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REACH, CALSTAR Announce Air-Medical Services Merger
Bases in Northern and Central CA Form Largest Statewide Network

Santa Rosa, CA / June 16, 2016 - REACH Air Medical Services LLC ("REACH") and CALIFORNIA SHOCK TRAUMA AIR RESCUE ("CALSTAR"), two of the preeminent air medical ambulance providers in Northern and Central California for three decades, are entering into an agreement that will place CALSTAR within the same corporate holding company as REACH ("REACH Medical Holdings LLC").

In a joint announcement today, Sean Russell, REACH President, and Lynn Malmstrom, CALSTAR CEO, said the air medical operation of CALSTAR will become a limited liability company (LLC) as part of the terms of the agreement, and will operate under the current CALSTAR brand as CALSTAR Air Medical Services LLC. The parties intend to better serve the community through their united efforts.

The new company will be one of the three firms under REACH Medical Holdings, LLC, a holding corporation (the "Company") which is part of Air Medical Group Holdings, Inc. (AMGH), one of the largest air medical firms in the United States. Cal Ore Life Flight, which merged with REACH in 2011, also is a part of the holding company.

CALSTAR Air Medical Services LLC will continue to operate with its own unique brand and flight nurse staffing model. REACH and CALSTAR officials foresee no base closures with the goal being to focus on integration, support and maintaining the services that have made both organizations successful. No other decisions have been made related to services.

Financial terms are not being disclosed at this time. The proceeds of this transaction will go to and fund a new not for profit foundation to benefit the public. The mission and activities of this new foundation are still to be determined and will be shared at a later date as they become available.

"Our companies have been competitors for 30 years, built upon similar foundations of high quality services, patient care and loyalty to our communities, to our patients and to our members who rely upon us for safe, reliable air medical transport," Russell said.

Malmstrom said a team comprised of staff from each company will be appointed to help guide the integration process. "We want to ensure that the resources of both programs are reviewed and utilized in a manner that is reflective of the best practices from our 30 year commitments to community and patient care, to industry leading employee training and to the safe operations of one of the most modern rotor and fixed wing fleets in air medical care."



CALSTAR's current members will become members of the AirMedCare Network, extending their membership benefits with no out of pocket expenses related to transport across 32 states and more than 251 aircraft locations that are part of AMGH.

Malmstrom and two others on his senior executive team – Tad Henderson (COO) and Mark Vincenzini (CFO) – will assist with the integration, but their respective roles will cease within the next 12 months as part of the agreement. Both Russell and Malmstrom told employees today that the goal is to maintain current operations and that no other decisions affecting base locations, staffing and fleet have been made.

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Background on REACH and CALSTAR:

REACH (www.reachair.com) has been headquartered in Santa Rosa, CA, since its founding in 1987. The company, including Cal Ore, has more than 40 rotor and fixed wing aircraft at more than 30 bases in California, Oregon, Nevada, Wyoming, Montana and Colorado and has bases affiliated with hospitals in Texas, and also assists customers in ground transport programs. Combined with Cal Ore, the company has approximately 600 employees. In October 2015, REACH was named Program of the Year by the Association of Air Medical Services (AAMS), one of the air medical transport industry's highest honors. REACH also is accredited by the Commission on Accreditation of Medical Transport Services (CAMTS).

CALSTAR (www.calstar.org) was founded in 1984 with headquarters in Hayward, CA and now is headquartered in McClellan, CA. CALSTAR has approximately 225 employees, and 14 rotor and fixed wing aircraft at nine bases of operation.