



Riverside

FOR IMMEDIATE RELEASE

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RIVERSIDE FINDS THE RIGHT PRICE WITH FAIRPAY

Leading Medical Cost Containment Solution Determines the Fair Price of Healthcare

Deal Type:

Platform Acquisition:
FairPay Solutions, Inc.

Key Stats:

10th Riverside Acquisition of 2009
218th Acquisition Overall

Fund Family:

Riverside Capital Appreciation Fund V (“RCAF V,” \$1.17 billion)

Sellers: First Capital, Tobat Capital, FairPay Employees and Founder

FairPay Solutions, Inc. (“FairPay”)

Based in Addison, Texas

- Provides workers’ compensation specialty bill review and auditing services, realizing significant savings for payers.
- Advises more than 1,000 payers, including insurance carriers, managed care organizations, third-party administrators and self-insured employers.
- Uses proprietary data, processes, software systems and algorithms that saved clients more than \$185 million in 2008.
- Transaction is 37th healthcare-related acquisition in Riverside’s 21-year history.

Of Note:

Founded in 1999, FairPay is a market leader in specialty bill review for workers’ compensation medical claims. FairPay also employs its pioneering technology to re-price auto accident claims and long-term care claims. Combining innovative technology and a deep understanding of federal, and state regulations, FairPay allows payers to determine the fair market value of healthcare services. FairPay also offers a range of other services in conjunction with its specialty bill review service, including formal dispute resolution support and provider negotiations.

Quotes:

Karen Pajarillo, Riverside Partner:

“We are thrilled to bring FairPay into the Riverside family of healthcare-related companies. With a growing share of a niche market and excellent cash flow characteristics, FairPay fits perfectly with

Riverside Finds the Right Price with FairPay

Riverside's proven strategy of targeting operationally sound, well-managed companies poised for growth. We look forward to partnering with FairPay's management team to pursue both organic growth opportunities and acquisitions down the line, including opportunities to increase FairPay's geographic coverage and leverage its proprietary data and systems."

Rich Leonardo, FairPay President and CEO:

"Since I joined FairPay in 2005, we've always been focused on providing the best service and technology possible to our customers. With Riverside as a partner, we now have the resources and strategic guidance on board to enable FairPay to keep pace with a rapidly expanding market for specialty bill review in workers' compensation claims. With a scalable software platform, proprietary databases, and a deep institutional knowledge of the legal and regulatory environment, we're very excited for what the future holds."

Riverside Team:

Karen Pajarillo, Partner; Sarah Roth, Vice President; Steve Burns, Associate; Solomon Cole, Analyst.

Partners:

MidCap Financial, Siemens Financial Services and Audax Mezzanine provided financing for the transaction.

The Riverside Company (www.riversidecompany.com or www.riversideeurope.com)

The Riverside Company is a global private equity firm focused on acquiring leading small and medium-sized enterprises (with a value of up to \$150 million) and partnering with strong management teams to enhance the success of its companies through acquisitions and organic growth. Since its founding in 1988, the firm has invested in 218 transactions with a total enterprise value of \$5.0 billion. The investment portfolio in North America, Europe and Asia includes 69 companies with annual sales totaling \$3.3 billion, EBITDA of \$506 million and more than 13,000 employees (June 2009). Riverside offers the resources to complete acquisitions smoothly - thanks to its more than \$3.0 billion in assets under management, more than 180 professionals in 18 offices (Atlanta, Brussels, Budapest, Chicago, Cleveland, Dallas, Eindhoven, Hong Kong, Los Angeles, Madrid, Munich, New York, Prague, San Francisco, Seoul, Stockholm, Tokyo and Warsaw) and its longstanding relationships with partner lenders. According to Thomson Venture Economics, seven of Riverside's nine mature funds rank in the top 25% of all funds (as at 31 December 2008). The firm's investors include the world's leading pension funds, endowments, funds of funds, insurance companies and banks.

FairPay Solutions, Inc. (www.fairpaysolutions.com)

FairPay's corporate mission is simple and straightforward: to provide industry leadership as the most innovative and customer-oriented company in the specialty bill review business by delivering substantial healthcare savings for our clients. FairPay's proprietary, patent-pending Medical Analysis, Auditing and Repricing Services (MAARS.net) solution reprices bills by analyzing legal, financial, medical and actuarial data. The system complies with each state's specific statutes and precedents for workers' compensation bill review and contains data from more than 20 public and proprietary databases. FairPay offers a suite of solutions to address the specialty bill review needs of workers' compensation and auto/liability payers. These solutions, supported by FairPay's innovative technology and powered by the most comprehensive databases in the industry, result in accurate and fair pricing recommendations that deliver significant savings – risk free.

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