



## **Preferred Stock Financing**

As previously announced in July 2008, CareGuide entered into a stock purchase agreement with a group of existing investors to provide up to \$4 million in additional capital through a private placement of preferred stock. Under the stock purchase agreement, CareGuide issued yesterday approx. five million shares of Series A preferred stock for \$0.60 per share – each of which is convertible into five shares of common stock – for aggregate gross proceeds of \$3.02 million before offering expenses. Remaining shares are expected to be sold to the investor group within 60 days of the initial closing. The closing of the financing was subject to a number of customary closing conditions, including the completion of the reverse stock split. The investor group includes two venture capital funds associated with the directors of CareGuide, as well as two directors of CareGuide in their individual capacities.

## **Management Changes**

CareGuide also announced today a realignment of the company's executive management team, including the appointment of four highly qualified, knowledgeable and experienced executives. The newly appointed team will help CareGuide offer customers the level of service and quality of products they have come to expect while continuing to strengthen operational controls and business discipline.

"We believe that we have assembled a leadership team with unmatched talent and experience – these individuals have distinguished themselves in multiple fields, including disease management, other areas of healthcare and the law," said Dr. Waxman. "We are confident that these new executives, several of whom have already demonstrated their value as executives or board members of the company, will help CareGuide realize its full potential."

### **Michael J. Condron, chief executive officer (CEO)**

Mr. Condron has been serving as vice chairman of CareGuide's board of directors and an executive officer since July 2008 and officially became CEO upon completion of the going-private transaction and preferred stock financing. Coinciding with the appointment, Dr. Chris Paterson announced his resignation as CEO of the company and from the company's board of directors, effective immediately. CareGuide thanks Dr. Paterson for his leadership and years of service.

Mr. Condron brings significant experience in healthcare consulting and law to the company. Prior to joining CareGuide, Mr. Condron served as president and founder of MEJC Consulting, LLC, a firm focused on healthcare consulting, mergers, acquisitions and divestitures. Previously, he was an executive with CorSolutions Medical, a pioneer in the disease management and health solutions market, where he began as general counsel in 2002 and then assumed the roles of president and chief operating officer in August 2005, leading the company through a merger with Matria Healthcare (now Alere Medical, Inc.) in January 2006.

Prior to joining CorSolutions, Mr. Condron was a senior associate at the law firm of Gardner, Carton & Douglas, where he served as outside counsel to CorSolutions and a range of other companies. Mr. Condron specialized in providing employment counsel and brought substantial litigation experience relating to labor expansions and reductions, restrictive covenants, confidentiality agreements, non-solicitation of employees, executive compensation and severance agreements. Mr. Condron received a Bachelor of Science *cum laude* from the University of Illinois in Urbana, Ill., and graduated from Northwestern University School of Law in Chicago, with a Juris Doctorate.

### **Thomas J. Hannon, chief financial officer (CFO)**

Mr. Hannon joined CareGuide as executive vice president of administration in November 2008 and was appointed executive vice president and chief financial officer effective upon completion of the going-private transaction.

Mr. Hannon brings excellent professional credentials and experience to CareGuide, having most recently served as the chief financial officer of Alma Lasers Ltd., a global medical technology company that designs, develops, manufactures and markets non-invasive, energy-based aesthetic treatment systems. While there, he built upon the financial success of the company to position it for a recently proposed initial public offering.

Prior to Alma Lasers, Inc., Mr. Hannon served as CFO at CorSolutions, where he improved the company's financial strength and helped oversee the company's sale to Matria Healthcare (now part of Alere Medical, Inc.). Mr. Hannon previously served as controller at Everest Healthcare Services Corporation, a provider of dialysis and blood treatment services with 80 locations in 13 states. While there, he directed financial operations for the dialysis services division and helped oversee the company's sale to Fresenius Medical Care. Mr. Hannon has also held positions with Baxter International and Deloitte and Touche in Chicago. He earned a Bachelor of Science in Accounting from Northern Illinois University and is a Certified Public Accountant.

**Michael J. Barber, M.D., chief medical officer (CMO)**

Dr. Barber has been appointed chief medical officer (CMO) of CareGuide. He has served as a member of CareGuide's board of directors since December 2006. In addition to his role at CareGuide, Dr. Barber serves as partner, chief medical officer and vice president of business development at YourCity.MD, a medical portal company. Dr. Barber founded in July 2006 and until recently served as the chief executive officer of The Advanced Practice Institute, a healthcare consulting company.

Previously, Dr. Barber served as the chief executive officer and chief operating officer of Group Health Associates, a medical group. He was also a healthcare consultant for The Scheller Bradford Group and served in executive roles with CareGuide's subsidiary Haelan, as well as on Haelan's board of directors from 1999 to December 2006. Prior to 1999, Dr. Barber served in a number of roles, including chief executive officer of Momentum Health Solutions, a venture associated with a long-term managed care company; vice president of clinical services, senior medical director, executive vice president and chief medical officer at ChoiceCare; staff physician and president of The Fairfield Group, a family medical practice; and associate clinical professor of family practice at the University of Cincinnati.

