridgeport. The founders of the hospital contributed funds, received federal, state and local grants, and hired Paul Owens to serve as the CEO. They engaged a project development team consisting of Page Sutherland Page, LLP, of Austin, Texas to be the architect and Texas-based J.T. Vaughn Construction Co., as the construction manager. To meet certain grant requirements, site work commenced in July 2004, prior to the procurement of permanent project financing with the belief from its original bankers that funding was on the horizon. However, in March 2005, still without a permanent funding source and the project "seed" money having dried-up, construction stopped with the completion of a foundation and cementing of the facility's pilings.

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**INNOVATIVE CAPITAL SERVES AS FINANCIAL ADVISOR  
IN LANDMARK \$59.1 MILLION NON-RATED MUNICIPAL BOND FINANCING  
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The delays in construction were resulting in an increase in the cost of the project, as well as causing doubt in the community that the hospital would ever be built. It was imperative that Doctors' obtain financing as quickly as possible. "Based on InnoVative Capital's reputation for getting difficult deals done, we retained their services as a financial advisor to help us get our financing back on track, and restore community confidence eroded by the unsuccessful efforts and unfulfilled promises of previous bankers," stated Mr. Owens. "Once engaged, InnoVative Capital directed all aspects of the financial development process and financing itself; no detail was too small," he continued.

Due to the unique credit risks associated with this start-up venture, InnoVative Capital knew immediately that Doctors' would be unable to obtain an investment grade credit rating and be ineligible for either bond insurance, or federal mortgage insurance. While ordinarily this would be a major impediment in accessing affordable financing rates, with its intimate knowledge of the investment community, InnoVative Capital was confident there would be a demand for high yield tax-exempt bonds. Their task was two-fold; to develop a security structure for the bonds that would be attractive to investors and in doing so, be careful to not overly constrain the operations of the new hospital.

InnoVative Capital produced a unique composite-funding structure, relying upon non-rated tax-exempt hospital revenue bonds (municipal venture capital debt), matching working capital bank credit lines guaranteed by the City of Bridgeport and community leaders (including founding doctors), federal, state and local grants, and charitable donations. To generate interest from prospective investors, the financial feasibility of the project had to be independently presented. InnoVative Capital advised the hospital to engage a national CPA firm, with offices in Texas and local financial forecasting experience. But first, the hospital needed to strengthen its development team to validate operating assumptions, project budgets and oversee its pre-opening activities, as well as hire a management company to allay market concerns relating to the ongoing management of the hospital. In order to complement an experienced CEO and dedicated medical staff, Quorum Health Resources (QHR), the leading manager of independent hospitals was retained to support both its pre-opening and ongoing management needs. Finally, an investment banking firm needed to be selected. InnoVative Capital produced requests for proposals and held interviews with qualified underwriters, experienced in marketing non-rated hospital bonds. Ziegler Capital Markets Group would be tasked with responsibility of mobilizing its institutional sales force to sell the bonds. With the entire working group in place, the financial and legal documents were drafted, reviewed and finalized. The bond structure had to meet the demands of the investment community, including the establishment of sufficient reserve funds and the procurement of additional liquidity facilities.

The \$59.1 million bonds were issued through the Tarrant County Cultural Education Facilities Financing Corporation on January 12, 2007, with an average interest rate of 6.5% and final maturity of thirty years. Construction of the 100,000 sq. ft. facility starts immediately and should be complete by March 2008. "InnoVative Capital delivered," stated Mr. Owens, "we are very pleased with their efforts on our behalf."

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“We were gratified to be of assistance in getting this important project back on track and to reestablishing local acute care services to the Bridgeport community,” stated Alan P. Richman, President and CEO of InnoVative Capital. “Through our work with rural hospitals throughout the country, we have become very well aware of the importance of quality healthcare as a necessary component of and a catalyst for, future economic development activities,” concluded Mr. Richman.

**About InnoVative Capital**

InnoVative Capital is a banking and financial advisory firm with a specialty focus on providing construction and permanent financing to hospitals. The firm tailors its niche representation of rural, community and critical access hospitals to meet the unique challenges that differentiate this segment of the healthcare industry from its tertiary care and health system clients and offer them broad access to the capital markets at reasonable rates and terms. Since its inception in 2001, InnoVative Capital has served as the financial advisor, mortgage banker and consultant for hospitals and financings using FHA mortgage insurance, tax-exempt revenue bond financings (rated and non-rated), tax-supported debt, USDA and commercial loans valued in excess of one-half billion dollars.

**About Doctors' Hospital**

West 380 Family Care Facility d/b/a Doctors Hospital is a Texas 501-c-3, not-for-profit Corporation formed for the purpose of constructing and operating a general short-term hospital in Bridgeport, Texas. Doctors' was organized and initially funded by community leaders and physicians in order to reestablish local acute care services within a nonprofit hospital setting to best meet the current and future healthcare needs of this growing community.

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