



# American HEALTHTECH<sup>®</sup>

Information Technology for Long Term Care

PO Box 12310  
Jackson, MS 39236  
601.572.3062  
Fax: 601.952.1241

[bcaldwell@healthtech.net](mailto:bcaldwell@healthtech.net)  
[www.healthtech.net](http://www.healthtech.net)

January 4, 2008

To: Existing and Future Customers

Re: Our Corporate Strategy for Your Peace of Mind

As a result of the current turmoil among software companies in our market, we have received an increased number of inquiries about the future stability of American HealthTech.

For the benefit of both existing and prospective customers, we want to share our long term plan with you.

Obviously, the future always holds its own set of uncontrollable twists and turns. But we at American HealthTech have been operating for a number of years under a corporate succession plan that does not include selling our company to a competitive firm, a venture capital firm or to any outsider for that matter. Rather, our plan calls for an orderly, self-funded strategy to pass the company on to a new generation of internal leaders who are fundamentally in place right now.

We are a closely held private company owned exclusively by the people who work here every day. As a matter of fact since it was originally incorporated over twenty five years ago, our great company has always been owned by the people who formed it and who have actively managed it. We've never been funded by outside venture capitalists or private equity companies. That means that we've been able to focus on doing what's right for our customers without intrusion from a detached financial owner who is only focused on next quarter's return on his investment. The best evidence of our ability to focus on our customers is seen in both our remarkable organic growth to over 4,000 customers nationally and the continual updating of our comprehensive software suite.

Back in 2000 we established an Employee Stock Ownership Plan (ESOP) which was designed to give a 'piece of the rock' to each member of our staff. Making us the only employee-owned software company in the industry, this was an initial step in a long-range exit strategy for our original stockholders.

The oldest of the founding stockholders retired in 2000, and his stock was later repurchased by the company requiring no outside funding. The remaining three major shareholders formalized the succession plan further in 2004, looking ahead to their own ultimate retirement and liquidity events. This board-approved plan was built upon the core principle that American HealthTech as a company was worth preserving, and its culture was worth passing on to a next generation of working leader/owners.

In January 2007, one of the three remaining primary stockholders sold her shares to the company in anticipation of her retirement - a transaction again funded completely by the company itself. And the succession plan continues forward to include the eventual exit of the remaining two original founders in the years to come.

During this same period of continued company growth, we have looked ahead to place our key corporate management team for the future. These individuals are already actively engaged in the day to day operation of American HealthTech to ensure business continuity for a new generation.

So, what does all this future direction mean for our existing and future customers?

In a word: focus. Faced with the sweeping regulatory and reimbursement changes on the horizon that have the makings of a perfect storm, long term care providers are considering partners who can help them make it through this coming storm. We at American HealthTech have prepared ourselves for decades to be ready to face those challenges with you and to provide timely solutions for them. Our long term stability will allow us to continue developing world class products to meet your needs as this next wave of challenges demands an effective automated solution for your organization.

By adhering to the plan we already have in place, we will not be distracted by the quick-homerun tactics of an outside financial institution or by the chaos of trying to manage the customer transition from a mixed bag of hurried software company acquisitions into a single product. In short, by being able to focus on your business needs as much as our own, American HealthTech is your best bet to meet the business challenges our industry's future will certainly bring.

There's reason behind our Software. And there's reason behind our Company.

Sincerely,

*William Caldwell*

William Caldwell,  
CEO and Chairman of the Board