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FOR IMMEDIATE RELEASE**PROSPECT MEDICAL HOLDINGS JOINS RUSSELL MICROCAP INDEX**

Los Angeles, CA – July 1, 2009 – Prospect Medical Holdings, Inc. (NYSE Amex: PZZ) (“Prospect”), which owns and operates five hospitals and manages the medical care of HMO enrollees in Southern California, today announced that it has joined the Russell Microcap® Index. Prospect’s inclusion became effective upon the close of trading on Friday, June 26, 2009 following the Russell Investment Group’s annual reconstitution of these lists.

Sam Lee, Chairman and Chief Executive Officer of Prospect, commented, “Prospect’s inclusion on the Russell Microcap Index is an important corporate milestone. This ranking reflects the hard work, perseverance and dedication of our talented group of professionals, and evidences our continued organizational development and progress. We expect that being part of the Russell Microcap Index will elevate our profile among those investors who utilize the Russell indexes in making their investment decisions.”

Russell indexes are widely used by investment managers and institutional investors for index funds and as benchmarks for both passive and active investment strategies. An industry-leading \$4 trillion in assets currently are benchmarked to them. These investment tools originated from Russell’s multi-manager investment business in the early 1980s when the company saw the need for a more objective, market-driven set of benchmarks in order to evaluate outside investment managers. Total returns data for the Russell Microcap and other Russell Indexes is available at <http://www.russell.com/Indexes/performance/default.asp>.

ABOUT PROSPECT MEDICAL HOLDINGS

Prospect Medical Holdings operates five hospitals in the greater Los Angeles area and manages the medical care of approximately 183,000 individuals enrolled in HMO plans in Southern California, through a network of approximately 14,000 specialist and primary care physicians.

This press release contains forward-looking statements. Additional written or oral forward-looking statements may be made by Prospect from time to time, in filings with the Securities and Exchange Commission, or otherwise. Statements contained herein that are not historical facts are forward-looking statements. Investors are cautioned that forward-looking statements, including the statements regarding anticipated or expected results, involve risks and uncertainties which may affect the Company’s business and prospects, including those outlined in Prospect’s Form 10-K filed on December 29, 2008, as well as risks and uncertainties arising from Prospect’s acquisition of Alta and ProMed, and the debt incurred by Prospect in connection with those acquisitions. Any forward-looking statements contained in this press release represent our estimates only as of the date hereof, or as of such earlier dates as are indicated, and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

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