

PRESS RELEASE

Regency Hospice Announces Purchase of New Beacon

Acquisition to Expand Geographic reach into Alabama

NASHVILLE, TN (July 7, 2006) – Officials at Regency Healthcare Group, LLC (“Regency”), a leading provider of hospice services in Georgia and South Carolina announced today the acquisition of a majority interest in Alabama-based New Beacon Hospice, Inc. from Baptist Health System and St. Vincent's Hospital. As part of the transaction, Baptist and St. Vincent's will retain a meaningful equity interest in the parent company and hold one of Regency's seven board seats. The acquisition increases Regency's total census to approximately 800 patients and brings its total employee count to over 400 hospice professionals.

New Beacon Hospice, the first and largest hospice in Birmingham, will retain its name following the acquisition. The transition is expected to be transparent to New Beacon patients and referral sources. New Beacon management will be retained by Regency, and the Company's back office functions will be relocated to Birmingham. The combination of Regency and New Beacon creates a hospice platform of size in three contiguous southeastern states, providing scale to support additional geographic expansion. .

“We were attracted to New Beacon because of its clean compliance record, history of growth, management talent and patient treatment philosophy”, said John Morris, CEO of Regency. “We look forward to continuing to serve the patients, communities and referral sources of Alabama in keeping with New Beacon's long-standing approach to comprehensive hospice care. Furthermore, Regency will look to build on its excellent reputation and continue its expansion efforts in select markets throughout the southeast.”

“The entire New Beacon management team is excited about joining Regency given its commitment to quality end of life care for patients and strong support for their caregivers,” indicated Alan Parker, former CEO of New Beacon Hospice, Inc. Mr. Parker was named Executive Vice President of Regency Healthcare Group upon close. “We believe the additional

resources, capital and expertise Regency brings to New Beacon will be critical to effectively serving our referral sources, patients and community.”

EDG Partners, LLC sponsored the transaction with capital from Allied Capital Corp (NYSE:ALD), EDG, Enhanced Equity Fund, LP, BH1 Investments, Inc. and the Regency Founder. The former owners of New Beacon (Baptist and St. Vincent’s) retain an equity stake in the company as well.

About Regency Healthcare Group

Regency Healthcare Group, now one of the larger hospice providers in the southeast, currently serves over 800 patients from 14 offices in Alabama, Georgia and South Carolina. The Company focuses on improving the quality of life for patients diagnosed with a life-limiting illness through supportive, palliative, medical, psychosocial and spiritual care. The Company’s strategies for growth include organic, de novo and selective acquisitions and are supported through its provision of high quality care, investments in staff training and education, and a focus on under-served secondary markets.

About EDG Partners, LLC

EDG Partners, LLC, through offices in Atlanta, Georgia and Alexandria Virginia, is a private equity firm focused on the healthcare industry. The firm has significant experience partnering with leading not-for-profit healthcare providers. The firm’s investment strategy involves partnering with proven management teams to deliver growth through quality-enhanced products and services. For more information, please visit the company on-line at www.edgpartners.com.

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