Dr. Barber received his B.A. degree from Indiana University, where he was elected to Phi Beta Kappa. He received his M.D. degree from the Indiana University School of Medicine. Dr. Barber is certified by the American Board of Medical Management and is a member of the American College of Physician Executives and the American Academy of Family Practice. He also serves on the board of directors of Beech Acres Parenting Center and Episcopal Retirement Homes of Ohio.

Dr. Barber will continue to serve as a member of CareGuide's board of directors.

**Elmer Jones, M.D., executive medical director**

Dr. Elmer Jones has been promoted to executive medical director. Since joining the company as vice president of clinical quality management in April 2008, he has been serving as a resource for clinical operations due to his expertise in case and disease management. Dr. Jones is responsible for developing models for clinical programs with measurable characteristics that help to advance quality improvements in the analysis and interpretation of healthcare data.

Prior to joining CareGuide, Dr. Jones was a consultant for the disease management division of McKesson Healthcare, where he reviewed and developed national clinical disease management protocols and guidelines for various clinical specialties. He previously served as medical director for CIGNA Healthcare TRI-MID Connecticut Market, where he championed many disease management and quality-improvement initiatives that resulted in measurably improved outcomes and improved use of fiscal resources.

Dr. Jones is board certified in internal medicine and geriatrics medicine and is a Fellow of the American College of Physicians (FACP). In addition, he serves as an assistant clinical professor at the University of Connecticut. He received a Bachelor of Science from California State University, earned a Master of Science from Columbia University in New York and secured his Doctor of Medicine from the University of Cincinnati.

## **Jodie L. Root, executive vice president (EVP), Operations & Strategic Development**

Ms. Root was appointed EVP of operations and strategic development in October 2008. She continues serving CareGuide in this capacity, providing executive leadership for the company's product and service operations, which include care management programs, health management programs, call centers, and health intelligence and analytics. In addition, she leads the product development department, which is responsible for creating CareGuide's innovative next-generation strategic solutions for the market. Ms. Root brings substantial experience in healthcare operations across diverse functional areas and extensive knowledge of consumer, payor, provider, and vendor behavior and needs.

Most recently Ms. Root was vice president with Cardiocom Multi-Disease Management, where she led sales and marketing and drove the advancement of home telemonitoring in the healthcare industry. Prior to joining Cardiocom, Ms. Root held a senior leadership role in developing market solutions for case management and disease management as vice president, clinical programs, with Optum/UnitedHealth Group. Her diverse experience includes positions with United Resource Networks, Blue Cross Blue Shield of Minnesota and Blue Care Network/BCBS of Michigan, where she had responsibility for provider contracting and network management. She served for several years in leadership positions in academic practice management at The University of Michigan and Ohio State University Medical Centers.

Ms. Root received a Bachelor of Science with Honors in Health Sciences from Grand Valley State University and earned her Masters of Business Administration degree at Loyola University of Chicago while serving as Director of Medical School Admissions and then as Assistant Dean at Loyola Stritch School of Medicine.

### **About CareGuide**

CareGuide is an experienced leader in developing health-optimizing solutions for high risk, complex and elderly populations. In business since 1995, CareGuide delivers a broad health services product portfolio that addresses medical, psychosocial, functional and emotional needs. Solutions include highly coordinated and focused care interventions that combine meaningful human touch with powerful health management technology to help coordinate care and improve self-management skills. In addition to population-based case and disease management, CareGuide also offers health coaching, caregiver support, nurse triage, and utilization review services. CareGuide distinguishes itself by using next-generation technology to strategically identify and intervene to help individuals improve and maintain a better, healthier life. The company is headquartered in Coral Springs, Florida with office locations in Dallas, Texas; Indianapolis, Indiana; and Southfield, Michigan.

### *Forward-Looking Statements*

*This release contains information about the Company's future capital resources, management changes, management's view of the Company's future expectations and prospects, including its expected marketing success and product offerings, that constitutes forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, the receipt of the full \$4.0 million in aggregate gross proceeds under the stock purchase agreement and the acceptance of the Company's product offerings in the marketplace and management's ability to execute its growth strategy. For further details and a discussion of these risks and uncertainties, see CareGuide's Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on May 9, 2008, and other filings with the SEC, including the definitive Information Statement on Schedule 14C filed with the SEC on December 24, 2008 and the Transaction Statement on Schedule 13E-3/A filed with the SEC on January 21, 2009. CareGuide undertakes no obligation to correct or update any forward-looking statements, whether as a result of new information, future events or otherwise.*

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