

Alliance Medical is formed from assets of Conti Medical

BY ED GREEN | STAFF WRITER
egreen@bizjournals.com

Alliance Group Inc. has formed a new subsidiary to sell medical equipment after purchasing the assets of Louisville-based Conti Medical Concepts.

Michael Pitino, a partner with Alliance Group, will serve as president of a newly formed company called Alliance Medical Solutions LLC.

The company will operate from the former Conti Medical offices in Eastpoint Business Center, Pitino said.

Alliance got assets from bank

Alliance, which was a lender for Conti, acquired the Conti business assets earlier this month from New Albany-based Your Community Bank.

The bank had foreclosed on Conti's loans after Conti was unable to make debt payments that were due, according

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needed to continue operating Conti Medical Concepts, so Anthony Conti worked with the lenders to take over operations. "No bank wanted to touch us," Conti said.

to Anthony Conti, the founder and former owner of Conti Medical.

Pitino declined to say how much his company paid for the Conti assets, and officials with Your Community Bank could not be reached for comment prior to Business First's press deadline.

Company owed two entities

Conti said his former company owed about \$500,000 apiece to Your Community Bank and Alliance Group, a private-equity and business-brokerage firm owned by Pitino and partners in Louisville, Michigan and Florida.

Pitino declined to comment on details about Conti Medical's operations before his firm bought the assets.

Medicare, Medicaid charges involved

Conti said his company borrowed money from Alliance Group to help fund operations after Conti and its founders were indicted last year and that Alliance Group has been managing the business since December.

According to court records and a news release from the U.S. Attorney's office in Louisville, Conti, his wife, Victoria Conti, and Conti Medical Concepts were indicted on charges of altering Medicare and Medicaid documents.

They also were indicted on charges that they paid kickbacks to a local physician to refer patients to the company, which sells braces and other equipment for people with back and knee injuries.

Lawsuit led to struggles

Conti denied the charges but said he has been advised by his attorneys not to comment on the case until they offer a defense in court.

He said the lawsuit and the investiga-

tion by the U.S. Justice Department made it impossible to get financing needed to continue operating the business, so he worked with the lenders to take over operations.

"No bank wanted to touch us," he said, adding that the company's revenue fell from about \$4 million in 2005 to about \$2.5 million in 2006.

"When you've got the FBI going into physicians' offices, asking (doctors) if they were getting kickbacks, it kind of hurts" referrals, he said.

Company to expand in existing markets

Pitino said that because Alliance acquired the business assets from Your Community Bank, it will not have any

potential liability related to the lawsuit.

Alliance has retained most of the management and employees of Conti Medical, Pitino said.

The company has 10 employees and 17 independent sales agents in Kentucky, Indiana, Tennessee and North Carolina.

The largest portion of the company's business is in the Nashville area, Pitino said, but officials hope to boost sales in its smaller markets outside Nashville and increase overall revenue to about \$5.5 million.

"Everything was in place at Conti," Pitino said.

"Since we took over all of the assets from the bank ... our biggest goal now is to continue to expand in other markets." |

ALLIANCE MEDICAL SOLUTIONS LLC

Description: Supplier of durable medical equipment such as braces and supports for patients with back or knee injuries or pain

Headquarters: 3006 Eastpoint Parkway

Owner: Alliance Group Inc.

Top official:

Michael Pitino, president

Employees: 10 full-time and 17 independent sales representatives

Web site: www.alliancemedicalsolutions.com |



Pitino

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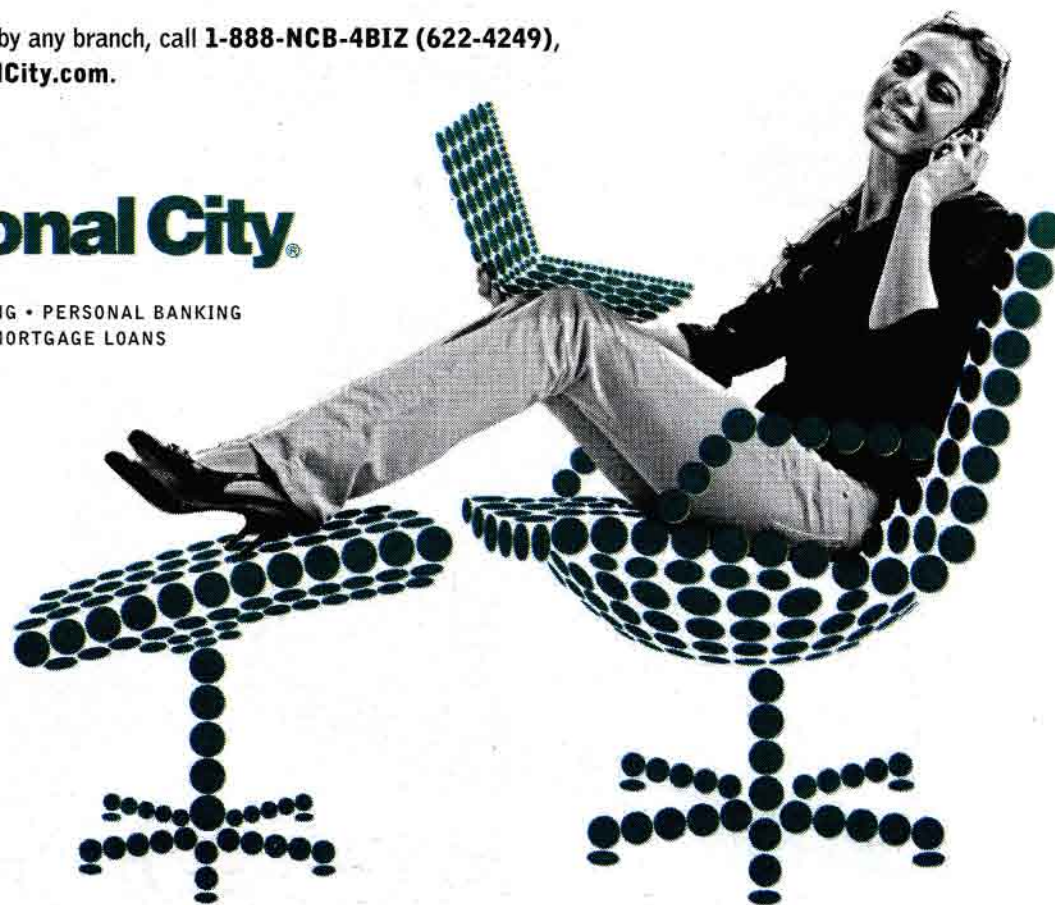
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